

## **PATEL INTEGRATED LOGISTICS LIMITED**

### **CHAIRMAN'S ADDRESS**

(To be delivered by the Chairman of the 55<sup>th</sup> Annual General Meeting to be held on 27<sup>th</sup> September 2017)

Ladies and Gentlemen,

It gives me immense pleasure to welcome you all to this 55<sup>th</sup> Annual General Meeting of your Company. On behalf of Board of Directors and my colleagues, I thank you for joining us today. Your presence is indeed a true testimony to your involvement with, and support for the Company. I convey my greetings and best wishes to you and your family for Navratri festival.

55 years is a journey that has seen its share of highs and lows as well as setbacks and comebacks. These are the testing times where we have witnessed subdued economic and business environment. It has been challenging year for your Company as moderate business environment and short and long term impact of demonetization on all the sectors of economy, had marginal impact on Performance. We did hard work and sustained our position by keeping focus on our values, operational efficiencies, innovations and customer satisfaction. I remain confident about the growth of your Company in years to come in the light of improvement in the macro-economic trends and structural changes, especially the Goods and Services Tax (GST) roll-out, which will help strengthen competitiveness and grow market share. The logistic business will also shift from unorganized players to large organized players like us. I am sure that with the fine tuning of GST tax structure and implementation the impact of GST on all the players in the market will be positive in long run.

The transport and logistics sector has demonstrated growth in the backdrop of a challenging global economic situation. The Government has a clear focus on developing highways, railways and rural road infrastructure. The allocation of funds in infrastructure is thus likely to propel the transport, warehousing and logistics businesses rapidly over the medium and long term.

Now, let me turn to the financial performance of your Company for the last financial year.

With the demonetisation effective November 8, 2016 the Company has observed short term impact on growth. The Company observed a drop in revenue in surface Transport and cargo consolidation business which impacted Net Sales/income from operations as well as profit for

the last few months. However this measure of government will be beneficial in the long term. Demonetisation compelled logistic industry to move towards much needed cash less transactions strengthening internal control and benefit in the long term.

In such a challenging scenario, your Company posted a profit after tax of Rs.7.03 cr. for the year ended March 31, 2017 as compared to Rs.8.37 cr. for the year ended March 31, 2016. Income from operations for the year ended March 31, 2017 was Rs. 458.73 cr. as compared to Rs.514.01cr. for the year ended March 31, 2016. Net Worth stood at ₹.112.55 cr. Fixed Asset base was ₹.53.75 cr. and the Basic EPS was ₹4.42 and Diluted EPS was ₹.4.18.

Ladies and Gentlemen, now I come to the dividend proposal for the year 2017. The Board of Directors decided to recommend 5% dividend for the year ended 31st March, 2017. The dividend payout for the year under review has been recommended after carefully considered various factors like Cash Flows, cost of servicing dividend, Company's long term objectives of growth and conservation of resources for diversification. I would eagerly look for your support to ensure that Company will achieves more than what is expected and pay higher dividend in years to come.

Now let me share with you current focuss of your Company for the year ahead.

We remain confident that we shall achieve the objectives we have set for ourselves. Your Company has been growing with its wide distribution network in India with its current 500+ branches covering PAN India locations. The implementation of GST will boost the demand for warehousing. Your Company has strategic plans for our express business and warehousing divisions to make our organization diversified and profitable venture in the years to come.

Your Company has already acquired land of 2.20 acres for Warehouse at Bangalore on very long term lease of 99 years from Karnataka Industrial Areas Development Board. The construction plans are approved by the authorities and the construction of warehouse will begin very soon. Your Company also signed Letter of Intent with M/s Sumar Logistics & Industrial Park to acquire warehouse of 35,000 sq.ft. carpet area in Gujarat on 30 year lease basis. We are also initiating MOU for acquisition of land for warehouse in Chennai.

The Company also looking to expand Warehousing at Hyderabad, NCR Region and other strategic locations in India in the coming years.

I would like to add that consistent performance and focus at all levels can only help an organization to reach newer advantage. With our core brand values and integrated services comprising of surface Transport, Express Delivery, Warehousing, Air Cargo Consolidation, e-com logistics, I am positive that your Company will maintain its market leadership and play an important role in growth of service sector of Indian economy

To conclude, I wish to convey my thanks to all of you, for your continued support. I specifically wish to complement the employees of your Company for their commitment, hard work and excellent performance. I thank our Stake Holders, Customers, Associates, Bankers and Fixed Deposit Holders and look forward to their continued support as we embark on another rewarding year.

Ladies and Gentlemen, I once again thank you for your presence here today and your keen wholehearted interest in the Company.

We look forward to your continued support and participation in the growth of your Company.

\*\*\*\*\*