

PATEL INTEGRATED LOGISTICS LIMITED

CHAIRMAN'S ADDRESS

(Delivered by the Chairman of the 54th Annual General Meeting held on 28th September 2016)

Ladies and Gentlemen,

It gives me immense pleasure to welcome you all to this **54th Annual General Meeting** of your Company. On behalf of Board of Directors and my colleagues, I thank you all for making it convenient to attend this meeting.

Your Company has withstood the test of times for more than five decades now and it will continue to do so. The fascinating journey of 54 years is all about setting ambitious goals, taking on difficult challenges and surpassing milestones and the year 2015-16 is of no exception to that with profitability touching to its new height and number of shareholders has grown from 14,000 to 20,000 in last two years that shows confidence on the fundamentals of the Company amongst the investors.

The global economic scenario remained weak during the year under review. Although India has emerged as one of the fastest growing major economies in the world, its growth was muted and uneven on account of various factors like policy reform setbacks, insufficient rainfall, stress in the Indian banking sector and lack of private sector investments. This in turn affected the growth and profitability of companies across sectors. The FY 2015-16 was a year of mixture of opportunities as well as challenges for the logistics industry. The B2B logistics business remained subdued in terms of volume growth and due to pricing pressure on account of sustained drop in fuel prices that followed the diesel price deregulation. On the other hand B2C sector offered significant growth opportunities for the logistics industry. In such circumstances, your company has done well by negotiating many challenges, and grabbing the available opportunities.

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

- Revenue from operations decreased by 13.03% to ₹.511.36 cr.
- EBITDA increased by 9.47% to ₹.21.72 cr.
- Profit before Tax increased by 38.47% to ₹.11.07 cr.

- Net Profit after Tax increased by 39.80% to ₹.8.37 cr.
- Net Worth stood at ₹.102.77 cr. Fixed Asset base was ₹.40.28 cr. and the Basic EPS was ₹5.46

During the financial year under review, Co-loading and cargo consolidation division contributed 66% of the revenue and maintained its steady performance during the year. The freight division contributed to 34% of the revenue, where Retail business has achieved best results. Various internal cost reduction measures and effective management of Truck hire and improvement in maintenance systems leads to better performance during the year. Your Company has already posted good results in the first quarter of the year 2016-17 and is expected to continue with the same in the coming year.

Ladies and Gentlemen, now I come to the dividend proposal for the year 2016. The Board of Directors decided to recommend 5% dividend for the year ended 31st March, 2016. 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 and short 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.

After the much anticipated passage of GST Bill in this financial year, it has opened huge opportunity for logistics sector. Your Company is looking to undertake various measures which include development of existing business activities like upgrading the existing & acquiring additional Super Express Hubs in Strategic Locations for our surface business, Express Trucking for the major corridors, invest in its warehousing operations and has zeroed on to the specific regions, for which the Company is planning to raise funds through various means viz. Preferential issue of equity, Warrants, Right Issue or various other options which the Company will find suitable.

The present pan India network and market share of your Company is best suited for *B2C* play. In the current year we have taken major steps in setting up our foray into e-commerce related services in B2B & B2C deliveries through a proposed joint venture named

DELIVREX INDIA LIMITED with a Fetchr group, a leading company based in Middle East which will bring cutting edge technology and equity to the project.

This is not possible without infusion of capital. We have been fortunate enough to find such like minded investor who have shown faith in the endeavours of the management and in the growth prospects of the Company. During the year, Frontline Strategy Limited, one of the Private Equity Investor, rose to our call and provided the much needed capital for our plans. It already infused ₹ 10.72 crores by way of subscribing Equity Shares and Equity Warrants. We whole-heartedly welcome Frontline amongst our fraternity of shareholders.

The Company has more than 54 years of legacy and experience in the transportation and logistics sector, in India. To take this advantage, your Company is entered into joint venture with Pivot Logistics LLC a company duly incorporated under the laws of the Kingdom of Saudi Arabia to set up a logistic business and manage the end-to-end operations of business. The joint venture brings on board the legacy of two top entrepreneurs in the two countries. These all affords will ultimately result in maximisation of the wealth of the shareholders of the Company.

In summary, we have an exciting future ahead. The improving macro-economic situation in the country, recent policy initiatives and the regulatory changes being pursued by the government, all point towards a great year ahead. The future holds immense opportunities and we are fully geared, to deliver on our commitments to various stakeholders.

During the year, Mr. Vilas Unavane new director joined the Board. He is accomplished in his field of expertise, and I have no doubt that his experience and insight will bring tremendous value to your company. His profile is already given in the Notice of this Annual General Meeting and his appointment is subject to approval of shareholders in this Annual General Meeting.

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.
