



PATEL INTEGRATED LOGISTICS LIMITED

CHAIRMAN'S ADDRESS

62ND ANNUAL GENERAL MEETING HELD ON 20TH AUGUST, 2024

Ladies and Gentlemen,

I warmly welcome you all to this 62nd Annual General Meeting of your Company on behalf of the Board of Directors, the Management and the Employees.

I would like to thank you for sparing the time to join us today from wherever you are, and for your continued faith in our Company. I hope you and your family members are healthy and staying safe. On behalf of the Board of Directors and my colleagues, I thank you for joining us today.

The global economy has experienced numerous challenges in the form of unabating conflict between Russia and Ukraine and the war between Israel and Gaza. This seeded the possibility of sustained disruptions to regional trade in food, energy and other commodities while, the slowdown in the Chinese economy posed a risk to the pace of overall global economic activity. However, India has risen to be the fifth largest economy, with the International Monetary Fund (IMF) indicating that it will continue to grow faster than China. As the second largest economy, the Chinese mainland struggles with the collapse of its real estate market, low consumer and business confidence, and rising trade tensions with other major countries.

In India, growth of 6.7 % per year, on average, is projected for the three fiscal years beginning in FY 2024/25. Strong growth in India is supported by robust domestic demand and growth in the manufacturing and service sectors.

The Company's Air cargo business performed satisfactorily during the year 2023-24. Though we have experienced numerous challenges due to slowdown of the pace of overall global economic activity, we are taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. We are also expecting the economic activities to revive and gain momentum. The future outlook of the business is highly dynamic.

Financials:

Now, let me turn to the financial performance of your Company for the last financial year. Your Company posted a Profit After Tax of Rs.5.54 Cr for the year ended 31st March, 2024 as compared to Rs.4.89 Cr for the year ended 31st March 2023. Income from operations for the year ended 31st March 2024 was Rs. 290.55 Cr. as compared to Rs. 278.28 Cr. for the year ended 31st March 2023. The EBITA was Rs 9.10 Cr. for the year ended 31st March 2024 as compared to Rs.10.33 Cr. for the year ended 31st



March 2023. Net Worth for the year stood at Rs.119.32 Cr. Basic and Diluted EPS was Rs. 0.86 and 0.86 respectively.

The future operations of the Company largely depend upon the dynamics of the air cargo business with new entrants in the airlines and **warehousing operations where company is planning to expand its existing capacity.**

Highlights:

- The Air Cargo industry counted 85.3 billion CTKs year-to-date (YTD) in April, denoting a 12.7% increase compared to 2023 and 1.4% relative to the 2022 value.
- India's aviation sector is set for substantial investment from 2021 to 2025, with the Airports Authority of India and private operators jointly committing USD 11 billion.
- Government initiatives like infrastructure improvements, digital transformation projects (e.g. Digital India, Bharat Net), and the establishment of logistics parks and warehouses are enhancing connectivity and storage capacities, particularly bolstered by the growth of e-commerce.
- India's Air Freight market is estimated to be at approximately USD 12.41 Billion this year and is expected to reach around 16.37 Billion by the year 2027, growing at a CAGR of 5.7%.
- Logistics start-ups in India gained a substantial foothold after the onset of e-Commerce. Online platforms have increased competition and lowered freight costs with real-time data availability and a transparent value chain. This will help the air cargo service providers to innovate and adapt to the transforming logistics landscape and increase the volumes.
- The Regional Connectivity Scheme aims to develop smaller, underserved, and remote airports, adding 600 regional routes to connect 156 airports by 2024, including the establishment of 100 new airports, predominantly funded by public-private partnerships
- Additional passenger aircrafts are increasing day by day giving additional belly capacity for air cargo.
- The logistics industry, which accounts for 14.4% of India's GDP, is transitioning from basic transportation and storage to comprehensive end-to-end planning, value-added services, predictive analytics, and technology-driven solutions like transportation and warehouse management systems (TMS, WMS).
- High degree of urbanization will help in expanding our customer database.
- Our country's Gati Shakti, Sagarmala, PLI Scheme, and the National Asset Monetisation policy are all poised to aid & augment the logistics industry.
- With the Government's focus on 'Make in India' the Indian Warehouse market is on a trajectory for huge demand.



The Company continues to be concerned about reducing its operational cost and receivables as per the industrial standards. Your Company has been approaching the current situation with cautious optimism and with a growth outlook. With the positive turnaround in the Indian economy, your Company is expected to post better results in the immediate foreseeable future. Presently, the Company is focused and engaged in Air Cargo Consolidation business under the division Patel Airfreight which offers transportation of high-density cargo by air and surface within India as well as internationally. In the **warehousing operations we are planning to expand its existing capacity**. With branches across the country, our warehousing operations offer specialised services. Additionally, it also offers import consolidation services.

Ladies and Gentlemen, now I come to the dividend proposal for the year 2024. The Board of Directors decided to recommend a 1% dividend for the year ended 31st March 2024. The dividend payout for the year under review has been recommended after carefully considering various factors like Cash Flows, Cost of servicing dividends, Company's long term objectives of growth, and conservation of resources for diversification. I eagerly look for your continued support to ensure that Company will achieve more than what is expected and pay higher dividends in years to come.

All your Directors are accomplished in their respective fields of expertise and I strongly believe their experience and insight will bring value to your company as a team.

During the current year the Company is also coming up a Right Issue of up to Rs 10 crores to existing shareholders to comply with SEBI (ICDR) Regulation, 2018 , SEBI (LODR) Regulation, 2015 and directions of Stock Exchange for Issue of equity shares / Reissue of Forfeited shares

In conclusion, I wish to place on record my deep sense of gratitude to my colleagues on the Board for their counsel and support. I am thankful to the Chairman Emeritus Mr. Asgar Patel, the insights of whom I deeply value. I would also like to appreciate all the employees for their continuous efforts and commitment towards the growth of the company and the management team for their continuous guidance. And last, but most certainly not least, I would like to express my gratitude to you, our loyal shareholders for your continued support and for reposing your trust in us.

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