

PILL:SEC:NBA:16-17/42

September 30, 2016

To  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai – 400 001.  
SCRIP CODE: 526381

To  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra-Kurla Complex,  
Bandra (East),  
Mumbai – 400 051.  
PATINTLOG

Dear Sirs,


Sub. : Disclosure under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

Please find attached the Annual Report of the Company for the financial year 2015-16. The same was approved and adopted at the 54<sup>th</sup> Annual General Meeting of the members of the Company held on Wednesday 28<sup>th</sup> September 2016.

Kindly take the same on record.

Yours' faithfully,  
For PATEL INTEGRATED LOGISTICS LIMITED

  
(NITIN B. AKOLKAR)  
COMPANY SECRETARY



Encl.: as above.

CC with enclosures to:

- (a) Ahmedabad Stock Exchange Ltd.
- (b) The Calcutta Stock Exchange Association Ltd.



**PATEL**  
*INTEGRATED LOGISTICS LTD*

ANY DESTINATION



DIFFERENT ROUTES



MULTIPLE MODES



LAST MILE DELIVERY



**54<sup>th</sup>** ANNUAL REPORT  
2015 - 2016

LEADING INTEGRATED  
LOGISTICS SOLUTIONS PROVIDER

## Board of Directors



**ASGAR S. PATEL**  
Chairman



**AREEF A. PATEL**  
Executive Vice Chairman

**P.S.G. NAIR**  
Director



**SYED K. HUSAIN**  
Director



**SANDEEP P. PARIKH**  
Director



**FARUKH S. WADIA**  
Director

**BHUMIKA L. BATRA**  
Director



**VILAS P. UNAVANE**  
Director



**BOARD OF DIRECTORS**

Asgar S. Patel	Chairman
Areef A. Patel	Executive Vice-Chairman
P. S. G. Nair	Director
Syed K. Husain	Director
Sandeep P. Parikh	Director
Farukh S. Wadia	Director
Bhumika L. Batra	Director
Vilas P. Unavane	Director

**CHIEF FINANCIAL OFFICER**

Maresh Fogla

**COMPANY SECRETARY**

Nitin B. Akolkar

**AUDITORS**

MSP & Co. Mumbai

**LEGAL ADVISORS**

Crawford Bayley & Co. Mumbai

**BANKERS**

HDFC Bank  
Karur Vysya Bank  
DBS Bank

**REGISTERED OFFICE**

'Patel House', 5<sup>th</sup> Floor,  
Plot no. 48, Gazdarbandh,  
North Avenue Road,  
Santacruz (West),  
Mumbai – 400 054.

**CORPORATE OFFICE**

'Natasha',  
52 Hill Road,  
Bandra (West),  
Mumbai – 400 050.

**SHARE TRANSFER AGENTS**

Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai-400072.

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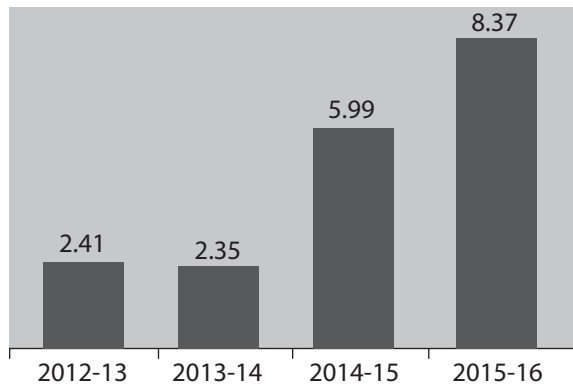
**54<sup>th</sup> Annual General Meeting**

Wednesday, the 28<sup>th</sup> day of September 2016, at 11.00 a.m. at Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai – 400 049.

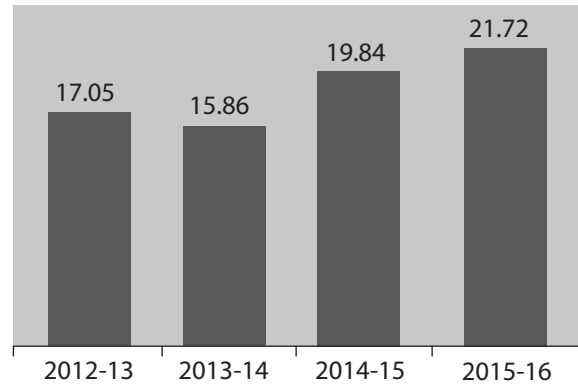
*Members are requested to bring their copy of the Annual Report to the Annual General Meeting.*

## Financial Overview

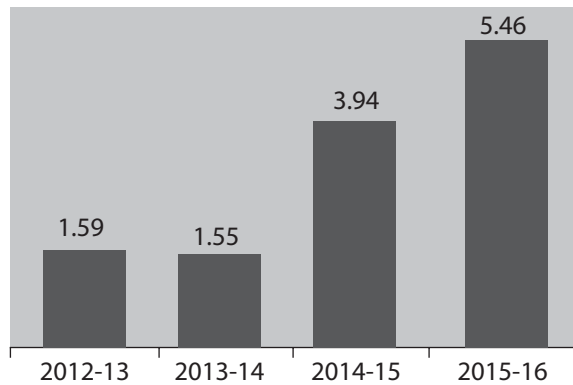
**Net Profit (in crore)**



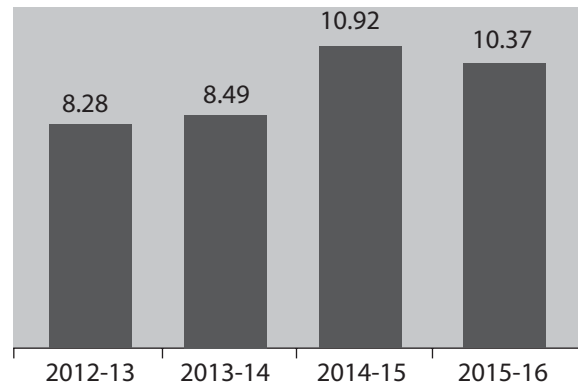
**EBITDA (in crore)**



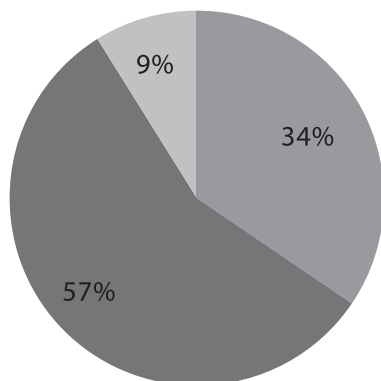
**Earning per Share (in ₹)**



**ROCE (in %)**



## Revenue Distribution



- Freight
- Co Loading & Cargo Income
- Commission

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## OUR VISION

To be a leader in domestic logistics through excellence in delivery.

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## OUR MISSION

To create benchmarks of quality, consistency and commitment in the integrated logistics business across the nation. To create better value for clients and for us through ingenuity supported by knowledge, expertise, technology and imagination. Nurture long term relationships with all stakeholders through growth, trust and by delivering on promises.

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## OUR VALUES

Customer Oriented Approach  
Learning and Development  
Employee Satisfaction  
Team Spirit  
Respecting the Environment and Society  
Reliability, Honesty and Ethics  
Taking Responsibility

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## OUR QUALITY POLICY

At Patel Integrated Logistics, we believe in meeting the needs and expectations of our esteemed customers. We shall achieve this with the help of a motivated and proactive family of employees committed towards innovation and continual improvement.

We strive for 'excellence' by providing customized solutions, products & services that best satisfies the requirements of our Customers and continuously improve quality, reliability & service with the help of an effective Quality Management System, encompassing all statutory, regulatory, health, safety & environment requirements at our work place.

We shall implement a quality system to ensure consistent service quality with efficient utilization of all resources.

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## NOTICE

NOTICE is hereby given that the 54<sup>th</sup> Annual General Meeting of the members of PATEL INTEGRATED LOGISTICS LIMITED will be held at the Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai - 400 049, on Wednesday the 28<sup>th</sup> day of September 2016 at 11.00 a.m., to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2016 and the Statement of Profit and Loss Account & Cash Flow Statement for the year ended 31<sup>st</sup> March 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on the Equity Shares for the financial year ended 31<sup>st</sup> March 2016.
3. To appoint a Director in place of Mr. Asgar S. Patel (DIN: 00164823), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 the appointment of the statutory auditors of company M/s MSP & Co (Firm Registration No. 107565W), Chartered Accountants, be and is hereby ratified by the members of the company for the financial year 2016-2017 at such remuneration as may be determined by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

5. **Appointment of Mr. Vilas Unavane as an Independent Director of the Company:**

To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, Mr. Vilas Unavane (DIN: 02929561), a non-executive Director of the Company, who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 59<sup>th</sup> Annual General Meeting of the Company in the calendar year 2021 and not liable to retire by rotation.”

6. **Adoption of new set of Articles of Association of the Company in accordance with the provisions of the Companies Act 2013:**

To consider and if thought fit to pass the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, as may be amended, from time to time, the draft set of Articles of Association of the Company, a copy of which is placed before the meeting, be and is hereby approved and adopted as the new Articles of Association of the Company, in substitution of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

7. **Service of documents to members on request:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such member for delivery of such document to him through such mode of service provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** In order to be effective proxies must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person shall not act as a proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid.
3. Members may please bring the Attendance Slip duly filled in and hand over the same at the entrance to the Meeting Hall.
4. Corporate Members / FIs / Financial Institutions intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board resolution / such other documents authorizing their representatives to attend and vote at the Annual General Meeting well in advance.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2016 to 28<sup>th</sup> September 2016 (both days inclusive).
6. Members seeking any information with regards to annual accounts are requested to write to the Company in advance so as to enable the management to keep the information ready.
7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is enclosed herewith. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public Holidays upto the date of the AGM.
8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividends, upto 2007-08 to the Investor Education and Protection Fund (the Fund) established by the Central Government. No claim shall lay against the Company or the Fund in respect of amounts so transferred.  
  
Unclaimed dividend for the financial year ended 31<sup>st</sup> March 2009 will be due for transfer to the Fund on 26<sup>th</sup> October 2016. Members should write to the Company or its Share Transfer Agent, if their dividend warrants for the year ended 31<sup>st</sup> March 2009, or any subsequent financial year(s), have not been encashed. In respect of dividend for the financial year ended 31<sup>st</sup> March 2009, it will not be possible to entertain any claim received after 26<sup>th</sup> October 2016.
9. Members are requested to send their Bank Account details to the Share Transfer Agents of the Company at 'Bigshare Services Private Limited', E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai-400072. This is to avoid the fraudulent encashment of dividend warrants.
10. The Company provides National Electronic Clearing Service (NECS) facility for the payment of dividend. Accordingly, shareholders holding equity shares in physical form are requested to send National Electronic Clearing Service (NECS) mandates, if any, to the Share Transfer Agents of the Company at 'Bigshare Services Private Limited', E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai-400072.  
  
Shareholders holding equity shares of the Company in the dematerialized form shall intimate to their respective Depository Participants about the NECS mandates.
11. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 54<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes. However, those members who desire to have a physical copy may request for the same. For members who have not registered their e-mail address, physical copies of the Annual Report are being sent in the permitted mode.
12. The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail IDs in writing to the Share Transfer Agents of the Company at 'Bigshare Services Private Limited', E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai-400072.



13. The Annual Report 2015-16 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.patel-india.com](http://www.patel-india.com)

**14. Voting through electronic means:**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, the Company is pleased to provide members facility to exercise their right to vote at the 54<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).
2. The Company has appointed Dinesh Kumar Deora, Practising Company Secretary (FCS No. 5683 CP No. 4119), as the Scrutiniser to the e-voting process, (including voting through Ballot Form received from the members) in a fair and transparent manner.
3. **The instructions for members for voting electronically are as under:-**

The voting period begins on 25<sup>th</sup> September 2016 at 9.00 a.m. IST and ends on 27<sup>th</sup> September 2016 at 5.00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 21<sup>st</sup> September 2016 the cut-off date (record date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Notice of AGM of the Company can be downloaded from [www.cdslindia.com](http://www.cdslindia.com) and [www.patel-india.com](http://www.patel-india.com)

**A. In case of members receiving e-mail (for Members whose e-mail addresses are registered with the Company / Depositories):**

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on "Shareholders" tab.
- iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the address label/ sticker affixed on the Annual Report) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (x) Click on the EVSN for the PATEL INTEGRATED LOGISTICS LIMITED.
  - (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Window phone users can download the app from the App Store and the Windows phone Store respectively. Please allow the instructions as prompted by the mobile app while voting on your mobile.
  - (xviii) Note for Non-individual Shareholders and Custodians:
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
    - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**B. In case of members receiving the physical copy:**

Please follow all steps from sl.no. (i) to (xviii) above to cast vote.

**C. Other instructions:**

- i. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- ii. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on 21<sup>st</sup> September 2016.
- iii. The facility of ballot/polling paper for voting shall also be made available at the meeting and Members attending the meeting who have not already cast their vote through e-voting shall be able to exercise their right to vote at the meeting.
- iv. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.patel-india.com](http://www.patel-india.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within 2 days of the passing of the Resolutions at the AGM of the Company and communicated to the Stock Exchanges where the shares of the Company are listed.
- vi. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on cut-off date i.e. 21<sup>st</sup> September 2016 may follow the same procedure as mentioned above for e-voting.
- vii. Any person who is not a member of the Company as on cut-off date i.e. 21<sup>st</sup> September 2016, should treat this Notice for information purposes only.

**INFORMATION / PROFILE ABOUT DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ANNUAL GENERAL MEETING:**

Particulars	Mr. Asgar Patel	Mr. Vilas Unavane
Director Identification Number	00164823	02929561
Age	77 years	56 years
Qualifications	B.A	B.Com (Hons), ACS, LLB, AICWAI
Expertise	One of the pioneers of the organized transportation of goods in India with vast experience in the field of Logistics, finance, forex, and Construction.	Has more than 37 years of rich experience in the field of Treasury Management, Commercial Banking, Corporate Legal, Risk Management, Audit, Secretarial, and has handled various assignments in Green Field Projects, Revival, Business assessment, equity placement, JV and, ERP.
Particulars of Appointment / Re-Appointment	Non Executive Chairman of the Company since its inception, retires by rotation at the ensuing Annual General Meeting. It is proposed to re-appoint Mr. Asgar Patel as the Director of the Company.	The Board of Directors of the Company has appointed Mr. Unavane as an Additional Director of the Company with effect from 09 <sup>th</sup> February 2016. The Company has received from one of the shareholders of the Company, a notice of candidature of Mr. Unavane for the office of Director of the Company u/s 160 of the Companies Act 2013. It is proposed to appoint Mr. Vilas Unavane as the Independent Director of the Company.
No. of shares held in the Company	10,65,879	Nil
Other Directorships as on 31 <sup>st</sup> March 2016	<ul style="list-style-type: none"> <li>Patel Holdings Limited</li> </ul>	<ul style="list-style-type: none"> <li>The Social Loan Company Pvt. Ltd.</li> <li>Total Credit Management (India) Pvt. Ltd.</li> <li>Unified Credit Solutions Pvt. Ltd.</li> <li>Novo Technology and Trading Pvt. Ltd.</li> <li>Unified Credit Solutions Services Pvt. Ltd.</li> </ul>
Chairmanship(s) / Membership(s) of Committees as on 31 <sup>st</sup> March 2016	Nil	Nil
Inter-se relationships between Directors	Father of Mr. Areef A. Patel	Nil

**Registered Office:**

Patel House, 5th Floor,  
Plot No.48, Gazdarbandh,  
North Avenue Road,  
Santacruz (west),  
Mumbai-400 054.

Mumbai, 9<sup>th</sup> August 2016

By order of the Board,

(Nitin B. Akolkar)  
Company Secretary

## Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos.5 to 7 of the accompanying Notice.

### Item no. 5:

The Board of Directors of the Company at their meeting held on 09<sup>th</sup> February 2016 appointed Mr. Vilas Unavane (DIN: 02929561), as Additional Director in terms of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 to hold office up to the date of the ensuing Annual General Meeting (AGM) of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Vilas Unavane for the office of Director of the Company.

His profile / information is given separately in the Notice. The Board of Directors is confident that with Mr. Unavane's experience and expertise, the Company would greatly benefit from his appointment.

Mr. Vilas Unavane is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The Resolution seeks the approval of members for the appointment of Mr. Vilas Unavane as Independent Director of the Company for a term of 5 consecutive years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He is not liable to retire by rotation.

Except Mr. Vilas Unavane and his relatives, no other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the proposed Ordinary Resolution as set out at Item No. 5 of the Notice, except to the extent of their shareholding, if any, in the Company.

The Board recommends this Ordinary Resolution for the approval of the members.

### Item no. 6:

The existing Articles of Association are based on the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956.

With the coming into force of the Companies Act, 2013, several regulations of the existing Articles of Association of the Company require alteration or deletions in several articles. It is considered expedient to wholly replace the existing Articles of Association by a new set of Articles. The new set of Articles of Association to be substituted in place of the existing Articles of Association is based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

Consent of the shareholders is required for adoption of new set of Articles of Association. Board recommends passing of the resolution as Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Your Directors recommend the special resolution set out at item no. 6 for the approval of the members.

### Item no. 7:

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 9<sup>th</sup> August 2016 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Your Directors recommend the ordinary resolution set out at item no. 7 for the approval of the members.

### Registered Office:

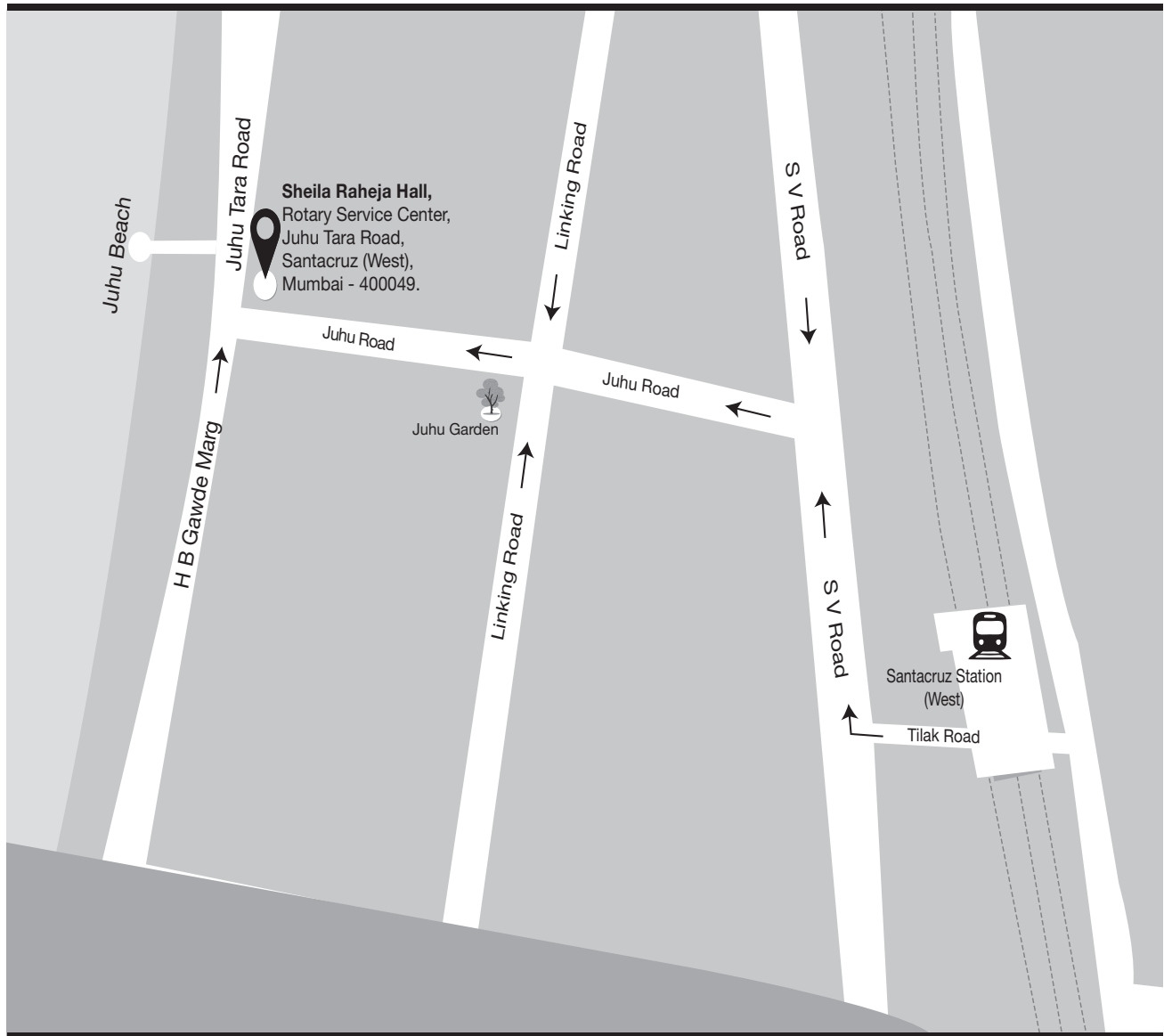
Patel House, 5th Floor,  
Plot No.48, Gazdarbandh,  
North Avenue Road,  
Santacruz (west),  
Mumbai-400 054.

Mumbai, 9<sup>th</sup> August 2016

By order of the Board,

(Nitin B. Akolkar)  
Company Secretary

## Route Map to the Venue of the AGM



**Sheila Raheja Hall,**  
Rotary Service Center,  
Juhu Tara Road, Santacruz (West),  
Mumbai - 400 049.

## DIRECTORS' REPORT

To,

The Members of

Patel Integrated Logistics Limited.

Your Directors have pleasure in presenting their 54<sup>th</sup> Annual Report for the year ended 31<sup>st</sup> March 2016.

### FINANCIAL RESULTS:

The financial results are as under:

	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
	(₹ in lakhs)	
Profit before Interest, Depreciation & Tax	2437.03	2151.82
Less : Interest	902.22	901.25
Profit before Depreciation	1534.81	1250.57
Less : Depreciation	428.12	451.34
Profit before tax	1106.69	799.23
Less : Provision for tax	326.00	242.00
Less : Deferred Tax	(42.97)	(41.32)
Less : ( Excess ) / Short Provision of Income Tax for earlier years	(13.76)	(0.44)
Profit after tax	837.42	598.99
Add : Balance of Profit from previous year	335.67	478.66
<b>TOTAL ...</b>	<b>1173.09</b>	<b>1077.65</b>
<b>APPROPRIATIONS:</b>		
Equity Dividend	76.68	75.93
Tax on Dividend	15.61	15.46
Transfer to General Reserve	200.00	200.00
Transfer to Contingency Reserve	250.00	120.00
Additional Depreciation on Fixed Assets ( Net of Deferred Tax Assets)	--	330.59
Balance carried to Balance Sheet	630.80	335.67
<b>TOTAL ...</b>	<b>1173.09</b>	<b>1077.65</b>

### FINANCIAL PERFORMANCE REVIEW:

The highlights of Company's performance are as under:

- 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 and Diluted EPS (after considering conversion of warrants) was ₹ 4.98.

The financial year 2015-16 has been a successful year for the Company in terms of financial performance of the Company during the year. Although the volume of sales was decreased during the year, the lower input cost and cost reduction measures leads to better performance during the year.

The reduction in the revenue from operation is due to reduction in loads from the customer as your Company is looking at weeding out its small unprofitable customers and is focusing on to quality customers and realization of debts within contracted period. The effective management of truck hire on major routes also benefitted to the Company. In our surface transport business the Retail business has achieved best results.

There is no change in the nature of business during the year under review.



## **DIVIDEND:**

For the year under consideration, the Board of Directors recommended a dividend of ₹ 0.5/- per share i.e. 5% on the equity share capital of the Company for the financial year ended March 31, 2016. The dividend payout is subject to approval of members at the ensuing Annual General Meeting. The dividend payout for the year under review has been formulated after consideration of Company's long term objectives of growth and also for conservation of resources for diversification. The dividend payout on 7,00,000 equity shares allotted on preferential basis during the year 2015-16 is considered on pro-rata basis, from the date of allotment i.e. 14<sup>th</sup> January 2016.

## **FUTURE OUTLOOK:**

Riding on the back of a GDP growth, globalization, FDI in logistics, growth in e-commerce, and increasing government support, the logistics sector is set to make an indelible impression in the years to come. It's like the commencement of a new age for the Indian logistics sector which is drawing more investment, creating more employment and also contributing significantly to the growth of Indian economy. With fast evolving regulatory policies, mammoth infrastructure projects have driven the Indian logistics market. Today there is alarming need in this business for an integrated logistic player to manage the deliveries effectively. The implementation of GST will also lead to positive impact on transportation and warehousing industry in India.

Your Company is poised to take advantage of this situation to continue to give its best to its customers. We are trying to match steps with our rapidly growing economy with the goal to establish ourselves as a major player in the area of our business. 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, acquiring our own godown for our warehousing business, additional warehouses in other locations in North and South. We also strengthening our sales team to increase penetration in to our Patel Retail segment which has high margin business.

The present pan India network and market share of your Company is best suited for B2C play. Your Company is getting into the B2C e-commerce delivery business through its subsidiary company and proposed joint venture in nearly 25-50 cities as part of its 1<sup>st</sup> Phase in the coming year.

## **FINANCE:**

### **A) Preferential issue of Equity Shares and Equity Warrants:**

Pursuant to the consent granted by members at their Extra Ordinary General Meeting held on 28<sup>th</sup> December 2015, the Board of Directors, at their meeting held on 14<sup>th</sup> January, 2016, allotted to Frontline Strategy Limited, strategic investor which is an incorporated non resident entity incorporated and registered in Mauritius having its office at C/o Cim Fund Services Limited, 33 Edith Cavell Street, Port Louis, Mauritius, 7,00,000 fresh Equity Shares of ₹10/- each at a premium of ₹105/- per Equity Share aggregating to ₹ 8,05,00,000/- and 9,29,000 Equity Warrants of ₹10/- each at a premium of ₹105/- per Equity Warrant aggregating to ₹ 10,68,35,000/-. Consequent upon the fresh issue of Equity Shares, the paid-up share capital of the Company has increased from ₹ 1518.66 lacs to ₹ 1588.66 lacs. The issue of fresh Equity Shares and Equity Warrants has not resulted in to any change in the composition of Board of Directors, Management or Control of the Company.

The aforesaid fresh Equity Shares rank pari-passu with existing Equity Shares with respect to the voting rights and dividend entitlement except dividend if any declared for the financial year 2015-16 which will be paid on pro-rata basis from the date of allotment.

The holders of Equity Warrants have an option to apply for and obtain one Equity Share for each Equity Warrant allotted to them on 14<sup>th</sup> January, 2016. The option is exercisable within a period of 18 months from the date of allotment of Equity Warrants. However, till the date of this Report, the holders of the Equity Warrants have not exercised the option granted to them.

The Board of Directors take this opportunity to thank Frontline Strategy Limited who have shown confidence in the endeavours of the management and invested in the future of the Company.

The entire proceeds of preferential allotment is remained unutilized in the current account of the Company as on 31<sup>st</sup> March 2016 as the project is expected to start its operations in the current year.

### **B) Bank Finance:**

The Company enjoys fund based and non fund based credit facilities from the Banks to meet its working capital requirements. The Company also enjoys a credit line for buying the trucks on deferred payment guarantee basis. The Company is regular in payments of installments and there are no over dues as on the date of reporting.

**C) Fixed Deposits:**

The Company is accepting unsecured fixed deposits from the public in accordance with the requirements prescribed under Chapter V of the Companies Act 2013 and Companies (Acceptance of Deposits) Rules, 2014.

Accordingly, Fixed Deposits accepted by the Company stood at ₹ 1467.42 lacs as on 31<sup>st</sup> March 2016. There were no unpaid or overdue deposits as on 31<sup>st</sup> March 2016, other than unclaimed Deposits and interest accrued thereon aggregating ₹13.98 lacs. There has been no default in repayment of deposits or payment of interest thereon during the year under consideration. The Company has not accepted any deposits which are not in compliance with the requirement of Chapter V of the Companies Act, 2013.

The Companies (Acceptance of Deposits) Amendment Rules, 2016 dated 29<sup>th</sup> June 2016 allowed Companies to accept deposits without deposit insurance contract till 31<sup>st</sup> March 2017 or till the availability of a deposit insurance product, whichever is earlier.

**D) Credit Rating:**

Credit Analysis & Research Ltd (CARE), has assigned credit rating CARE BBB [moderate degree of safety] for Company's fund based borrowings & finance lease and CARE A3+ [moderate degree of safety] rating for its non fund based borrowings from the banks.

India Ratings & Research Private Ltd (India Ratings), a Fitch group Company has upgraded credit rating for Company's fund based borrowings & finance lease to 'IND BBB' [outlook positive] from IND BBB- (outlook stable) and rating for its non fund based borrowings from the banks upgraded to 'IND A3+' [outlook positive] from IND A3 (outlook stable).

India Ratings has also assigned credit rating 'IND tA-' (positive) for its Fixed Deposit Programme.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to the Financial Statements.

**TRANSFER TO RESERVES:**

Your Company has transferred ₹ 2.00 crore to the general reserve and ₹ 2.50 crore to contingency reserve. An amount of ₹ 6.31 crore is carried forward in Profit and Loss.

**CORPORATE SOCIAL RESPONSIBILITY:**

The CSR expenditure incurred by your Company during the financial year 2015-16 was ₹ 9.98 lacs against the statutory requirement of ₹ 9.96 lacs i.e. 2% of the average profit before tax for the last three financial years and also already committed additional ₹ 16.70 lacs during the current financial year. The CSR initiatives of your Company were under the identified thrust areas as provided under the CSR Policy of the Company. Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March, 2016, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as **Annexure [I]**.

**RISK MANAGEMENT:**

The requirement of Risk Management Committee under Regulation 21 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 is not applicable to the Company as the same is applicable to top 100 listed entities.

However the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

There are no risks which in the opinion of the operating management threaten the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

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#### **AUDIT COMMITTEE:**

The Company has Audit Committee of Board of Directors constituted in accordance with section 177 of the Companies Act, 2013. The details of the Audit Committee are explained in the Corporate Governance Report.

#### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company is constantly thinking about improvement in internal financial controls.

The Internal Audit Department monitors and evaluates operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, the Audit Committee/ Board initiate corrective action in respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015. The policy deals with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

#### **SUBSIDIARY, ASSOCIATES AND JOINT VENTURE:**

The Company does not have any Subsidiary or Associate or Joint Venture Company as on 31<sup>st</sup> March 2016. Therefore separate section for report on the performance and financial position of subsidiaries, associates and joint venture companies is not required to present.

The Company has formed 'Delivrex India Limited' as its subsidiary company on 3<sup>rd</sup> May 2016 which will carry specific business of logistic services of e-commerce related delivery of online products. Further 'Delivrex India Limited' has become wholly owned subsidiary w.e.f. 14<sup>th</sup> June 2016.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

##### **Appointments:**

Mr. Asgar Shakoor Patel Non Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and, being eligible, has offered himself for re-appointment as the Director.

Mr. Vilas Unavane was appointed as an Additional Director of the Company with effect from 9<sup>th</sup> February 2016. Mr. Vilas Unavane vacates office of Director, at the ensuing Annual General Meeting. The Company has received a Notice alongwith the necessary deposit u/s 160 of the Companies Act, 2013, proposing the candidature of Mr. Vilas Unavane as the Independent Director of the Company under the Companies Act, 2013 for the period of 5 years with effect from 28<sup>th</sup> September 2016.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015.

The Company has appointed Mr. Mahesh Fogla as Chief Financial Officer (CFO) of the Company w.e.f. 1<sup>st</sup> March 2016. There is no Key Managerial Personnel resigned during the year under review.

##### **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for evaluation of the annual performance of the Directors/ Board/ Committees was carried out. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. In pursuance to the above, Independent Directors in their separate meeting held on 9<sup>th</sup> February 2016 have reviewed and evaluated the performance of Board as a whole, Chairman and Executive Vice Chairman.

##### **Remuneration Policy:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**Meetings:**

During the year seven Board Meetings and six Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**RELATED PARTY TRANSACTIONS:**

All related party transactions referred to in section 188(1) of the Companies Act 2013 that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure [II]**.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Apart from receiving remuneration by executive directors and sitting fees by Non executive directors, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Your Directors draw attention of the members to Note 37 to the financial statement which sets out related party disclosure.

**AUDITORS AND AUDITORS' REPORT:**

At the 52<sup>nd</sup> AGM of your Company, M/s. MSP & Co., Chartered Accountants (Firm Registration No. 107565W) was appointed as the Auditors to hold office till the conclusion of the 55th AGM of your Company.

The Board of Directors at its meeting held on 27<sup>th</sup> May, 2016, on the recommendations of the Audit Committee, in accordance with the provisions of Section 139(8) of the Companies Act, 2013 ratified the appointment of M/s. MSP & Co., Chartered Accountants, to continue to act as the Auditor of your Company till the conclusion of the 55<sup>th</sup> AGM.

M/s. MSP & Co. Chartered Accountants, who retire at the ensuing AGM of your Company, are eligible for re-appointment. Your Company has received written consent and a certificate stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued thereunder.

The Auditors' Report for the financial year 2015-16, does not contain any qualification, reservation or adverse remark.

**DISCLOSURE REQUIREMENTS:**

To comply with conditions of Corporate Governance, pursuant to regulation 34 read with schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate on the compliance of conditions of Corporate Governance, are included in this Annual Report.

A Business Responsibility Report as required under Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 is not applicable to the Company as the same is applicable for top 100 listed entities based on market capitalization.

**SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Dinesh Kumar Deora, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2016 is set out as "**Annexure [III]**" to this Report.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "**Annexure [IV]**" to this Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

### (A) CONSERVATION OF ENERGY:

- (i) The steps taken or impact on conservation of energy : Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in Maintenance systems and through improved operational techniques.
- (ii) The steps taken by the Company for utilizing alternate sources of energy : The Company continues its in-house programme of enlightening and educating its commercial vehicle drivers for greater fuel efficiencies. All the vehicles owned by the Company undergo an intensive Planned Preventive Maintenance (PPM) drill to keep the vehicles in top running condition with special emphasis on fuel conservation. Also planning to use Bio-fuel for enhancing more efficiency of vehicles.
- (iii) The capital investment on energy conservation equipments : The Company has on going process to conserve the energy by replacement of old electronic devices and installation of new efficient power saving devices whenever required.

No material capital investment incurred by the Company during the year 2015-16.

### (B) TECHNOLOGY ABSORPTION:

- (i) The efforts made towards technology absorption : Updating of Technology is a Continuous process; appropriate technology is implemented and adapted by the Company for innovation. Efforts are continuously made to develop new products required in the Transport and Logistics Industry.
- (ii) The benefits derived : The Company has developed in house web- based application for complete logistics operation's requirements which helping order processing and tracking the shipments with the entire operation cycle of the GCNs and improving dispatch and delivery efficiency.
- (iii) Imported Technology : There is no imported technology imported during the last three years.
- (iv) The expenditure incurred on Research and Development : No expenditure is incurred on Research and Development by the Company during the year 2015-16.

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in lakhs)

	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>Earnings in Foreign Exchange</b>		
Air Freight Billing and other expenses (Net)	1.62	7.78
<b>TOTAL</b>	<b>1.62</b>	<b>7.78</b>
<b>Expenditure in Foreign Currency</b>		
Membership and Subscription Fees	0.41	0.42
Travelling (excluding air fare)	3.06	6.79
<b>TOTAL</b>	<b>3.47</b>	<b>7.21</b>

### PARTICULARS OF EMPLOYEES:

The Directors sincerely appreciate efforts put in by employees of the Company at all levels and thank them for their contribution in achieving the overall results during the year.

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The internal committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed off during the financial year 2015-16:

No of Complaints received	:	Nil
No of Complaints disposed off	:	Nil

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors would like to inform the Members that the Audited Accounts for the financial year ended 31<sup>st</sup> March 2016 are in full conformity with the requirement of the Companies Act, 2013.

In terms of Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representation received from the Operating Management, confirm that:

- 1) in the preparation of the annual accounts, for the year ended March 31, 2016, the applicable accounting standards and Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- 2) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March 2016 and of the profits of the Company for the financial year ended 31<sup>st</sup> March 2016;
- 3) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis;
- 5) the Company has proper internal financial controls in place. However the Company continues to develop better controls for implementation in current financial year.
- 6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of following items as either there were no transactions on these items or these items are not applicable to the Company during the year under review:

- 1) No material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31<sup>st</sup> March 2016 and the date of this report.
- 2) No significant and material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

**ACKNOWLEDGEMENTS:**

The Directors place on record their appreciation of the continued assistance and support received from the Bankers, Clients, Stakeholders and Fixed Deposit Holders in the endeavors of the Company.

**Registered Office :**

Patel House, 5<sup>th</sup> Floor, Plot No. 48,  
Gazdarbandh, North Avenue Road,  
Santacruz (West)  
Mumbai – 400 054.

**For and on behalf of the Board of Directors**

**AREEF A. PATEL** - Executive Vice Chairman  
DIN:00075687

**P. S. G. NAIR** - Director  
DIN:00074494

Mumbai, dated 9<sup>th</sup> August, 2016



## ANNEXURE I

### Report on the Corporate Social Responsibility (CSR) Activities for the year 2015-16

#### 1. Brief outline of your Company's CSR policy:

The objective of the CSR policy of the Company is to define the contribution which the Company can make towards its Corporate Social Responsibility, the geographical limits within which it envisages to make such contribution, the chosen activities, programs or projects for its CSR activities and the control and reporting mechanism which will ensure proper functioning of such CSR activities to the optimum results.

The scope of CSR activities are taken into account as per the Schedule VII of the Companies Act, 2013. Preference is to be given to the local areas of the offices of the Company.

In accordance with the CSR Policy of the Company, the CSR initiatives would be focused around following identified thrust areas for channelizing the resources:

- 1) Health
- 2) Education
- 3) Environment
- 4) Ethnicity
- 5) Sports
- 6) Support to Technology Incubators

The CSR Policy of your Company is available on website at following link.

(<http://patel-india.com/wp-content/uploads/2015/11/CSRPOLICY.pdf>)

#### 2. Composition of CSR Committee:

Mr. Areef Patel	Chairman	Executive Director
Mr. Syed K. Husain	Member	Non Executive Director
Mr. Sandeep Parikh	Member	Independent Director

Mr. Nitin Akolkar acts as the Secretary to the Committee.

#### 3. Average Net Profit before Tax of the Company for last 3 financial years : ₹ 497.76 lacs.

#### 4. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above): ₹ 9.96 lacs.

#### 5. Details of CSR spent during the financial year:

a. Total amount spent for the financial year: ₹ 9.99 lacs.

b. Amount unspent, if any: Nil.

c. Manner in which the amount spent during the financial year is detailed below:

CSR projects / Activities	Sector in which the Project is covered	Location where project is undertaken State (Local Area/ District)	Amount outlay (budget) Project / Programs Wise	Amount Spent on the Projects or Programs		Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
				1. Direct Expenditure	2. Overheads		
Promoting Healthcare by undertaking a project of donating a Blood Bank Vehicle to Tata Memorial Hospital, Mumbai, India's premier Cancer treatment Hospital,	Health	Mumbai Maharashtra	*₹ 26.00 lacs	₹ 9.99 lacs	Nil	₹ 9.99 lacs	**Through implementing agency.

- \* The CSR Committee has committed an additional amount of ₹ 16.70 lacs during the year 2015-16 to be met out of outlay of current financial year.
  - \*\* Through The Rotary Club of Bombay Bandra Charitable Trust, A trust registered with Charity Commissioner of Mumbai & engaged in projects related to upliftment of downtrodden for last 25 years.
6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report : **Not Applicable.**
  7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

For and on behalf of the Board of Directors

Mr. Areef A. Patel  
Whole Time Director &  
Chairman of CSR Committee  
(DIN: 00075687)

Mr. Syed K. Husain  
Non Executive Director &  
Member of Committee  
(DIN: 03010306)

Mumbai, dated 9<sup>th</sup> August, 2016.

**ANNEXURE II**

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	-----NOT APPLICABLE-----
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the requisite resolution was passed in general meeting as required under first proviso to section 188 of Companies Act, 2013	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	-----NOT APPLICABLE-----
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts / arrangements/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

**Registered Office :**

Patel House, 5<sup>th</sup> Floor, Plot No. 48,  
Gazdarbandh, North Avenue Road,  
Santacruz (West)  
Mumbai – 400 054.

**For and on behalf of the Board of Directors**

**AREEF A. PATEL**  
DIN:00075687

- Executive Vice Chairman

**P. S. G. NAIR**  
DIN:00074494

- Director

Mumbai, dated 9<sup>th</sup> August, 2016

## ANNEXURE III

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of,

Patel Integrated Logistics Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Patel Integrated Logistics Limited (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings were not applicable to the Company under the financial year under report;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') were not applicable to the Company under the financial year under report:
  - a. The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999;
  - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company;

- a. The Carriers Act, 1865,
- b. Carriage by Road Act, 2007,
- c. The Multimodal Transportation of Goods Act, 1993,
- d. Motor Vehicles Act, 1988,
- e. The Motor Transport Workers Act, 1961,
- f. The Food Safety and Standards Act, 2006,
- g. Consumer Protection Act, 1986

I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the Company has

Issued and allotted on preferential basis 7,00,000 Equity Shares of ₹10/- each at the issue price of ₹115/- per share (including premium of ₹105/- per share) and 9,29,000 Equity Warrants of ₹10/- each at the issue price of ₹115/- per warrant (including premium of ₹105/- per warrant) convertible into equity shares of the Company within the period of 18 months from the date of allotment of warrants in accordance with the provisions Companies Act 2013 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Dinesh Kumar Deora  
Practising Company Secretary

FCS NO. 5683  
C P NO. 4119

Place: Mumbai  
Date: 9<sup>th</sup> August, 2016

## ANNEXURE IV

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	:	L71110MH1962PLC012396
ii)	Registration Date	:	22/06/1962
iii)	Name of the Company	:	Patel Integrated Logistics Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares
v)	Address of the Registered office and contact details	:	Patel House, Plot No.48, 5 <sup>th</sup> Floor, Gazdar Bandh, North Avenue Road, Santacruz (West), Mumbai-400054
vi)	Whether listed company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	Bigshare Services Pvt. Ltd E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E.), Mumbai-400072 Tel: 022-40430200 Email: investor@bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Freight	6023	34.48
2	Co-loading and Cargo Income	6301	65.52

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1270042	-	1270042	8.36	1270042	-	1270042	7.99	-0.37
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3205371	-	3205371	21.11	3205371	-	3205371	20.18	-0.93
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Trust	1371500	-	1371500	9.03	1371500	-	1371500	8.63	-0.40
<b>Sub-total (A) (1)</b>	<b>5846913</b>	<b>-</b>	<b>5846913</b>	<b>38.50</b>	<b>5846913</b>	<b>-</b>	<b>5846913</b>	<b>36.80</b>	<b>-1.70</b>



Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs -Individuals	1065879	-	1065879	7.02	1065879	-	1065879	6.71	-0.31
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>1065879</b>	<b>-</b>	<b>1065879</b>	<b>7.02</b>	<b>1065879</b>	<b>-</b>	<b>1065879</b>	<b>6.71</b>	<b>-0.31</b>
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	<b>6912792</b>	<b>-</b>	<b>6912792</b>	<b>45.52</b>	<b>6912792</b>	<b>-</b>	<b>6912792</b>	<b>43.51</b>	<b>-2.01</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	9205	9205	0.06	-	9205	9205	0.06	-
b) Banks / FI	15622	-	15622	0.10	57804	-	57804	0.36	0.26
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	30039	-	30039	0.20	44039	-	44039	0.28	0.08
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>45661</b>	<b>9205</b>	<b>54866</b>	<b>0.36</b>	<b>101843</b>	<b>9205</b>	<b>111048</b>	<b>0.70</b>	<b>0.34</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	775385	14920	790305	5.20	1035843	14920	1050763	6.61	1.41
ii) Overseas	-	-	-	-	750000	-	750000	4.72	4.72
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3602688	766781	4369469	28.77	4210745	749846	4960591	31.22	2.45
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2403919	-	2403919	15.83	1462316	-	1462316	9.20	-6.63
c) Others (specify)									
i) NRI Individual	266447	203455	469902	3.09	193988	201590	395578	2.49	-0.60
ii) Clearing Member	185359	-	185359	1.22	243524	-	243524	1.53	0.31
<b>Sub-total (B)(2)</b>	<b>7233798</b>	<b>985156</b>	<b>8218954</b>	<b>54.12</b>	<b>7896416</b>	<b>966356</b>	<b>8862772</b>	<b>55.78</b>	<b>1.66</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7279459</b>	<b>994361</b>	<b>8273820</b>	<b>54.48</b>	<b>7998259</b>	<b>975561</b>	<b>8973820</b>	<b>56.49</b>	<b>2.01</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>14192251</b>	<b>994361</b>	<b>15186612</b>	<b>100</b>	<b>14911051</b>	<b>975561</b>	<b>15886612</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters:**

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Share holding at the end of the Year 31.03.2016			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Asgar S. Patel	1065879	7.02	Nil	1065879	6.71	Nil	Nil
2	Areef A. Patel	927884	6.11	927884	927884	5.84	927884	Nil
3	Yasmin A. Patel	192100	1.26	Nil	192100	1.21	Nil	Nil
4	Natasha R. Pillai	150058	0.99	Nil	150058	0.94	Nil	Nil
5	Patel Holdings Limited	3025667	19.92	Nil	3025667	19.05	Nil	Nil
6	A.S.Patel Trust	1371500	9.03	Nil	1371500	8.63	Nil	Nil
7	Wall Street Securities and Investments Limited	179704	1.18	Nil	179704	1.13	Nil	Nil

**(iii) Change in Promoters' Shareholding:**

Shareholder's Name	Shareholding		Date of Transaction	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
	No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of The Company				No. of shares	% of total shares of the company
THERE WAS NO CHANGE IN PROMOTER SHAREHOLDING DURING THE F.Y.ENDED 31.03.2016.							

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SI. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2015		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Frontline Strategy Limited	-	-	700000	4.41
2	Digvijay Commerce and Trading Pvt Ltd	137500	0.91	138500	0.87
3.	Bhavesb Dhireshbhai Shah	163432	1.07	100455	0.63
4	Disha Subhash Shah	100000	0.66	97000	0.61
5.	SVS Securities Pvt. Ltd	-	-	80000	0.50
6.	Ugrabhai V Patel	79758	0.52	79758	0.50
7.	Jyoti Naik	75000	0.49	74000	0.47
8.	Maniben U Patel	69679	0.46	69679	0.44
9.	Nidhi Goenka	-	-	53912	0.34
10.	Paras Kesharmal Bathia	-	-	52480	0.33

**(v) Shareholding of Directors and Key Managerial Personnel:**

Shareholder's Name	Shareholding		Date of Transaction	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
	No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of the Company				No. of shares	% of total shares of the company
Directors:							
Asgar S. Patel	10,65,879 10,65,879	7.02 6.71	01.04.2015 31.03.2016	Nil	Nil movement during the year	10,65,879	6.71
Areef A. Patel	9,27,884 9,27,884	6.11 5.84	01.04.2015 31.03.2016	Nil	Nil movement during the year	9,27,884	5.84
P.S.G. Nair	0 0	0 0	01.04.2015 31.03.2016	0	Nil holding during the year	0	0
Syed K. Husain	0 0	0 0	01.04.2015 31.03.2016	0	Nil holding during the year	0	0
Farukh S. Wadia	0 0	0 0	01.04.2015 31.03.2016	0	Nil holding during the year	0	0
Sandeep P. Parikh	100 100	0.001 0.001	01.04.2015 31.03.2016	Nil	Nil movement during the year	100	0.001
Bhumika Batra	0 0	0 0	01.04.2015 31.03.2016	0	Nil holding during the year	0	0
Vilas Unavane (w.e.f. 09/02/2016)	0 0	0 0	09.02.2016 31.03.2016	0	Nil holding during the year	0	0
Key Managerial Personnel:							
Nitin B. Akolkar Company Secretary	5 5	0 negligible	01.04.2015 31.03.2016	Nil	Nil movement during the year	5	negligible
Mahesh Fogla Chief Financial Officer (w.e.f. 01/03/2016)	0 0	0 0	01.03.2016 31.03.2016	0	Nil holding during the period	0	0

**V. INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01/04/2015</b>				
i) Principal Amount	31,88,75,548	3,56,51,596	12,34,62,000	47,79,89,144
ii) Interest due but not paid	-	-	4,94,290	4,94,290
iii) Interest accrued but not due	-	-	71,18,518	71,18,518
<b>Total (i+ii+iii)</b>	<b>31,88,75,548</b>	<b>3,56,51,596</b>	<b>13,10,74,808</b>	<b>48,56,01,952</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	50,20,18,740	7,75,88,169	3,40,62,896	61,36,69,805
• Reduction	36,68,84,427	10,57,79,471	1,04,84,834	48,31,48,732
<b>Net Change</b>	<b>13,51,34,313</b>	<b>(2,81,91,302)</b>	<b>2,35,78,062</b>	<b>13,05,21,073</b>

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year 31/03/2016</b>				
i) Principal Amount	45,40,09,861	74,60,294	14,67,42,000	60,82,12,155
ii) Interest due but not paid	-	-	3,92,643	3,92,643
iii) Interest accrued but not due	-	-	75,18,227	75,18,227
<b>Total (i+ii+iii)</b>	<b>45,40,09,861</b>	<b>74,60,294</b>	<b>15,46,52,870</b>	<b>61,61,23,025</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WT/Manager
		Mr. Areef Asgar Patel
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	35,80,000 4,97,757 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
5.	Others- Employer contribution to provident fund	3,81,600
	<b>Total (A)</b>	<b>44,59,357</b>
	*Ceiling as per the Act	60,00,000

\*As per Part II Section II Table A of Schedule V of Companies Act 2013.

**B. Remuneration to other directors:**

(Amount in ₹)

Name of Director	Fee for attending board / committee meetings	Commission	Others	Total
<b>1. Independent Director</b>				
Mr. P.S.G. Nair	3,75,000	-	-	3,75,000
Mr. Sandeep P. Parikh	2,20,000	-	-	2,20,000
Mr. Farukh S.Wadia	3,75,000	-	-	3,75,000
Ms. Bhumika Batra	1,25,000	-	-	1,25,000
<b>Total (1)</b>				<b>10,95,000</b>
<b>2. Other Promoter /Non Executive Director</b>				
Mr. Asgar S. Patel	50,000	-	-	50,000
Mr. Syed K. Husain	2,15,000	-	-	2,15,000
<b>Total (2)</b>				<b>2,65,000</b>
<b>Total (1)+(2)</b>				<b>13,60,000</b>
Ceiling as per the Act	1% of the net profits calculated as per section 198 of the Companies Act 2013 exclusive of sitting fees payable to Directors. No other remuneration other than sitting fees has been paid to non executive directors during the financial year 2015-16.			

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:**

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		*Chief Financial Officer	Company Secretary
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,31,367 - -	7,14,968 - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others- Employer contribution to provident fund	16,800	66,240
	Total (A)	2,48,167	7,81,208

\*The Company has appointed Chief Financial Officer w.e.f. 1<sup>st</sup> March 2016, accordingly the remuneration considered above is only for one month i.e. March 2016.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

**Registered Office :**

Patel House, 5<sup>th</sup> Floor, Plot No. 48,  
Gazdarbandh, North Avenue Road,  
Santacruz (West)  
Mumbai – 400 054.

Mumbai, dated 9<sup>th</sup> August, 2016

**For and on behalf of the Board of Directors**

**AREEF A. PATEL** - Executive Vice Chairman  
DIN:00075687

**P. S. G. NAIR** - Director  
DIN:00074494

## REPORT ON THE CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### A) COMPANY'S PHILOSOPHY ON THE CORPORATE GOVERNANCE:

The Company strongly believes in values of transparency, professionalism and accountability which are the mainstay of good Corporate Governance. The Company has consistently practiced good Corporate Governance and will endeavor to improve on it on an ongoing basis.

We strive to achieve the corporate objectives within the framework of the national interest, macro and micro economic policies devised by the Government of India and to conduct the business affairs of the Company in an ethical and transparent manner, also strive for the maximization of the shareholders' wealth and in doing so contribute positively to the economic development of India and achievement of the overall objectives of the Company.

Your Company has complied with all the regulations stipulated in the erstwhile Listing Agreement and currently in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **Listing Regulations**)

### B) THE BOARD OF DIRECTORS:

#### Composition and No. of Board Meetings:

The Board of Directors has judicious mix of Executive and Non-Executive Directors as on 31<sup>st</sup> March, 2016, comprised of a Non-Executive Chairman who is promoter of the Company, a Whole-time Director designated as Executive Vice-Chairman and Six Non-Executive Directors of which five Directors are Independent Directors.

During the financial year ended 31<sup>st</sup> March 2016, Seven Board Meetings were held. Dates on which Board Meetings were held are 28-05-2015, 29-07-2015, 10-08-2015, 09-11-2015, 27-11-2015, 14-01-2016 and 09-02-2016.

Composition of the Board of Directors as at 31<sup>st</sup> March 2016, their attendance at Board Meetings during the year ended on that date and at the last Annual General Meeting as also number of other directorships and chairmanships / memberships of committees held by them, as on that date are as given below:

Name of the Director	Category of Directorship	Shares held	No. of Board Meetings Attended	Attendance at the Last A.G.M.	**No. of other Directorships (Including Pvt. Ltd. Companies)	***Committee Memberships	
						Chairman	Member
Mr. Asgar S. Patel DIN 00164823	NEC	10,65,879	2	No	1	-	-
Mr. Areef A. Patel DIN 00075687	WTD	9,27,884	7	Yes	1	-	2
Mr. P.S.G.Nair DIN 00074494	NEID	Nil	7	Yes	Nil	3	-
Mr. Syed K. Husain DIN 03010306	NED	Nil	7	Yes	6	-	1
Mr. Sandeep P. Parikh DIN 00022365	NEID	100	4	Yes	12	1	3
Mr. Farukh S.Wadia DIN 00097162	NEID	Nil	7	Yes	Nil	Nil	3
Ms. Bhumika Batra DIN 03502004	NEID	Nil	5	No	11	2	9
*Mr. Vilas Unavane DIN 02929561	NEID	Nil	Nil	No	6	-	-

NEC - Non Executive Chairman

WTD - Whole-time Director (designated as Executive Vice-Chairman )

NED - Non Executive Director

NEID - Non Executive Independent Director



\*Mr. Vilas Unavane was appointed as additional Director w.e.f. 9<sup>th</sup> February 2016.

\*\*Excludes directorship in Patel Integrated Logistics Limited.

\*\*\*Memberships and chairmanship of Audit Committee and Stakeholders Relationship Committee and Nomination and Remuneration Committee of public companies considered.

Mr. Asgar S. Patel and Mr. Areef A. Patel, Directors of the Company are related to each other.

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company and your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under Section 149 of the Companies Act, 2013, A sample of the letter of appointment is available on the website of the Company i.e. [www.patel-india.com](http://www.patel-india.com).

#### **Independent Directors' Meeting:**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on 9<sup>th</sup> February, 2016, without the attendance of Non-Independent Directors and members of the management.

The familiarization programme for Independent Directors in terms of listing regulations uploaded on the website of the Company and can be accessed through the following link:

<http://patel-india.com/wp-content/uploads/2015/11/FamiliarisationProgrammeForIndependentDirector.pdf>

#### **Performance Evaluation:**

The Nomination and Remuneration Committee has laid down criteria for Performance evaluation of Board of Directors. Accordingly the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its other Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as Ethics and Values, Knowledge and Proficiency, Diligence at meetings, Behavioral and strategic traits etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors after taking into views of executive director. The Directors expressed their satisfaction with the evaluation process.

### **C) COMMITTEES OF THE BOARD OF DIRECTORS:**

The Committees constituted by the Board play a very important role in the governance structure of the Company. The terms of reference of these Committees are approved by the Board and are in line with the requirements of Companies Act, 2013 and Listing Regulations.

#### **1) Audit Committee:**

The Audit Committee has played an important role in ensuring the financial integrity of the Company. The Audit Committee's role includes oversight of the financial reporting process, the audit process, the adequacy of internal controls, transactions with related parties and compliance with applicable laws and regulations.

#### **Composition:**

The Audit Committee comprises of 4 Directors as on 31<sup>st</sup> March 2016 i.e. Mr. P. S. G. Nair, Mr. Areef A. Patel, Mr. Farukh S. Wadia and Mr. Sandeep P. Parikh. Mr. P. S. G. Nair is the Chairman of the Committee. The Audit Committee met 6 times during the year ended 31<sup>st</sup> March, 2016. Dates on which Audit Committee Meetings were held are 28-05-2015, 29-07-2015, 10-08-2015, 09-11-2015, 27-11-2015 and 09-02-2016. Attendance of the members of the Committee at the Audit Committee Meetings held during the financial year ended 31 March, 2016, was as follows:

Sr. No.	Name of the Member	Status	No. of Meetings Attended
1.	Mr. P.S.G.Nair	Chairman	6
2.	Mr. Areef A. Patel	Member	6
3.	Mr. Farukh S.Wadia	Member	6
4.	Mr. Sandeep P. Parikh	Member	4

The Audited Annual Accounts for the year ended 31st March, 2016, were placed before the Committee for its consideration in the Audit Committee Meeting held on 27<sup>th</sup> May, 2016.

**Terms of Reference:**

The scope of the work of the Audit Committee includes areas prescribed by Listing Regulations and Section 177 of the Companies Act, 2013. The Terms of Reference of the Audit Committee broadly include the following:

- a) Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval with particular reference to Matters required to be included in the Director's Responsibility Statement, changes, if any, in accounting policies and practices and reasons for the same, Major accounting entries involving estimates based on the exercise of judgment by management, Significant adjustments made in the financial statements arising out of audit findings, Compliance with listing and other legal requirements relating to financial statements, Disclosure of any related party transactions and Qualifications in the draft audit report;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders in case of non-payment of declared dividends and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## 2) Stakeholders' Relationship Committee:

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

### Terms of Reference:

To oversee the redressal of the shareholders'/investors/Depositors' complaints like the transfer of shares, non-receipt of balance sheet, non-receipt of the declared dividend etc.

### Composition:

The Stakeholders Relationship Committee comprises of Three Non-Executive Directors i.e. Mr.P.S.G.Nair, Mr. Syed K, Husain and Mr. Farukh S. Wadia. Mr.P.S.G.Nair is the Chairman of the Committee. The Stakeholders Relationship Committee met twice during the financial year ended 31<sup>st</sup> March 2016. Dates on which Shareholders' Grievance Committee Meetings were held are 30-04-2015 and 30-10-2015. Attendance of the members of the Committee at the Shareholders' Grievance Committee Meetings was as follows:

Sr. No.	Name of the Member	Status	No.of Meetings Attended
1.	Mr. P.S.G. Nair	Chairman	2
2.	Mr. Syed K. Husain	Member	2
3.	Mr. Farukh S. Wadia	Member	2

During the year 2015-2016, 24 (Twenty Four) complaints were received from shareholders/investors. All these complaints have been replied to the satisfaction of the complainants.

Mr. Nitin B. Akolkar, Company Secretary also functions as the Compliance Officer.

The Company is also redressing the complaints through SCORES, which is centralized web based complaints redress system developed by SEBI.

All valid transfers received during the year 2015-2016 have been acted upon by the Company.

## 3) Nomination and Remuneration Committee:

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

### Terms of Reference:

The Terms of Reference of the Nomination and Remuneration Committee broadly include the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
- To carry out evaluation of every Director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

### Composition:

The Nomination and Remuneration Committee as on 31<sup>st</sup> March 2016, comprised of 3 Non-Executive Independent Directors and 1 Whole Time Director i.e. Mr.P.S.G.Nair, Mr. Sandeep P. Parikh, and Mr.Farukh S.Wadia who are Non-

Executive Independent Directors and Mr. Areef A. Patel who is Whole Time Director. Mr.P.S.G.Nair is the Chairman of the Committee.

The Nomination and Remuneration Committee met Twice during the financial year 2015-2016. i.e. on 28-07-2015 and 06-02-2016.

Sr. No.	Name of the Member	Status	No.of Meetings Attended
1.	Mr. P.S.G. Nair	Chairman	2
2.	Mr. Areef Patel	Member	-
3.	Mr. Farukh S. Wadia	Member	2
4.	Mr. Sandeep Parikh	Member	2

#### **Remuneration Policy:**

On recommendation of Nomination and Remuneration Committee the Board has adopted a policy which inter alia, deals with criteria for determine the qualifications, positive attributes and independence of director remuneration for the directors, key managerial personnel and other employees and also to lay down the criteria for various matters like training of independent directors and performance evaluation of directors.

The material points of the policy are as under:

#### **CRITERIA FOR SELECTION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In case of Executive Directors and Key Managerial Personnel, the selection can be made in either of the ways given below:

- a) by way of recruitment from outside;
- b) from within the Company hierarchy; or
- c) upon recommendation by the Chairman or other Executive Director.

The appointment may be made either to fill up a vacancy caused by retirement, resignation, death or removal of an existing Executive Director and Key Managerial Personnel or it may be a fresh appointment.

In case of Non-Executive Directors the selection can be made in either of the ways given below:

- a) by way of selection from the data bank of Independent Directors maintained by the Government.
- b) upon recommendation by Chairman or other Executive Director.

The appointment may be made either to fill up a vacancy caused by resignation, death or removal of an existing Non-Executive Director or it may be appointment as an additional director or an alternate director.

The due consideration shall be given for Qualification, Experience and Positive Attributes of Directors before selection of Directors as well as Board Diversity and Independence of Directors shall be observed by the Board, as far as is practicable.

#### **REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:**

- a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
  - i) Criteria / norms for determining the remuneration of such employees prescribed in the HR Policy.
  - ii) Existing remuneration drawn.
  - iii) Industry standards, if the data in this regard is available.
  - iv) Key Result Area (KRA).
  - v) Qualifications and experience levels of the candidate.
  - vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.
  - vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.
- b) The determination of remuneration for other employees shall be governed by the HR Policy.
- c) The proposal for the appointment of an Executive Director / Key Managerial Personnel shall provide necessary information in this regard which will assist the Board in arriving at the conclusion as to whether or not the remuneration

offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).

- d) The Total remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of section 197 and section 198 of the Companies Act, 2013.
- e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof.
- f) The Non-Executive Directors shall not be eligible to receive any remuneration / salary from the Company. However, the Non-Executive Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board / shareholders from time to time.

The Non-Executive Directors shall also be eligible to the reimbursement of the reasonable out-of-pocket expenses incurred by them for attending the meetings of the Board, committees including the travelling and lodging & boarding expenses on an actual basis.

- g) The amount of sitting fee and commission payable to Non-Executive Directors shall not exceed the limits prescribed under the provisions of the Companies Act, 2013.

#### **Details of the Managerial Remuneration paid during the year ended 31<sup>st</sup> March, 2016:**

Details of managerial remuneration paid during the year ended 31<sup>st</sup> March, 2016 is stated in the Form MGT- 9 – Extract of the Annual Return which forms part of the Board's Report in this Annual Report. The Company has not paid any remuneration to Non-Executive Directors during the year ended 31<sup>st</sup> March, 2016, except sitting fees for attending meetings of the Board of Directors and Committees thereof.

#### **4) Risk Management Committee:**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- 1) To monitor and review of the risk management plan.
- 2) To identify and report to the Board the elements of risk associated with all the areas of business.
- 3) To perform such other functions as may be directed by the Board from time to time as it may deem fit.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The composition of the Risk Management Committee as at 31<sup>st</sup> March, 2016 is as under:

Name of the Member	Category	Status
Mr. Areef A. Patel	Whole Time Director	Chairman
Mr. Farukh S. Wadia	Independent Director	Member
Mr. Sandeep Parikh	Independent Director	Member
Mr. Charanjit Singh	Senior Executive	Member
Mr. Deepak Keni	Senior Executive	Member

#### **5) Corporate Social Responsibility (CSR) Committee:**

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

The Committee met 2 (two) times during the financial year 2015-16 on 16th July, 2015 and 21st March, 2016. The constitution of the CSR Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2015-16 is detailed below:

Name of the Member	Category	Status	No. of Meetings attended
Mr. Areef A. Patel	Whole Time Director	Chairman	2
Mr. Syed K. Husain	Non Executive Director	Member	2
Mr. Sandeep Parikh	Independent Director	Member	2

**6) Share Transfer Committee:**

The transfer of shares of the Company are processed by Share Transfer Agents i.e. Bigshare Services Private Limited and are approved by the Share Transfer Committee. The Share Transfer Committee met 15 times during the year ended 31<sup>st</sup> March, 2016 and approved transfer of shares, transmission of shares or name deletion of shareholders etc.

**D) RELATED PARTY TRANSACTIONS:**

Your Company enters into various transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 in its ordinary course of business. All the RPTs are undertaken in compliance with the provisions set out in Companies Act, 2013 and Regulation 23 of Listing Regulations.

The policy on related party transactions has been placed on the Company's website and can be accessed through the following link:

<http://patel-india.com/wp-content/uploads/2016/03/PILL-Policy-on-Related-Party-Transactions.pdf>

The Company has a process for RPTs and the transactions with Related Parties are referred to the Audit Committee for its approval at the scheduled quarterly meetings or as may be called upon from time to time along with all relevant and stipulated information of such transaction(s).

During the financial year ended 31<sup>st</sup> March, 2016, the Company has entered into RPTs in the ordinary course of business and on arms' length basis; and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 23 of Listing Regulations and the Policy of the Company on dealing with RPTs. During the financial year ended 31<sup>st</sup> March, 2016, there are no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Regulation 23 of Listing Regulations. The details of the RPTs are set out in the Notes to Financial Statements forming part of this Annual Report.

**E) SUBSIDIARY:**

During the year ended 31<sup>st</sup> March, 2016, the Company does not have any Subsidiary Company.

**F) GENERAL BODY MEETINGS:**

Details of last three Annual General Meetings of the Company are given below:

YEAR	DATE	TIME	VENUE	No. of Special Resolutions passed
2015	15.09.2015	11.00 a.m.	Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai- 400 049.	Nil
2014	21.08.2014	11.00 a.m.	Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai- 400 049.	Nil
2013	25.09.2013	11.00 a.m.	Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai- 400 049.	1

**Postal Ballot:**

No Special Resolutions were put through the postal ballot last year. No Special Resolutions on matters required to be put through the postal ballot are placed for Shareholders' approval at this meeting.

**G) DISCLOSURES:**

- 1) During the year ended 31<sup>st</sup> March, 2016, there were no transactions of material nature entered into by the Company with Promoters, Directors, Key Managerial Persons, their relatives or the Management etc. that has potential conflict with the interest of the Company.
- 2) There were no instances of non-compliances nor were any penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- 3) In terms of the requirements of Regulation 17(8) of the Listing Regulations, Mr. Areef Patel the Executive Vice-Chairman and Mr. Mahesh Fogla Chief Financial Officer have submitted necessary certificate to the Board of Directors stating the particulars specified under the said regulation.
- 4) **Whistle Blower Policy:**

In compliance with Regulation 22 of the Listing Agreement, and Section 177(9) of the Companies Act 2013, the Company has Whistle Blower Policy for directors and employees to report to the management instances of



unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. During the year under review, no employee was denied access to the Audit Committee of your Company.

**5) Code of Conduct:**

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management of the Company (the Code). The Code has been communicated to the Directors and members of the Senior Management, as defined in the said Code. The Code has also been posted on the Company's web-site i.e. [www.patel-india.com](http://www.patel-india.com).

All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2016. The declaration to this effect signed by Mr. Areef A. Patel, Executive Vice Chairman of the Company forms part of the report.

**6) Code of Conduct for Prevention of Insider Trading:**

The Board of Directors at its meeting held on 28th May 2015 approved and adopted the 'Patel Integrated Logistics Limited - Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' in line with SEBI (Prohibition of Insider Trading) Regulation, 2015. The Board at its aforesaid meeting also approved the 'Patel Integrated Logistics Limited - Code for Fair Disclosure'.

Code of Conduct for Prevention of Insider Trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company.

**7) Details of compliance with mandatory and non-mandatory requirements of Corporate Governance:**

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement for the period 1st April, 2015 to 30th November, 2015 and Regulation 17 to 27 of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016 of corporate governance.

The Company has adopted following non-mandatory requirement of the Corporate Governance :

**1) The Board:**

A Chairman's Office with adequate staff, infrastructure facilities including Company maintained flat and car facility is provided at the Company's expense for the use of the Non-Executive Chairman of the Company to enable him to discharge his responsibilities effectively, when he visits India.

**2) Audit qualifications:**

During the year under review, there was no audit qualification on the Company's financial statements.

**3) Separate posts of Chairman and Managing Director/Whole Time Director:**

The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director /Whole Time Director.

**H) MEANS OF COMMUNICATION:**

- 1) Quarterly Results of the Company are published in English and vernacular language news paper and also displayed on the web-site of the Company i.e. [www.patel-india.com](http://www.patel-india.com). The official updates are sent to the Stock Exchanges. The Annual Report, Quarterly Results and Shareholding Pattern of the Company are also available on the Company's website in a user-friendly and downloadable form.
- 2) Management Discussion and Analysis forms part of this Annual Report.
- 3) The Company also files information through 'NEAPS'- a web based application provided by NSE and also through 'BSE Listing' a web based application provided by BSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern, Financial Results and Corporate Announcements by the companies.

**I) GENERAL SHAREHOLDER INFORMATION:**

- 1) The Annual General Meeting of the Company for the year ended March 2016 will be held on Wednesday, the 28<sup>th</sup> September 2016, at the Sheila Raheja Hall, Rotary Service Centre, Juhu-Tara Road, Santacruz (West), Mumbai – 400 049, at 11.00 a.m.



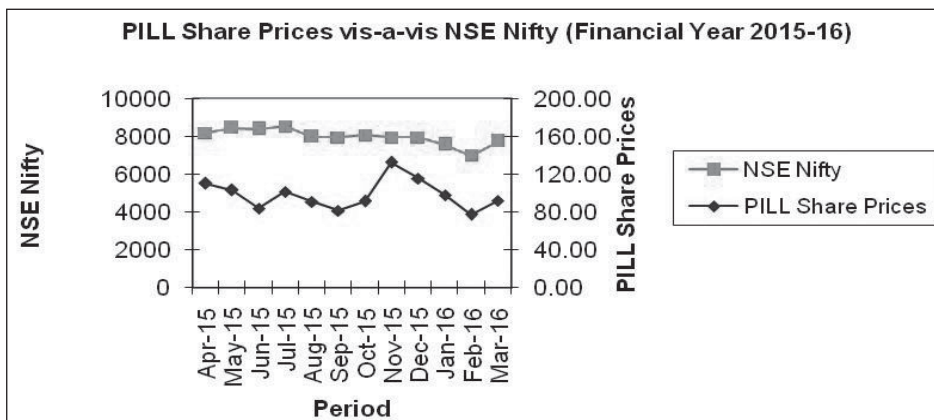
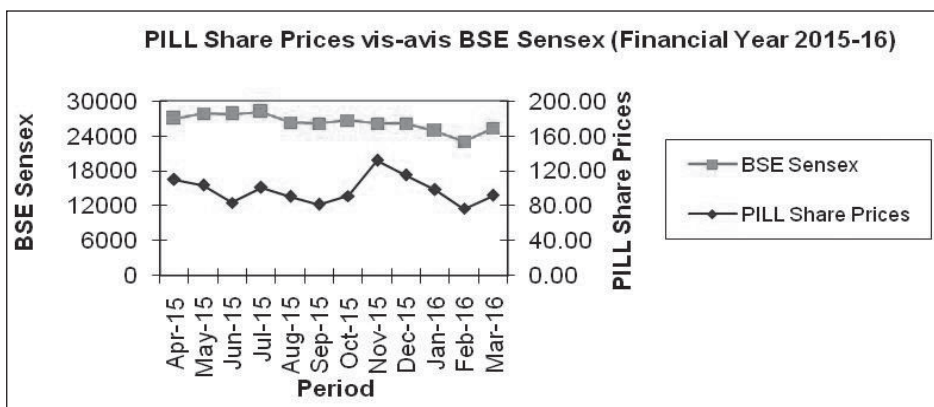
- 2) The Financial Year of the Company comprises of a twelve month period which commences on 1<sup>st</sup> April of every year and ends on 31<sup>st</sup> March of the immediately succeeding year. The Financial Year under consideration commenced on 1<sup>st</sup> April, 2015 and ended on 31<sup>st</sup> March, 2016.

**The Financial Calendar:**

Board Meeting for consideration of Annual Accounts	:	27 <sup>th</sup> May 2016
Mailing of Annual Reports	:	21 clear days prior to the date of AGM as per provisions of Companies Act 2013.
Book Closure Dates	:	22 <sup>nd</sup> September 2016 to 28 <sup>th</sup> September 2016 (both days inclusive).
Day, Date, Time and venue of the Annual General Meeting	:	Wednesday the 28 <sup>th</sup> September 2016 at 11.00a.m. at The Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai – 400 049.
Board Meetings for the consideration of Unaudited Financial Results for the next three quarters of the current accounting year	:	Within forty five days from the end of each quarter with Limited review Report as stipulated under the Listing Regulation.

- 3) The Book Closure will be from 22<sup>nd</sup> September 2016 to 28<sup>th</sup> September 2016 (both days inclusive).
- 4) Dividend for the year ended 31<sup>st</sup> March, 2016, if declared at the Annual General Meeting, will be paid within a period of 30 days, to the shareholders whose names appear on the Register of Members as at the date of the Annual General Meeting.
- 5) Equity Shares of the Company are listed on Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Ahmadabad Stock Exchange Limited, and The Calcutta Stock Exchange Association Limited.
- The Delhi Stock Exchange Association Limited and Madras Stock Exchange Limited ceased to be stock exchanges upon exit orders passed by SEBI to respective stock exchanges in that connection.
- 6) a) Scrip Code on the Bombay Stock Exchange Limited : 526381  
b) Scrip ID on the National Stock Exchange of India Limited : PATINTLOG-EQ
- 7) ISIN (Security Code no. granted by Depositories): INE529D01014
- 8) The monthly high and low quotations of shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

MONTH	BSE (In ₹ per share)		NSE (In ₹ per share)	
	Monthly High	Monthly Low	Monthly High	Monthly Low
April 2015	140.00	101.10	139.50	102.55
May 2015	117.30	100.10	117.40	110.10
June 2015	107.00	79.80	106.45	80.00
July 2015	114.00	84.05	113.90	84.10
August 2015	104.00	65.00	104.25	65.00
September 2015	90.80	74.40	90.50	74.20
October 2015	98.95	80.95	98.80	81.20
November 2015	142.55	82.50	142.50	82.30
December 2015	143.70	108.60	143.50	109.00
January 2016	119.10	81.30	119.00	81.50
February 2016	110.85	76.05	110.90	76.00
March 2016	97.00	78.30	97.50	77.55



**9) Registrars and Share Transfer Agents (STA):**

The Share Transfer work of the Company was being looked after by M/s Bigshare Services Private Limited (STA) having office at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai-400072. The STA have the necessary infrastructure to carry out share transfer work for shares in physical as well as in dematerialized form including the necessary connectivity with depositories. The STA also accepts and deals with investors' complaints.

**10) Share Transfer System:**

Company's shares are traded on the Stock Exchange compulsorily in the dematerialized form. Shares in physical form which are lodged with the STA for transfer are processed and the share certificates are returned to concerned person after transfer, subject to the documents being valid and complete in all respect.

**11) Distribution of Shareholding as on 31<sup>st</sup> March 2016:**

No. of Shares	No. of Share Holders	% of Share Holders	Share Holding	% of Shares Held
Up to 500	16925	89.38	2396771	15.09
501-1000	1011	5.34	819110	5.16
1001-2000	455	2.40	677078	4.26
2001-3000	156	0.82	402643	2.53
3001-4000	87	0.46	315396	1.99
4001-5000	82	0.43	391267	2.46
5001-10000	112	0.59	792213	4.99
10001 and above	108	0.58	10092134	63.52
<b>TOTAL</b>	<b>18936</b>	<b>100.00</b>	<b>1,58,86,612</b>	<b>100.00</b>

**12) Shareholding Pattern of the Company as on 31<sup>st</sup> March 2016:**

Category	No. of Shares Held	% Share Holding
Group Holding (Including Indian & NRI Promoters & Group Companies)	69,12,792	43.51
Indian Mutual Funds	9,205	0.06
Banks and Financial Institutions	57804	0.36
Foreign Inst. Investors	44,039	0.28
Corporate Bodies (Other than Promoters)	10,50,763	6.61
Non Resident Indians (Other than Promoters)	3,95,578	2.49
Non Resident Entity	7,50,000	4.72
Indian Public	64,22,907	40.44
Other-Clearing Member / Market Maker/Trust	2,43,524	1.53
<b>TOTAL</b>	<b>1,58,86,612</b>	<b>100</b>

**13) Details of unclaimed shares:**

There are no unclaimed share certificates as on 31<sup>st</sup> March 2016.

**14) Constituents of House of Patels (Promoters and Promoter's group):**

- a) Mr. Asgar S. Patel b) Mrs. Yasmin A. Patel c) Mr. Areef A. Patel d) Mrs. Natasha R. Pillai e) A.S.Patel Trust  
 f) Patel Holdings Limited g) Wall Street Securities & Investments (India) Ltd h) Natasha Constructions Private Limited i) Patel Real Estate Developers Pvt. Ltd j) Natasha Homes Pvt. Ltd k) Natasha Construction Projects Pvt. Ltd l) Transways Combines Pvt. Ltd. m) Wall Street Derivatives and Financial Services (India) Ltd  
 n) One capital Limited o) Goldman (Patel Family) Beneficiaries Trust.

**15) Details of Dematerialisation of shares:**

As on 31<sup>st</sup> March, 2016, 93.86% of the Company's total Shares representing 1,49,11,051 Equity Shares were held in dematerialized form and balance 6.14% representing 9,75,561 Equity Shares were held in physical (paper) form.

**16) Outstanding GDRs/ADRs/Warrants or any Convertible instruments:**

The Company has not issued any GDRs/ ADRs. The shareholders, at their Extra Ordinary General Meeting held on 28th December, 2015, approved the issue of 9,29,000 Equity Warrants of ₹ 10/- each at a premium of ₹ 105/- per Warrant aggregating to ₹ 10,68,35,000/- to Frontline Strategy Limited on Preferential Basis. The Board of Directors on 14th January, 2016, allotted the said Equity Warrants. As per terms of issue of the said Equity Warrants, the holders of the Warrants have an option to apply for and obtain one Equity Share for each Equity Warrant held, within a period of 18 months from the date of their allotment. However, the holders of the said Equity Warrants have not exercised their option till the date of this Report. Upon the exercise of the option by the holders of Equity Warrants, the paid-up capital will increase from the existing ₹1588.66 lacs to ₹1681.56 lacs.

**17) Information for Communication:**

- a) Registered Office:  
 "Patel House", 5<sup>th</sup> Floor, Plot No. 48,  
 Gazdarbandh, North Avenue Road,  
 Santacruz (West), Mumbai – 400 054.  
 Tel : (022) 2605 0021  
 Fax : (022) 2605 2554  
 Email : pill\_investorservices@patel-india.com
- b) Registrars & Share Transfer Agents:  
 Bigshare Services Private Limited,  
 E-2/3, Ansa Industrial Estate,  
 Sakivihar Road, Saki Naka,  
 Andheri (East), Mumbai-400072  
 Tel: (022) 40430200  
 Fax: (022) 28475207

c) Depositories:

National Securities Depository Limited  
Trade World, A wing, 4<sup>th</sup> & 5<sup>th</sup> Floors,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai – 400 013.  
Tel : (022) 2499 4200 (60 lines)  
Fax : (022) 2497 2993 / 2497 6351  
E-mail : info@nsdl.co.in  
Website : www.nsdl.co.in

Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers,  
17<sup>th</sup> Floor, Dalal Street,  
Mumbai – 400 001.  
Tel : (022) 2272 3333  
Fax : (022) 2272 3199 / 2272 2072  
E-mail : investors@cdslindia.com  
Website : www.cdslindia.com

Shareholders holding shares in physical mode are requested to lodge share transfer, transmission and intimate changes, if any, in their registered address, bank account mandate details, residential status and queries / complaints etc. quoting their folio numbers to the Registrars & Share Transfer Agents of the Company or may also contact Company Secretary at the registered office of the Company.

Shareholders holding shares in the dematerialized form shall address their correspondence regarding their shareholding to their respective Depository Participants (DP) and can address their queries / complaints to the Registrars & Share Transfer Agents of the Company or may also contact Company Secretary at the registered office of the Company.

**Declaration as required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to confirm that the Company has adopted a Code of Conduct for its directors and senior management employees. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the all employees in the Grade of Assistant General Manager and above, as per the personnel policies of the Company, for the time being and from time to time in force and also includes employees who though not in the aforesaid Grades do, or are required to, take part in deliberations at the Board Level by virtue of their job responsibilities or by invitation.

**Areef A. Patel**  
Executive Vice Chairman

Mumbai, 9<sup>th</sup> August, 2016

## **AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE TO THE MEMBERS OF PATEL INTEGRATED LOGISTICS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Patel Integrated Logistics Limited ('the Company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 17 to 27 of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency / effectiveness with which the management has conducted the affairs of the Company.

**For M S P & CO.**

Chartered Accountants

**M.S. PARIKH**

*Partner*

Membership No.08684

Mumbai.

Dated : 9<sup>th</sup> August 2016

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

(Within the limits set by the Company's competitive position)

### Economic Scenario:

While there were many positives and the country remains the fastest growing major economy during the year 2015-16, performance against the country's potential and expectations remain moderate. Consequentially, GDP growth in FY 2015-16 has inched up to about 7.6% against 7.2% in FY 2014-15. While, expectations were high on growth, managing 7.6% in an otherwise global headwinds and a truant monsoon is reassuring of India's potential.

During the year gone by, India managed to restore macroeconomic stability. Fiscal Deficit, Current Account Deficit and Inflation levels declined. Lower inflation was mainly attributed to softening commodity and crude prices. However the depreciation in rupee vis-a-vis the US dollar, has the effect of limiting the gains on lower crude prices for the government. Agriculture is registered a low growth in FY 2015-16 on account of weak monsoons. It has an adverse impact on the rural economy. The industrial sector has continued to perform well in the wake of various reforms measures undertaken by the government recently.

The Service sector remained the key driver of India's economic growth. Despite the slowdown, the prospects continue to be bright for many segments of the sector. Looking ahead, the government's focus on infrastructure development, favourable regulatory policies like liberalization of FDI norms, increasing number of multimodal logistics service providers, growing trend of outsourcing logistics to third party service providers and entry of global players are expected to provide impetus to logistics services. GST will play crucial role for logistic sector in years to come. Those who are more organised and better equipped in the logistic sector will definitely going to benefit more.

Given the prevalent overall macroeconomic scenario, and assuming a normal level of rains in 2016-17, it would not be unreasonable to conclude that the Indian economy is all set to register growth in excess of 7 per cent for the third year in succession.

### Company's Business in brief:

Your Company offers a complete range of Logistics Products, which include following business activities:

- Surface Transport
- Retail Door Pick-up and Door Delivery
- Warehousing
- Air Cargo Consolidation
- E-com Logistics

Your Company is a single stop Logistics Services Provider, offering unified Logistics solutions through the extensive infrastructure of Offices and Delivery Destinations across all over the country.

### (A) PATEL ROADWAYS

Conventional Surface Transport business of the Company is catered by this division. Being one of the pioneers in the segment, this division is catering to a host of reputed clients in the hard freight section. This division has two products, one is FTL(Full Truck Loads) catering to end to end movement of goods in a single trip and other is LTL(Less Than Truck Loads) catering to hub to delivery locations as also providing value added services like door pick up and door deliveries. This division has huge nationwide network which enables the division to serve its customers efficiently. This part of business involves movement of higher tonnage as a cost effective price.

### Industry overview:

The entire transport sector continues to bear the brunt of industrial slowdown over the past 6 years where production levels and consumption has dropped significantly. Advantage of reduction in fuel prices was offset by no growth in tonnage or rather decline in tonnage due to static market. Our direct customers suffered from serious consumption woes and decline in their sales and subsequently lower production. The debate on economy turning around continues and the transport industry keenly awaits for the engine to kick start growth. Much as the government makes attempt to get the economy on high growth track, international issues continue to add pressure and industry growth remains tepid.

**Opportunities & Threats:**

Ringing in GST would be one of the single largest drivers of growth and with the current government scenario, this now looks a reality. This major tax reform will totally change the Indian logistical space. Fly by night operators will vanish and a huge opportunity awaits the organized sector. National players have immense opportunity to grow and the key differentiator will be service. The next few years will belong to the logistics industry and this sector is set to attract lot of Foreign Direct Investment (FDI). There remains lot of scope for consolidation with Shipping /Warehousing looking out to build a strong transportation network to supplement their imports and warehousing companies looking to add the transportation division to provide further last mile services to their clients.

Patel Roadways is poised to reap the maximum benefits post implementation of GST as free movement of goods and services become a norm. with State barriers being dismantled more and more companies will look to transport goods directly to end users under FTL product as this guarantees them savings and safety as there is minimum manual intervention in handling leading to huge reduction in damages. The division with its huge national network is well poised to grow exponentially in coming years.

Still, the division remains vulnerable to certain threats like any significant international event which can lead spike in fuel prices, reversal in inflation and hike in interest rates. Apart from this, the risk involved in road transport is very high and vehicles moving with high value goods are always under threat of thefts and pilferages though usage of electronic products to monitor seem to be on the rise. The condition of roads except for a few highways remains poor leading to high maintenance costs.

The current overall logistics market is largely impacted by rising freight costs due to volatile international situation, lack of skilled manpower and infrastructural bottlenecks. However, a surge of government initiatives in the form of National Highways Development Project (NHDP), development of Dedicated Freight Corridor of Indian Railways, port sector initiatives and shift to GST regime are providing the necessary impetus to the overall logistics industry.

**Outlook:**

Logistics remains one sector with extremely bullish outlook given the government effort to bring in GST. Another government effort to accelerate the construction new roads and Highways will improve the quality of infrastructure which will directly improve service and transit. Tax reforms will lead to a significant rise in warehousing activity being outsourced thereby positively impacting the transportation needs.

Surface Transport Sector success largely depends upon infrastructural facilities available in the country & stable fuel prices. The focus on improving basic road infrastructure as well as technology adoption has increased in recent years. The number of expressways and highways have increased; many roads have been widened; electronic toll collection is becoming increasingly common; the 'green channel' concept is gaining ground, and inter-state check posts are becoming automated. Other examples of key progressive measures include gradual fleet modernization. Thus, against the backdrop of positive initiatives led by industry stakeholders, the industry, as a whole, needs to continue tapping the advantages of road transportation more efficiently and optimally than ever before.

Focus on skilled manpower, technology adoption and competitive pricing are the key strategies to expect a sustainable growth trajectory in the business .

**Risks & Concerns:**

The Road Transport Sector is subjected to many inherent operational risks like fragmented ownership of vehicles, poor road infrastructure, bureaucratic delays at the borders, poor vehicular maintenance, etc. It is also exposed to market risks and financial risks to which all the corporates are exposed. These include risks like fluctuations in the economy and sudden changes in the Governmental policies and laws at macro level and risks like increase in the prices of component parts and fuel, increase in the hiring charges of vehicles etc. at micro level. Besides these, the Road Transport Sector is also saddled by natural calamities and events like bandhs and riots in various parts of the country. The fuel hikes on petrol, diesel, CNG and LPG which leads to increase in the Freight rates, affects the prices of all the commodities and raw materials. The industry is also facing huge shortage of skilled drivers & hamals. The ability of the government to boost spending and consumption by driving down inflation and reducing interest rates remains a concern.

**(B) PATEL RETAIL**

This division remains the fastest growing division of the Surface transport business and provides Premium Door-to-Door Express Cargo Service to over 250 branches serving more than 450 delivery stations. Express Cargo business continues to boom given the products using this service mainly Electronics, Garments, high value Pharma products. The differentiation



factor between conventional roadways and express cargo can be explained in simple terms as Express Cargo offers movement in a defined transit and convenience of Door Pick Up and Door Delivery at a single price point.

**Industry Overview:**

The year 2016 is expected to be a watershed year for the Logistics Industry with GST bill is now passed. Retail business has been born out of the current need of the market, where organizations want to reduce their costs on warehousing, manpower, inventory, wastages due to storage, damages or expiry. Supply Chain managers implementing Just in Time policy which ensure reduction in inventory and timely supply of material as per requirement. This eliminates requirements of large warehousing space and significant reduction in inventories. Large segment of corporates are willing to pay a premium for assured deliveries in guaranteed transit time. This leads to a boom in Express Cargo business which is now growing at a good pace. The Express Cargo industry primarily caters to the transportation of consumer goods which are high value and compact in nature. With the boom in consumer market and increase in living standard of middle class people of the country, Express Cargo industry is set to grow at a scorching pace in coming years. E commerce is another emerging large client for the surface transport sector with huge loads moving across the country. Going forward we can expect consolidation with warehousing companies trying to add the transportation arm to complete the end to end solution.

**Opportunities & threats:**

The Retail business is growing in India due to shrinking size of parcels and increased value Customers don't mind paying a premium as the cargo costs comprise a very small percentage of the product value. Moreover, in order to maintain its competitiveness, companies operating in textiles, automobiles and pharmaceuticals, IT peripherals industries are expected to outsource their logistics requirements to third party logistics service provider (3PL) and concentrate on their core-competency of manufacturing.

The opportunities in this business are extraordinary. Using strength of our existing infrastructure of over 250 branches / offices / hubs, VTS scheduled vehicles, Centralised Delivery System and aggressive team of operations, our Company has already tasted success with this division logging in good returns for the Company. Due to growth in e-commerce in India in last two years the scope for the express industry is widened.

Challenges faced by the division include industry becoming more and more price competitive. Existence of many Global Companies as well as established Indian Companies in this field, make the market competitive.

The other challenges includes matching upto the rising expectations of the customer, expanding the network to reach hitherto uncovered areas, containing rising fuel and freight costs and retention of manpower. The business involves well integrated micro planning at all levels of operations from pick up to delivery.

**Outlook:**

The express cargo sector will continue to dominate the growth in the industry. As a fast-growing, market-driven economy, we believe India is poised to take a leading role on the world's stage. The outlook for this product is progressive. Though it is a part of the Transport Sector in general, the Express Cargo Industry, in a short span of time, has been able to carve a separate status and identity for itself. With the steady growth in all the sectors including the Manufacturing and the Retail Trade, the Express cargo industry is poised for healthy growth. The improvement in the road infrastructure is becoming evident and a larger segment of corporates have started preferring express deliveries made in time.

The net margins in this business are much higher as compared to those in the conventional freight transport business as the customer is prepared to pay a higher price for professional handling of cargo and door-to-door delivery, and "**Just in Time**" delivery of cargo. The success of this division is important for the Company to ensure a profitable bottom line and growth in market share.

**Risk & concerns:**

Volatile Fuel prices and surging dollar will ensure that economy remains under pressure. The industry is facing significant challenges like increase in manpower cost, shortage of skilled manpower. However the domestic economy looks in good shape and will reduce risk from any major international events which could negatively impact the industry.

**(C) POBC AND PATEL AIRFREIGHT:**

These divisions of the Company carry on the business of courier and air cargo consolidation in the domestic market as well as in International market. These divisions are IATA approved divisions and undertakes efficient and cost-effective courier and air cargo consolidation with network of branches across all over the country.

**Industry overview:**

The Air Cargo Industry in the Indian domestic market has seen unprecedented growth in the last decade. The significant growth over the last few years is expected to continue over the next decade also. With the Indian economy on a solid growth trajectory and the liberalization of the aviation sector, Increasing globalization, integration of the world economy, and the strengthening of India in the IT service provider space, has resulted in a booming Indian economy, supporting a thriving global economy.

We believe the market will get a further boost with the recent permission given to foreign airlines to own 74 percent stake in Indian cargo airlines, as this will bring in the much-needed capital and global best practices to the Indian air cargo industry. Proactive and favorable government policies will greatly encourage investments in the air cargo industry and facilitate the setting up of the required amenities and infrastructure.

Statistics indicate that airlines spend more than 75% on transporting passengers, while only 25% is spent on cargo. So the potential growth of cargo industry is phenomenal.

**Opportunities & threats:**

The Indian government's FDI policies have been particularly favorable towards private participants entering the market. Major policies fuelling market growth include the allowance for 100 percent FDI in existing airports and under automatic routes, as well as 100 percent tax exemption for airport projects for the next ten years.

The e-commerce sector in India is phenomenal. Internet penetration is around 17%, and it is expected to double by 2018. This will only lead to more and more demand of Air Cargo.

The share of Air Cargo in the domestic logistics sector in India has been negligible by global standards due to various factors such as cost and infrastructure. However, all this is set to change in the next two to three years with the Indian economy on a solid growth trajectory.

**Outlook:**

If you look at India, it is under developed, now developing so the opportunities here are phenomenal. Today within the domestic sector, 65 percent of freight is transported by surface and 40 percent of the hinterlands do not have access to all-weather roads. These are awful challenges in doing business with India, nonetheless, one of the main reasons why cargo industry is so optimistic – they feel faster, better prepared and more nimble than they were. So despite a lack of infrastructure in certain regions and pockets of volatility, this is a nation that is beginning to show signs of sustainable growth.

We believe that by setting up multi-modal cargo hubs for quick & efficient transportation of cargo, with focus on establishing cargo complex, warehouse, and storage facilities across the country would provide improved aviation facilities for cargo handling. This can also lead to a new option of operating freighter aircraft in India."

On an average, the air freight traffic growth has been significantly higher than the gross domestic product (GDP) growth rate and this trend has been rising over the years. This is the result of increasing use of aerial mode to transport freight, particularly perishables and time-sensitive products, relaxation of foreign direct investment (FDI) limits, and open-sky policies of the government.

When economic activity is buoyant, demand for transport and logistics services is equally strong. Consumer and business demand for goods and services inevitably translates into higher demand for transport and logistics services.

We firmly believe that after clearance of GST bill by the current Government which will have free flow of goods from one state to another thereby giving a very big boost to the Air Cargo Industry .

**Risk & concerns:**

Indian economy is one of the fastest growing economies in the world and fourth largest in terms of purchasing power parity. In order to maintain this sustainable economic development, country has to improve its transportation and infrastructure sector.

Procedures mandated by multiple agencies stifle innovation and growth besides causing inefficiency in the system. Procedures have not been aligned with the changes in the processes brought out by the technological progress and international best practices.

Lack of enabling infrastructure, lack of automated material handling systems, high manual intervention in the processes and inadequate skilled man power are some of the key areas where Indian air cargo industry lags behind.

The air cargo industry certainly cannot afford to be complacent as the volatility of fuel prices and competition from rail and sea could affect air cargo industry.

#### **(D) DELIVREX (E-COM LOGISTICS):**

The Company is starting in the current year its new venture through its subsidiary Delivrex India Limited, which will carry specific business of logistic services of e-commerce related delivery of online products. This business is 'Business to customers' (B2C) e-commerce delivery business and our present pan India network is best suited for B2C play.

##### ***Industry overview:***

E-commerce has taken the world of retail by storm and captivated the imagination of an entire generation of entrepreneurs, with e-commerce ventures with various business and commercial models. The sector has grown three times in last four years and will further grow five to seven times in next four to five years. E-commerce market has grown steadily from US\$ 4.4 billion in 2010 to US\$ 13.6 billion in 2014. The e-commerce market in India is expected to reach US \$16 billion by the end of 2017 on the back of growing internet population and increased online shoppers.

##### ***Opportunities & threats:***

A large proportion of investment in e-commerce retail will flow into logistics and infrastructure. As delivery reach and fulfilment networks become more entrenched and increasingly complex, opportunities are emerged for logistics service providers. All of these trends points to a bright future for logistic providers as well as greater employment opportunities. The key to success in e-commerce is an efficient last-mile network to ensure time bound delivery. Your Company with minimal Capex, and nationwide network is launching e-commerce logistics business vertical through its subsidiary which will increase the profitability. There are opportunities for the business to leverage existing long standing strong client relationship.

There are several big players in the e-com industry like Amazon, Flipcart, Snapdeal etc . These giants almost sharing 75% of the market share and have their own logistic arms alongwith 3PLs. Therefore to sustain in the business the Company should also look for other various small e-com players who depends upon 3PLs. The business will face stiff competition from the other established players in the logistic industry.

##### ***Outlook:***

The rising growth and complexity of e-commerce categories and delivery networks is expected to have a large spill-over to infrastructure and logistics investments which will include more warehouses, sortation and delivery centers and employment. E commerce is poised for an exciting period of exploding growth in a period of three to five years. This is expected to lead to substantial investments in supporting infrastructure, technology and innovative and game changing business by logistic providers .

##### ***Risk & concerns:***

E-retailers have been able to attract significant customers to online buying but these are still limited to very exclusive categories such as consumer electronics, apparels and lifestyle, books, music and video. So, there may be possibility of limited coverage of industries whose products are dealing on the e-com platform. Moreover the internet penetration in India is very low as specially in rural areas, which will restrict the business only targeting the metropolitan and the Tier-1 cities where the internet penetration is adequate.

#### **HUMAN RESOURCE MANAGEMENT:**

The "House of Patels" is mainly a service provider in the arena of Logistics. In this field there are several players, and the fact that we have completed half a century and are one of the acknowledged leaders in this field is mainly due to the quality of service that we provide to our esteemed clients.

The Indian Logistics sector has been growing at faster pace than the global industry in the past decade. However, there is an acute shortfall of personnel with adequate training and education in logistical management in India. The management and mid-tier levels are provided with training on leadership skills, jointed skills and positions and being process-driven.

Sourcing the right candidates, engagement, development and retention of intellectual capital is a vital management exercise. Our human capita constitutes a judicious mix of youth, imagination, risk-taking ability and seasoned experience.

The management firmly believes that the 'people' are the driving force behind the growth of every organization and continues to focus on people development. As a service-based sector, logistics services can only be as efficient as the efficiency of its lowest rung employee. Skill based training is imparted to the entry level or the 'Blue Collared' employee. The Company has always held the view that recognizing and rewarding excellence is essential for having a totally committed, dedicated and "charged" work force.

From the bottom to the top, a change in the efficiencies of personnel will spur the growth of the company, and allow business to scale greater heights.

The Company continues to enjoy peaceful and harmonious relations with all its employees through several proactive measures during the year. The Company employed 937 people as on 31<sup>st</sup> March 2016.

**INTERNAL CONTROL SYSTEM:**

The Company has a satisfactory Internal Control System, the adequacy of which has been reported by the Auditors in their Report as required by the Companies (Auditor's Report) Order, 2015.

The Company is committed to further improve Internal Controls and strengthen the Internal Audit function. Further stress on Corporate Governance is being given in the current year. We firmly believe that the business can grow and develop on the required lines and profitability can be sustained only through Strong and Transparent Corporate Governance.

**FINANCIAL PERFORMANCE AND SEGMENT-WISE PERFORMANCE:**

The discussion on the financial performance of the Company is covered in the Directors' Report. The segment-wise performance is available in note 35 of the notes forming part of the Accounts for the year under consideration.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis Report describing Projections, Estimates, Expectations, Future Outlook etc. in connection with the business may be 'forward looking statements' within the meaning of applicable securities laws and regulations. However, the actual results could materially differ from those expressed or implied in the statements made by the Management. Various factors which are outside the purview of the Management Control can cause these deviations. These factors include economic developments in the country, changes in governmental policies and fiscal laws, sudden and unexpected rise in input costs, change in the demand supply pattern in the industry, etc.

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of Patel Integrated Logistics Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Patel Integrated Logistics Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
  - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

**For M S P & CO.**

Chartered Accountants  
(FRN. 107565W)

**M. S. PARIKH**

(Partner)  
(M No. 08684)

Place: Mumbai,  
Date: May 27, 2016

## Annexure “A” Forming Part of Independent Auditor’s Report

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2016, we report that:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) The title deeds of immovable properties owned by the company are held in its name. However, some of the immovable properties are mortgaged against the bank loan.
- ii) In view of there being no requirement to carry and hold any stock of inventories, therefore the provision of clause (ii) of the order is not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained u/s 189 of the Act, therefore, the provision of sub - clause (a), (b) and (c) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.
- v) The Company has complied with the provision of sections 73 to 76 of the Act, and the Companies (Acceptance of Deposits) Amendment Rules, 2015 with regards to the deposits accepted from the public. According to the information and explanation given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi) The Central Government has not prescribed the maintenance of cost records under sub- section (1) of section 148 of the Act for any of the activities of the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income tax, Service tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2016 for the period more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no material dues of Income Tax, Service Tax, Cess and other material statutory dues which have not been deposited with appropriate authorities on account of any dispute.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan to a financial institution or bank.
- ix) Based upon the audit procedures performed and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which it was raised.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, this clause of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has made preferential allotment of equity shares and warrants during the year under review and the requirements of section 42 of the Act have been complied and the amount raised will be used for the purposes for which funds were raised.
- xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, this clause of the Order is not applicable to the Company.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 – IA of Reserve Bank of India Act, 1934, therefore the provision of clause (xvi) of the order is not applicable to the Company.

**For M S P & CO.**

Chartered Accountants  
(FRN. 107565W)

**M. S. PARIKH**

(Partner)  
(M No. 08684)

Place: Mumbai,  
Date: May 27, 2016

## **“Annexure B” Forming Part of Independent Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).**

We have audited the internal financial controls over financial reporting of Patel Integrated Logistics Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M S P & CO.**

Chartered Accountants  
(FRN. 107565W)

**M. S. PARIKH**

(Partner)  
(M No. 08684)

Place: Mumbai,  
Date: May 27, 2016

## BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	₹	As At 31.03.2016 ₹	As At 31.03.2015 ₹
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	2	15,88,66,120		15,18,66,120
Reserves and Surplus	3	88,34,18,517		75,34,36,342
Money Received Against Share Warrants	4	2,67,08,750		-
			<b>1,06,89,93,387</b>	<b>90,53,02,462</b>
<b>Non - Current Liabilities</b>				
Long Term Borrowings	5	10,12,12,495		10,37,05,679
Deferred Tax Liability ( Net )	6	2,19,25,135		2,62,22,051
Other Long Term Liabilities	7	5,82,48,686		5,68,12,737
			<b>18,13,86,316</b>	<b>18,67,40,467</b>
<b>Current Liabilities</b>				
Short Term Borrowings	8	43,49,82,916		31,92,38,487
Trade Payables	9	9,87,19,460		20,46,39,634
Other Current Liabilities	10	16,99,29,680		14,03,95,306
Short Term Provisions	11	9,50,42,532		11,00,43,190
			<b>79,86,74,588</b>	<b>77,43,16,617</b>
<b>TOTAL</b>			<b>2,04,90,54,291</b>	<b>1,86,63,59,546</b>
<b>ASSETS</b>				
<b>Non - Current Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	12	39,76,84,582		42,09,30,565
Intangible Assets	12	8,13,097		13,28,057
Capital Work-in-Progress	12	43,45,838		43,91,588
			<b>40,28,43,517</b>	<b>42,66,50,210</b>
Non - Current Investment	13	1,71,30,596		1,71,96,596
Long Term Loans and Advances	14	6,24,53,193		6,23,75,579
			<b>7,95,83,789</b>	<b>7,95,72,175</b>
<b>Current Assets</b>				
Trade Receivable	15	94,22,30,290		89,48,57,668
Cash and Cash Equivalents	16	29,94,40,905		15,97,68,189
Short Term Loans and Advances	17	31,98,40,769		30,04,05,611
Other Current Assets	18	51,15,021		51,05,693
			<b>1,56,66,26,985</b>	<b>1,36,01,37,161</b>
<b>TOTAL</b>			<b>2,04,90,54,291</b>	<b>1,86,63,59,546</b>
Significant Accounting Policies	1			
Notes on Financial Statements	2 - 39			

As per our report of even date

**For M S P & Co.**

Chartered Accountants

(Registration No. 107565W)

For and on behalf of the Board,

**M. S. PARIKH**

Partner

Membership No. 08684

**AREEF A. PATEL**

Executive Vice Chairman

**P. S. G. NAIR**

Director

Mumbai,

Dated : 27th May, 2016

**NITIN B. AKOLKAR**

Company Secretary

**MAHESH FOGLA**

Chief Financial Officer

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	For the Year 2015-16 ₹	For the Year 2014-15 ₹
<b>INCOME</b>			
Revenue from Operations	19	5,11,36,32,878	5,87,98,07,110
Other Income	20	2,65,11,853	1,67,75,865
<b>Total Revenue</b>		<b>5,14,01,44,731</b>	<b>5,89,65,82,975</b>
<b>EXPENSES</b>			
Operating Cost	21	4,37,32,32,533	5,19,46,74,300
Employee Benefits Expense	22	28,29,50,985	26,45,79,970
Finance Costs	23	9,02,21,969	9,01,25,965
Depreciation and Amortization Expense	12	4,28,11,531	4,51,34,183
Other Expenses	24	24,02,58,735	22,21,45,729
<b>Total Expenses</b>		<b>5,02,94,75,753</b>	<b>5,81,66,60,147</b>
<b>Profit Before Tax</b>		<b>11,06,68,978</b>	<b>7,99,22,828</b>
<b>Tax Expense</b>			
Current Tax		3,26,00,000	2,42,00,000
Deferred Tax		(42,96,916)	(41,32,202)
( Excess ) / Short Provision of Income Tax for earlier years		(13,75,782)	(44,210)
<b>Profit for the year</b>		<b>8,37,41,676</b>	<b>5,98,99,240</b>
<b>Earning per Equity Share of face value of ₹ 10/- each</b>			
Basic ( in ₹ )	25	5.46	3.94
Diluted ( in ₹ )	25	4.98	3.94
Significant Accounting Policies	1		
Notes on Financial Statements	2 - 39		

As per our report of even date

**For M S P & Co.**Chartered Accountants  
(Registration No. 107565W)

For and on behalf of the Board,

**M. S. PARIKH**Partner  
Membership No. 08684**AREEF A. PATEL**

Executive Vice Chairman

**P. S. G. NAIR**

Director

Mumbai,

Dated : 27th May, 2016

**NITIN B. AKOLKAR**

Company Secretary

**MAHESH FOGLA**

Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year Ended 31.03.2016	Year Ended 31.03.2015
	₹	₹
<b>A: CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit Before Tax as per Profit and Loss Account</b>	11,06,68,978	7,99,22,828
Adjusted For :		
Profit / Loss on Sale / Discard of Assets ( Net )	(6,68,339)	(69,52,130)
Depreciation	4,28,11,531	4,51,34,183
(Net gain) / Loss on Sale of Non Current Investments	(59,57,709)	-
Dividend Income	(11,86,944)	(4,63,132)
Interest Income	(1,34,28,697)	(59,32,585)
Finance Cost	<u>9,02,21,969</u>	<u>9,01,25,965</u>
	<u>11,17,91,811</u>	<u>12,19,12,301</u>
<b>Operating Profit Before Working Capital Changes</b>	22,24,60,789	20,18,35,129
Adjusted For :		
Trade and Other Receivables	(8,12,09,100)	(1,37,08,011)
Trade and Other Payables	<u>(8,91,85,113)</u>	<u>(6,70,69,569)</u>
	<u>(17,03,94,213)</u>	<u>(8,07,77,580)</u>
<b>Cash Generated from Operations</b>	5,20,66,576	12,10,57,549
Taxes Received ( Paid ) ( Net )	<u>(5,30,56,113)</u>	<u>(3,10,98,341)</u>
	<u>(5,30,56,113)</u>	<u>(3,10,98,341)</u>
<b>Net Cash from Operating Activities</b>	<u><b>(9,89,537)</b></u>	<u><b>8,99,59,208</b></u>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(2,05,15,043)	(3,79,38,183)
Sale of Fixed Assets	21,32,795	1,03,43,588
Sale of Non Current Investment	60,23,709	-
Movement in Fixed Deposits ( Net )	(75,04,736)	95,76,785
Increase in Capital Work in Progress	45,750	(4,00,000)
Interest Received	1,34,19,369	63,27,711
Dividend Received	11,86,944	4,63,132
<b>Net Cash ( used in ) Investing Activities</b>	<u><b>(52,11,212)</b></u>	<u><b>(1,16,26,967)</b></u>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year Ended 31.03.2016	Year Ended 31.03.2015
	₹	₹
<b>C: CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Public Deposits ( Net )	2,32,80,000	36,70,000
Preceeds from Issue of Equity Shares	8,05,00,000	-
Preceeds from Issue of Share Warrants	2,67,08,750	-
Proceeds from Long Term Borrowings ( Net )	(88,01,418)	(52,67,252)
Proceeds from Short Term Borrowings ( Net )	11,57,44,429	2,38,27,723
Interest Paid	(8,99,23,907)	(8,84,87,617)
Dividend Paid	(91,39,125)	(88,83,796)
<b>Net Cash ( used in ) / from Financing Activities</b>	<b>13,83,68,729</b>	<b>(7,51,40,942)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>13,21,67,980</b>	<b>31,91,299</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>10,43,85,780</b>	<b>10,11,94,481</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>23,65,53,760</b>	<b>10,43,85,780</b>

Note :

- 1) Cash and Cash Equivalents do not include Fixed Deposits with Banks.
- 2) Amount of ₹ 10,72,08,750/- received as preferential money is included in above Current Account Balance.
- 3) Figures in bracket denote outflow of cash.
- 4) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) "Cash Flow Statement".
- 5) Previous year's figures have been restated/recasted, wherever necessary, to confirm to this year's classification.

As per our report of even date

**For M S P & Co.**

Chartered Accountants  
(Registration No. 107565W)

For and on behalf of the Board,

**M. S. PARIKH**

Partner  
Membership No. 08684

**AREEF A. PATEL**

Executive Vice Chairman

**P. S. G. NAIR**

Director

Mumbai,

Dated : 27th May, 2016

**NITIN B. AKOLKAR**

Company Secretary

**MAHESH FOGLA**

Chief Financial Officer



## Notes on Financial Statements for the Year Ended 31st March, 2016

### 1 Significant Accounting Policies

#### a. Basis for preparation of Financial Statements:

The financial statements of the Company have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumption that affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumption used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements.

#### b. Fixed Assets and Depreciation:

- i. All fixed assets are stated at cost of acquisition which includes amounts added on revaluation, less accumulated depreciation and impairment losses.
- ii. Assets acquired on financial lease on or after April 1, 2001 are capitalised at their fair values.
- iii. Depreciation / Amortization:

Depreciation on all assets, including those revalued, and those valued at market price is provided under straight line method at the rates and in the manner prescribed under Part-C of Schedule II of the Companies Act, 2013 (the "Act").

- iv. Depreciation on additions to assets or sale or disposal of assets is calculated on a pro-rata basis from / to the date of addition / deduction.
- v. Computer Softwares are amortized over a period of three years, being the economic useful life as estimated by the management.
- vi. Cost of leasehold land is amortized over the residual period of the lease.
- vii. Assets taken on financial lease are depreciated over their useful life.

#### c. Impairment of Assets:

Impairment loss if applicable is provided to the extent the carrying amount of assets exceeds their recoverable amount and the same is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

#### d. Investments:

- i. Non – Current Investments are stated at cost as they are made with long-term perspective. Provision for diminution, if any, in value of investments is made to recognize a decline other than temporary in the value of the investment and valuation is done on global basis.
- ii. Membership shares of a Co-operative Housing Society related to office premise are included under Non - Current Investments.
- iii. Profit / Loss on sale of Non – Current Investments is computed on FIFO basis.

#### e. Policy For Revenue Recognition:

- i. Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned / incurred, except those with significant uncertainties.

## Notes on Financial Statements for the Year Ended 31st March, 2016

- ii. Amounts recovered towards demurrage and delivery charges are accounted at the time when they are ultimately realised. Freight includes recoverable on undelivered consignments as certified by the management and recoveries for other allied services.
- iii. Income on account of Co-Loading and Cargo division is recognized on booking of courier & cargo load.
- iv. Cargo Freight charges has been accounted on gross basis and commission received if any, against the same has been accounted as revenue from operation under the head commission.
- v. Dividend income from investment is recognised as and when received.
- vi. Other incomes are accounted for on accrual basis except when the recovery is uncertain, it is accounted for on receipt basis.
- vii. Claims made against the Company are evaluated as to type thereof, period for which they are outstanding and appropriate provision made. Claims are stated net of recoveries from Insurance Companies and others.
- viii. Administrative and other expenses are stated net of recoveries wherever applicable.
- f. Retirement Benefits (Staff Benefits):
  - i. The Company has taken a policy with Life Insurance Corporation of India under the Group Gratuity Scheme to cover gratuity liability to the extent of ₹ 10,00,000/- per employee and the premium is accrued on yearly basis. Additional liability if any, in excess of ₹ 10,00,000/- per employee is provided for on payment basis in respect of gratuity entitlement.
  - ii. Leave encashment is accounted on the basis of actuarial valuation as at the close of the financial year.
- g. Foreign Currency Transactions:
  - i. Current Assets / Liabilities denominated in foreign currency are restated at the rates prevailing at the year end or at the rates at which forward cover has been booked, whichever is applicable.
  - ii. Difference, if any, on settlement / restatement is taken to Profit and Loss Account.
- h. Taxes on Income:
  - i. Current tax is determined as the amount of tax payable in respect of taxable income for the year.
  - ii. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets are recognised and carried forward only to the extent there is a reasonable certainty that sufficient future taxable income will be available against such deferred tax can be realised.
- i. Service Tax Input Credit :
 

Service tax input credit is accounted for in the books in the period in which the underlying service is received and when there is no uncertainty in availing /utilizing the credits.
- j. Provision and contingencies:
 

A provision is recognized when the company has legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the company has possible or present obligation where it is not certain that an outflow of resources will be required to settle it.

## Notes on Financial Statements for the Year Ended 31st March, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>2 SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
2,00,00,000 Equity Share of ₹ 10/- each (2,00,00,000)	20,00,00,000	20,00,00,000
	<b>20,00,00,000</b>	<b>20,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
1,58,86,612 Equity Shares of ₹ 10/- each paid up value (1,51,86,612)	15,88,66,120	15,18,66,120
<b>TOTAL</b>	<b>15,88,66,120</b>	<b>15,18,66,120</b>

**2.1** During the current year 7,00,000 Equity Shares of ₹ 10/- each at the premium of ₹ 105/- were issued on preferential basis on 14th January, 2016. The pricing and procedure were in accordance with the requirement of Chapter VII of the SEBI (ICDR) regulations 2009, Section 42 and 62 of Companies Act, 2013 and Rule 14 of the Companies (prospectus and allotment of securities) Rules, 2014.

**2.2** The reconciliation of the number of shares outstanding is set out below :

Particulars	As At 31.03.2016	As At 31.03.2015
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year fully paid up	1,51,86,612	1,51,86,612
Add: Shares issued during the year (Note No. 2.1)	7,00,000	-
<b>Equity Shares at the end of the year</b>	<b>1,58,86,612</b>	<b>1,51,86,612</b>

**2.3** Rights, preferences and restrictions attached to the equity shares -

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

**2.4** The details of Shareholders holding more than 5 % shares :

Name of the Shareholders	As At 31.03.2016		As At 31.03.2015	
	No. of Shares	% held	No. of Shares	% held
Patel Holdings Limited	30,25,667	19.05	30,25,667	19.92
A. S. Patel Trust	13,71,500	8.63	13,71,500	9.03
Mr. Asgar S. Patel	10,65,879	6.71	10,65,879	7.02
Mr. Areef A. Patel	9,27,884	5.84	9,27,884	6.11

## Notes on Financial Statements for the Year Ended 31st March, 2016

		As at 31.03.2016	As at 31.03.2015
3	RESERVES AND SURPLUS	₹	₹
	<b>Capital Reserve</b>	1,27,33,553	1,27,33,553
	<b>Capital Redemption Reserve</b>	18,60,000	18,60,000
	<b>Securities Premium Reserve</b>		
	As per last Balance Sheet	24,65,75,337	24,65,75,337
	Add : Premium on shares issued during the year	<u>7,35,00,000</u>	<u>-</u>
		32,00,75,337	24,65,75,337
	<b>General Reserve</b>		
	As per last Balance Sheet	42,78,23,518	40,78,23,518
	Add : Transferred from Profit and Loss Account	<u>2,00,00,000</u>	<u>2,00,00,000</u>
		44,78,23,518	42,78,23,518
	<b>Other Reserve</b>		
	<b>Contingency Reserve</b>		
	( To meet contingencies )		
	As per last Balance Sheet	3,08,76,867	3,03,98,374
	Add : Transferred from Profit and Loss Account	<u>2,50,00,000</u>	<u>1,20,00,000</u>
		5,58,76,867	4,23,98,374
	Less : Transfer to Profit and Loss Account	<u>1,80,30,601</u>	<u>1,15,21,507</u>
		3,78,46,266	3,08,76,867
	<b>Profit and Loss Account</b>		
	As per last Balance Sheet	3,35,67,067	4,78,65,898
	Add : Profit for the year	<u>8,37,41,676</u>	<u>5,98,99,240</u>
		11,73,08,743	10,77,65,138
	Less : Appropriations		
	Transferred to General Reserve	2,00,00,000	2,00,00,000
	Transferred to Contingency Reserve	2,50,00,000	1,20,00,000
	Proposed Dividend on Equity Shares	76,67,897	75,93,306
	( Dividend per share ₹ 0.50 ( Previous Year ₹ 0.50 )		
	Tax on Dividend	15,61,003	15,45,819
	Additional Depreciation on Fixed Assets (Net of Deffered Tax Assets)*	<u>-</u>	<u>3,30,58,946</u>
		6,30,79,843	3,35,67,067
	<b>TOTAL</b>	<b><u>88,34,18,517</u></b>	<b><u>75,34,36,342</u></b>

\* Additional Depreciation on Fixed Assets ( Net of Deffered Tax Assets thereon ) as per Part-C of Schedule II of Companies Act, 2013.

## Notes on Financial Statements for the Year Ended 31st March, 2016

		As At 31.03.2016	As At 31.03.2015
4	<b>MONEY RECEIVED AGAINST SHARE WARRANTS</b>	₹	₹
	Application money received against 9,29,000 Convertible Equity Warrant @ ₹ 28.75 per warrant of ₹ 115/- each (including premium) issued on preferential basis.	2,67,08,750	-
	<b>TOTAL</b>	<b>2,67,08,750</b>	<b>-</b>
4.1 During the year, Company has issued 9,29,000 equity warrants of ₹ 10/- each at a price of ₹ 115/- per equity warrant to be converted into 9,29,000 equity share of ₹ 10/- at a price of ₹ 115/- per share (inclusive of share premium of ₹ 105/- per share) within 18 months from the date of allotment i.e. 14th January, 2016 on the terms and conditions approved by the members of the Extra Ordinary General Meeting. Application money received on 9,29,000 equity warrants is ₹ 2,67,08,750/-. The funds received in preferential allotment of equity warrants aggregating to ₹ 2,67,08,750/- has been kept with bank in Current Account.			
		As At 31.03.2016	As At 31.03.2015
		Non Current	Current
5	<b>LONG TERM BORROWINGS</b>	₹	₹
	<b>Secured</b>		
	Term Loan	66,94,761	7,90,208
	Deferred Payment Liabilities	1,16,87,894	51,65,593
		<b>1,83,82,655</b>	<b>59,55,801</b>
	<b>Unsecured</b>		
	Term Loan	1,81,840	19,66,944
	Deposit Accepted from Public	8,26,48,000	6,40,94,000
		<b>8,28,29,840</b>	<b>6,60,60,944</b>
	<b>TOTAL</b>	<b>10,12,12,495</b>	<b>7,20,16,745</b>
5.1 Deferred payment Liabilities referred above are secured by way of mortgage of trucks and motor cars.			
5.2 Term Loan Liability referred above is secured by office premises located at Unit No. 504, 5th Floor, The Crescent Business Park, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072.			
5.3 Maturity Profile of Term Loan is as set out below :			
		1 - 2 Years	2 - 3 Years
		₹	₹
	Secured Term Loan	9,08,219	10,43,854
	Unsecured Term Loan	1,81,840	-
			As at 31.03.2016
			₹
6	<b>DEFERRED TAX LIABILITY (Net)</b>		As at 31.03.2015
	<b>Deferred Tax Liability</b>		₹
	Related to Fixed Assets	2,25,86,355	2,74,13,535
	<b>Deferred Tax Assets</b>		
	Disallowances under the Income Tax Act, 1961	6,61,220	11,91,484
	<b>TOTAL</b>	<b>2,19,25,135</b>	<b>2,62,22,051</b>

	As at 31.03.2016	As at 31.03.2015
<b>7 OTHER LONG TERM LIABILITIES</b>	₹	₹
Deposits*	2,53,94,707	2,41,03,391
Liabilities for Claims	3,28,53,979	3,27,09,346
<b>TOTAL</b>	<b>5,82,48,686</b>	<b>5,68,12,737</b>

\* Deposits includes deposits from Transporters, Customers, Franchisees and Godown Owners.

	As at 31.03.2016	As at 31.03.2015
<b>8 SHORT TERM BORROWINGS</b>	₹	₹
<b>Secured - Loans repayable on demand</b>		
Working Capital Loans from Banks	42,96,71,405	28,73,55,084
<b>Unsecured</b>		
Working Capital Loans from Banks and Others	53,11,511	1,64,83,403
Loans and Advances from Related Parties ( Including interest thereon ₹ Nil )	-	1,54,00,000
<b>TOTAL</b>	<b>43,49,82,916</b>	<b>31,92,38,487</b>

#### 8.1 Working Capital Loans From Banks :

Secured by :

Pari Passu Hypothecation charges on all the present & future book debts (upto 120 days) and movable assets except those as statutorily earmarked other than those acquired under hire purchase agreement.

Collateral Security -

- Personal Guarantee of Wholetime Director designated as Executive Vice Chairman.
- Equitable Mortgage of certain properties owned situated at Mumbai and Thane.

	As at 31.03.2016	As at 31.03.2015
<b>9 TRADE PAYABLES</b>	₹	₹
Acceptances	5,45,00,000	12,47,00,000
Others	4,42,19,460	7,99,39,634
<b>TOTAL</b>	<b>9,87,19,460</b>	<b>20,46,39,634</b>

#### 9.1 The Company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any under the said Act has not been made.

		As at 31.03.2016	As at 31.03.2015
	₹	₹	₹
<b>10 OTHER CURRENT LIABILITIES</b>			
Current Maturities of Public Deposits		6,30,89,000	4,23,57,000
Current Maturities of Deferred Payment Liabilities		51,65,593	1,01,43,034
Current Maturities of Term Loan Liabilities		27,57,151	23,06,944
Interest Accrued but not due on Public Deposits		75,18,227	71,18,518
Unclaimed Dividend		37,94,336	39,44,733
Unclaimed Matured Deposits and Interest Accrued thereon		13,97,643	7,32,290
Creditors for Capital Expenditure		8,21,630	50,500
<b>Other Payables</b>			
Staff Advance	1,50,071		3,85,723
Statutory Liabilities	1,06,60,699		69,93,720
Staff Liabilities	2,14,69,237		1,89,59,704
Sundry Deposits	47,28,663		52,02,467
Overdrawn Balance in Current Account with Bank	52,418		10,04,843
Liabilities for Claims	1,14,59,947		1,08,07,137
Other Payables*	3,68,65,065		3,03,88,693
		8,53,86,100	7,37,42,287
<b>TOTAL</b>		<b>16,99,29,680</b>	<b>14,03,95,306</b>
* Includes Agency payables, etc.			

		As at 31.03.2016	As at 31.03.2015
	₹	₹	₹
<b>11 SHORT TERM PROVISIONS</b>			
Provisions for Leave Encashment		1,93,13,632	1,62,79,065
Proposed Dividend		76,67,897	75,93,306
Tax on Dividend		15,61,003	15,45,819
Provision for Wealth Tax		-	3,25,000
Provision for Income Tax		6,65,00,000	8,43,00,000
<b>TOTAL</b>		<b>9,50,42,532</b>	<b>11,00,43,190</b>



## Notes on Financial Statements for the Year Ended 31st March, 2016

### 12 FIXED ASSETS

Description	Gross Block			Depreciation / Amortization				Net Block		(Amt. in ₹)
	As at 01.04.2015	Additions / Adjustment	Deductions / Adjustments	As at 31.03.2016	As at 01.04.2015	Prior Period	For the Year	Deductions / Adjustments	As at 31.03.2016	
Tangible Assets :										
Own Assets :										
Freehold Land	16,03,25,082	-	-	16,03,25,082	-	-	-	-	16,03,25,082	16,03,25,082
Leasehold Land	92,050	-	-	92,050	29,015	-	956	-	29,971	63,035
Buildings	12,88,48,156	-	-	12,88,48,156	2,85,89,026	-	21,51,724	-	3,07,40,750	10,02,59,130
Furniture and Fixtures	12,72,24,674	44,27,778	-	13,16,52,452	7,14,27,393	-	92,42,864	-	8,06,70,257	5,57,97,281
Computers	16,56,93,573	42,96,519	52,41,759	16,47,48,333	15,53,53,367	-	64,78,045	52,41,703	15,65,89,709	1,03,40,206
Office Equipment	6,26,03,730	55,50,107	23,42,083	6,58,11,754	4,65,94,189	-	51,04,771	23,11,746	4,93,87,214	1,60,09,541
Plant and Machinery	87,81,639	2,58,260	2,14,987	88,24,912	65,59,844	-	2,44,366	2,14,292	65,89,918	22,21,795
Trucks	8,17,44,737	-	-	8,17,44,737	4,92,73,994	-	1,21,79,076	-	6,14,53,070	3,24,70,743
Vehicles	3,27,99,997	-	50,15,203	2,77,84,794	2,24,23,741	-	23,87,217	38,53,862	2,09,57,096	1,03,76,256
Sub - Total	76,81,13,638	1,45,32,664	1,28,14,032	76,98,32,270	38,02,50,569	-	3,77,89,019	1,16,21,603	40,64,17,985	38,78,63,069
Leased Assets :										
Buildings	1,34,70,000	-	-	1,34,70,000	6,29,241	-	2,24,949	-	8,54,190	1,28,40,759
Trucks	1,67,11,475	-	-	1,67,11,475	6,55,048	-	27,85,805	-	34,40,853	1,60,56,427
Vehicles	52,34,034	57,02,107	2,72,026	1,06,64,115	10,63,724	-	12,16,526	-	22,80,250	41,70,310
Sub - Total	3,54,15,509	57,02,107	2,72,026	4,08,45,590	23,48,013	-	42,27,280	-	65,75,293	3,30,67,496
Total ( A )	80,35,29,147	2,02,34,771	1,30,86,058	81,06,77,860	38,25,98,582	-	4,20,16,299	1,16,21,603	41,29,93,278	42,09,30,565
Intangible Assets :										
Computer Software	2,28,63,820	2,80,272	-	2,31,44,092	2,15,35,763	-	7,95,232	-	2,23,30,995	13,28,057
Total ( B )	2,28,63,820	2,80,272	-	2,31,44,092	2,15,35,763	-	7,95,232	-	2,23,30,995	13,28,057
Total ( A + B )	82,63,92,967	2,05,15,043	1,30,86,058	83,38,21,952	40,41,34,345	-	4,28,11,531	1,16,21,603	43,53,24,273	42,22,58,622
Previous Year	80,24,09,093	3,79,38,183	1,39,54,309	82,63,92,967	32,06,26,671	4,89,36,342	4,51,34,183	1,05,62,851	40,41,34,345	
Capital Work-in-Progress										43,91,588
									43,45,838	

## Notes on Financial Statements for the Year Ended 31st March, 2016

**12.1** Building includes ₹ 250/- in respect of shares held in the Society.

**12.2** In respect of fixed assets acquired on finance lease on or after 1st April, 2001, the minimum lease rental outstanding as on 31st March, 2016 are as follows:

(Amt in ₹)

Particulars	Total minimum lease payments outstanding As at 31st March		Future interest on outstanding lease payments		Present value of minimum lease payments As at 31st March	
	2016	2015	2016	2015	2016	2015
Within one year	<b>66,67,519</b>	1,19,02,119	<b>15,01,926</b>	17,59,085	<b>51,65,593</b>	1,01,43,034
Later than one year and not later than five years	<b>1,32,44,753</b>	1,55,31,230	<b>15,56,859</b>	23,26,299	<b>1,16,87,894</b>	1,32,04,931
<b>Total</b>	<b>1,99,12,272</b>	2,74,33,349	<b>30,58,785</b>	40,85,384	<b>1,68,53,487</b>	2,33,47,965

**12.3** Buildings worth ₹ 58,77,423/- included in Gross Block are revalued on the basis of the replacement value as at 30.06.1987 and the office premises worth ₹ 2,48,44,368/- included in Gross Block are revalued on the basis of the replacement value as at 31.03.1993. They are stated at revalued figures less accumulated depreciation.

**12.4** The office building at Natasha 1st Floor, Bandra, Mumbai - 400 050 is under litigation which is pending before the High Court.

**12.5** Computer software - Refer note No. 1 ( b )( v ).

## Notes on Financial Statements for the Year Ended 31st March, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>13 NON - CURRENT INVESTMENTS</b>		
( Long Term Investments )		
<b>Investments in Equity Shares</b>		
<b>Trade Quoted</b>		
-- Blue Dart Express Ltd. of ₹ 10/- each	-	66,000
(1000) fully paid up		
20 Gati Ltd. of ₹ 2/- each fully paid up	1,013	1,013
(20)		
100 All Cargo Logistics Ltd. of ₹ 2/- each	16,993	16,993
(100) fully paid up		
20 Transport Corporation of India Ltd. of ₹ 2/-	1,495	1,495
(20) each fully paid up		
	<u>19,501</u>	<u>85,501</u>
<b>Non Trade Quoted</b>		
250 Pfizer Ltd. of ₹ 10/- each fully paid up	2,26,721	2,26,721
(250)		
25500 Hindustan Petroleum Corporation Ltd. of ₹ 10/-	1,27,34,683	1,27,34,683
(25500) each fully paid up		
700 Ganesh Benzo Plast Ltd. of ₹ 10/- each fully	17,850	17,850
(700) paid up		
50 Ganesh Anhydride Ltd. of ₹ 10/- each fully	500	500
(50) paid up		
16200 UTI Mastershares of ₹ 10/- each fully paid up	1,96,166	1,96,166
(16200)		
2500 Power Grid Corporation of India Ltd. of ₹ 10/-	3,84,775	3,84,775
(2500) each fully paid up		
165000 Wallstreet Finance Ltd. of ₹ 10/- each	34,10,000	34,10,000
(165000) fully paid up		
1 TCI Developers Ltd. of ₹ 10/- each	-	-
(1) fully paid up		
2060 Reliance Communications Ltd. of ₹ 5/- each	-	-
(2060)		
	<u>1,69,70,695</u>	<u>1,69,70,695</u>
<b>Non Trade Unquoted</b>		
5000 Shamrao Vithal Co-op Bank Ltd. of ₹ 25/- each	1,25,000	1,25,000
(5000) fully paid up		
50 NKGSB Co-op Bank Ltd. of ₹ 10/- each	500	500
(50) fully paid up		
910 Shri Ambuja Petrochemicals Ltd. of ₹ 10/- each	9,100	9,100
(910) fully paid up		
5 The Memon Co-Op. Bank Ltd. of ₹ 10/- each	50	50
(5) fully paid up		
5 The Natasha Co-Op. Housing Society Ltd.	250	250
(5) of ₹ 50/- each fully paid up		
8 Piramal Glass Ltd. of ₹ 10/- each	-	-
(8)		
	<u>1,34,900</u>	<u>1,34,900</u>

## Notes on Financial Statements for the Year Ended 31st March, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>Investments in Preference Shares - Unquoted</b>		
250 Cumulative Redeemable Preference Shares of	2,500	2,500
(250) Shri Rayalseema Alkalies and Allies Chemicals of ₹ 10/- each fully paid up		
	<u>2,500</u>	<u>2,500</u>
<b>Investments in Debentures - Quoted</b>		
14000 Non Convertible Debenture of Blue Dart Express Ltd.	-	-
(14000) of ₹ 10/- each fully paid up		
	<u>-</u>	<u>-</u>
<b>Investments in Debentures - Unquoted</b>		
40 Non Convertible Debenture of Ganesh Benzo	3,000	3,000
(40) Plast Ltd. of ₹ 75/- each fully paid up		
	<u>3,000</u>	<u>3,000</u>
<b>TOTAL</b>	<b><u>1,71,30,596</u></b>	<b><u>1,71,96,596</u></b>
<b>Note</b>		
Aggregate book value of quoted investments	1,69,90,196	1,70,56,196
Aggregate market value of quoted investments	2,56,75,464	3,04,93,308
Aggregate book value of unquoted investments	1,40,400	1,40,400
	<b>As at 31.03.2016 ₹</b>	<b>As at 31.03.2015 ₹</b>
<b>14 LONG - TERM LOANS AND ADVANCES</b>		
( Unsecured Considered Good )		
<b>Property Deposit</b>		
Related Party	1,00,00,000	1,00,00,000
Others	<u>3,38,03,374</u>	<u>4,38,03,374</u>
Earnest Money Deposit	6,23,397	7,76,697
Other Deposits	36,57,422	36,02,875
Other Loans and Advances ( Refer Note No. 33 )	<u>1,43,69,000</u>	<u>1,53,69,000</u>
<b>TOTAL</b>	<b><u>6,24,53,193</u></b>	<b><u>6,23,75,579</u></b>

## Notes on Financial Statements for the Year Ended 31st March, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>15 TRADE RECEIVABLE</b>		
<b>Secured Considered Good</b>		
Over Six months	1,15,28,258	1,73,04,730
Others	32,82,19,336	29,95,94,495
<b>Unsecured Considered Good</b>		
Over Six months	4,20,10,967	4,16,30,005
Others	56,04,71,729	53,63,28,438
<b>TOTAL</b>	<b>94,22,30,290</b>	<b>89,48,57,668</b>

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>16 CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balance with Banks		
In Current Accounts (includes proceeds of preferential issue)	20,91,75,952	7,67,84,533
In Dividend Account for Unclaimed Dividend	37,94,336	39,44,732
Cash on Hand	1,14,02,827	1,26,00,088
Cheque in Transit	1,21,80,645	1,10,56,427
<b>Other Bank Balances</b>		
In Fixed Deposits	13,95,299	12,87,508
In Fixed Deposits (as margin money against bank guarantees, LC's and Others)	4,69,73,884	4,42,94,901
In Fixed Deposits (as earmarked against public deposits)	1,45,17,962	98,00,000
<b>TOTAL</b>	<b>29,94,40,905</b>	<b>15,97,68,189</b>

\* Fixed deposits with bank includes deposits of ₹ 37,07,850/- ( Previous Year ₹ 10,50,686/-) with maturity of more than 12 months.

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>17 SHORT - TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered Good)		
Prepaid Expenses	51,77,572	57,02,741
Staff Advances	30,33,073	27,84,700
Advance Income Tax	22,16,30,853	21,79,23,958
Others*	8,99,99,271	7,39,94,212
<b>TOTAL</b>	<b>31,98,40,769</b>	<b>30,04,05,611</b>

\* Includes interest receivable, cenvat receivable, claim receivable, agent receivable and octroi advance.

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>18 OTHER CURRENT ASSETS</b>		
Interest Accrued on Bank Deposits	51,15,021	51,05,693
<b>TOTAL</b>	<b>51,15,021</b>	<b>51,05,693</b>

## Notes on Financial Statements for the Year Ended 31st March, 2016

	For the Year 2015-16	For the Year 2014-15
	₹	₹
<b>19 REVENUE FROM OPERATIONS</b>		
<b>Sale of Services</b>		
Freight	1,76,30,42,307	1,72,65,37,833
Co Loading and Cargo Income	2,89,52,12,197	3,37,82,18,018
Commission	45,41,78,374	77,47,51,259
Other Operating Income	12,00,000	3,00,000
<b>TOTAL</b>	<b>5,11,36,32,878</b>	<b>5,87,98,07,110</b>
	For the Year 2015-16	For the Year 2014-15
	₹	₹
<b>20 OTHER INCOME</b>		
Interest Income	1,34,28,697	59,32,585
Dividend Income	11,86,944	4,63,132
Other Non Operating Income	1,18,96,212	1,03,80,148
<b>TOTAL</b>	<b>2,65,11,853</b>	<b>1,67,75,865</b>
	For the Year 2015-16	For the Year 2014-15
	₹	₹
<b>21 OPERATING COST</b>		
Truck Hire Charges	1,04,15,89,938	1,04,70,22,914
Truck Operational Expenses	13,13,27,558	12,00,20,673
Truck Repairs and Maintenance Expenses	86,41,409	97,75,182
Diesel, Oil and Grease	6,58,35,614	7,60,60,797
Taxes and Permits	20,49,478	23,17,090
Sundry Airport Expenses	1,57,95,522	1,39,75,953
Line Haul Transportation Expenses	4,85,04,595	6,26,26,814
Cargo Freight Charges	2,69,29,02,396	3,51,06,32,276
Handling Charges	22,56,75,605	21,12,66,523
Packing Materials Expenses	78,00,087	76,25,988
Miscellaneous Operating Expenses	7,86,25,170	7,62,61,412
Insurance	18,50,832	20,35,400
Agency Commission	4,51,51,635	4,97,94,585
Claims for Loss of Goods (Net of Recoveries)	74,82,694	52,58,693
<b>TOTAL</b>	<b>4,37,32,32,533</b>	<b>5,19,46,74,300</b>
	For the Year 2015-16	For the Year 2014-15
	₹	₹
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	23,97,13,307	22,19,18,667
Contribution to Provident and Other Funds	2,40,65,280	2,41,29,681
Staff Welfare Expenses	1,91,72,398	1,85,31,622
<b>TOTAL</b>	<b>28,29,50,985</b>	<b>26,45,79,970</b>

## Notes on Financial Statements for the Year Ended 31st March, 2016

22.1 Defined obligations - Disclosures as per Accounting Standard 15 ( Revised ) are as under:

	Gratuity		Leave	
	2015 - 16	2014 - 15	2015 - 16	2014 - 15
	₹	₹	₹	₹
<b>(A) Reconciliation of changes in present value of obligations</b>				
At the beginning of the year	6,03,14,519	5,72,33,726	1,62,79,065	1,53,58,752
Current service cost	51,26,779	50,64,661	79,96,720	73,60,560
Interest Cost	48,25,162	45,78,698	11,61,350	12,09,057
Actuarial ( Gain ) / Loss	7,48,700	63,79,580	(33,43,577)	(34,05,210)
Benefits paid	(63,16,003)	(1,29,42,146)	(27,79,927)	(42,44,094)
At the closing of the year	6,46,99,157	6,03,14,519	1,93,13,631	1,62,79,065
<b>(B) Reconciliation of changes in fair value of plan assets</b>				
At the beginning of the year	3,17,21,299	3,24,44,470	-	-
Expected return on plan assets	27,66,123	77,65,493	-	-
Contributions	49,57,842	44,53,482	27,79,927	42,44,094
Benefits paid	(63,16,003)	(1,29,42,146)	(27,79,927)	(42,44,094)
Actuarial ( Gain ) / Loss	-	-	-	-
At the closing of the year	3,31,29,261	3,17,21,299	-	-
<b>(C) Reconciliation of fair value of plan assets</b>				
At the beginning of the year	3,17,21,299	3,24,44,470	-	-
Actual return on plan assets	27,66,123	77,65,493	-	-
Contributions	49,57,842	44,53,482	27,79,927	42,44,094
Benefits paid	(63,16,003)	(1,29,42,146)	(27,79,927)	(42,44,094)
At the closing of the year	3,31,29,261	3,17,21,299	-	-
Funded Status	(3,15,69,896)	(2,85,93,220)	(1,93,13,631)	(1,62,79,065)
Excess of actual over estimated return on plan assets	-	-	-	-
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)				
<b>(D) Actuarial Gain / Loss recognized</b>				
Actuarial ( gain ) / loss on obligations	(7,48,700)	(63,79,580)	(33,43,577)	(34,05,210)
Actuarial ( gain ) / loss for the year - Plan Assets	-	-	-	-
Actuarial ( gain ) / loss on obligations	7,48,700	63,79,580	-	-
Actuarial ( gain ) / loss recognized in the year	7,48,700	63,79,580	(33,43,577)	(34,05,210)
<b>(E) The amount to be recognized in the Balance Sheet and Statement of Profit and Loss</b>				
Present value of obligations as at the end of year	6,46,99,157	6,03,14,519	1,93,13,631	1,62,79,065
Fair value of plan assets as at the end of year	3,31,29,261	3,17,21,299	-	-
Funded status	(3,15,69,896)	(2,85,93,220)	(1,93,13,631)	(1,62,79,065)
Net assets / ( liability ) recognized in Balance Sheet	(3,15,69,896)	(2,85,93,220)	(1,93,13,631)	(1,62,79,065)
<b>(F) Expenses recognised in statement of Profit and Loss</b>				
Current Service Cost	51,26,779	50,64,661	79,96,720	73,60,560
Interest Cost	48,25,162	45,78,698	11,61,350	12,09,057
Expected return on plan assets	(27,66,123)	(77,65,493)	-	-
Net Actuarial ( gain ) / loss recognised in the year	7,48,700	63,79,580	(33,43,577)	(34,05,210)
Expenses recognised in statement of Profit and Loss	79,34,518	82,57,446	58,14,493	51,64,407



## Notes on Financial Statements for the Year Ended 31st March, 2016

	For the Year 2015-16	For the Year 2014-15
<b>23 FINANCE COSTS</b>	₹	₹
Interest Expense	8,34,55,272	8,47,14,660
Other Borrowing Costs	67,66,697	54,11,305
<b>TOTAL</b>	<b>9,02,21,969</b>	<b>9,01,25,965</b>
	For the Year 2015-16	For the Year 2014-15
<b>24 OTHER EXPENSES</b>	₹	₹
Electricity Charges	1,19,11,398	1,21,28,429
Rent	5,05,70,281	4,82,85,889
Repair to Buildings	15,08,996	13,99,053
Insurance	23,52,603	19,88,897
Printing and Stationery	1,36,99,417	1,09,18,803
Postage and Telegram, Internet Charges	59,93,439	64,60,292
Conveyance and Travelling	2,08,80,178	2,17,36,590
Telephone and Telex	1,15,00,629	1,27,53,367
Rate and Taxes	1,00,25,547	66,06,105
Legal and Professional Fees	1,68,73,529	1,37,09,566
Auditors' Remuneration	12,65,000	12,65,000
Advertisement, Publicity and Business Promotion	68,84,068	68,03,622
Directors' Sitting Fees	13,60,000	7,70,000
Corporate Social Responsibility Expenditure (Refer Note No. 27)	9,98,850	-
Miscellaneous Expenses	8,44,34,800	7,73,20,116
Bad Debts Written Off	1,80,30,601	1,15,21,507
Less : Transfer from Contingency Reserve	(1,80,30,601)	(1,15,21,507)
<b>TOTAL</b>	<b>24,02,58,735</b>	<b>22,21,45,729</b>
<b>25 EARNINGS PER SHARE ( EPS )</b>	For the Year 2015-16	For the Year 2014-15
<b>A) Net Profit After Tax ( in ₹ )</b>	8,37,41,676	5,98,99,240
<b>B) Calculation of Weighted Average Number of Equity Share of ₹ 10/- each</b>		
i) Number of shares at the beginning of the year	1,51,86,612	1,51,86,612
ii) Total number of shares outstanding at the end of the year	1,58,86,612	1,51,86,612
iii) Weighted average number of Equity Shares outstanding during the year	1,53,35,792	1,51,86,612
<b>C) Basic Earning per share ( in ₹ )</b>	5.46	3.94
<b>D) Diluted Earning per share ( in ₹ )</b>	4.98	3.94
<b>E) Nominal Value of Shares</b>	10.00	10.00

## Notes on Financial Statements for the Year Ended 31st March, 2016

### 26 Payment to Auditors :

Particulars	For the Year 2015 - 16 ₹	For the Year 2014 - 15 ₹
Audit Fees	9,73,250*	9,55,060*
Tax Audit Fees	2,00,375*	1,96,630*
Certification Fees including Limited Review	2,29,000*	2,24,720*
Out of Pocket Expenses	45,800*	44,944*
<b>Total</b>	<b>14,48,425</b>	<b>14,21,354</b>

\*includes service tax and other cess of ₹ 1,83,425 /- (Previous Year ₹ 1,56,354 /-).

### 27 Corporate Social Responsibility Expenditure :

The Company has incurred a total expenditure of ₹ 9,98,850/-, which is being debited to the profit and loss account for the year ended 31st March, 2016.

Nature of Expenses	Schedule in the financial statement	Amount in ₹
Donation to the Trust towards purchase of blood bank vehicle for use of Tata Memorial Hospital	Other Expenses (Note No. 24)	9,98,850
<b>Total</b>		<b>9,98,850</b>

The CSR Committee constituted by the Board of Directors of the Company under section 135 of the Act supervise all the expenditure incurred for CSR purposes. The Company contributed to Rotary Club of Bombay Bandra Charitable Trust for purchase of blood bank vehicle for use of Tata Memorial Hospital.

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31st March, 2016.

I. Gross amount required to be spend by the Company during the year – ₹ 9,95,527/-

II. Following is the amount spent during the year on (by way of contribution to the trust and projects undertaken):

Particulars	Amount in ₹
Other Project	9,98,850
<b>Total</b>	<b>9,98,850</b>

### 28 Earnings and Expenditure in Foreign Currency :

Particulars	For the Year 2015 - 16 ₹	For the Year 2014 - 15 ₹
<b>Earnings in Foreign Currency :</b>		
Air Freight Billing and Other expenses (Net)	1,62,351	7,78,397
<b>Total</b>	<b>1,62,351</b>	<b>7,78,397</b>
<b>Expenditure in Foreign Currency :</b>		
Membership and Subscription Fees	41,357	42,053
Travelling	3,06,474	6,79,056
<b>Total</b>	<b>3,47,831</b>	<b>7,21,109</b>

## Notes on Financial Statements for the Year Ended 31st March, 2016

### 29 Contingent Liabilities

- i. Estimated amount of contracts remaining to be executed on Capital Expenditure and not provided for as on 31st March, 2016 ₹ 5,25,154/- (Previous Year ₹ 5,70,904/-).
  - ii. Counter guarantees given to Banks and to Mr. Areef Patel, Executive Vice Chairman for guarantees provided by them against credit facilities ₹ 69,19,22,590/- (Previous Year ₹ 57,57,21,924/-), for which no monetary benefit has accrued to Mr. Areef Patel, Executive Vice Chairman.
  - iii. Claims against the Company not acknowledged as debts ₹ 91,20,000/- (Previous Year ₹ 85,70,000/-).
  - iv. On Account of CSR ₹ 16,70,000/-.
- 30** Trade Receivable against whom the Company has filed the legal suits for recovery are being reviewed by the legal department on year-to-year basis. The Management is hopeful of recovery of these amounts. Accordingly no provision has been made for any loss, which may occur on this account.
- 31** Classification of Trade Receivable as secured and Trade Receivable / Loans and Advances as unsecured considered good are as evaluated and certified by the management, which has been relied upon by the auditors.
- 32** Balances of Trade Receivable, Trade Payable and certain Loans and Advances are subject to confirmation / reconciliation and adjustments, if any in respect thereof.
- 33** Other Loans and Advances under Long Term Loans & Advances includes Inter Corporate Deposits aggregating to ₹ 1,28,27,000/- (Previous Year ₹ 1,38,27,000/-) due from certain Companies. Having regards to the long-term association with these companies, the management is of the view that no provision is considered necessary on these accounts.
- 34** Trade Receivable outstanding in Company books for Franchisee locations are collected by the Company, as agent on behalf of the Franchisee.
- 35 Segment Reporting :**

(Amt. in ₹)				
Segment	Surface Transportation	Co-Loading of Courier	Consolidation of Cargo	Total
<b>Segment Revenue</b>				
External Sales	1,76,30,42,307 (1,72,65,37,833)	24,50,22,194 (27,37,50,438)	3,10,55,68,377 (3,87,95,18,839)	5,11,36,32,878 (5,87,98,07,110)
Inter - Segment Sales				
<b>Total Revenue</b>	1,76,30,42,307 (1,72,65,37,833)	24,50,22,194 (27,37,50,438)	3,10,55,68,377 (3,87,95,18,839)	5,11,36,32,878 (5,87,98,07,110)
<b>Segment Result</b>	17,61,95,143 (14,39,11,926)	1,94,02,793 (2,70,54,206)	17,54,71,114 (17,20,97,585)	37,10,69,050 (34,30,63,717)
Unallocated Corporate Expenses				19,66,89,956 (18,97,90,789)
Operating Profits				17,43,79,094 (15,32,72,928)
Interest Expenses				9,02,21,969 (9,01,25,965)
Interest / Dividend Income				1,46,15,641 (63,95,717)
Other Income				1,18,96,212 (1,03,80,148)
<b>Net Profit</b>				<b>11,06,68,978</b> <b>(7,99,22,828)</b>

## Notes on Financial Statements for the Year Ended 31st March, 2016

(Amt. in ₹)

Segment	Surface Transportation	Co-Loading of Courier	Consolidation of Cargo	Total
<b>Other Information</b>				
Segment Assets	89,28,14,621 (85,78,06,400)	6,91,03,019 (7,11,96,455)	72,18,10,202 (68,26,85,017)	1,68,37,27,842 (1,61,16,87,872)
Unallocated Corporate Assets				36,53,26,449 (25,46,71,674)
<b>Total Assets</b>	89,28,14,621 (85,78,06,400)	6,91,03,019 (7,11,96,455)	72,18,10,202 (68,26,85,017)	<b>2,04,90,54,291</b> <b>(1,86,63,59,546)</b>
Segment Liabilities	45,80,66,796 (41,10,55,049)	68,88,239 (1,43,32,156)	38,20,81,772 (38,41,25,451)	84,70,36,807 (80,95,12,656)
Unallocated Corporate Liabilities				1,20,20,17,484 (1,05,68,46,890)
<b>Total Liabilities</b>	45,80,66,796 (41,10,55,049)	68,88,239 (1,43,32,156)	38,20,81,772 (38,41,25,451)	<b>2,04,90,54,291</b> <b>(1,86,63,59,546)</b>
Capital Expenditure	84,08,092 (3,26,01,177)	28,500 (32,200)	1,20,78,451 (53,04,806)	2,05,15,043 (3,79,38,183)
Unallocated Corporate Capital Expenditure				-- (--)
<b>Total Capital Expenditure</b>	84,08,092 (3,26,01,177)	28,500 (32,200)	1,20,78,451 (53,04,806)	<b>2,05,15,043</b> <b>(3,79,38,183)</b>
Depreciation and Amortization	2,78,59,918 (2,82,73,087)	3,00,726 (2,99,582)	1,36,87,403 (1,52,93,375)	4,18,48,047 (4,38,66,044)
Unallocated Depreciation and Amortization				9,63,484 (12,68,139)
<b>Total Depreciation and Amortization</b>	2,78,59,918 (2,82,73,087)	3,00,726 (2,99,582)	1,36,87,403 (1,52,93,375)	<b>4,28,11,531</b> <b>(4,51,34,183)</b>

- 36 Disclosure as per Accounting Standard – 29 – Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India :

(Amt in ₹)

Particulars	Claims for Damages (legal or otherwise)
<b>Opening Balance</b>	<b>4,35,16,483</b>
Additions	74,82,694
Utilizations and Reversals	66,85,251
<b>Closing Balance</b>	<b>4,43,13,926</b>

Provisions for claims for damage obligations (legal or otherwise) including provision for claims for damages, leakages, shortage and non-delivery of consignments are on account of routine matters where the Company anticipates probable outflow. The claims in respect of which legal suits are filed against the Company are fully provided on the basis of legal suit amounts. For the other claims the amount of provision is based on the estimate made by the Company considering the facts and circumstances of each case. The timing and the amount of cash outflows that will arise from these matters will be determined only on settlement of actual cases and claims with the respective parties.

### 37 Related Party Disclosures :

Related Parties have been classified as per Accounting Standards of Institute of Chartered Accountants of India as under:

**A) Individuals owning directly or indirectly an interest in the voting power of the reporting enterprise that gives them significant influence over the enterprise, and relative of such individual (Clause 3(c) of AS 18):**

Mr. Asgar S. Patel and his relatives within the meaning of Clause 10.9 of AS 18.

**B) Key Management Personnel and relatives of such personnel ( Clause 3(d) of AS18):**

Mr. Areef Patel and his relatives within the meaning of Clause 10.9 of AS 18.

**C) Enterprises over which any person described in (A) or (B) is able to exercise significant influence (Clause 3(e) of AS 18):**

- a) Wall Street Securities & Investment (India) Ltd.
- b) Transways Combines Pvt. Ltd.
- c) Patel Real Estate Developers Pvt. Ltd.
- d) One Capitall Ltd.
- e) Patel Holdings Ltd.
- f) Wall Street Derivatives and Financial Services (India) Pvt. Ltd.
- g) Natasha Constructions Pvt. Ltd.
- h) Natasha Homes Pvt. Ltd.
- i) Natasha Construction Projects Pvt. Ltd.
- j) A. S. Patel Trust
- k) Goldman (Patel Family) Beneficiaries Trust

(Amt. in ₹)

Sr. No.	Particulars	A		B		C	
	Transactions during the year	15-16	14-15	15-16	14-15	15-16	14-15
1.	Lease Rent Paid	--	--	--	--	18,96,948	3,49,098
2.	Rent Received	--	--	--	--	6,63,510	6,20,225
3.	Remuneration Paid	--	--	44,41,357	43,10,026	--	--
4.	Reimbursement of Expenses (Paid)	--	--	--	--	3,78,696	2,18,739
5.	Reimbursement of Expenses (Received)	--	--	--	--	--	4,52,165
6.	Inter Corporate Deposit Repaid	--	--	--	--	2,74,00,000	1,63,00,000
7.	Inter Corporate Deposits Taken	--	--	--	--	1,20,00,000	3,17,00,000
8.	Interest on ICD paid	--	--	--	--	14,42,540	21,76,641
9.	Property Deposit Received Back	--	--	--	--	--	--
10.	Advance Given	--	--	--	--	--	91,07,500
11.	Advance Given Received Back	--	--	--	--	--	91,07,500

(Amt. in ₹)

Sr.	Particulars	A		B		C	
No.	Transactions during the year						
		15-16	14-15	15-16	14-15	15-16	14-15
	Balance as at						
12.	Inter Corporate Deposits Taken						
	One Capital Ltd.	--	--	--	--	--	1,54,00,000
13.	Properties Deposit Given						
	A S Patel Trust	--	--	--	--	1,00,00,000	1,00,00,000

Above figures are excluding service tax and other cess, wherever applicable.

**NOTES :**

- The godown deposit is treated as property deposit pending final outcome of the revision petition filed by the Company before Juridical Authorities.
- There are no provisions for doubtful debts or amounts written off or written back during the year for debts due from or to related parties.
- The ICD taken from related party was prior to the commencement of section 188 of Companies Act, 2013.

**38** In the opinion of the Board, current assets, loans and advances have a value of at least equal to the amounts shown in the Balance Sheet, if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary. There are no contingent liabilities other than those stated in Note No. 29.

**39** Previous year's figures are regrouped/restated wherever required.

As per our report of even date

**For M S P & Co.**

Chartered Accountants  
(Registration No. 107565W)

For and on behalf of the Board,

**M. S. PARIKH**

Partner  
Membership No. 08684

**AREEF A. PATEL**

Executive Vice Chairman

**P. S. G. NAIR**

Director

Mumbai,

Dated : 27th May, 2016

**NITIN B. AKOLKAR**

Company Secretary

**MAHESH FOGLA**

Chief Financial Officer

[illegible]



## NECS MANDATE FORM

To,

Bigshare Services Private Limited  
**Unit: Patel Integrated Logistics Ltd.**  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai - 400072.

Dear Sirs,

### Re.: Payment of Dividend through NECS (NECS Mandate Form)

I/We hereby give my/our mandate to credit my/our Dividend on the shares held by me/us under the below mentioned folio, directly to my/our bank account through the Electronic Clearing Service (ECS).

The details of my/our bank account for direct credit under ECS are given below:

1.	Name of the first / Sole shareholder (IN BLOCK LETTERS)										
2.	Folio No. (Use separate form for each folio)										
3.	Name of the Bank (full)										
4.	Bank Branch identification										
5.	Address and telephone no. of the Bank / Branch										
6.	9 digit code no. of the Bank and Branch as appearing on the MICR Cheque issued by the Bank	<table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>									
7.	Tick the type of Account of which code is given above	<table><tr><td>a) Savings</td></tr><tr><td>b) Current</td></tr><tr><td>c) Cash Credit</td></tr></table>	a) Savings	b) Current	c) Cash Credit						
a) Savings											
b) Current											
c) Cash Credit											
8.	Bank account no. as appearing on the cheque book										
9.	Bank ledger no. / bank ledger folio no., if any, as appearing on the cheque book										

I/We enclose a blank cancelled cheque / xerox copy of cheque to enable you to verify the details of the bank account.

I/We hereby declare that the particulars given hereinabove are correct and complete. If any transaction is delayed or is not effected at all because of incomplete or incorrect information, I/We will not hold the Company/the user institution/bank responsible for the same. I/We undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s). I/We understand and agree that, the above details shall be maintained by you till I/We hold the shares in physical mode under the captioned folio(s). I/We hereby agree to avail the NECS facility provided by RBI and implemented by the Company.

Place :

Date :

\_\_\_\_\_  
(Signature of the Sole/First Shareholder)



## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT-11

CIN : L71110MH1962PLC012396

Name of the Company : PATEL INTEGRATED LOGISTICS LTD

Registered office : Patel House, 5<sup>th</sup> Floor, Plot No.48, Gazdar Bandh, North Avenue Road, Santacruz (W.), Mumbai-400054

Name of the member (s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No/ Client ID/DP ID : \_\_\_\_\_

I/We, being the Member(s) of \_\_\_\_\_ shares of Patel Integrated Logistics Limited hereby appoint,

1. Name : \_\_\_\_\_

Email ID : \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing her/him;

2. Name : \_\_\_\_\_

Email ID : \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing her/him;

3. Name : \_\_\_\_\_

Email ID : \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, September 28, 2016 at 11.00 a.m. at the Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai - 400 049 and at any adjournment thereof in respect of such resolutions as are indicated below:

### Ordinary Business:

- Adoption of Financial statements for the year ended 31 March 2016 and the Directors' and Auditors' Reports thereon.
- To declare dividend on equity shares.
- Re-appointment of Mr. Asgar S. Patel, as Director who retires by rotation.
- Ratify the Appointment of M/s MSP & Co., Chartered Accountants, as Statutory Auditors of the Company and fixing their remuneration.

### Special Business:

- Appointment of Mr. Vilas Unavane as an Independent Director of the Company.
- Adoption of new set of Articles of Association of the Company in accordance with the provisions of the Companies Act 2013.
- Service of documents to the members pursuant to Section 20 of the Companies Act 2013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix  
revenue  
stamp  
of Re. 1

\_\_\_\_\_  
Signature of Proxy holder(s)

\_\_\_\_\_  
Signature of shareholder

### Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





CIN: L71110MH1962PLC012396

**Regd. Office:** Patel House, 5<sup>th</sup> Floor, Plot No.48, Gazdar Bandh, North Avenue Road, Santacruz (W.), Mumbai-400054  
**Tel No.:** 022-26050021, 26052915, **Fax No.:** 022-26052554, **Website:** www.patel-india.com

### ATTENDANCE SLIP

I/We hereby record my/our presence at the **54<sup>th</sup> Annual General Meeting** of the Company on Wednesday, September 28, 2016 at 11.00 a.m. at the Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai -400 049.

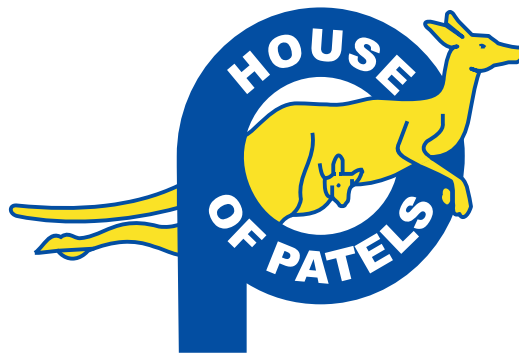
For Physical Holding	For Electronic Form (Demat) NSDL/CDSL	No of Shares Held
LF No.:	DP ID & CLIENT ID:	
Name of the Member (in Block Capitals)		
Name of the Proxy (in Block Capitals)		

\_\_\_\_\_  
Signature of the Member / Proxy

#### NOTES:

1. Only members/proxies and representatives are allowed to attend the Meeting.
2. Members are requested to bring their copy of the Annual Report with them to the Meeting as additional copies of the same will not made available at the Meeting.





**THE SYMBOL OF TRUST**

**Registered Office:**

'Patel House', 5th Floor, Plot no. 48, Gazdarbandh,  
North Avenue Road, Santacruz (West), Mumbai – 400 054.