

CELEBRATING

50 YEARS

LEADERSHIP



PATEL
INTEGRATED LOGISTICS LTD

49th Annual Report
2010 - 2011





BOARD OF DIRECTORS



Asgar S. Patel
Chairman



Areef A. Patel
Executive Vice-Chairman



P.S.G. Nair
Director



Sandeep P. Parikh
Director



Farukh S. Wadia
Director

BOARD OF DIRECTORS

Asgar S. Patel	Chairman
Areef A. Patel	Executive Vice-Chairman
P. S. G. Nair	Director
Sandeep P. Parikh	Director
Farukh S. Wadia	Director

CHIEF FINANCIAL OFFICER

Mahesh L. Ukidave

COMPANY SECRETARY

Nitin B Akolkar

AUDITORS

MSP & Co.

Mumbai

LEGAL ADVISORS

Crawford Bayley & Co.

Mumbai

F. S. Broacha

Mumbai

BANKERS

Andhra Bank

Central Bank of India

Bank of Bahrain & Kuwait B.S.C.

Indian Bank

REGISTERED OFFICE

'Patel House', 5th 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

Computronics Financial Services (India) Limited
No. 1, Mittal Chambers, Nariman Point,
Mumbai – 400 021.

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49th Annual General Meeting

Wednesday, the 28th day of September, 2011, at 11.00 a.m. at the 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.



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NOTICE

NOTICE is hereby given that the 49th 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 28th day of September 2011 at 11 a.m., to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet and the Profit and Loss Account as at and for the year ended 31st March 2011 and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on the Equity Shares.
3. To appoint a Director in place of Mr. Asgar S. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s), following resolution as a Special Resolution:

"RESOLVED that pursuant to clause 23(a) of the Listing Agreement and subject to the compliance of regulations, rules, guidelines, if any, in this behalf issued / prescribed by the Securities & Exchange Board of India (SEBI), the Stock Exchange or any other authority, approval is hereby given to the sale, re-issue, re-allotment or otherwise disposal of the equity shares of the Company, forfeited because of non-payment of allotment money due on such shares, to such person as described in the explanatory statement whether such person is existing share holders or not and and upon such terms, including the price, and in such manner as the Board of Directors (the Board) shall deem fit ;

FURTHER RESOLVED that upon any sale, re-issue re-allotment or other disposal of the forfeited shares, the certificates originally issued in respect of the forfeited shares, shall stand cancelled and become null and void and of no effect and the Directors are jointly and severally authorized to issue new certificates in respect of shares sold / re-allotted to the person or persons entitled thereto either in physical or dematerialized form ;

FURTHER RESOLVED that the Board be and is hereby authorized to decide the price for the sale / re-allotment of forfeited shares, provided that the minimum price of the Equity shares so re-issued shall not be less than the price arrived at in accordance with provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for Preferential Issue and on such terms and conditions, as are stipulated in the explanatory statement attached, as the Board may deem fit;

FURTHER RESOLVED that the relevant date for calculating the re-issue price of the Equity shares shall be 29th August, 2011, being the date 30 days prior to the date of passing of this resolution."

FURTHER RESOLVED that for the purpose of giving effect to the above the Board of Directors be and are hereby authorized, jointly as well as severally, to do, execute and certify all acts, deeds, documents, matters and things, including, but not limited to, signing / execution of agreement(s), making application(s) for listing of such Equity Shares with Stock Exchanges and Depositories, hiring of agents and paying of their remuneration, commission, fees etc., settling of any questions, difficulties and doubts that may arise in connection with the re-issue and allotment of such Equity shares, as it may, in its absolute discretion, deem fit;

FURTHER RESOLVED that the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any committee or one or more Directors of the Company alongwith the authority to these entities to further delegate all or any of such powers to any one or more executives of the Company in order to give effect to this resolution."

Registered Office:

Patel House, 5th Floor, Plot No.48,
Gazdarbandh, North Avenue Road,
Santacruz (West), Mumbai-400 054.
Mumbai, 30th August 2011

By order of the Board,

(NITIN B. AKOLKAR)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September 2011 to 28th September 2011 (both days inclusive).
3. 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.
4. 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.
5. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is enclosed herewith.
6. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividends, upto 2001-02 to the Investor Education and Protection Fund (the Fund) established by the Central Government.

In accordance with the provisions of the said Section, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.

7. Members are requested to send their Bank Account details on or before 26th September 2011 to the Share Transfer Agents of the Company at 'Computronics Financial Services (India) Ltd., No. 1, Mittal Chambers, Nariman Point, Mumbai – 400 021.' This is to avoid the fraudulent encashment of dividend warrants.
8. 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, in the prescribed form which is a part of this Annual Report, on or before 26th September 2011, to the Share Transfer Agents of the Company at 'Computronics Financial Services (India) Ltd., No. 1 Mittal Chambers, Nariman Point, Mumbai – 400 021'.

Shareholders holding equity shares of the Company in the dematerialized form shall intimate to their respective Depository Participants on or before 26th September 2011, about the NECS mandates, if any, in the prescribed form which is a part of this Annual Report.

9. Dividend as recommended by the Board of Directors will be paid to the shareholders in the manner given below:
 - a) To all the shareholders who have opted for NECS Mandates by way of direct credit to their respective Bank Accounts.
 - b) To shareholders who have not opted for NECS Mandates:
 - i) If the dividend amount is in excess of Rs. 10,000/- by way of Pay Orders / Demand Drafts; and
 - ii) If the dividend amount is not in excess of Rs. 10,000/- by way of Dividend Warrants.



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INFORMATION ABOUT DIRECTORS PROPOSED TO BE REAPPOINTED

NAME	Mr. Asgar S. Patel		
AGE	72 years		
QUALIFICATIONS	B.A.		
EXPERTISE	One of the pioneers of the organised transportation of goods in India with vast experience in the fields of Logistics, finance, forex, and Construction.		
PARTICULARS OF APPOINTMENT / RE-APPOINTMENT	Mr. Asgar S. Patel the non executive Chairman of the Company since it's inception ,retires by rotation at the ensuing Annual Geeral Meeting. It is proposed to re-appoint Mr. Asgar S. Patel as the Diretor of the Company.		
OTHER DIRECTORSHIPS AS ON 31ST MARCH 2011	Sr. No.	Name of the Company	Position Held
	1.	Patel Holdings Limited.	Chairman
*CHAIRMANSHIP(S) /MEMBERSHIP(S) OF COMMITTEES AS ON 31ST MARCH 2011	Nil		

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Mumbai, 30th August 2011

By order of the Board,

(NITIN B. AKOLKAR)
Company Secretary

ANNEXURE TO THE NOTICE

(Explanatory Statement as required by Section 173 of the Companies Act, 1956)

Item no. 5

The Board of Directors vide resolution passed at their meeting held on 27th September, 2005 forfeited equity shares of the Company on which allotment / call money was unpaid. Articles 42 to 52 of the Articles of Association of the Company deal with the provisions regarding forfeiture of shares and sale / re-allotment of such forfeited shares.

The forfeited shares belonged to the category of Indian Public and were held in physical form. Since the allotment of these shares on 21st March, 1994, several notices were sent to the defaulting shareholders until their forfeiture as mentioned above.

As on the date of this notice, 1,07,200 equity shares stand forfeited. The amount of share capital unpaid on the forfeited equity shares stands at Rs. 6,24,500/-.

Clause 23(a) of the Standard Listing Agreement prescribes that the Company shall issue or offer, in the first instance, all shares (including forfeited shares) pro-rata to the equity shareholders of the Company unless the shareholders in the general meeting decide otherwise.

Accordingly, approval of shareholders is sought to enable the Board of Directors to sale / re-allot the forfeited shares to the person as mentioned in the resolution on the terms and in the manner which the Board deems in the interest of the Company.

The shareholders had granted their approval to the Resolution at item no. 5 of the Notice of the Annual General Meeting held on 28th September, 2010. However twelve months has elapsed since the earlier approval of shareholders, and the forfeited shares have not been re-issued, the Board of Directors deemed it necessary to approach the shareholders again for seeking their approval in this matter.

The disclosures prescribed under Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is furnished below:

I. The objects of the re-issue of Forfeited shares:

Funds raised from the issue of forfeited shares will be utilized for meeting capital expenditure, working capital requirements, other corporate initiatives, promotional as well as brand building exercise, in line with the growth strategy of the Company.

II. Pricing of re-issue of Equity Shares :

The re-issue of forfeited Equity Shares shall be made at a price not less than higher of the following:

The average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during the six months preceding the relevant date i.e 29th August 2011;

OR

The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.i.e 29th August 2011;

III Time of Allotment:

Allotment pursuant to this resolution passed in this Annual General meeting of shareholders of the company, granting consent for re-issue of Forfeited Equity Shares, shall be completed within a period of fifteen days from the date of passing of this resolution. If the Company is required to take any approval from any regulatory authority or Central Government for allotment is pending , the allotment shall be completed within 15 days from the date of such approval.

IV Intention of Promoters / Directors / Key Management Persons to buy re-issue of forfeited shares:

The forfeited shares belonged to the category of Indian Public and these shares will be reissued to the person other than the Promoter(s) and Promoter group.



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V Shareholding pattern before and after the re-issue of Forfeited Shares:

Category of Shareholders	Pre-Re-issue Equity Holding		Post-Re-issue Equity Holding	
	No. of Equity Shares	%	No. of Equity Shares	%
Promoters & Promoters Group	6105247	40.49	6105247	40.20
Mutual Funds	11005	0.07	11005	0.07
Corporate Bodies (other than Group Companies)	2811529	18.64	2918729	19.22
Indian Public	5732995	38.02	5732995	37.75
Non-Resident Indians (other than Promoters)	389286	2.58	389286	2.56
Others-Clearing Members/ Market Maker	29350	0.20	29350	0.20
TOTAL	15079412	100.00	15186612	100.00

VI The identity of the proposed allottees and the percentage of post-re-issue of forfeited shares that may be held by them:

Name of the proposed allottee	Pre-Re-Issue Equity Holding		Post-Re-Issue Equity Holding	
	No. of Equity Shares	%	No. of Equity Shares	%
Brahmamangalam Builders and Properties Pvt. Ltd	Nil	Nil	1,07,200	0.71

VII Lock – in:

The Equity Shares to be reissued to investors mentioned above, shall be locked-in for a period of one year from the date of allotment. The entire pre-preferential holding of the allottees, if any shall be also be under lock in from the relevant date upto a period of six months from the date of allotment.

VIII Auditors' Certificate:

A certificate from the Statutory Auditors of the Company that the re-issue of Forfeited Shares covered by this notice is in accordance with the requirements of chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date, is also open for inspection of members at the Registered Office of the Company between 10.00 a.m. To 2.00 p.m. on all working days except Saturdays.

IX Change in Management:

The reissue of forfeited Equity shares under consideration will not result in any change in Management or control of the Company.

X Undertakings:

The price of re-issue of Forfeited Equity shares computed in terms of chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, shall be liable to be re-compute where it is required to do so.

If amount payable on account of re-computation of price is not paid within the time stipulated in chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Equity Shares shall continue to be locked-in till the time such amount is paid by the allottees.

The Board of Directors recommend the passing of Resolution at item no.5 of the Notice.

None of the Directors are concerned or interested in passing of this resolution

Registered Office:

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Santacruz (West), Mumbai-400 054.
Mumbai, 30th August 2011

By order of the Board,

(NITIN B. AKOLKAR)
Company Secretary

DIRECTORS' REPORT

To,
The Members of
Patel Integrated Logistics Limited.

The Directors have pleasure in presenting their 49th Annual Report and the Audited Statement of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS :

The financial results are as under:

	Year ended 31 st March, 2011	(Rs. in lakhs) Year ended 31 st March, 2010
Profit before Interest, Depreciation & Tax	1630.89	1565.12
Less : Interest	740.49	575.81
Profit before Depreciation	890.40	989.31
Less : Depreciation	388.76	372.11
Profit before tax	501.64	617.20
Less : Provision for tax	191.50	163.00
Less : Deferred Tax	(7.43)	(4.03)
Less : (Excess)/Short Provision of Income Tax for earlier years	(1.23)	2.00
Profit after tax	318.80	456.23
Add : Balance of Profit from previous year	1175.15	894.76
TOTAL ...	1493.95	1350.99
APPROPRIATIONS:		
Equity Dividend	150.79	150.79
Tax on Dividend	24.46	25.05
Transfer to General Reserve	200.00	–
Balance carried to Balance Sheet	1118.70	1175.15
TOTAL ...	1493.95	1350.99

PERFORMANCE REVIEW:

Your Company is a 'Total Logistics Solutions Provider' with products like Conventional Road Transport, Co-Loading of Air Freight and Consolidation of Cargo, both Domestic and International, Logistics and Retail Cargo movement, under its belt.

Total income earned by the Company during the year under consideration stood at Rs.43086.70 Lacs. The Profit Before Tax is Rs. 501.64 lacs and Profit After Tax is Rs. 318.80 lacs.

The Net Worth of your Company is Rs. 8698.33 lacs while the fixed assets base is Rs.4592.33 lacs. The Earning Per Share is Rs.2.11

DIVIDEND :

For the year under consideration, the Board of Directors have recommended a dividend of Re.1/- per share on the equity share capital of the Company.



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FUTURE PLANS AND OUTLOOK:

The outlook of transportation and logistics industry is bright as our Indian economy is growing steadily. With the global express service industry riding its growth on the wave of surge in global trade, there is very bright future for express service industry in India.

Your Company has entered into its 50th Year of existence. Your Company plans to spread its wings in the Express Retail segment and increase its market share. The strategies have been drawn to increase the business of Patel Retail in the financial year 2011-12.

Keeping in mind our business strategy for Retail Express, we have upgraded our major hubs and now we intend to introduce mechanized operations and mechanized stacking systems. This will be supported by strong marketing campaign and training programmes for operating people.

We are also moving towards the expansion of our warehousing business and 3PL logistics business in 2011-12 and have plans to build our assets base for long term perspective.

The Air Cargo Industry in India is poised for significant growth in the year 2011-12. With further liberalization of the economy and declaration of open sky policy by the Government the air traffic in India is experiencing a boom. There is significant growth across all categories of traffic, aircraft movement, cargo traffic, etc. The country is witnessing a double-digit growth in air traffic this year. This growth reflects the improved economic scenario in the country. This growth when compared to the comparative data of world airports is significant and the current trend continues to be more growth oriented. The growth in the economy also brings in higher foreign exchange reserves, high inflow of foreign capital, and increase in the country's percentage of world trade, which also contributes to the overall growth.

Currently around 50 carriers operate Cargo and passenger services to and from India. Few more have announced their intention to enter the growing Indian market. With India increasingly acquiring the status of a manufacturing base, the cargo segment is hoping to achieve all round further growth.

With the open sky policy, with about 100 airports in the country, and development and growth of a number of export promotion zones, better infrastructural facilities, with all-round economic growth will provide further impetus for growth of Air Cargo Industry. Our Company is taking full advantage of the situation and is poised to hit the targeted growth figure as in the past.

SUBSIDIARY:

The Company does not have any Subsidiary Company as on date of this report.

FIXED DEPOSITS:

Fixed Deposits accepted by the Company stood at Rs.792.05 lacs as on 31st March 2011. There were no unpaid or overdue deposits as on 31st March 2011, other than unclaimed Deposits aggregating Rs.15.46 lacs. During the year under consideration, amount of Rs.8,615/- being unclaimed fixed deposits and interest accrued thereon, has been transferred to the Investor Education and Protection Fund.

In the current year i.e. 2011-2012, unclaimed matured fixed deposit with interest accrued thereon aggregating to Rs.74,798/- was transferred to the Investor Education and Protection Fund on 20th May 2011.

DIRECTORS :

Mr. Asgar S. Patel, Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment as the Director.

AUDITORS:

M.S.P. & Company retire as the Auditors of the Company at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.