

**ON TIME... EVERYTIME.**



**51<sup>st</sup> Annual Report**  
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**Logistical Reliability**

# Board of Directors



**Areef A. Patel** Executive Vice Chairman



**Chairman Asgar S. Patel**



**Syed K. Husain** Director



**Director P. S. G. Nair**



**Farukh S. Wadia** Director



**Director Sandeep P. Parikh**

#### 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

#### COMPANY SECRETARY

Nitin B. Akolkar

#### AUDITORS

MSP & Co.	Mumbai
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#### LEGAL ADVISORS

Crawford Bayley & Co.	Mumbai
F.S. Broacha	Mumbai

#### BANKERS

ICICI 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

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

#### TABLE OF CONTENTS

Contents	Page Nos.
Notice And Annexure to Notice	2-6
Directors' Report	7-10
Corporate Governance Report	11-18
Auditors' Certificate on Corporate Governance	19
Management Discussion & Analysis Report	20-24
Secretarial Audit Report	25-26
Auditors' Report	27-29
Balance Sheet	30
Profit and Loss Account	31
Cash Flow Statement	32-33
Notes forming part of Accounts	34-51

### 51st Annual General Meeting

Wednesday, the 25th day of September 2013, 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**



## **NOTICE**

NOTICE is hereby given that the 51<sup>st</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 25<sup>th</sup> day of September 2013 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 2013 and the Statement of Profit and Loss Account for the year ended 31st March 2013 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on the Equity Shares.
3. To appoint a Director in place of Mr. Sandeep P. Parikh, 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 until the conclusion of the next Annual General Meeting on such remuneration as shall be recommended by Audit Committee and fixed by the Board of Directors.

### **SPECIAL BUSINESS**

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

“RESOLVED that Mr. Syed K. Husain, an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under section 257 and other applicable provisions, if any, of the said Act, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

6. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

“RESOLVED that pursuant to provisions of Section 163 and other applicable provisions, if any of the Companies Act, 1956, the Company hereby approves that the Registers and Indexes of Members and the Registers and Indexes of Debenture holders, as and when applicable, and copies of all Annual Returns prepared under Section 159 of the said Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the said Act or any one or more of them shall, as from the date of the passing of this resolution, be kept at the office of Share Transfer Agents namely M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai-400072 instead of being kept at the Registered Office of the Company or at the office of erstwhile Registrar and Share Transfer Agent of the Company M/s. Computronics Financial Services (India) Ltd;

FURTHER RESOLVED that the Registers, Indexes, Returns, Certificates and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, be kept open for such inspection, at the place where they are kept by the person entitled thereto, to the extent, in the manner and on payment of the fees, if any, specified in the said Act between the hours of 10.30 a.m. and 12.30 p.m. on every working day (excluding Saturdays) except when the Registers and Books are closed under the provisions of the said Act, the Articles of Association of the Company or the Listing Agreement with the Stock Exchanges.”

#### **Registered Office:**

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

Mumbai, 12<sup>th</sup> August 2013

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. Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid.
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 may please bring the Attendance Slip duly filled in and hand over the same at the entrance to the Meeting Hall.
5. Corporate Members / FIIs / 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.
6. The erstwhile Share Transfer Agents of the Company M/s Computronics Financial Services (India) Ltd conveyed their intentions to discontinue the Share Transfer Work and to transfer the business of the Registrars and Share Transfer Agents to M/s Bigshare Services Private Limited. The Board of Directors in their Meeting held on 12<sup>th</sup> August 2013 has appointed M/s Bigshare Services Private Limited as the new Share Transfer Agents of the Company.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 18<sup>th</sup> September 2013 to 25<sup>th</sup> September 2013 (both days inclusive).
8. 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.
9. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is enclosed herewith.
10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividends, upto 2004-05 to the Investor Education and Protection Fund (the Fund) established by the Central Government.

Unclaimed dividend for the financial year ended 31<sup>st</sup> March 2006 will be due for transfer to the Fund on 11<sup>th</sup> January 2014 pursuant to the provisions of Section 205A of the Companies Act, 1956.

In accordance with the provisions of the said Section, no claim shall lay 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.

Members should write to the Company or its Share Transfer Agent, if their dividend warrants for the year ended 31<sup>st</sup> March 2006, or any subsequent financial year(s), have not been encashed. In respect of dividend for the financial year ended 31<sup>st</sup> March 2006, it will not be possible to entertain any claim received after 31<sup>st</sup> December 2013.

11. Members are requested to send their Bank Account details on or before 23<sup>rd</sup> September 2013 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.
12. 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 23<sup>rd</sup> September 2013, 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 on or before 23<sup>rd</sup> September 2013, about the NECS mandates, if any, in the prescribed form which is a part of this Annual Report.





13. Dividend as recommended by the Board of Directors will be paid to the shareholders in the manner given below:
- To all the shareholders who have opted for NECS Mandates by way of direct credit to their respective Bank Accounts.
  - To shareholders who have not opted for NECS Mandates:
    - If the dividend amount is in excess of Rs. 10,000/- by way of Pay Orders / Demand Drafts; and
    - If the dividend amount is not in excess of Rs. 10,000/- by way of Dividend Warrants.
- 14) The Annual Report 2012-13 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) and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

## INFORMATION ABOUT DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED

1	NAME	Mr. Sandeep P. Parikh		
	AGE	53 years		
	QUALIFICATIONS	B. Com. , F. C. A., Grad. C.W. A.		
	EXPERTISE	Mr. Sandeep Parikh is a Chartered Accountant having more than two decades of rich and varied experience in the fields of Bank, Government and Corporate Audits, Project Preparation and Reporting, Management Consultancy and Finance.		
	PARTICULARS OF APPOINTMENT / RE-APPOINTMENT	Mr. Sandeep Parikh is the Director of the Company since 1 <sup>st</sup> October 2006. Mr. Parikh retires by rotation at the ensuing Annual General Meeting. It is proposed to reappoint Mr. Parikh as the Director of the Company.		
	OTHER DIRECTORSHIPS AS ON 31 <sup>ST</sup> MARCH 2013	Wall Street Securities & Investments (India) Pvt. Ltd.	Director	
		Wall Street Derivatives & Financial Services Pvt. Ltd.	Director	
		Lyka Labs Limited	Director	
		Xoriant Solutions Pvt. Ltd.	Director	
		Soliel Financial Services Pvt. Ltd	Director	
		Arun Govil Productions Pvt. Ltd.	Director	
		Cine Vision Distributors Pvt. Ltd.	Director	
		Cemtrex India Pvt. Ltd.	Director	
		Development Equities Pvt. Ltd.	Director	
		Lyka BDR International Ltd	Director	
		Ducon Power Systems (I) Pvt. Ltd	Director	
		Bianco Engineering Services (I) Pvt. Ltd	Director	
		One Capitall Limited	Director	
	*CHAIRMANSHIP(S)/ MEMBERSHIP(S) OF COMMITTEES AS ON 31ST MARCH 2013	Name of the Company	Type of the Committee	Position Held
		Lyka Labs Ltd	Audit Committee	Chairman
		Lyka Labs Ltd	Remuneration Committee	Member
		Patel Integrated Logistics Ltd	Audit Committee	Member
		Patel Integrated Logistics Ltd	Remuneration and Compensation Committee	Member

\*Chairmanship(s) / membership(s) of Committees as conceived under clause 49 of the Listing Agreement are only mentioned.

2	NAME	Mr. Syed K. Husain	
	AGE	67 years	
	QUALIFICATIONS	B.Sc. (Engineering), M.Sc. (Management)	
	EXPERTISE	Mr. Husain has over 35 years of experience in various fields like Transportation of Goods, Logistics and Distribution, Engineering, Exports, Construction and General Management.	
	PARTICULARS OF APPOINTMENT / RE-APPOINTMENT	The Board of Directors of the Company have appointed Mr. Husain as an Additional Director of the Company with effect from 29th May 2013. The Company has received, from one of the shareholders of the Company, a notice of candidature of Mr. Husain for the office of Director of the Company u/s 257 of the Companies Act, 1956. It is proposed to appoint Mr. Syed K. Husain as the Director of the Company.	
	OTHER DIRECTORSHIPS AS ON 31ST MARCH 2013	Name of the Company	Position Held
		Patel Holdings Ltd.	Director
		Natasha Constructions Pvt. Ltd.	Director
		Patel Real Estate Developers Pvt. Ltd	Director
	*CHAIRMANSHIP(S)/MEMBERSHIP(S) OF COMMITTEES AS ON 31ST MARCH 2013	NIL	

\*Chairmanship(s) / membership(s) of Committees as conceived under clause 49 of the Listing Agreement are only mentioned.

**Registered Office:**

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

Mumbai, 12<sup>th</sup> August 2013

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**

Mr. Syed K. Husain appointed by the Board of Directors as an Additional Director of the Company, with effect from 29<sup>th</sup> May, 2013.

The Company has received a Notice u/s 257 of the Companies Act, 1956, along with a deposit of Rs. 500/- from one of the members, proposing the candidature of Mr. Syed K. Husain for the office of Director of the Company.

Mr. Syed K. Husain is an Engineering Graduate with Post Graduation in Management and has over 35 years of rich experience in various fields like Transportation of Goods, Logistics, Engineering, Construction and General Management.

Your Directors feel that his presence on the Board will be beneficial to the Company and therefore recommend the passing of the resolution at item no. 5 of the Notice.

Save and except Mr. Syed K. Husain, none of the other Directors is concerned or interested in passing of the resolution at item no. 5 of the Notice.

### **Item no. 6**

The erstwhile Share Transfer Agents of the Company M/s Computronics Financial Services (India) Ltd conveyed their intentions to discontinue the Share Transfer Work and to transfer the business of the Registrars and Share Transfer Agents to M/s Bigshare Services Private Limited. The Board of Directors in their Meeting held on 12<sup>th</sup> August 2013 has appointed M/s Bigshare Services Private Limited as the new Share Transfer Agents of the Company subject to approval of shareholders required under Section 163 of the Companies Act.

Approval of members is sought, pursuant to the provisions of Section 163 of the Companies Act, 1956, to keep the Register of Members, the Index of Members and copies of all Annual Returns prepared under section Section 159 and 160, together with copies of certificates and documents required to be annexed thereto under Sections 160 and 161, at the office of M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai-400072, who are the new Registrars and Share Transfer Agents of the Company and also deal with the dematerialization of Company's shares.

To avoid administrative inconvenience and expenses, and in the interest of more expeditious and interactive disposal of investor queries, it is proposed to keep all the Registers and documents etc. envisaged under the provisions of the said section 163 at the office of M/s Bigshare Services Private Limited, the Registrars and Share Transfer Agents of the Company, situated at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai-400072.

The Special Resolution under this item also specifies the time and place of inspection of the Registers and other documents of the Company, as envisaged under the said Section 163, by its members and others, namely, between the hours of 10.30 a.m. and 12.30 p.m. on any working day i.e. any day excluding Saturdays, Sundays and public and bank holidays and any other day on which the office of M/s Bigshare Services Private Limited, remains closed.

None of the Directors of the Company is concerned or interested in passing of the Resolution at item No.6 of the Notice.

### **Registered Office:**

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

By order of the Board,

(Nitin B. Akolkar)  
Company Secretary

Mumbai, 12<sup>th</sup> August 2013



## DIRECTORS' REPORT

To,  
The Members of  
Patel Integrated Logistics Limited.

The Directors have pleasure in presenting their 51<sup>st</sup> Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2013.

### FINANCIAL RESULTS :

The financial results are as under:

	(Rs. in lakhs)	
	Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2012
Profit before Interest, Depreciation & Tax	1797.21	1667.39
Less : Interest	918.94	741.81
Profit before Depreciation	878.27	925.58
Less : Depreciation	493.09	427.27
Profit before tax	385.18	498.31
Less : Provision for tax	153.00	190.00
Less : Deferred Tax	(9.10)	(12.05)
Less : (Excess)/Short Provision of Income Tax for earlier years	--	52.09
Profit after tax	241.28	268.27
Add : Balance of Profit from previous year	975.16	1118.70
<b>TOTAL ...</b>	<b>1216.44</b>	<b>1386.97</b>
<b>APPROPRIATIONS:</b>		
Equity Dividend	75.93	182.24
Tax on Dividend	12.91	29.57
Transfer to General Reserve	200.00	200.00
Transfer to Contingency Reserve	300.00	--
Balance carried to Balance Sheet	627.60	975.16
<b>TOTAL ...</b>	<b>1216.44</b>	<b>1386.97</b>

### PERFORMANCE REVIEW:

The overall economic scenario continues to project a grim picture across all segments. FY 2012-13 proved to be a challenging year due to global economic uncertainties and disturbances in many parts of the World. However the global economy in the Financial Year 2012-13 improved slowly, but was short on expectations. Deceleration in industrial output and exports weakened India's economic growth significantly. Your Company is also not exception to this situation. Despite these constraints and challenging environment, the Company, although not able to perform to its full potentials has done reasonably well to sustain itself in such difficult economic scenario.

The performance of your Company in terms of the revenue earned during the financial year 2012-13 has been satisfactory. Total income earned by the Company during the year under consideration increased and stood at Rs.51078.26 lacs as compared with 45383.05 lacs for the previous year. The Profit Before Tax is Rs.385.18 lacs and Profit After Tax is Rs.241.28 lacs. The reduction in Profit After Tax as compared to previous year is mainly on account of higher Depreciation and finance cost.

The Net Worth of your Company is Rs.8936.18 lacs while the Fixed Assets base is Rs.5126.89 lacs. The Fixed Assets if considered at the current market price, would be substantially higher but not quantified. The Earning Per Share is Rs.1.59.



Your Company is taking various measures to meet the situation. The Company is concentrating on its 'Patel Retail' express business, which has high margin of profits and also putting more efforts to increase its warehousing business in the years to come. Prudent cost reduction measures have also been undertaken along with plans for faster recovery of dues.

Notwithstanding the continued recessionary trends in the economy, the Company is confident of improving its volumes and profitability in the current year and will be able to sail through the adverse economic conditions much more comfortably.

#### **DIVIDEND :**

For the year under consideration, the Board of Directors have recommended a dividend of Re.0.50/- per share i.e. 5% on the equity share capital of the Company for the financial year ended March 31, 2013. The dividend payout for the year under review has been formulated after consideration of shareholders aspirations and Company's long term growth objectives to be met by internal accruals.

#### **FUTURE PLANS AND OUTLOOK:**

With the GDP Growth rate of Indian economy is slowing down to 5.0 per cent in the year 2012-13, it is always challenging for the corporates to grow in terms of business and profitability. Our planning in the coming year is to sustain the present business and look for the opportunities to increase our profitability.

Subject to improvement in global economic scenario, the Indian logistics industry is certainly viewed as one that is being defined by dynamic trends, buoyed by rapid industrial and economic growth. Your company is poised to take the advantage of such situation to continue to give its best to its customers.

'Patel Retail' division of the Company is expected to continue its growth trajectory. This business is in a unique position to capitalise on the growing opportunities in India. The strategic expansion plans for 'Patel Retail' will be drawn in the current year to strengthen its market share and growth. The Company is also planning to increase its market share in Full Truck Business (FTL).

The Company has upgraded its Linux base ERP software to support its business strategy. The Company is planning to make investment in computerization of its operations to improve its service efficiency.

In recent times, the Indian warehousing segment in India has evolved significantly. Apart from conventional storing services, warehouses are now providing value-added services like consolidation and breaking up of cargo, packaging, labeling, bar coding and reverse logistics etc. Warehousing and related activities account for approximately 20% of the total logistics industry. Your Company has also started to spread its wings in the warehousing business. The demand for warehousing space is growing steadily and the Company is planning to increase its warehousing business, which will bring more value for the shareholders in the years to come.

On the front of the Cargo Consolidation Business, after expanding at 20%-plus rates through 2011 and early 2012, the Indian air cargo market stopped growing at the end of 2012.

The current Airline Policies have a fragmentary approach, which is not helping the air cargo industry. Airports and fuel are getting more expensive even as airlines struggle. A weak rupee isn't helping and has caused further cost increases in dollar-denominated expenses for the International courier and cargo consolidation as well..

The cargo capacity management will remain tight throughout the year, as the domestic capacity will only increase by 7% to 8%, which is half of the increase seen in the previous financial year.

Other challenges loom on the horizon. The policy on ground handling needs to be resolved for our business and our Company to grow and show robust growth. Despite the above challenges, your Company is geared to take up the same and shall maintain its market share and profitability.

#### **SUBSIDIARY:**

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

#### **FINANCE:**

##### **A) 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.