

55th ANNUAL REPORT

2016 - 17



PATEL[®]

INTEGRATED LOGISTICS LTD

BOARD OF DIRECTORS



Mr. Asgar S. Patel
Chairman



Mr. Areef A. Patel
Executive Vice Chairman



Mr. P. S. G. Nair
Director



Mr. Syed K. Husain
Director



Mr. Sandeep P. Parikh
Director



Mr. Farukh S. Wadia
Director



Ms. Bhumika L. Batra
Director



Mr. 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', 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
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai 400059

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55th Annual General Meeting

Wednesday, the 27th day of September 2017, 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.

TO OUR SHAREHOLDERS



I sincerely thank our customers, vendors and shareholders. These are the testing times where we have witnessed subdued economic and business environment. It has been a challenging year for your Company as moderate business environment and short term impact of demonetization, had marginal impact on performance. We did hard work and sustained our position by keeping focus on our values, operational efficiencies, innovation and customer satisfaction. I remain confident about the growth of your Company in years to come in the light of improvement in the macro-economic trends and structural changes in the economy, especially the Goods and Services Tax (GST) roll-out, which will help strengthen competitiveness and grow market share. I am sure the impact of GST on all the players in the market will be positive in long run.

At Patel Integrated Logistics Ltd, 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.

At Patel Integrated Logistics Ltd, 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.

Your Company has been growing with its wide distribution network in India with its current 500+ branches covering PAN India.

I would like to reiterate that we have strategic plans for our express business and warehousing divisions to make our organization diversified and profitable venture in the years to come. Your Company has already acquired land for Warehouse at Bangalore and looking to expand Warehousing at Ahmadabad, Chennai, Hyderabad, NCR Region and other strategic locations in the coming years.

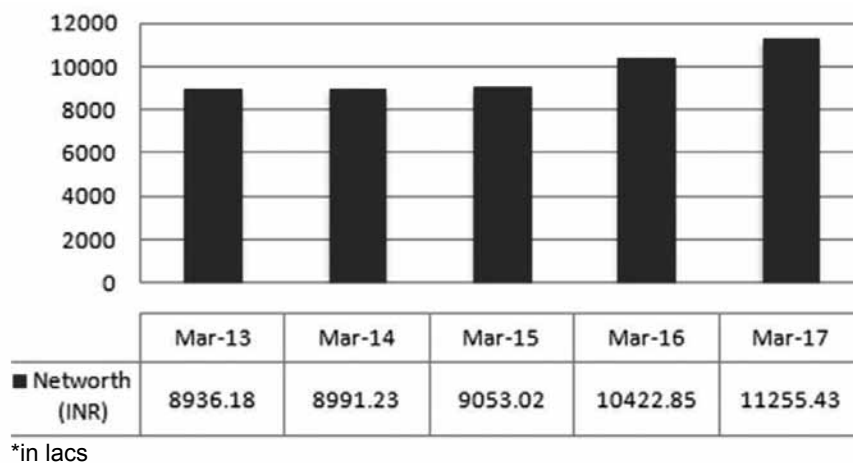
I would like to conclude that consistent performance and focus at all levels can only help an organization to reach newer advantage. With our core brand values and integrated services comprising of Surface Transport, Express Delivery, Warehousing and Air Cargo Consolidation, I am positive that your Company will maintain its market leadership and play an important role in growth of service sector of Indian economy.



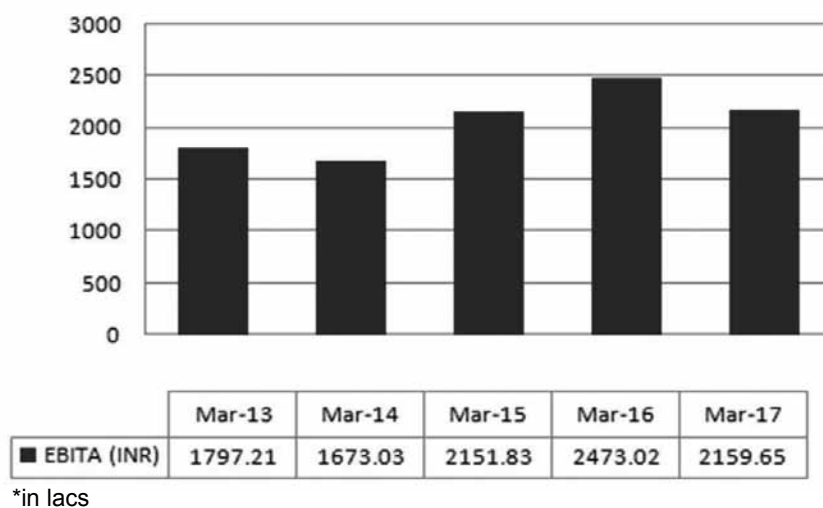
With Best wishes,

AREEF A. PATEL
EXECUTIVE VICE CHAIRMAN

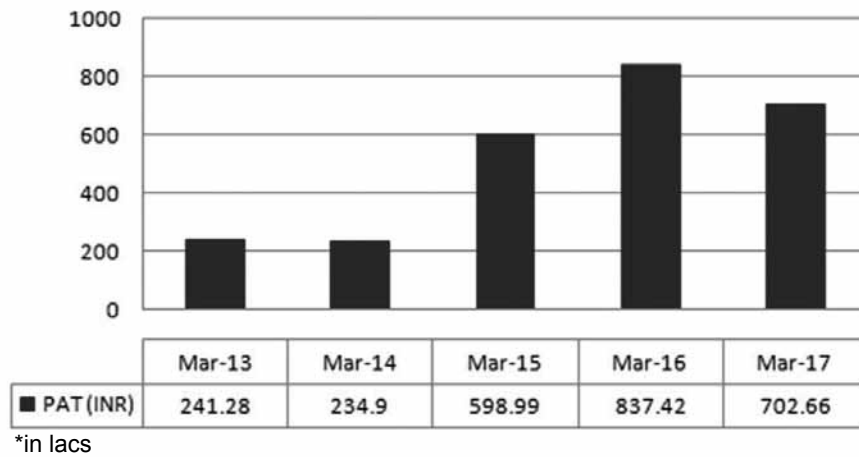
NETWORTH



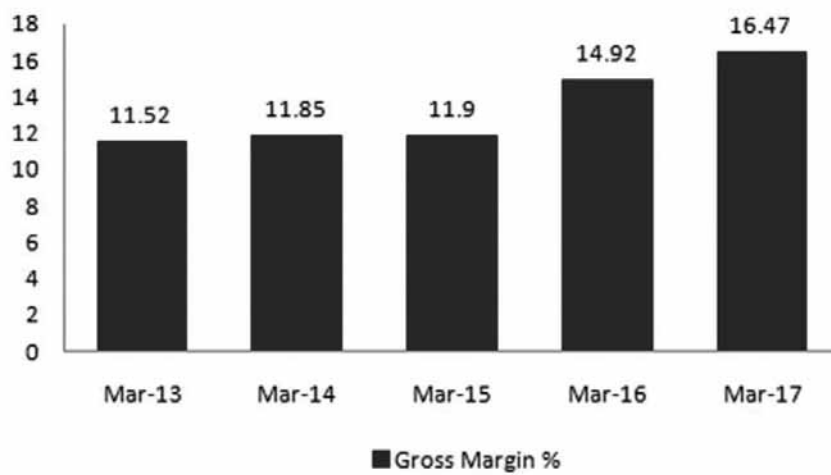
EBITDA



PAT



GROSS MARGIN %



NOTICE

NOTICE is hereby given that the 55th 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 27th day of September 2017 at 11.00 a.m., to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31st March 2017 including the Audited Balance Sheet as at 31st March 2017 and the Statement of Profit and Loss Account & Cash Flow Statement for the year ended 31st March 2017 and the Reports of the Board of Directors and Auditors thereon.
 - (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March 2017 including the Audited Balance Sheet as at 31st March 2017 and the Statement of Profit and Loss Account & Cash Flow Statement for the year ended 31st March 2017 and the Reports of the Auditors thereon.
2. To declare a dividend on the Equity Shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Syed K. Husain (DIN: 03010306), 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, 142 and other applicable provisions if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of Audit Committee and the Board of Directors, M/s. Hitesh Shah & Associates, Chartered Accountants, (Firm Registration No. 103716W), who have offered themselves for appointment and have confirmed their eligibility to be appointed as the Statutory Auditors of the Company be and are hereby appointed as Statutory Auditors of the Company in place of retiring auditors, MSP & Co. Chartered Accountants, (Firm Registration No. 107565W) whose tenure expires at the ensuing Annual General Meeting at such remuneration to be decided mutually between the said Statutory Auditors and Board of Directors, in addition to reimbursement of out-of-pocket expenses incurred in connection with the audit of the accounts of the Company;

RESOLVED FURTHER THAT M/s. Hitesh Shah & Associates, Chartered Accountants, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this 55th Annual General Meeting till the conclusion of 60th Annual General Meeting of the Company subject to ratification of the appointment by the Members at every Annual General Meeting held after this Annual General Meeting.”

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 21st September 2017 to 27th September 2017 (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. Those Members who have not encashed their dividend warrants for the financial years 2009-10 to 2015-16 are requested to return the time barred dividend warrants or forward their claims to the Company or the Registrar & Share Transfer Agents (RTA) of the Company.
9. The Company has transferred the unclaimed dividends, upto 2008-09 to the Investor Education and Protection Fund (the Fund) established by the Central Government. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and the rules made thereunder final dividend for the year 2009-10 which remains unclaimed for a period of 7 years is due for transfer to the Fund.
10. Kindly note that you can claim the said unclaimed dividend from IEPF Authority by filing e-form IEPF-5 available on the website www.iepf.gov.in
11. Members are requested to send their Bank Account details to the Share Transfer Agents of the Company at 'Bigshare Services Private Limited', 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri (East), Mumbai 400059. 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, to the Share Transfer Agents of the Company at 'Bigshare Services Private Limited', 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri (East), Mumbai 400059. .

Shareholders holding equity shares of the Company in the dematerialized form shall intimate to their respective Depository Participants about the NECS mandates.
13. 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 55th 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.
14. 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', 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri (East), Mumbai 400059.
15. The Annual Report 2016-17 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.patel-india.com
16. **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) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 55th 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, in a fair and transparent manner.
 3. **The instructions for members for voting electronically are as under:-**
The voting period begins on 23rd September 2017 at 9.00 a.m. IST and ends on 26th September 2017 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 20th September 2017 the cut-off date (record date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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
- 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 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"> 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. 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. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>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.</p> <p>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.</p> |

- 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.
- 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.) and Custodian are required to log on to 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.
- 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 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 under help section or write an email to 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 20th September 2017.
- 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 and on the website of CDSL 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. 20th September 2017 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. 20th September 2017, should treat this Notice for information purposes only.

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

| Particulars | Mr. Syed K. Husain |
|---|--|
| Director Identification Number | 03010306 |
| Age | 71 years |
| Qualifications | B.Sc. (Engineering), M.Sc. (Management) |
| Expertise | 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 | Non Executive Director of the Company since 29 th May 2013, retires by rotation at the ensuing Annual General Meeting. It is proposed to re-appoint Mr. Husain as the Director of the Company. |
| No. of shares held in the Company | Nil |
| Other Directorships as on 31 st March 2017 | <ul style="list-style-type: none"> • Patel Holdings Limited • Patel Real Estate Developers Private Limited • Natasha Constructions Private Limited • Wall Street Securities & Investments (I) Limited • Wall Street Derivatives And Financial services (India) Private Limited • Natasha Construction Projects Pvt Ltd |
| Chairmanship(s) / Membership(s) of Committees as on 31 st March 2017 | Stakeholders Relationship Committee <ul style="list-style-type: none"> • Patel Integrated Logistics Limited (Member) |
| Inter-se relationships between Directors | NIL |

Registered Office:

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

Mumbai, 10th August 2017

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 No. 4 of the accompanying Notice.

Item no. 4:

This Explanatory Statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

Pursuant to the provision of section 139 of Companies Act, 2013 (the Act) and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also provide for additional transition period of three years from the commencement of the Act i.e. 1st April, 2014. The existing auditors, M/s. MSP & Co. Chartered Accountants, (Firm Registration No. 107565W) have served the company over 10 years and will be completing the transition period (three years) at the ensuing 55th Annual General Meeting.

Accordingly, the term of the present auditors, M/s. MSP & Co. Chartered Accountants, expires at the conclusion of the forth coming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the services rendered by MSP & Co. Chartered Accountants, during their association with the company as its auditors.

The Audit Committee and the Board of Directors of the company at their respective meetings have recommended the appointment of M/s. Hitesh Shah & Associates, Chartered Accountants, (Firm Registration No. 103716W) as the statutory auditors of the company for a period of five years from the conclusion of 55th Annual General Meeting till the conclusion of 60th Annual General Meeting (Subject to ratification of their appointment at every Annual General Meeting held, if so required under the act)

M/s. Hitesh Shah & Associates, Chartered Accountants, have confirmed that their appointment, if made, would be within the limits specified under section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of proviso to section 139(1) and section 141(2) and section 141(3) of the Act and the provision of the companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the Resolution at item No.4 of the accompanying Notice for approval by Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise in the Resolution set out in Item No.4 of the Notice.

Your Directors recommend the ordinary resolution set out at item no. 4 for the approval of the members.

Registered Office:

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

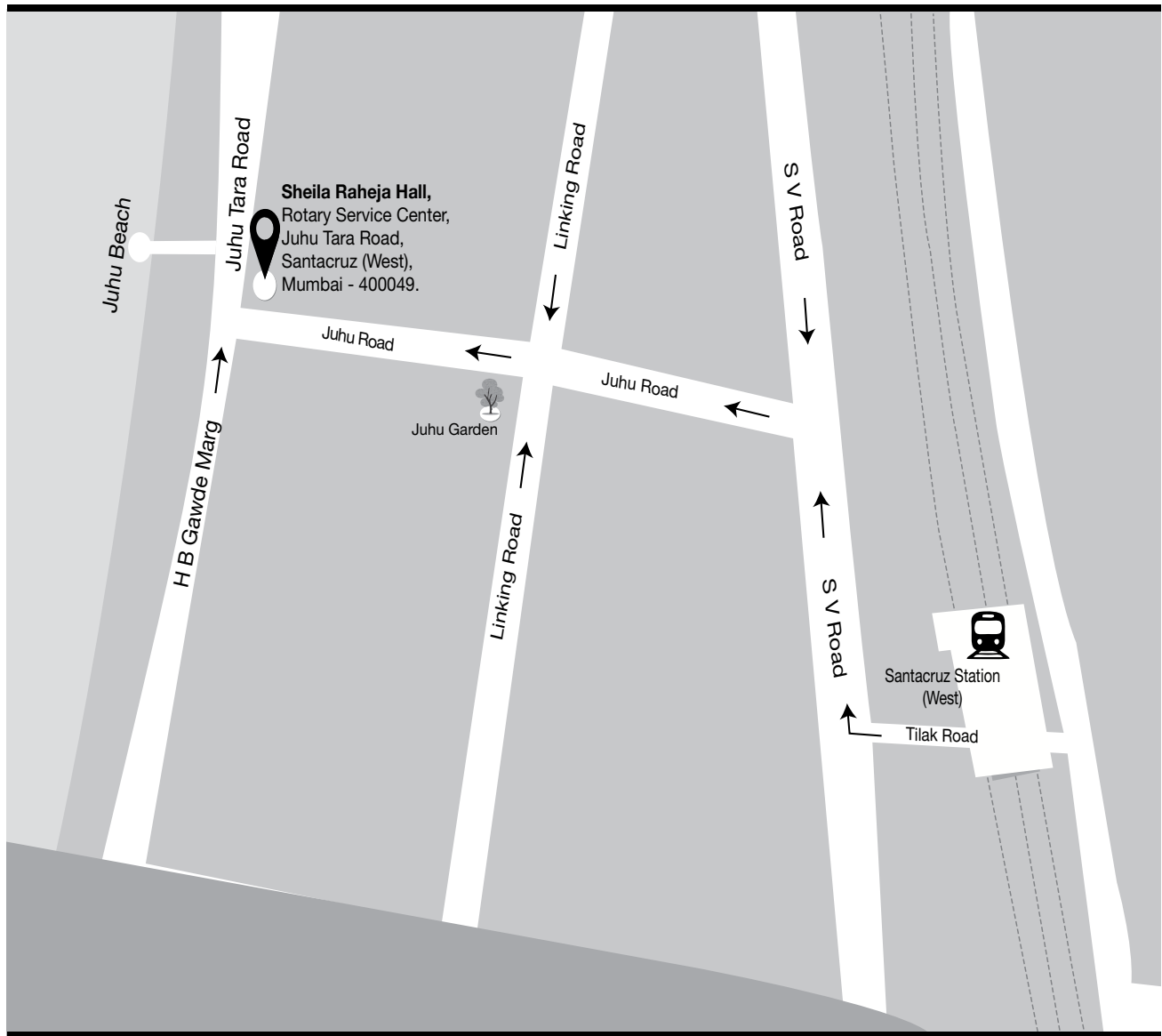
Mumbai, 10th August 2017

By order of the Board,

(Nitin B. Akolkar)
Company Secretary

ROUTE MAP TO THE VENUE OF AGM:

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 55th Annual Report for the year ended 31st March 2017.

FINANCIAL RESULTS:

The standalone and consolidated financial highlights of your Company are as under:

(₹ in lakhs)

| | Standalone | | Consolidated |
|--|----------------|----------------|----------------|
| | 2016-17 | 2015-16 | 2016-17 |
| Total Revenue | 45873.42 | 51401.45 | 45873.42 |
| Profit before Finance cost, Depreciation & Tax | 2159.66 | 2437.03 | 2159.42 |
| Finance cost | 816.90 | 902.22 | 816.91 |
| Depreciation | 420.55 | 428.12 | 421.74 |
| Profit before Tax | 922.21 | 1106.69 | 920.77 |
| Provision for Tax | | | |
| Current Tax | 181.00 | 326.00 | 181.00 |
| Deferred Tax | 38.54 | (42.97) | 38.54 |
| (Excess) / Short Provision of Income Tax for earlier years | - | (13.76) | - |
| Net Profit after Tax | 702.67 | 837.42 | 701.23 |
| Less: Minority Interest | - | - | - |
| Net Profit for the year | 702.67 | 837.42 | 701.23 |
| Balance of Profit from previous year | 630.80 | 335.67 | 630.80 |
| TOTAL ... | 1333.47 | 1173.09 | 1332.03 |
| APPROPRIATIONS: | | | |
| Equity Dividend | 79.43 | 76.68 | 79.43 |
| Tax on Dividend | 16.18 | 15.61 | 16.18 |
| Transfer to General Reserve | 200.00 | 200.00 | 200.00 |
| Transfer to Contingency Reserve | 250.00 | 250.00 | 250.00 |
| Balance carried to Balance Sheet | 787.86 | 630.80 | 786.42 |
| TOTAL ... | 1333.47 | 1173.09 | 1332.03 |

FINANCIAL PERFORMANCE REVIEW:

The Indian economy witnessed slow growth during the current year. GDP growth in FY 2016-17 has come down to 7.1%. The financial year 2016-17 has witnessed muted growth of the Company in terms of financial performance of the Company. In the first two quarters the Company reported growth in the turnover and profitability. With the demonetisation effective November 8, 2016 the Company has observed short term impact on growth. The Company observed a drop in revenue in surface Transport and cargo consolidation business which impacted Net Sales/income from operations as well as profit for the last few months.

In such a challenging scenario, your Company posted a profit after tax of ₹ 7.03 cr. for the year ended March 31, 2017 as compared to ₹ 8.37 cr. for the year ended March 31, 2016. Income from operations for the year ended March 31, 2017 was ₹ 458.73 cr. as compared to ₹ 514.01 cr. for the year ended March 31, 2016. Net Worth stood at ₹112.55 cr. Fixed Asset base was ₹ 53.75 cr. and the Basic EPS was ₹ 4.42 and Diluted EPS (after considering conversion of warrants) was ₹ 4.18.

In spite of demonetisation, which affected the logistic industry, the Company has generated profit due to diligent decision making, cost reduction measures and continuous focus on value business only.

The Company's consolidated results shown marginal drop in profitability as its wholly owned subsidiary DelivrEx India Limited has not yet started its operation for e-com logistic set up.

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

CONSOLIDATED FINANCIAL STATEMENTS:

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2016-17 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company and its subsidiary Company, as approved by the respective Board of Directors. The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

INDIAN ACCOUNTING STANDARDS (IND AS):

The Ministry of Corporate Affairs, vide notification dated February 16, 2015, notified the Companies (Indian Accounting Standard Rules), 2015. The Company shall adopt IND AS with effect from April 1, 2017 as the IND AS is applicable to the Company for the accounting periods beginning on or after April 1, 2017.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURE:

The Company has one wholly owned subsidiary 'DelivrEx India Limited' as on 31st March, 2017 having business akin and germane to the business of holding Company and there has been no change in the nature of business of wholly owned subsidiary during the year. The Company does not have any Associate or Joint Venture Company as on 31st March 2017.

A separate statement containing the salient features of financial statements of subsidiary of the Company forms a part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. In accordance with Section 136 of the Companies Act, 2013, the financial statements of the subsidiary are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM'). Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiary and all other documents required to be attached to this report have been uploaded on the website of the Company (www.patel-india.com).

TRANSFER TO RESERVES:

Your Company has transferred ₹ 2.00 crore to the general reserve and ₹ 2.50 crore to contingency reserve. An amount of ₹ 7.88 crore is carried forward in Profit and Loss.

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, 2017. 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.

FUTURE OUTLOOK:

The introduction of much awaited Goods and Services Tax (GST) leading corporates to consolidate their warehouses. New policies could be brought in to facilitate this and set up base infrastructure for strategic transport and warehousing hubs in India. Your Company has significant plans to expand its warehousing foot prints in the years to come on a pan India basis. During the year under review, your Company has acquired 2.20 acre of land allotted by Karnataka Industrial Areas Development Board at Bangalore on 99 years term lease for expanding warehousing business. Your Company will be looking to expand its warehousing business in Gujarat, Chennai and other locations in India.

After rollout of GST, reduction of around 30% is expected in Truck Travel time due to end of check post. As a result, logistic cost will go down by 10-12% which will help in increasing the profitability.

The strategic plan has been drawn to consolidate e-commerce players like Amazon and flipkart in the market. This will benefit us to concentrate on top players in the Industry for achievement of faster business growth.

FINANCE:

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. The Company could bring down interest cost by proper mix of utilization of finance from various banks and closely pursuing with the Bank to reduce the Interest cost.

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 ₹1493.28 lacs as on 31st March 2017. There were no unpaid or overdue deposits as on 31st March 2017, other than unclaimed Deposits and interest accrued thereon aggregating ₹4.57 lacs. In terms of Section 73(2) of the Companies Act, 2013, the Company has maintained liquid assets by depositing sum of ₹ 1.44 cr. in a schedule bank under deposit repayment reserve account.

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, 2017 dated 11th May 2017 allowed Companies to accept deposits without deposit insurance contract till 31st March 2018 or till the availability of a deposit insurance product, whichever is earlier.

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 affirmed credit rating for Company's fund based borrowings & finance lease to 'IND BBB' [outlook stable] and rating for its non fund based borrowings from the banks upgraded to 'IND A3+' [outlook stable]

India Ratings has also assigned credit rating 'IND tA-' (stable) 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.

CORPORATE SOCIAL RESPONSIBILITY:

The CSR expenditure incurred by your Company during the financial year 2016-17 was ₹ 16,81,700/- against the statutory requirement of ₹ 14,76,535/- i.e. 2% of the average profit before tax for the last three financial years. 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 31st March, 2017, 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.

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. However this requires upgradation and improvement under new business environment. The Company is constantly improving the quality and implementing more 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 advise the operating people about the action taken on such report 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Syed K. Husain, 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.

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 and SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015.

There is no Key Managerial Personnel appointed and 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 25th February 2017 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 six Board Meetings and four 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 38 to the financial statement which sets out related party disclosure.

STATUTORY AUDITORS AND AUDITORS' REPORT:

In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the period of office of MSP & Co. Chartered Accountants, (Firm Registration No. 107565W) as the Statutory Auditors of the Company, expires with the conclusion of this ensuing Annual General Meeting (AGM). The Board places on record, its appreciation for the contribution of M/s. MSP & Co., Chartered Accountants, during their tenure as the Statutory Auditors of the Company.

Accordingly, as per the provisions of Section 139(2) Companies Act 2013, it is mandatory to rotate the Statutory Auditors at the ensuing AGM. Upon the recommendation of Audit Committee, the Board of Directors has at its Meeting held on 10th August, 2017 recommended appointment of M/s. Hitesh Shah & Associates, Chartered Accountants, (Firm Registration No. 103716W), as the new Statutory Auditors of the Company to hold office for one term of 5 years commencing from conclusion of the ensuing 55th Annual General Meeting upto the 60th Annual General Meeting of the Company to be held in calendar year 2022.

The Company has received a certificate from the proposed Statutory Auditors to the effect that their appointment, if made, shall be in compliance with the provisions of Section 139 and 141 of the Companies Act, 2013. Accordingly, the Board proposes appointment of M/s. Hitesh Shah & Associates, Chartered Accountants as the Statutory Auditors of the Company in place of M/s. MSP & Co., to hold office from the conclusion of this AGM until the conclusion of the 60th AGM of your Company. Necessary resolution seeking approval of the members for appointment of new Statutory Auditors has been incorporated in the Notice convening the Annual General Meeting forming part of this Annual Report.

The Auditors' Report for the financial year 2016-17 on the financial statements of the Company which is a part of this Annual Report 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) Regulations, 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) Regulations, 2015 is not applicable to the Company as the same is applicable for top 100 listed entities based on market capitalization.

Dividend Distribution Policy as required under Regulation 43A of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is not applicable to the Company as the same is applicable for top 500 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 31st March 2017 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 2016-17.

(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 2016-17.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in lakhs)

| | Year ended 31 st March, 2017 | Year ended 31 st March, 2016 |
|---|--|--|
| Earnings in Foreign Exchange | | |
| Air Freight Billing, and other expenses (Net) | Nil | 1.62 |
| TOTAL ... | Nil | 1.62 |
| Expenditure in Foreign Currency | | |
| Membership and Subscription Fees | 0.42 | 0.41 |
| Travelling (excluding air fare) | 1.01 | 3.06 |
| TOTAL ... | 1.43 | 3.47 |

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.

Disclosure pertaining to the remuneration and other details as required under Section 197(2) of the Companies Act 2013 and Rule, 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as "Annexure [V]" to this report.

The information required pursuant to Section 197 read with Rule, 5(2) 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 this information 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 2016-17:

| | | |
|-------------------------------|---|-----|
| 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 31st March 2017 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, 2017, 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 31st March 2017 and of the profits of the Company for the financial year ended 31st March 2017;
- 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.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

- 1) During the period between the end of the financial year of the Company i.e. 31st March 2017 and the date of this report, the Company on 12th July 2017 has allotted 6,49,311 equity shares of ₹10/- each against the conversion of equity warrants to Strategic Investor, Frontline Strategy Limited, a company registered in Mauritius, not forming part of the Promoter Group of the Company upon its exercise of option for conversion of same number of convertible equity warrants fully paid up at an issue price for ₹ 115/- (including premium of ₹105/-) issued by the Company on preferential basis in terms of SEBI (ICDR) Regulations, 2009 and as per special resolution passed by the members at their Extra Ordinary General Meeting held on 28th December 2015.

Consequent to such allotment, the Paid-up Equity Share Capital of the Company has increased from ₹15,88,66,120/- consisting of 1,58,86,612 equity shares of ₹10/- each to ₹ 16,53,59,230/- consisting of 1,65,35,923 equity shares of ₹10/- each.

The Company on 14th July 2017 has cancelled 2,79,689 number of equity warrants allotted to Frontline Strategy Limited as the warrant holder did not exercise the right to convert the equity warrants into equity shares within the due date of 18 months from the date of allotment of equity warrants, which was 13th July 2017. Accordingly, the 25% of the consideration amount received at the time of allotment of the above equity warrants in terms of Regulation 77 SEBI (ICDR) Regulations 2009 is forfeited and will be transferred to Capital Reserve.

- 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, 5th Floor, Plot No. 48,
Gazdarbandh, North Avenue Road,
Santacruz (West)
Mumbai – 400 054.

Mumbai, dated 10th August, 2017

For and on behalf of the Board of Directors

AREEF A. PATEL
DIN:00075687

- Executive Vice Chairman

P. S. G. NAIR
DIN:00074494

- Director

ANNEXURE I

Report on the Corporate Social Responsibility (CSR) Activities for the year 2016-17

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 : ₹ 738.27 lacs

4. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above): ₹ 14.77 lacs

5. Details of CSR spent during the financial year:

a. Total amount spent for the financial year: ₹ 16.82 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 | ₹ 26.81 lacs | ₹ 16.82 lacs | Nil | ₹ 26.81 lacs | **Through implementing agency. |

** 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.

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 10th August, 2017

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 the 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, 5th Floor, Plot No. 48,
Gazdarbandh, North Avenue Road,
Santacruz (West)
Mumbai – 400 054.

Mumbai, dated 10th August, 2017

For and on behalf of the Board of Directors

AREEF A. PATEL
DIN:00075687

- Executive Vice Chairman

P. S. G. NAIR
DIN:00074494

- Director

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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, 2017, 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, 2017 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. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. There were no changes in the composition of the Board of Directors took place during the period under review.

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 Company has no instances of,

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Dinesh Kumar Deora
Practising Company Secretary

FCS NO 5683
COP NO 4119

Place: Mumbai
Date: 10th August, 2017

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31ST March, 2017

[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 th Floor, Gazdar Bandh, North Avenue Road, Santacruz (West), Mumbai-400054 Tel - 022-26050021 |
| vi) | Whether listed company Yes / No | : | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent | : | Bigshare Services Pvt. Ltd Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Andheri (E.), Mumbai - 400 059 Tel: 022-62638200 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 | 39.41 |
| 2 | Co-loading and Cargo Income | 6301 | 60.58 |

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 |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1 | DelivrEx India Limited Patel House, 1 st Floor, Plot No.48, Gazdar bandh, North Avenue Road, Santacruz (West), Mumbai-400054 | U60221MH2016PLC280615 | Subsidiary | 100 | 2(87) |

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 01.04.2016 | | | | No. of Shares held at the end of the year 31.03.2017 | | | | % Change during the year |
|--|--|---------------|-----------------|-------------------|--|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 1270042 | - | 1270042 | 7.99 | 1270042 | - | 1270042 | 7.99 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 3205371 | - | 3205371 | 20.18 | 3205371 | - | 3205371 | 20.18 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Trust | 1371500 | - | 1371500 | 8.63 | 1371500 | - | 1371500 | 8.63 | - |
| Sub-total (A) (1) | 5846913 | - | 5846913 | 36.80 | 5846913 | - | 5846913 | 36.80 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 1065879 | - | 1065879 | 6.71 | 1065879 | - | 1065879 | 6.71 | - |
| b) Other -Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2) | 1065879 | - | 1065879 | 6.71 | 1065879 | - | 1065879 | 6.71 | - |
| Total shareholding of Promoter (A) =(A)(1)+(A)(2) | 6912792 | - | 6912792 | 43.51 | 6912792 | - | 6912792 | 43.51 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | 9205 | 9205 | 0.06 | - | 9205 | 9205 | 0.06 | - |
| b) Banks / FI | 57804 | - | 57804 | 0.36 | 25292 | - | 25292 | 0.16 | -0.20 |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | 44039 | - | 44039 | 0.28 | 14000 | - | 14000 | 0.09 | -0.19 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1) | 101843 | 9205 | 111048 | 0.70 | 39292 | 9205 | 48497 | 0.30 | -0.40 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 1035843 | 14920 | 1050763 | 6.61 | 618387 | 14920 | 633307 | 3.99 | -2.62 |
| ii) Overseas | 750000 | - | 750000 | 4.72 | 700000 | - | 700000 | 4.41 | -0.31 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 4210745 | 749846 | 4960591 | 31.22 | 4914023 | 740596 | 5654619 | 35.59 | 4.37 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1462316 | - | 1462316 | 9.20 | 1358730 | - | 1358730 | 8.55 | -0.65 |
| c) Others (specify) | | | | | | | | | |
| i) NRI Individual | 193988 | 201590 | 395578 | 2.49 | 247906 | 199180 | 447086 | 2.81 | 0.32 |
| ii) Clearing Member | 243524 | - | 243524 | 1.53 | 131581 | - | 131581 | 0.83 | -0.70 |
| Sub-total (B)(2) | 7896416 | 966356 | 8862772 | 55.78 | 7970627 | 954696 | 8925323 | 56.18 | 0.40 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 7998259 | 975561 | 8973820 | 56.49 | 8009919 | 963901 | 8973820 | 56.49 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 14911051 | 975561 | 15886612 | 100 | 14922711 | 963901 | 15886612 | 100 | - |

(ii) **Shareholding of Promoters:**

| SI No. | Shareholder's Name | Shareholding at the beginning of the year 01.04.2016 | | | Share holding at the end of the Year 31.03.2017 | | | % 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 | 6.71 | Nil | 1065879 | 6.71 | Nil | Nil |
| 2 | Areef A. Patel | 927884 | 5.84 | 927884 | 927884 | 5.84 | 927884 | Nil |
| 3 | Yasmin A. Patel | 192100 | 1.21 | Nil | 192100 | 1.21 | Nil | Nil |
| 4 | Natasha R. Pillai | 150058 | 0.94 | Nil | 150058 | 0.94 | Nil | Nil |
| 5 | Patel Holdings Limited | 3025667 | 19.05 | Nil | 3025667 | 19.05 | Nil | Nil |
| 6 | A.S.Patel Trust | 1371500 | 8.63 | Nil | 1371500 | 8.63 | Nil | Nil |
| 7 | Wall Street Securities and Investments Limited | 179704 | 1.13 | 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 (01.04.2016)/end of the year (31.03.2017) | % 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 31.03.2017. | | | | | | | |

(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 01.04.2016 | | Shareholding at the end of the year 31.03.2017 | |
|---------|-------------------------------------|--|----------------------------------|--|----------------------------------|
| | | 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 | 700000 | 4.41 |
| 2 | Bhavesh Dhieshbhai Shah | 100455 | 0.63 | 142282 | 0.90 |
| 3. | Jyoti Naik | 74000 | 0.47 | 74000 | 0.47 |
| 4 | SVS Securities Pvt Ltd | 80000 | 0.50 | 60000 | 0.38 |
| 5. | Ugrabhai Vanarshidas Patel | 79758 | 0.50 | 54621 | 0.34 |
| 6. | Dilip Shankar Bhide | 4500 | 0.03 | 50000 | 0.31 |
| 7. | Nidhi S Shah | 45000 | 0.28 | 45000 | 0.28 |
| 8. | Rajesh Sundaram | - | - | 40000 | 0.25 |
| 9. | Navaratan Dugar | 12413 | 0.08 | 38000 | 0.23 |
| 10. | Manish Kumar | - | - | 35500 | 0.22 |

(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 (01.04.2016)/ end of the year (31.03.2017) | % 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 | 6.71 6.71 | 01.04.2016 31.03.2017 | Nil | Nil movement during the year | 10,65,879 | 6.71 |
| Areef A. Patel | 9,27,884 9,27,884 | 5.84 5.84 | 01.04.2016 31.03.2017 | Nil | Nil movement during the year | 9,27,884 | 5.84 |
| P.S.G. Nair | 0 0 | 0 0 | 01.04.2016 31.03.2017 | 0 | Nil holding during the year | 0 | 0 |
| Syed K. Husain | 0 0 | 0 0 | 01.04.2016 31.03.2017 | 0 | Nil holding during the year | 0 | 0 |
| Farukh S. Wadia | 0 0 | 0 0 | 01.04.2016 31.03.2017 | 0 | Nil holding during the year | 0 | 0 |
| Sandeep P. Parikh | 100 100 | 0.001 0.001 | 01.04.2016 31.03.2017 | Nil | Nil movement during the year | 100 | 0.001 |
| Bhumika Batra | 0 0 | 0 0 | 01.04.2016 31.03.2017 | 0 | Nil holding during the year | 0 | 0 |
| Vilas Unavane | 0 0 | 0 0 | 01.04.2016 31.03.2017 | 0 | Nil holding during the year | 0 | 0 |
| Key Managerial Personnel | | | | | | | |
| Nitin B. Akolkar Company Secretary | 5 5 | negligible negligible | 01.04.2016 31.03.2017 | Nil | Nil movement during the year | 5 | negligible |
| Mahesh Fogla Chief Financial Officer | 0 5 | 0 negligible | 01.04.2016 16.09.2016 31.03.2017 | 0 5 | Purchase | 5 | negligible |

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 |
|---|--|--------------------|---------------------|-----------------------|
| Indebtedness at the beginning of the financial year 01/04/2016 | | | | |
| 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 |
| Total (i+ii+iii) | 45,40,09,861 | 74,60,294 | 15,46,52,870 | 61,61,23,025 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 30,18,13,680 | 8,98,06,749 | 4,01,43,579 | 43,17,64,008 |
| • Reduction | 28,98,48,757 | 9,71,05,248 | 3,79,55,997 | 42,49,10,002 |
| Net Change | 1,19,64,923 | (72,98,499) | 21,87,582 | 68,54,006 |
| Indebtedness at the end of the financial year 31/03/2017 | | | | |
| i) Principal Amount | 46,55,68,411 | 1,61,795 | 14,93,28,000 | 61,50,58,206 |
| ii) Interest due but not paid | 4,06,373 | - | 4,61,329 | 8,67,702 |
| iii) Interest accrued but not due | - | - | 70,51,123 | 70,51,123 |
| Total (i+ii+iii) | 46,59,74,784 | 1,61,795 | 15,68,40,452 | 62,29,77,031 |

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 | 48,11,600 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 4,89,600 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - |
| 2. | Stock Option | - |
| 3. | Sweat Equity | - |
| 4. | Commission | - |
| 5. | Others- Employer contribution to provident fund | 5,04,000 |
| | Total (A) | 58,05,200 |
| | *Ceiling as per the Act | 120,00,000 |

*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 |
|---|---|------------|--------|------------------|
| 1. Independent Director | | | | |
| Mr. P.S.G. Nair | 2,90,000 | - | - | 2,90,000 |
| Mr. Sandeep P. Parikh | 1,80,000 | - | - | 1,80,000 |
| Mr. Farukh S.Wadia | 2,,90,000 | - | - | 2,90,000 |
| Ms. Bhumika Batra | 50,000 | - | - | 50,000 |
| Mr. Vilas Unavane | 1,00,000 | - | - | 1,00,000 |
| Total (1) | | | | 9,10,000 |
| 2. Other Promoter /Non Executive Director | | | | |
| Mr. Asgar S. Patel | 50,000 | - | - | 50,000 |
| Mr. Syed K. Husain | 1,65,000 | - | - | 1,65,000 |
| Total (2) | | | | 2,15,000 |
| Total (1)+(2) | | | | 11,25,000 |
| 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 2016-17. | | | |

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 | 27,18,872 | 7,01,852 |
| | (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. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission | - | - |
| 5. | Others- Employer contribution to provident fund | 2,01,600 | 66,240 |
| | Total (A) | 29,20,472 | 7,68,092 |

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, 5th Floor, Plot No. 48,
Gazdarbandh, North Avenue Road,
Santacruz (West)
Mumbai – 400 054.

Mumbai, dated 10th August, 2017

For and on behalf of the Board of Directors

AREEF A. PATEL
DIN:00075687

- Executive Vice Chairman

P. S. G. NAIR
DIN:00074494

- Director

ANNEXURE V

Disclosure pertaining to the remuneration and other details as required under Section 197(2) of the Companies Act 2013 and Rule, 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- A.** The Ratio of the remuneration of Whole Time Director to the median remuneration of the employees of the Company for the financial year ended 31st March 2017 was 23.36.
- The remuneration to Non Executive Directors includes only sitting fees paid to them for the financial year 2016-17 which depends upon no of meetings held during the year and attended by them. There was no increase in sitting fees during the financial year 2016-17.
- B.** The percentage increase in remuneration of Whole Time Director was 35% and there were no increase in the remuneration of the Chief Financial Officer and the Company Secretary in the financial year 2016-17. Average percentage increase made in the salaries of all the employees other than managerial personnel in the financial year 2016-17 was 5%.
- C.** The percentage increase in the median remuneration of employees in the financial year 2016-17 was 9.70%
- D.** The number of permanent employees on the rolls of the Company as on 31st March, 2017 were 885.
- E.** It is affirmed that the remuneration paid is as per remuneration policy of the Company.

Registered Office :

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

Mumbai, dated 10th August, 2017

For and on behalf of the Board of Directors

AREEF A. PATEL
DIN:00075687

- Executive Vice Chairman

P. S. G. NAIR
DIN:00074494

- Director

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 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 31st March, 2017, 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 31st March 2017, Six Board Meetings were held. Dates on which Board Meetings were held are 09-05-2016, 27-05-2016, 12-07-2016, 09-08-2016, 12-11-2016 and 14-02-2017.

Composition of the Board of Directors as at 31st March 2017, 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 | 6 | Yes | 1 | - | 2 |
| Mr. P.S.G.Nair DIN 00074494 | NEID | 118 | 6 | Yes | Nil | 3 | - |
| Mr. Syed K. Husain DIN 03010306 | NED | Nil | 5 | Yes | 6 | - | 1 |
| Mr. Sandeep P. Parikh DIN 00022365 | NEID | 100 | 4 | Yes | 10 | 1 | 3 |
| Mr. Farukh S.Wadia DIN 00097162 | NEID | Nil | 6 | Yes | 1 | Nil | 3 |
| Ms. Bhumika Batra DIN 03502004 | NEID | Nil | 2 | No | 10 | 2 | 7 |
| Mr. Vilas Unavane DIN 02929561 | NEID | Nil | 4 | Yes | 3 | - | - |

NEC - Non Executive Chairman

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

NED - Non Executive Director

NEID - Non Executive Independent Director

**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.

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 24th March 2017, 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 various parameters. 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 31st March 2017 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 4 times during the year ended 31st March, 2017. Dates on which Audit Committee Meetings were held are 27-05-2016, 09-08-2016, 12-11-2016 and 14-02-2017. Attendance of the members of the Committee at the Audit Committee Meetings held during the financial year ended 31 March, 2017, was as follows:

| SR.NO. | NAME OF THE MEMBER | STATUS | NO.OF MEETINGS ATTENDED |
|--------|-----------------------|----------|-------------------------|
| 1. | Mr.P.S.G.Nair | Chairman | 4 |
| 2. | Mr. Areef A. Patel | Member | 4 |
| 3. | Mr.Farukh S.Wadia | Member | 4 |
| 4. | Mr. Sandeep P. Parikh | Member | 3 |

The Audited Annual Accounts for the year ended 31st March, 2017, were placed before the Committee for its consideration in the Audit Committee Meeting held on 26th May, 2017.

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 31st March 2017. Dates on which Shareholders' Grievance Committee Meetings were held are 29-04-2016 and 28-10-2016. 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 2016-2017, 11 (Eleven) 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 2016-2017 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 31st March 2017, 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.

Mr. Areef Patel who is executive director and designated as 'Vice Chairman' of the Company is appointed as a member of Committee pursuant to sub proviso of Regulation 19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 whereby chairperson whether executive or non executive may be appointed as member of Nomination and Remuneration Committee. Mr. Areef Patel is only member of Committee which is permitted as above.

The Nomination and Remuneration Committee met once during the financial year 2016-2017 on 30-03-2017

| SR.NO. | NAME OF THE MEMBER | STATUS | NO.OF MEETINGS ATTENDED |
|--------|---------------------|----------|-------------------------|
| 1. | Mr. P.S.G. Nair | Chairman | 1 |
| 2. | Mr. Areef Patel | Member | 1 |
| 3. | Mr. Farukh S. Wadia | Member | 1 |
| 4. | Mr. Sandeep Parikh | Member | 1 |

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:

- by way of recruitment from outside;
- from within the Company hierarchy; or
- 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:

- By way of selection from the data bank of Independent Directors maintained by the Government.
- 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:

- While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
 - Criteria / norms for determining the remuneration of such employees prescribed in the HR Policy.
 - Existing remuneration drawn.
 - Industry standards, if the data in this regard is available.
 - Key Result Area (KRA).
 - Qualifications and experience levels of the candidate.
 - 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.
 - The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.
- 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 31st March, 2017:

Details of managerial remuneration paid during the year ended 31st March, 2017 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 31st March, 2017, 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 31st March, 2017 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 2016-17 on 26th May 2016 and 11th November 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 2016-17 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 11 times during the year ended 31st March, 2017 and approved transfer of shares, transmission of shares or name deletion of shareholders and issue of duplicate share certificate etc.

7) Investment Committee:

The Company has Investment Committee to take such decisions as may be necessary for utilization of surplus funds of the Company subject to overall control and supervision of the Board of Directors of the Company. The Investment Committee consisted of directors and senior management employees of the Company. The Investment Committee met 2 times during the year ended 31st March, 2017.

The composition of the Investment Committee as at 31st March, 2017 is as under:

| Name of the Member | Category | Status | No. of Meetings attended |
|--------------------|----------------------|----------|--------------------------|
| Mr. Areef A. Patel | Whole Time Director | Chairman | 2 |
| Mr. Sandeep Parikh | Independent Director | Member | 2 |
| Mr. Mahesh Fogla | CFO | Member | 2 |

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 31st March, 2017, 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 31st March, 2017, 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 31st March, 2017, the Company has one Wholly Owned Subsidiary Company DelivrEx India Limited. The Company monitors the performance of subsidiary company on periodic basis. The statement containing details of all significant transactions entered into by subsidiary company is tabled before the Board periodically. Minutes of the Board Meetings of unlisted subsidiary company are placed before the Board. The Company does not have any material non-listed Indian 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 |
|------|------------|------------|---|-----------------------------------|
| 2016 | 28.09.2016 | 11.00 a.m. | Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai- 400 049. | Nil |
| 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 Rhea Hall, Rotary Service Centre, Jehu Tara Road, Santacruz (West), Mumbai- 400 049. | Nil |

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 31st March, 2017, 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.

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, 2017. 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 Regulation 17 to 27 of the Listing Regulations 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. 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 31st March 2017 will be held on Wednesday, the 27th September 2017, 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 1st April of every year and ends on 31st March of the immediately succeeding year. The Financial Year under consideration commenced on 1st April, 2016 and ended on 31st March, 2017.

The Financial Calendar:

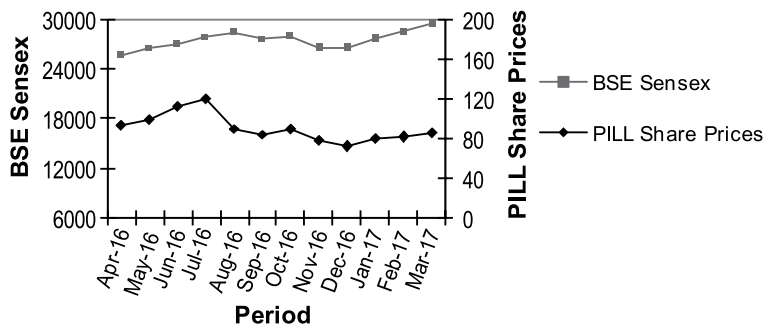
| | | |
|--|---|--|
| Board Meeting for consideration of Annual Accounts | : | 26 th May 2017 |
| Mailing of Annual Reports | : | 21 clear days prior to the date of AGM as per provisions of Companies Act 2013. |
| Book Closure Dates | : | 21 st September 2017 to 27 th September 2017 (both days inclusive). |
| Day, Date, Time and venue of the Annual General Meeting | : | Wednesday the 27 th September 2017 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 or within such expended period with Limited review Report as stipulated under the Listing Regulations. |

- 3) The Book Closure will be from 21st September 2017 to 27th September 2017 (both days inclusive).
- 4) Dividend for the year ended 31st March, 2017, 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):
i) For Equity shares in Demat form : INE529D01014
ii) For Convertible Warrants in Demat form : INE529D13019

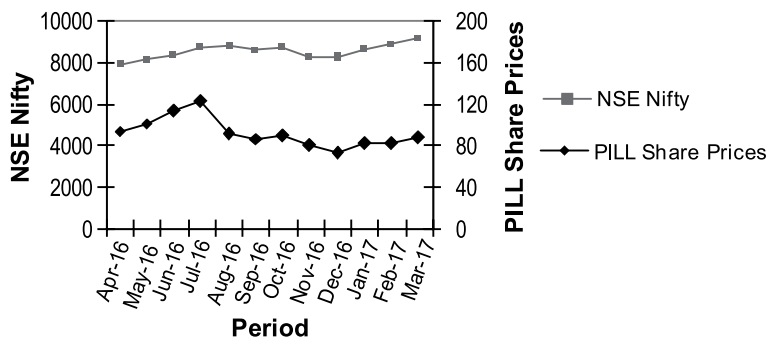
- 8) The monthly high and low quotations of shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

| MONTH | BSE (In ₹ per share) | | NSE (In ₹ per share) | |
|----------------|-------------------------|-------------|-------------------------|-------------|
| | Monthly High | Monthly Low | Monthly High | Monthly Low |
| April 2016 | 106.50 | 88.40 | 106.50 | 88.45 |
| May 2016 | 107.00 | 87.70 | 106.80 | 87.90 |
| June 2016 | 121.30 | 96.20 | 121.25 | 96.30 |
| July 2016 | 125.70 | 110.00 | 125.85 | 109.65 |
| August 2016 | 125.00 | 88.45 | 125.40 | 88.50 |
| September 2016 | 99.40 | 80.00 | 99.45 | 81.55 |
| October 2016 | 94.35 | 83.70 | 94.70 | 84.00 |
| November 2016 | 91.95 | 69.50 | 92.80 | 68.80 |
| December 2016 | 81.00 | 70.20 | 81.00 | 70.10 |
| January 2017 | 86.25 | 72.35 | 86.45 | 72.25 |
| February 2017 | 86.00 | 74.75 | 86.00 | 73.00 |
| March 2017 | 92.80 | 77.30 | 92.70 | 77.00 |

PILL Share Prices vis-a-vis BSE Sensex (Financial Year 2016-17)



PILL Share Prices vis-a-vis NSE Nifty (Financial Year 2016-17)



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 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri (East), Mumbai 400059. 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 31st March 2017:

| NO.OF SHARES | NO.OF SHARE HOLDERS | % OF SHARE HOLDERS | SHARE HOLDING | % OF SHARES HELD |
|-----------------|---------------------|--------------------|--------------------|------------------|
| Up to 500 | 18,814 | 88.82 | 27,09,534 | 17.05 |
| 501-1000 | 1,248 | 5.90 | 10,19,646 | 6.42 |
| 1001-2000 | 584 | 2.76 | 9,02,998 | 5.69 |
| 2001-3000 | 175 | 0.82 | 4,48,991 | 2.83 |
| 3001-4000 | 91 | 0.42 | 3,26,196 | 2.05 |
| 4001-5000 | 74 | 0.35 | 3,50,583 | 2.21 |
| 5001-10000 | 102 | 0.48 | 7,19,052 | 4.52 |
| 10001 and above | 93 | 0.45 | 94,09,612 | 59.23 |
| TOTAL | 21,181 | 100.00 | 1,58,86,612 | 100.00 |

12) Shareholding Pattern of the Company as on 31st March 2017:

| 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 | 25,292 | 0.16 |
| Foreign Inst. Investors | 14,000 | 0.09 |
| Corporate Bodies (Other than Promoters) | 6,33,307 | 3.99 |
| Non Resident Indians (Other than Promoters) | 4,47,086 | 2.81 |
| Non Resident Entity | 7,00,000 | 4.41 |
| Indian Public | 70,13,349 | 44.14 |
| Other-Clearing Member / Market Maker/Trust | 1,31,581 | 0.83 |
| TOTAL | 1,58,86,612 | 100 |

13) Details of unclaimed shares:

There are no unclaimed share certificates as on 31st March 2017.

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. p) DelivEx India Ltd.

15) Details of Dematerialisation of shares:

As on 31st March, 2017, 93.93% of the Company's total Shares representing 1,49,22,711 Equity Shares were held in dematerialized form and balance 6.07% representing 9,63,901 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 31st March 2017.

However the Company on 12th July 2017 has allotted 6,49,311 equity shares of ₹ 10/- each against the conversion of equity warrants to Frontline Strategy Limited, upon its exercise of option for conversion of same number of Convertible Equity Warrants.

Consequent to such allotment, the Paid-up Equity Share Capital of the Company has increased from ₹ 15,88,66,120/- consisting of 1,58,86,612 equity shares of ₹ 10/- each to ₹ 16,53,59,230/- consisting of 1,65,35,923 equity shares of ₹ 10/- each.

The Company on 14th July 2017 has cancelled 2,79,689 number of equity warrants allotted to Frontline Strategy Limited as the warrant holder did not exercise the right to convert the equity warrants into equity shares within the due date of 18 months from the date of allotment of equity warrants, which was 13th July 2017. Accordingly, the 25% of the consideration amount received at the time of allotment of the above equity warrants in terms of Regulation 77 SEBI (ICDR) Regulations 2009 is forfeited and transferred to Capital Reserve.

17) Information for Communication:

- a) Registered Office:
"Patel House", 5th 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,
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Makwana Road,
Marol, Andheri (East), Mumbai 400059
Tel: (022) 62638200
Fax: (022) 62638299

- c) Depositories:
National Securities Depository Limited
Trade World, A wing, 4th & 5th 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,
17th 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, 2017, 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, 10th August 2017

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, 2017, as stipulated in Regulation 17 to 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations').

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 Regulations.

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
(Registration No. 107565W)

M. S. Parikh

Partner
Membership No. 08684

Mumbai.

Dated : 10th August 2017

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

Economic Scenario

The financial year 2016-17 has been a year marked with both excitement and challenges for the global as well as the Indian economy. When the Indian Economy was just showing the growth trajectory on the back of positive sentiments from private consumption and good monsoon, the Government in November 2016 demonetised almost 86% of the currency notes in circulation, which strained the consumption and business activities for a second half of the year. Consequently, GDP growth in FY 2016-17 has come down to 7.1% against 7.6% in FY 2015-16.

It was also encouraging to see the Government move ahead and implemented the biggest tax reform for India i.e. Goods and Service Tax (GST), which will create a single national market and enhance the efficiency of inter-state movement of goods and services apart from moving a large part of the informal sector within the formal set-up of the economy.

The various initiatives and reforms of the Government have built the platform for a quantum leap ahead. The trade deficit in 2016-17 was narrowed to US\$ 112.4 billion which is lower by 14% over the previous year. The current account deficit has been significantly pared. Investors are bullish. India's foreign exchange reserves and foreign investment flows are scaling new records. Markets are buoyant. Stock index is at a historic peak. India's global ranking has jumped up in competitiveness and on the innovation index.

As in the previous years, the service sector continued to be the dominant contributor to the overall growth of the economy. The transport and logistics sector has demonstrated growth in the current year in the backdrop of a challenging global economic situation. The Government has a clear focus on developing highways, railways and rural road infrastructure. The allocation of funds in infrastructure is thus likely to propel the transport, warehousing and logistics businesses rapidly over the medium term.

Looking at the prevalent overall macroeconomic scenario it would not be unreasonable to conclude that the India would remain the fastest growing economy in the world.

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

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

The Flagship division of the company caters to the bulk cargo movement of the B to B vertical, where in primary raw material movement from manufacturer to end product manufacturer and bulk movement from manufacturer to mother warehouses or C&F agents is catered through this segment. This division moves such bulk material through two modes namely Full Truck Load Movement (FTL) and Less than Truck(LTL) Load movement. This Division requires deeper penetration geographically and is catered through a large branch network. Patel Roadways continues to maintain competitive leadership and innovate to lead in the post GST market. This division has maximized its movement through closed body containers thereby ensuring maximum safety to consignments. Entire Fleet has been installed with GPS ensuring real time tracking. The division has been phasing out 9 tonner trucks and upgrading to 15 tonner container to ensure optimisation of costs without compromising on service quality.

Industry overview:

The year gone by has been watershed in terms of so many events impacting the economy and industry. The Transport Industry was growing at a rapid pace. The momentum however was interrupted with the sudden demonetisation announcement by the government. This move has hindered the day to day operations of transportation and logistics resulting in short term disruption in the business. We expect business disruption to be temporary and the situation is improving to normalize for service and manufacturing sector in the coming 2 to 3 quarters.

With the launch of GST, is a milestone opportunity for the organized transport industry. We see gradual consolidations in the sector with smaller players who do not have a national presence are getting edged out by the larger player. Overall we see significant positive uptick for the organized transport sector.

Opportunities & Threats:

With the government emphasizing large investments in the infrastructure space, we see uptick in tonnage and gradual revival of economic growth. Implementation of the tax reform GST from July onwards would bring in major changes for the Indian transportation and warehousing sector. We expect huge opportunities to arise for the organized transportation sector with all companies looking in to tie up with such players to fulfill their requirement right upto the final leg end customers, thereby skipping the middle layer of C&F agents and state warehouses. This would eliminate need for regional/lane players as companies would like to consolidate the number of transporters they work with and depend on more reliable national players which would guarantee them Safety, Timelines with follow up and feedback mechanism. We expect huge investments to come into this sector in the coming years.

Patel Roadways is very well placed in attracting new customers and thereby expanding its market share. GST would bring in free movement of goods with elimination of state barriers and this would force all companies to look out for transporters to support their national needs as they will move into cost cutting mode to cut down their state branches and state warehouses and may work from a limited set of mother warehouses thereby immensely creating a new market for established players.

According to Road Transport Ministry, after the rollout of GST, Truck are covering 300-325 km a day on an average against about 225 km a day before GST due to end of border check post.

The Logistic cost will come down by around 10-12% due to reduction in travel time.

We don't see any significant threats to the industry in the short and medium terms with fuel prices expected to remain stable or under pressure. The international environment looks quite stable and interest rates are expected to soften or remain stable which will give a boost to the manufacturing sector. We also see major investments being made by the current government into the Roads and Highways thereby reducing operation costs on account of fuel, tires and maintenance.

Outlook:

The outlook remains extremely positive for the Logistics sector. The GST will bring the benefits of operational and cost efficiencies to the organized players. The unorganized players will struggle with the GST tax model which may cause major consolidation in this sector. This business will move to more organized industry and thereby to organized transporters.

Further we will see the manufacturing and trading industry becoming more reliant on their transportation partners to implement JIT(Just In Time), cater to their clients, provide single window solution. We also see this government taking major steps to improve the surface transportation network, create more truck terminals, create super highways, eliminating state barriers, reducing paper work etc. We also expect the entry of new players to take advantage of the new market opportunities. Warehousing and Transportation will merge in near future to create single window solution.

The Information Technology will be heavily deployed to provide quality services to the customer and the demand for skilled labor will increased.

Risks & Concerns:

We see skilled labor shortage as a major risk which can slowdown the expansion plans of the industry. Despite of all actions, if economy as a whole fails to get reactivated then there remains the risk of stagnation. In the absence of defined regulations, benchmarks on the quality of services for the transportation sector, this sector creates free entry for all enterprise leading to some fly by night operators continue to come in and create chaos in the market.

(B) PATEL RETAIL

This division is poised to take charge as the flagship division with revenue contribution from this division expected to surpass the Patel Roadways contribution in the next 2 years. Patel Retail 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 650 delivery stations.

With introduction of GST we see major business moving to this division with customer looking for end to end solutions thereby eliminating factor to state warehouse movement but rather from mother warehouses to end customers. Industry will look to tie up with a motley set of players existing in this vertical to service their needs. Patel Retail seems very well poised to benefit from this environment.

Industry Overview:

The implementation of GST is expected to be a major positive for the Express Cargo business.

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. Introduction of GST would eliminate requirements of large company owned 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 would lead to a boom in Express Cargo business which would grow at a scorching pace. The Express Cargo industry primarily catered to the transportation of consumer goods which are high value and compact in nature, However we see a gradual shift of business from conventional surface transportation to Express Cargo. This process will speed up in the upcoming years.

Opportunities & threats:

With introduction of GST we can see major business is moving to this division with customer looking for end to end solutions for end customers by eliminating state warehouse movement.

Industry will look to tie up with the players existing in this vertical to service their needs. Patel Retail seems very well poised to benefit from this environment.

The Express Cargo business continues to grow as the companies are realized that the value being created in customers minds is due to the efficient and timely service being provided by this sector at a small premium. This sector is poised to attract lot of investments. Customers don't mind paying a small 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 nearly 650 delivery stations / offices / hubs, VTS scheduled vehicles, Centralised Delivery System and skilled team at operations, we are set to cater significant growth in the market share. The coming years are set to put the Express Logistics in the limelight and huge opportunities are getting created.

Challenges faced by the division include industry coming under pricing pressure as everybody tries to grab a piece of action in the light of GST.

The other challenges involve huge immediate investments which will have to be made in technology, increased manpower costs and acquiring new vehicles, payback of which would be in coming years.

Outlook:

The express cargo sector will become the focus of all investors. We foresee this sector to set a scorching pace of multi year growth. As a fast-growing, market-driven economy, we believe that 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, larger segment of corporate has started preferring express deliveries.

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. Patel Retail is very well poised to surpass industry growth in coming years with every service being measured to deliver a delightful customer experience.

Risk & concerns:

We see lot of PE money and FDI coming into this sector in coming years which could cause market disruption as this money could create unhealthy competition and put pressure on pricing. At the same time we see valuations rising rapidly with the few players existing and huge market available.

(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 Indian Air Cargo sector is poised to undergo significant growth in the coming years. The Indian economy seems to have gained a strong foothold on the recovery path backed by timely and aggressive policies by the Government. The Government now demonstrating a strong focus towards providing an enabling infrastructure and creating conducive regulations. There is significant current and planned investment in infrastructure to with an increased emphasis on public private partnership. Regulations are creating an environment of positive change.

The globalization will bring in the much-needed capital and global best practices to the Indian air cargo industry. The growth potential of cargo industry is phenomenal.

Opportunities & threats:

Air cargo is essential to many facets of modern life. E-Commerce growth provided huge opportunities to Air Cargo business. Liberalization and Growth of economy and trade lead to more and more demand of Air Cargo. The last year was severely impacted due to the global economic downturn as exhibited by the failing domestic volumes and reduced consumer spending. However, Our Company moved from strength to strength and grew across its business segments. Our operational excellence and effective cost management has helped us reduce costs to a large extent thereby improving our operating margins.

New Players and Unregulated supply chain participants are posing challenges to the Air Cargo Industry. The raising fuel cost is also one of the threat for Air Cargo Industry.

Outlook:

Indian economy is one of the fastest growing economies in the world. In order to maintain this sustainable economic development, country has to improve its transportation and infrastructure sector. India's air cargo business is having much more potential in revenue generation than passenger business but still air cargo market is untapped. In today's economy, air cargo sector has become indispensable to facilitate global trade, logistics and supply chain management. So there exists strong demand for predicting air cargo growth.

The implementation of GST will have free flow of goods from one state to another thereby giving a very big boost to the Air Cargo Industry.

Risk & concerns:

The air cargo industry continues to face challenges of sustainability, profitability and customer satisfaction. Our Company is operating in an environment that is becoming more and more competitive. As it gets into a more aggressive approach, it is poised to exploit several new opportunities.

Our business is substantially dependent on the prevailing global economic conditions, National as well as International. There are factors which adversely affect the global economy and in turn our business. This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies. However, Our Company has strong brand goodwill in the market which has helped us to stay afloat and ahead despite the downturn.

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 885 people as on 31st March 2017.

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 36 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 Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Patel Integrated Logistics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 standalone 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 standalone 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 there under.

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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement gives 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 state of affairs of the company as at March 31, 2017, and its profits and its cash flows for the year ended as 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**" 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, dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone 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 March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note No.31 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. The Company has provided the requisite disclosure in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 40 to the financial statements.

For M S P & CO.

Chartered Accountants
FR No: 107565W

M. S. Parikh

Partner
M No: 08684

Place: Mumbai
Date: May 26, 2017

“Annexure A” forming a part of Independent Auditor’s Report

The Annexure referred to in Independent Auditor’s Report to the members of the company on standalone financial statements for the year ended March 31, 2017, 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:

- 1) (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) According to the information and explanations given to us and the records examined by us and based on the examination of registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and building owned by the company are held in its name. However some of the immovable properties are mortgaged against the bank loan. In respect of immovable properties of land that have been taken on lease and disclosed as property in the financial statements, the lease agreements are in the name of the company, where the company is lessee in the agreement.
- 2) In view of there being no requirement to carry and hold any stock of inventories, therefore the provisions of clause (ii) of the order is not applicable to the company.
- 3) According to the information and explanations given to us, the Company has granted unsecured interest free loans to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - (b) The schedule of repayment of principal has been stipulated and repayments or receipts of principal amounts have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- 4) 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.
- 5) The Company has complied with the provisions of Sections 73 to 76 of the Act, and the Companies (Acceptance of Deposits) Amendment Rules, 2015 with regards to the deposits accepted from 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 against the Company.
- 6) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act in respect of any of the activities of the Company.
- 7) (a) In our opinion and according to the information and explanations given to us and on the basis of our examinations of the records of the Company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including Income Tax, Service Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the company did not have any dues on account of employees’ state insurance and duty of excise.
- (b) According to the information and explanations given to us, no undisputed statutory dues including Income Tax, Service Tax, Cess and other material statutory dues were in arrears as at March 31, 2017 for the period more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no material dues of Customs, Income Tax, Duty of Excise, Service Tax, Cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in any repayment of loan to a financial institution or bank.

- 9) Based upon the audit procedures performed and according to the information and explanations given to us, term loans have been applied for the purposes for which it was raised. The company has not raised monies by way of Initial Public offer or further public offer (including debt instruments).
- 10) 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.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, this clause of the Order is not applicable to the Company.
- 15) 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.
- 16) 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, this clause of the Order is not applicable to the Company.

For M S P & CO.

Chartered Accountants
FR No: 107565W

M. S. Parikh

Partner
M No: 08684

Place: Mumbai

Date: May 26, 2017

“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, 2017 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 qualified 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, 2017, 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

FR No: 107565W

M. S. Parikh

Partner

M No: 08684

Place: Mumbai

Date: May 26, 2017

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017

| | Note No. | ₹ | As At 31.03.2017 ₹ | As At 31.03.2016 ₹ |
|---------------------------------------|----------|--------------|-----------------------|-----------------------|
| EQUITY AND LIABILITIES | | | | |
| Shareholders' Funds | | | | |
| Share Capital | 2 | 15,88,66,120 | | 15,88,66,120 |
| Reserves and Surplus | 3 | 96,66,73,931 | | 88,34,18,517 |
| Money Received Against Share Warrants | 4 | 2,67,08,750 | | 2,67,08,750 |
| | | | 1,15,22,48,801 | 1,06,89,93,387 |
| Non - Current Liabilities | | | | |
| Long Term Borrowings | 5 | 18,01,82,950 | | 10,12,12,495 |
| Deferred Tax Liability (Net) | 6 | 2,57,79,152 | | 2,19,25,135 |
| Other Long Term Liabilities | 7 | 2,64,22,647 | | 2,80,13,707 |
| | | | 23,23,84,749 | 15,11,51,337 |
| Current Liabilities | | | | |
| Short Term Borrowings | 8 | 37,82,37,409 | | 43,49,82,916 |
| Trade Payables | 9 | 10,45,07,220 | | 13,01,64,666 |
| Other Current Liabilities | 10 | 10,47,38,155 | | 13,74,14,474 |
| Short Term Provisions | 11 | 10,47,77,284 | | 9,50,42,532 |
| | | | 69,22,60,068 | 79,76,04,588 |
| TOTAL | | | 2,07,68,93,618 | 2,01,77,49,312 |
| ASSETS | | | | |
| Non - Current Assets | | | | |
| Property, Plant And Equipment | 12 | 51,88,28,487 | | 39,76,84,582 |
| Capital Work-in-Progress | | 1,78,84,836 | | 43,45,838 |
| Intangible Assets | 13 | 7,48,599 | | 8,13,097 |
| Non - Current Investment | 14 | 3,98,41,454 | | 43,95,913 |
| Long Term Loans and Advances | 15 | 7,58,84,245 | | 6,40,02,193 |
| | | | 65,31,87,621 | 47,12,41,623 |
| Current Assets | | | | |
| Current Investment | 16 | 8,12,24,436 | | 1,27,34,683 |
| Trade Receivable | 17 | 87,57,60,511 | | 94,22,30,290 |
| Cash and Cash Equivalents | 18 | 18,06,37,368 | | 29,94,40,905 |
| Short Term Loans and Advances | 19 | 28,29,67,992 | | 28,69,86,790 |
| Other Current Assets | 20 | 31,15,690 | | 51,15,021 |
| | | | 1,42,37,05,997 | 1,54,65,07,689 |
| TOTAL | | | 2,07,68,93,618 | 2,01,77,49,312 |
| Significant Accounting Policies | 1 | | | |
| Notes on Financial Statements | 2 - 41 | | | |

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 : 26th May, 2017.

NITIN B. AKOLKAR

Company Secretary

MAHESH FOGLA

Chief Financial Officer

STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Note No. | For the Year 2016-17 ₹ | For the Year 2015-16 ₹ |
|--|----------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue from Operations | 21 | 4,53,95,15,382 | 5,11,36,32,878 |
| Other Income | 22 | 4,78,27,398 | 2,65,11,853 |
| Total Revenue | | 4,58,73,42,780 | 5,14,01,44,731 |
| EXPENSES | | | |
| Operating Cost | 23 | 3,83,18,37,430 | 4,37,32,32,533 |
| Employee Benefits Expense | 24 | 29,13,65,740 | 28,29,50,985 |
| Finance Costs | 25 | 8,16,89,863 | 9,02,21,969 |
| Depreciation and Amortization Expense | 12 & 13 | 4,20,55,641 | 4,28,11,531 |
| Other Expenses | 26 | 24,81,73,535 | 24,02,58,735 |
| Total Expenses | | 4,49,51,22,209 | 5,02,94,75,753 |
| Profit Before Tax | | 9,22,20,571 | 11,06,68,978 |
| Tax Expense | | | |
| Current Tax | | 1,81,00,000 | 3,26,00,000 |
| Deferred Tax | | 38,54,017 | (42,96,916) |
| (Excess) / Short Provision of Income Tax for earlier years | | - | (13,75,782) |
| Profit for the year | | 7,02,66,554 | 8,37,41,676 |
| Earning per Equity Share of face value of ₹ 10/- each | | | |
| Basic (in ₹) | 27 | 4.42 | 5.46 |
| Diluted (in ₹) | 27 | 4.18 | 4.98 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 - 41 | | |

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 : 26th May, 2017.

NITIN B. AKOLKAR
Company Secretary

MAHESH FOGLA
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|--|------------------------------|---------------------------|
| | ₹ | ₹ |
| A: CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit Before Tax as per Profit and Loss Account | 9,22,20,571 | 11,06,68,978 |
| Adjusted For : | | |
| Profit / Loss on Sale / Discard of Assets (Net) | (2,38,62,453) | (6,68,339) |
| Depreciation | 4,20,55,641 | 4,28,11,531 |
| (Net Gain) / Loss on Sale of Current / Non-Current Investments | (1,44,84,603) | (59,57,709) |
| Dividend Income | (26,83,514) | (11,86,944) |
| Interest Income | (2,37,19,859) | (1,34,28,697) |
| Finance Cost | 8,16,89,863 | 9,02,21,969 |
| | <u>5,89,95,075</u> | <u>11,17,91,811</u> |
| Operating Profit Before Working Capital Changes | 15,12,15,646 | 22,24,60,789 |
| Adjusted For : | | |
| Trade and Other Receivables | 47,54,143 | (4,99,04,121) |
| Trade and Other Payables | (5,69,10,960) | (12,04,90,092) |
| | <u>(5,21,56,817)</u> | <u>(17,03,94,213)</u> |
| Cash Generated from Operations | 9,90,58,829 | 5,20,66,576 |
| Taxes Received / (Paid) (Net) | 4,65,67,514 | (5,30,56,113) |
| | <u>4,65,67,514</u> | <u>(5,30,56,113)</u> |
| Net Cash from Operating Activities | <u>14,56,26,343</u> | <u>(9,89,537)</u> |
| B: CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets | (18,63,09,625) | (2,05,15,043) |
| Sale of Fixed Assets | 8,05,31,487 | 21,32,795 |
| (Purchase) / Sale of Current / Non-Current Investment (Net) | (8,94,50,691) | 60,23,709 |
| Movement in Fixed Deposits (Net) | 1,22,15,860 | (75,04,736) |
| Increase in Capital Work in Progress | (1,35,38,998) | 45,750 |
| Interest Received | 2,57,19,190 | 1,34,19,369 |
| Dividend Received | 26,83,514 | 11,86,944 |
| Net Cash (used in) Investing Activities | <u>(16,81,49,263)</u> | <u>(52,11,212)</u> |

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|--------------------------|--------------------------|
| | ₹ | ₹ |
| C: CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from Public Deposits (Net) | 25,86,000 | 2,32,80,000 |
| Proceeds from Issue of Equity Shares | - | 8,05,00,000 |
| Proceeds from Issue of Share Warrants | - | 2,67,08,750 |
| Proceeds from Long Term Borrowings (Net) | 6,14,11,930 | (88,01,418) |
| Proceeds from Short Term Borrowings (Net) | (5,67,45,506) | 11,57,44,429 |
| Interest Paid | (8,20,88,281) | (8,99,23,907) |
| Dividend Paid | (92,28,900) | (91,39,125) |
| Net Cash (used in) / from Financing Activities | (8,40,64,757) | 13,83,68,729 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (10,65,87,677) | 13,21,67,980 |
| Opening Balance of Cash and Cash Equivalents | 23,65,53,760 | 10,43,85,780 |
| Closing Balance of Cash and Cash Equivalents | 12,99,66,083 | 23,65,53,760 |

Notes :

- 1) Cash and Cash Equivalents do not include Fixed Deposits with Banks as Margin Money.
- 2) Amount of ₹ 5,54,33,799/- (Previous Year ₹ 10,72,08,750/-) received as preferential money was included in above specified Bank Account.
- 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 : 26th May, 2017.

NITIN B. AKOLKAR

Company Secretary

MAHESH FOGLA

Chief Financial Officer

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

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. Property, Plant and Equipment :

- 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. Land purchased on long term lease (99 years) is shown under Property, Plant and Equipment, and not separately shown under Leased Assets.

c. Intangible Assets:

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any.

d. Depreciation / Amortization:

- i. 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").
- ii. 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.
- iii. Cost of leasehold land is amortised over the residual period of the lease on straight line basis.

e. 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.

f. 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. Current Investments are carried at lower of cost and fair value, computed category wise.
- iii. Membership shares of a Co-operative Housing Society related to office premise are included under Non - Current Investments.
- iv. Profit / Loss on sale of Current/Non-Current Investments is computed on FIFO basis.

g. 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.
- 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. Administrative and other expenses are stated net of recoveries wherever applicable.

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

h. Employee 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. Employee benefits includes salary, wages, employee state insurance and contribution to provident fund, family pension fund, superannuation fund, gratuity and compensated absences to eligible employees.

Short term employee benefits like salary, wages etc. are recognized and charged to Statement of Profit and Loss when the employee renders the services.

Contribution to defined schemes such as Provident Fund, Family Pension Fund, Superannuation Fund (in the case of eligible employees) and Employees' State Insurance Scheme are charged to the Statement of Profit and Loss as incurred.

Company's liability towards gratuity is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and is fully provided for in the Statement of Profit and Loss on the basis of aforesaid valuation. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for in the Statement of Profit and Loss as incurred in the year in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

i. Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Statement of Profit and Loss.

j. Taxes on Income:

Taxes on Income are accounted for in accordance with Accounting Standard (AS 22)- Accounting for Taxes on Income, notified under the Companies (Accounting Standards) Rules, 2006. Income Tax comprises both Current and Deferred tax.

Current tax is measured at the amount expected to be paid to the revenue authorities, using applicable tax rate and laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

Minimum Alternate Tax (MAT) paid in accordance with the tax law, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

k. 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.

l. 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.

Claims in respect of which the Company is of the opinion that they are frivolous or is legally advised that they are unsustainable in law are not considered as Contingent Liability as the possibility of an outflow of resources embodying economic benefits is remote. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| 2 SHARE CAPITAL | | |
| Authorised Share Capital | | |
| 2,00,00,000 Equity Share of ₹ 10/- each (2,00,00,000) | 20,00,00,000 | 20,00,00,000 |
| | 20,00,00,000 | 20,00,00,000 |
| ISSUED, SUBSCRIBED AND PAID UP : | | |
| 1,58,86,612 Equity Shares of ₹ 10/- each paid up value (1,58,86,612) | 15,88,66,120 | 15,88,66,120 |
| TOTAL | 15,88,66,120 | 15,88,66,120 |

2.1 During the previous 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. Money received including share premium on issue of 7,00,000 Equity Shares was ₹ 8,05,00,000/- out of which ₹ 5,17,74,951/- has been utilised for purchase of land for Warehousing Business and for Subsidiary Company DelivrEx India Ltd. Balance ₹ 2,87,25,049/- is in Bank.

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

| Particulars | As At 31.03.2017 No. of Shares | As At 31.03.2016 No. of Shares |
|--|--------------------------------------|--------------------------------------|
| Equity Shares at the beginning of the year fully paid up | 1,58,86,612 | 1,51,86,612 |
| Add: Shares issued during the year (Note No. 2.1) | - | 7,00,000 |
| Equity Shares at the end of the year | 1,58,86,612 | 1,58,86,612 |

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 :

| | As At 31.03.2017 | | As At 31.03.2016 | |
|--------------------------|------------------|--------|------------------|--------|
| Name of the Shareholders | No. of Shares | % held | No. of Shares | % held |
| Patel Holdings Limited | 30,25,667 | 19.05 | 30,25,667 | 19.05 |
| A. S. Patel Trust | 13,71,500 | 8.63 | 13,71,500 | 8.63 |
| Mr. Asgar S. Patel | 10,65,879 | 6.71 | 10,65,879 | 6.71 |
| Mr. Areef A. Patel | 9,27,884 | 5.84 | 9,27,884 | 5.84 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | | As at 31.03.2017 | As at 31.03.2016 |
|--|--------------------|---------------------|---------------------|
| | ₹ | ₹ | ₹ |
| 3 RESERVES AND SURPLUS | | | |
| Capital Reserve | | | |
| As per last Balance Sheet | 1,27,33,553 | | 1,27,33,553 |
| Add : Profit on sale of Land | <u>3,34,94,457</u> | | <u>-</u> |
| | | 4,62,28,010 | 1,27,33,553 |
| Capital Redemption Reserve | | 18,60,000 | 18,60,000 |
| Securities Premium Reserve | | | |
| As per last Balance Sheet | 32,00,75,337 | | 24,65,75,337 |
| Add : Premium on shares issued during the year | - | | 7,35,00,000 |
| Less : Share issue expenses | <u>10,16,123</u> | | <u>-</u> |
| | | 31,90,59,214 | 32,00,75,337 |
| General Reserve | | | |
| As per last Balance Sheet | 44,78,23,518 | | 42,78,23,518 |
| Add : Transferred from Profit and Loss Account | <u>2,00,00,000</u> | | <u>2,00,00,000</u> |
| | | 46,78,23,518 | 44,78,23,518 |
| Other Reserve | | | |
| Contingency Reserve | | | |
| (To meet contingencies) | | | |
| As per last Balance Sheet | 3,78,46,266 | | 3,08,76,867 |
| Add : Transferred from Profit and Loss Account | <u>2,50,00,000</u> | | <u>2,50,00,000</u> |
| | 6,28,46,266 | | 5,58,76,867 |
| Less : Transfer to Profit and Loss Account | <u>99,29,097</u> | | <u>1,80,30,601</u> |
| | | 5,29,17,169 | 3,78,46,266 |
| Profit and Loss Account | | | |
| As per last Balance Sheet | 6,30,79,843 | | 3,35,67,067 |
| Add : Profit for the year | <u>7,02,66,554</u> | | <u>8,37,41,676</u> |
| | 13,33,46,397 | | 11,73,08,743 |
| Less : Appropriations : | | | |
| Transferred to General Reserve | 2,00,00,000 | | 2,00,00,000 |
| Transferred to Contingency Reserve | 2,50,00,000 | | 2,50,00,000 |
| Proposed Dividend on Equity Shares | 79,43,306 | | 76,67,897 |
| (Dividend per share ₹ 0.50 (Previous Year ₹ 0.50)) | | | |
| Tax on Dividend | <u>16,17,071</u> | | <u>15,61,003</u> |
| | | 7,87,86,020 | 6,30,79,843 |
| TOTAL | | 96,66,73,931 | 88,34,18,517 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | As at 31.03.2017 | | As at 31.03.2016 | |
|---|---------------------|--------------------|---------------------|--------------------|
| | ₹ | | ₹ | |
| 4 MONEY RECEIVED AGAINST SHARE WARRANTS | | | | |
| 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 | | 2,67,08,750 | |
| TOTAL | 2,67,08,750 | | 2,67,08,750 | |
| <p>4.1 During the previous 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.</p> | | | | |
| | As At 31.03.2017 | | As At 31.03.2016 | |
| | Non Current | Current | Non Current | Current |
| | ₹ | ₹ | ₹ | ₹ |
| 5 LONG TERM BORROWINGS | | | | |
| Secured | | | | |
| Term Loan | - | 60,780 | 66,94,761 | 7,90,208 |
| Deferred Payment Liabilities | 6,36,14,950 | 2,41,83,853 | 1,16,87,894 | 51,65,593 |
| | 6,36,14,950 | 2,42,44,633 | 18,382,655 | 59,55,801 |
| Unsecured | | | | |
| Term Loan | - | 39,587 | 1,81,840 | 19,66,944 |
| Deposit accepted from public | 11,65,68,000 | 3,27,60,000 | 8,26,48,000 | 6,40,94,000 |
| | 11,65,68,000 | 3,27,99,587 | 8,28,29,840 | 6,60,60,944 |
| TOTAL | 18,01,82,950 | 5,70,44,220 | 10,12,12,495 | 7,20,16,745 |
| <p>5.1 Deferred payment liabilities referred above are secured by way of mortgage of trucks and motor cars.</p> <p>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.</p> | | | | |
| | As at 31.03.2017 | | As at 31.03.2016 | |
| | ₹ | | ₹ | |
| 6 DEFERRED TAX LIABILITY (Net) | | | | |
| Deferred Tax Liability | | | | |
| Related to Fixed Assets | 2,38,91,275 | | 2,25,56,836 | |
| Deferred Tax Liability / (Assets) | | | | |
| Disallowances under the Income Tax Act, 1961 | 18,87,877 | | (6,31,701) | |
| TOTAL | 2,57,79,152 | | 2,19,25,135 | |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|--------------------------------------|--------------------------|--------------------------|
| 7 OTHER LONG TERM LIABILITIES | | |
| Deposits* | 2,64,22,647 | 2,80,13,707 |
| TOTAL | 2,64,22,647 | 2,80,13,707 |

* Deposits includes deposits from Transporters, Customers, Franchisees and others.

| | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| 8 SHORT TERM BORROWINGS | | |
| Secured - Loans repayable on demand | | |
| Working Capital Loans from Banks | 37,81,15,201 | 42,96,71,405 |
| Unsecured | | |
| Working Capital Loans from Banks and Others | 1,22,208 | 53,11,511 |
| TOTAL | 37,82,37,409 | 43,49,82,916 |

8.1 Working Capital Loans from Banks :

Secured by :

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

Collateral Security -

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

| | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|-------------------------|--------------------------|--------------------------|
| 9 TRADE PAYABLES | | |
| Acceptances | 7,10,00,000 | 5,45,00,000 |
| Others | 3,35,07,220 | 7,56,64,666 |
| TOTAL | 10,45,07,220 | 13,01,64,666 |

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.

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | As at 31.03.2017 | As at 31.03.2016 |
|---|---------------------|---------------------|
| 10 OTHER CURRENT LIABILITIES | ₹ | ₹ |
| Current Maturities of Public Deposits | 3,23,03,000 | 6,30,89,000 |
| Current Maturities of Deferred Payment Liabilities | 2,41,83,853 | 51,65,593 |
| Current Maturities of Term Loan Liabilities | 1,00,367 | 27,57,151 |
| Interest Accrued but not due on Public Deposits | 70,51,123 | 75,18,227 |
| Unclaimed Dividend | 35,75,347 | 37,94,336 |
| Unclaimed Matured Deposits and Interest Accrued thereon | 9,18,329 | 13,97,643 |
| Creditors for Capital Expenditure | - | 8,21,630 |
| Other Payables | | |
| Staff Advance | 51,694 | 1,50,071 |
| Statutory Liabilities | 71,42,539 | 1,06,60,699 |
| Staff Liabilities | 2,11,19,255 | 2,14,69,237 |
| Sundry Deposits | 23,48,783 | 36,58,663 |
| Overdrawn Balance in Current Account with Bank | 15,44,531 | 52,418 |
| Liabilities for claims | 10,02,205 | 1,14,59,947 |
| Other Payables* | 33,97,129 | 54,19,859 |
| | 3,66,06,136 | 5,28,70,894 |
| TOTAL | 10,47,38,155 | 13,74,14,474 |

* Includes Agency payables, etc.

| | As at 31.03.2017 | As at 31.03.2016 |
|---------------------------------|---------------------|---------------------|
| 11 SHORT TERM PROVISIONS | ₹ | ₹ |
| Provisions for Leave Encashment | 1,06,16,907 | 1,93,13,632 |
| Proposed Dividend | 79,43,306 | 76,67,897 |
| Tax on Dividend | 16,17,071 | 15,61,003 |
| Provision for Income Tax | 8,46,00,000 | 6,65,00,000 |
| TOTAL | 10,47,77,284 | 9,50,42,532 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

12 PROPERTY, PLANT AND EQUIPMENT

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March, 2017: (Amt. in ₹)

| Description | Gross Carrying Value | | | Depreciation / Amortisation | | | Net Carrying Value |
|------------------------|----------------------|------------------------|--------------------------|-----------------------------|--------------------|--------------------------|---------------------|
| | As at 01.04.2016 | Additions / Adjustment | Deductions / Adjustments | As at 31.03.2017 | For the Year | Deductions / Adjustments | As at 31.03.2017 |
| Freehold Land | 16,03,25,082 | - | 1,35,18,627 | 14,68,06,455 | - | - | 14,68,06,455 |
| Leasehold Land | 92,050 | 3,86,58,000 | - | 3,87,50,050 | 2,026 | - | 3,87,18,053 |
| Buildings | 14,23,18,156 | 4,15,25,000 | 1,03,84,528 | 17,34,58,628 | 21,62,278 | 17,20,242 | 14,14,21,652 |
| Furniture and Fixtures | 13,16,52,452 | 55,36,647 | - | 13,71,89,099 | 93,62,325 | - | 4,71,56,517 |
| Computer | 16,47,48,333 | 41,27,741 | - | 16,88,76,074 | 51,54,135 | - | 71,32,230 |
| Office Equipment | 6,58,11,754 | 53,64,403 | 5,41,312 | 7,06,34,845 | 52,63,489 | 5,41,297 | 1,65,25,439 |
| Plant and Machinery | 88,24,912 | 2,06,207 | - | 90,31,119 | 2,24,422 | - | 22,16,779 |
| Truck | 9,84,56,212 | 8,39,88,676 | - | 18,24,44,888 | 1,56,79,890 | - | 10,18,71,075 |
| Vehicles | 3,84,48,909 | 63,95,801 | 19,57,539 | 4,28,87,171 | 36,35,428 | 9,65,890 | 1,69,80,287 |
| Total | 81,06,77,860 | 18,58,02,475 | 2,64,02,006 | 97,00,78,329 | 4,14,83,993 | 32,27,429 | 51,88,28,487 |

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March, 2016: (Amt. in ₹)

| Description | Gross Carrying Value | | | Depreciation / Amortisation | | | Net Carrying Value |
|------------------------|----------------------|------------------------|--------------------------|-----------------------------|--------------------|--------------------------|---------------------|
| | As at 01.04.2015 | Additions / Adjustment | Deductions / Adjustments | As at 31.03.2016 | For the Year | Deductions / Adjustments | As at 31.03.2016 |
| Freehold Land | 16,03,25,082 | - | - | 16,03,25,082 | - | - | 16,03,25,082 |
| Leasehold Land | 92,050 | - | - | 92,050 | 956 | - | 62,079 |
| Buildings | 14,23,18,156 | - | - | 14,23,18,156 | 23,76,673 | - | 11,07,23,216 |
| Furniture and Fixtures | 12,72,24,674 | 44,27,778 | - | 13,16,52,452 | 92,42,864 | - | 5,09,82,195 |
| Computer | 16,56,93,573 | 42,96,519 | 52,41,759 | 16,47,48,333 | 64,78,045 | 52,41,703 | 81,58,624 |
| Office Equipment | 6,26,03,730 | 55,50,107 | 23,42,083 | 6,58,11,754 | 51,04,771 | 23,11,746 | 1,64,24,540 |
| Plant and Machinery | 87,81,639 | 2,58,260 | 2,14,987 | 88,24,912 | 2,44,366 | 2,14,292 | 22,34,994 |
| Truck | 9,84,56,212 | - | - | 9,84,56,212 | 1,49,64,881 | - | 3,35,62,289 |
| Vehicles | 3,80,34,031 | 57,02,107 | 52,87,229 | 3,84,48,909 | 36,03,743 | 38,53,862 | 1,52,11,563 |
| Total | 80,35,29,147 | 2,02,34,771 | 1,30,86,058 | 81,06,77,860 | 4,20,16,299 | 1,16,21,603 | 39,76,84,582 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

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, 2017 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 | |
|---|---|--------------------|---|------------------|--|--------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Within one year | 3,18,07,510 | 66,67,519 | 76,23,657 | 15,01,926 | 2,41,83,853 | 51,65,593 |
| Later than one year and not later than five years | 7,25,16,192 | 1,32,44,753 | 89,01,242 | 15,56,859 | 6,36,14,950 | 1,16,87,894 |
| Total | 10,43,23,702 | 1,99,12,272 | 1,65,24,899 | 30,58,785 | 8,77,98,803 | 1,68,53,487 |

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 Gross carrying of leasehold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period.

13 INTANGIBLE ASSETS :

Following are the changes in the carrying value of acquired intangible assets for the year ended 31st March, 2017: (Amt in ₹)

| Description | Gross Carrying Value | | | | Depreciation / Amortisation | | | | Net Carrying Value |
|------------------|----------------------|------------------------|--------------------------|--------------------|-----------------------------|-----------------|--------------------------|--------------------|--------------------|
| | As at 01.04.2016 | Additions / Adjustment | Deductions / Adjustments | As at 31.03.2017 | As at 01.04.2016 | For the Year | Deductions / Adjustments | As at 31.03.2017 | As at 31.03.2017 |
| Licence Software | 2,31,44,092 | 5,07,150 | - | 2,36,51,242 | 2,23,30,995 | 5,71,648 | - | 2,29,02,643 | 7,48,599 |
| Total | 2,31,44,092 | 5,07,150 | - | 2,36,51,242 | 2,23,30,995 | 5,71,648 | - | 2,29,02,643 | 7,48,599 |

Following are the changes in the carrying value of acquired intangible assets for the year ended 31st March, 2016: (Amt in ₹)

| Description | Gross Carrying Value | | | | Depreciation / Amortisation | | | | Net Carrying Value |
|------------------|----------------------|------------------------|--------------------------|--------------------|-----------------------------|-----------------|--------------------------|--------------------|--------------------|
| | As at 01.04.2015 | Additions / Adjustment | Deductions / Adjustments | As at 31.03.2016 | As at 01.04.2015 | For the Year | Deductions / Adjustments | As at 31.03.2016 | As at 31.03.2016 |
| Licence Software | 2,28,63,820 | 2,80,272 | - | 2,31,44,092 | 2,15,35,763 | 7,95,232 | - | 2,23,30,995 | 8,13,097 |
| Total | 2,28,63,820 | 2,80,272 | - | 2,31,44,092 | 2,15,35,763 | 7,95,232 | - | 2,23,30,995 | 8,13,097 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| 14 NON - CURRENT INVESTMENTS | | |
| (Long Term Investments) | | |
| Investments in Equity Shares | | |
| Trade Quoted | | |
| 20 Gati Ltd. of ₹ 2/- each fully paid up (20) | 1,013 | 1,013 |
| 200 All Cargo Logistics Ltd. of ₹ 2/- each (200) fully paid up | 16,993 | 16,993 |
| 20 Transport Corporation of India Ltd. of ₹ 2/- (20) each fully paid up | 1,495 | 1,495 |
| 10 TCI Express Ltd. of ₹ 2/- (_) each fully paid up | - | - |
| | <u>19,501</u> | <u>19,501</u> |
| Non Trade Quoted | | |
| 250 Pfizer Ltd. of ₹ 10/- each fully paid up (250) | 2,26,721 | 2,26,721 |
| _ Ganesh Benzo Plast Ltd of ₹ 10/- each fully (700) paid up | - | 17,850 |
| 50 Ganesh Anhydride Ltd. of ₹ 10/- each fully (50) paid up | 500 | 500 |
| 2500 Power Grid Corporation of India Ltd. of ₹ 10/- (2500) each fully paid up | 3,84,775 | 3,84,775 |
| 165000 Wall Street Finance Ltd. of ₹ 10/- each (165000) fully paid up | 34,10,000 | 34,10,000 |
| 1 TCI Developers Ltd. of ₹ 10/- each (1) fully paid up | - | - |
| 157 BSE Ltd of ₹ 2/- each fully paid up (_) | 1,26,542 | - |
| 250 Sree Rayalseema Alkalies and Allied Chemicals (250) of ₹ 10/- each fully paid up | 2,500 | 2,500 |
| | <u>41,51,038</u> | <u>40,42,346</u> |
| Non Trade Unquoted | | |
| 5000 Shamrao Vithal Co-op Bank Ltd. of ₹ 25/- each (5000) fully paid up | 1,25,000 | 1,25,000 |
| 50 NKGSB Co-op Bank Ltd of ₹ 10/- each (50) fully paid up | 500 | 500 |
| 910 Shri Ambuja Petrochemicals Ltd of ₹ 10/- each (910) fully paid up | 9,100 | 9,100 |
| 5 The Memon Co-op. Bank Ltd of ₹ 10/- each (5) fully paid up | 50 | 50 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|---------------------------|--------------------------|
| 5 The Natasha Co-op. Housing Society Ltd. (5) of ₹ 50/- each fully paid up | 250 | 250 |
| 8 Piramal Glass Limited of ₹ 10/- each (8) | - | - |
| | <u>1,34,900</u> | <u>1,34,900</u> |
| Investments in Subsidiary | | |
| 10000 DelivrEx India Ltd of ₹ 10/- each () | 1,00,000 | - |
| | <u>1,00,000</u> | <u>-</u> |
| Investments in Debentures - Quoted | | |
| 14000 NCD of Blue Dart Express Ltd. (14000) of ₹ 10/- each fully paid up | - | - |
| | <u>-</u> | <u>-</u> |
| Investments in Debentures - Unquoted | | |
| 40 NCD of Ganesh Benzo Plast Ltd (40) of ₹ 75/- each fully paid up | 3,000 | 3,000 |
| 1 Secured NCD of Orris Infrastructure Pvt. Ltd. () | 1,02,36,849 | - |
| | <u>1,02,39,849</u> | <u>3,000</u> |
| Investments in Mutual Fund - Quoted | | |
| 16200 UTI Mastershares of ₹ 10/- each fully paid up (16200) | 1,96,166 | 1,96,166 |
| | <u>1,96,166</u> | <u>1,96,166</u> |
| Investments in Mutual Fund - Unquoted | | |
| 150000 Units Essel Asset II at NAV of ₹ 100/- each () | 1,50,00,000 | - |
| Reliance Yield Maximiser AIF Scheme III | 1,00,00,000 | - |
| | <u>2,50,00,000</u> | <u>-</u> |
| TOTAL | <u>3,98,41,454</u> | <u>43,95,913</u> |
| Note | | |
| Aggregate book value of quoted investments | 43,66,705 | 42,58,013 |
| Aggregate market value of quoted investments | 59,36,067 | 56,43,939 |
| Aggregate book value of unquoted investments | 3,54,74,749 | 1,37,900 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | | As at 31.03.2017 | As at 31.03.2016 |
|--|-------------|---------------------|---------------------|
| | ₹ | ₹ | ₹ |
| 15 LONG - TERM LOANS AND ADVANCES | | | |
| (Unsecured Considered Good) | | | |
| Property Deposit | | | |
| Related Party (Refer Note No. 38[i]) | 1,00,00,000 | | 1,00,00,000 |
| Others | 3,59,15,732 | 4,59,15,732 | 3,53,52,374 |
| Earnest Money Deposit | | 6,35,595 | 6,23,397 |
| Other Deposits | | 49,63,918 | 36,57,422 |
| Other Loans and Advances (Refer Note No. 35) | | 2,43,69,000 | 1,43,69,000 |
| TOTAL | | 7,58,84,245 | 6,40,02,193 |
| | | As at 31.03.2017 | As at 31.03.2016 |
| | | ₹ | ₹ |
| 16 CURRENT INVESTMENTS | | | |
| (Short Term Investments) | | | |
| Investments in Equity Shares | | | |
| Trade Quoted | | | |
| 1000 Blue Dart Express Ltd. of ₹ 10/- each | | 45,89,909 | - |
| () fully paid up | | 45,89,909 | - |
| Non Trade Quoted | | | |
| 76500 Hindustan Petroleum Corporation Ltd. of ₹ 10/- | | 2,61,45,992 | 1,27,34,683 |
| (25500) each fully paid up | | | |
| 9400 State Bank of India of ₹ 1/- each | | 24,83,007 | - |
| () fully paid up | | 2,86,28,999 | 1,27,34,683 |
| Investments in Debentures - Unquoted | | | |
| 2 Secured NCD of Omkar Realtors Andheri Project Pvt. Ltd. | | 80,69,139 | - |
| () | | | |
| 50 Secured NCD of Prime Focus Technologies Pvt. Ltd. | | 50,00,000 | - |
| () | | | |
| 100 Secured NCD of Pinnacle Vastunirman Pvt. Ltd. | | 1,03,38,082 | - |
| () | | 2,34,07,221 | - |
| Investments in Mutual Fund - Quoted | | | |
| 643255.101 Redeemable Units of ICICI Balanced Advantage Fund at NAV | | 97,06,719 | - |
| () of ₹ 15.09 each | | 97,06,719 | - |
| Investments in Mutual Fund - Unquoted | | | |
| 49062.834 Redeemable Units of DSP Blackrock India Enhanced Equity Fund | | 50,52,000 | - |
| Class B-7.03 at NAV of ₹ 102.97 each | | | |
| 98395.878 Redeemable Units of DSP Blackrock India Enhanced Equity Fund | | 98,39,588 | - |
| () Class B-7.01 at NAV of ₹ 100/- each | | 1,48,91,588 | - |
| TOTAL | | 8,12,24,436 | 1,27,34,683 |
| Note | | | |
| Aggregate book value of quoted investments | | 4,29,25,627 | 1,27,34,683 |
| Aggregate market value of quoted investments | | 5,84,80,622 | 2,00,31,525 |
| Aggregate book value of unquoted investments | | 3,82,98,809 | - |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | As at 31.03.2017 | As at 31.03.2016 |
|----------------------------------|---------------------|---------------------|
| | ₹ | ₹ |
| 17 TRADE RECEIVABLE | | |
| Secured Considered Good | | |
| Over six months | 1,40,10,603 | 1,15,28,258 |
| Others | 33,99,23,501 | 32,82,19,336 |
| Unsecured Considered Good | | |
| Over six months | 5,54,34,651 | 4,20,10,967 |
| Others | 46,63,91,756 | 56,04,71,729 |
| TOTAL | 87,57,60,511 | 94,22,30,290 |

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------|---------------------|
| | ₹ | ₹ |
| 18 CASH AND BANK BALANCES | | |
| Cash and Cash Equivalents | | |
| Balance with Banks | | |
| In Current Accounts (includes proceeds of preferential issue) | 11,72,77,101 | 20,91,75,952 |
| In Dividend Account for Unclaimed Dividend | 35,75,347 | 37,94,336 |
| Cash on Hand | 91,13,635 | 1,14,02,827 |
| Cheque in Transit | - | 1,21,80,645 |
| Other Bank Balances | | |
| In Fixed Deposits | 20,08,423 | 13,95,299 |
| In Fixed Deposits (as margin money against bank guarantees, LC's and others) | 3,31,62,862 | 4,69,73,884 |
| In Fixed Deposits (as earmarked against public deposits) | 1,55,00,000 | 1,45,17,962 |
| TOTAL | 18,06,37,368 | 29,94,40,905 |

Fixed deposits with bank includes deposits of ₹ 10,72,787/- (Previous Year ₹ 37,07,850/-) with maturity of more than 12 months

| | As at 31.03.2017 | As at 31.03.2016 |
|---|---------------------|---------------------|
| | ₹ | ₹ |
| 19 SHORT - TERM LOANS AND ADVANCES | | |
| (Unsecured and Considered Good) | | |
| Prepaid Expenses | 61,63,071 | 51,77,572 |
| Staff Advances | 23,21,910 | 30,33,073 |
| Advance Income Tax | 17,50,63,339 | 22,16,30,853 |
| Loans and Advances to Subsidiary Company | 38,34,836 | - |
| Others* | 9,55,84,836 | 5,71,45,292 |
| TOTAL | 28,29,67,992 | 28,69,86,790 |

* includes interest receivable, cenvat receivable, claim receivable, agent receivable and octroi advance.

| | As at 31.03.2017 | As at 31.03.2016 |
|-----------------------------------|---------------------|---------------------|
| | ₹ | ₹ |
| 20 OTHER CURRENT ASSETS | | |
| Interest Accrued on Bank Deposits | 31,15,690 | 51,15,021 |
| TOTAL | 31,15,690 | 51,15,021 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | For the Year 2016-17 | For the Year 2015-16 |
|--|-------------------------|-------------------------|
| | ₹ | ₹ |
| 21 REVENUE FROM OPERATIONS | | |
| Sale of Services | | |
| Freight | 1,77,43,03,604 | 1,76,30,42,307 |
| Co Loading and Cargo Income | 2,34,43,91,970 | 2,89,52,12,197 |
| Commission | 38,24,79,946 | 45,41,78,374 |
| Other Operating Income | 3,83,39,862 | 12,00,000 |
| TOTAL | 4,53,95,15,382 | 5,11,36,32,878 |
| | | |
| | For the Year 2016-17 | For the Year 2015-16 |
| | ₹ | ₹ |
| 22 OTHER INCOME | | |
| Interest Income | 2,37,19,859 | 1,34,28,697 |
| Dividend Income | 26,83,514 | 11,86,944 |
| Other Non Operating Income | 2,14,24,025 | 1,18,96,212 |
| TOTAL | 4,78,27,398 | 2,65,11,853 |
| | | |
| | For the Year 2016-17 | For the Year 2015-16 |
| | ₹ | ₹ |
| 23 OPERATING COST | | |
| Truck Hire Charges | 1,04,16,51,926 | 1,04,15,89,938 |
| Truck Operational Expenses | 13,64,77,982 | 13,13,27,558 |
| Truck Repairs and Maintenance Expenses | 1,20,74,096 | 86,41,409 |
| Diesel, Oil and Grease | 9,08,22,331 | 6,58,35,614 |
| Taxes and Permits | 24,10,503 | 20,49,478 |
| Sundry Airport Expenses | 1,31,20,643 | 1,57,95,522 |
| Line Haul Transportation Expenses | 3,11,37,327 | 4,85,04,595 |
| Cargo Freight Charges | 2,04,92,70,414 | 2,69,29,02,396 |
| Handling Charges | 32,26,43,579 | 22,56,75,605 |
| Packing Materials Expenses | 15,81,328 | 78,00,087 |
| Miscellaneous Operating Expenses | 8,64,84,178 | 7,86,25,170 |
| Insurance | 21,40,291 | 18,50,832 |
| Agency Commission | 4,20,22,832 | 4,51,51,635 |
| Claims for Loss of Goods (Net of Recoveries) | 26,44,231 | 74,82,694 |
| Less : Transfer from Contingency Reserve | (26,44,231) | - |
| TOTAL | 3,83,18,37,430 | 4,37,32,32,533 |
| | | |
| | For the Year 2016-17 | For the Year 2015-16 |
| | ₹ | ₹ |
| 24 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 24,88,60,679 | 23,97,13,307 |
| Contribution to Provident and Other Funds | 2,49,15,295 | 2,40,65,280 |
| Staff Welfare Expenses | 1,75,89,766 | 1,91,72,398 |
| TOTAL | 29,13,65,740 | 28,29,50,985 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

24.1 Defined obligations - Disclosures as per Accounting Standard 15 (Revised) are as under,

| | Gratuity | | Leave | |
|--|---------------|---------------|---------------|---------------|
| | 2016 - 17 | 2015 - 16 | 2016 - 17 | 2015 - 16 |
| | ₹ | ₹ | ₹ | ₹ |
| (A) Reconciliation of changes in present value of obligations | | | | |
| At the beginning of the year | 6,46,99,157 | 6,03,14,519 | 1,93,13,631 | 1,62,79,065 |
| Current service cost | 51,42,904 | 51,26,779 | 78,53,064 | 79,96,720 |
| Interest Cost | 51,75,933 | 48,25,162 | 14,51,998 | 11,61,350 |
| Actuarial (Gain) / Loss | 17,63,725 | 7,48,700 | (56,74,475) | (33,43,577) |
| Benefits paid | (74,18,476) | (63,16,003) | (1,23,27,311) | (27,79,927) |
| At the closing of the year | 6,93,63,243 | 6,46,99,157 | 1,06,16,907 | 1,93,13,631 |
| (B) Reconciliation of changes in fair value of plan assets | | | | |
| At the beginning of the year | 3,31,29,261 | 3,17,21,299 | - | - |
| Expected return on plan assets | 25,44,232 | 27,66,123 | - | - |
| Contributions | 39,49,354 | 49,57,842 | 1,23,27,311 | 27,79,927 |
| Benefits paid | (74,18,476) | (63,16,003) | (1,23,27,311) | (27,79,927) |
| Actuarial (Gain) / Loss | - | - | - | - |
| At the closing of the year | 3,22,04,371 | 3,31,29,261 | - | - |
| (C) Reconciliation of fair value of plan assets | | | | |
| At the beginning of the year | 3,31,29,261 | 3,17,21,299 | - | - |
| Actual return on plan assets | 25,44,232 | 27,66,123 | - | - |
| Contributions | 39,49,354 | 49,57,842 | 1,23,27,311 | 27,79,927 |
| Benefits paid | (74,18,476) | (63,16,003) | (1,23,27,311) | (27,79,927) |
| At the closing of the year | 3,22,04,371 | 3,31,29,261 | - | - |
| Funded Status | (3,71,58,871) | (3,15,69,896) | (1,06,16,907) | (1,93,13,631) |
| Excess of actual over estimated return on plan assets | - | - | - | - |
| (Actual rate of return = Estimated rate of return as ARD falls on 31st March) | | | | |
| (D) Actuarial Gain / Loss recognized | | | | |
| Actuarial (gain) / loss on obligations | (17,63,725) | (7,48,700) | (56,74,475) | (33,43,577) |
| Actuarial (gain) / loss for the year - Plan Assets | - | - | - | - |
| Actuarial (gain) / loss on obligations | 17,63,725 | 7,48,700 | - | - |
| Actuarial (gain) / loss recognized in the year | 17,63,725 | 7,48,700 | (56,74,475) | (33,43,577) |
| (E) The amount to be recognized in the Balance Sheet and Statement of Profit and Loss | | | | |
| Present value of obligations as at the end of year | 6,93,63,243 | 6,46,99,157 | 1,06,16,907 | 1,93,13,631 |
| Fair value of plan assets as at the end of year | 3,22,04,371 | 3,31,29,261 | - | - |
| Funded Status | (3,71,58,871) | (3,15,69,896) | (1,06,16,907) | (1,93,13,631) |
| Net assets / (liability) recognized in Balance Sheet | (3,71,58,871) | (3,15,69,896) | (1,06,16,907) | (1,93,13,631) |
| (F) Expenses recognised in statement of Profit and Loss | | | | |
| Current Service Cost | 51,42,904 | 51,26,779 | 78,53,064 | 79,96,720 |
| Interest Cost | 51,75,933 | 48,25,162 | 14,51,998 | 11,61,350 |
| Expected return on plan assets | (25,44,232) | (27,66,123) | - | - |
| Net Actuarial (gain) / loss recognised in the year | 17,63,725 | 7,48,700 | (56,74,475) | (33,43,577) |
| Expenses recognised in Statement of Profit and Loss | 95,38,330 | 79,34,518 | 36,30,587 | 58,14,493 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| | For the Year 2016-17 | For the Year 2015-16 |
|---|-------------------------|-------------------------|
| 25 FINANCE COSTS | ₹ | ₹ |
| Interest Expense | 7,43,41,653 | 8,34,55,272 |
| Other Borrowing Costs | 73,48,210 | 67,66,697 |
| TOTAL | 8,16,89,863 | 9,02,21,969 |
| | For the Year 2016-17 | For the Year 2015-16 |
| 26 OTHER EXPENSES | ₹ | ₹ |
| Electricity Charges | 1,14,28,053 | 1,19,11,398 |
| Rent | 5,64,89,953 | 5,05,70,281 |
| Repair to Buildings | 8,97,485 | 15,08,996 |
| Insurance | 26,65,991 | 23,52,603 |
| Printing and Stationery | 92,66,358 | 1,36,99,417 |
| Postage and Telegram, Internet Charges | 57,69,478 | 59,93,439 |
| Conveyance and Travelling | 2,23,62,159 | 2,08,80,178 |
| Telephone and Telex | 1,12,16,698 | 1,15,00,629 |
| Rate and Taxes | 1,26,15,146 | 1,00,25,547 |
| Legal and Professional Fees | 1,52,70,767 | 1,68,73,529 |
| Auditors' Remuneration | 16,90,000 | 12,65,000 |
| Advertisement, Publicity and Business Promotion | 54,41,350 | 68,84,068 |
| Directors' Sitting Fees | 11,25,000 | 13,60,000 |
| Corporate Social Responsibility Expenditure (Refer Note No. 29) | 16,81,700 | 9,98,850 |
| Miscellaneous Expenses | 9,02,53,397 | 8,44,34,800 |
| Bad Debts Written Off | 72,84,866 | 1,80,30,601 |
| Less : Transfer from Contingency Reserve | (72,84,866) | (1,80,30,601) |
| TOTAL | 24,81,73,535 | 24,02,58,735 |
| 27 EARNINGS PER SHARE (EPS) | 2016-17 | 2015-16 |
| A) Net Profit After Tax | 7,02,66,554 | 8,37,41,676 |
| B) Calculation of Weighted Average Number of Equity Share of ₹ 10 each | | |
| i) Number of shares at the beginning of the year | 1,58,86,612 | 1,51,86,612 |
| ii) Total number of shares outstanding at the end of the year. | 1,58,86,612 | 1,58,86,612 |
| iii) Weighted Average Number of Equity Shares outstanding during the year | 1,58,86,612 | 1,53,35,792 |
| C) Basic Earning per share (in ₹) | 4.42 | 5.46 |
| D) Diluted Earning per share (in ₹) | 4.18 | 4.98 |
| E) Nominal Value of Shares | 10.00 | 10.00 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

28. Payment to Auditors :

| Particulars | For the Year 2016 - 17 ₹ | For the Year 2015 - 16 ₹ |
|---|--------------------------------|--------------------------------|
| Audit Fees | 12,65,000* | 9,73,250* |
| Tax Audit Fees | 2,58,750* | 2,00,375* |
| Certification Fees including Limited Review | 3,45,000* | 2,29,000* |
| Out of Pocket Expenses | 74,750* | 45,800* |
| Total | 19,43,500 | 14,48,425 |

*includes Service Tax, Swachh Bharat Cess and Krishi Kalyan Cess of ₹ 2,53,500/- (Previous Year ₹ 1,83,425 /-).

29. Corporate Social Responsibility Expenditure :

The Company has incurred a total expenditure of ₹ 16,81,700/- (Previous Year ₹ 9,98,850/-), which is being debited to the profit and loss account for the year ended 31st March, 2017.

| Nature of expenses | Schedule in the financial statement | For the Year 2016 - 17 ₹ | For the year 2015 - 16 ₹ |
|--|-------------------------------------|--------------------------------|--------------------------------|
| Donation to the Trust towards purchase of blood bank vehicle for use of Tata Memorial Hospital | Other expenses (Note 26) | 16,81,700 | 9,98,850 |
| Total | | 16,81,700 | 9,98,850 |

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, 2017.

- I. Gross amount required to be spent by the Company during the year – ₹ 14,76,535/- (Previous 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 | For the Year 2016-17 ₹ | For the Year 2015-16 ₹ |
|---------------|------------------------------|------------------------------|
| Other project | 16,81,700 | 9,98,850 |
| Total | 16,81,700 | 9,98,850 |

30. Earnings and Expenditure in Foreign Currency :

| Particulars | For the Year 2016 - 17 ₹ | For the Year 2015 - 16 ₹ |
|--|--------------------------------|--------------------------------|
| Earnings in Foreign Currency : | | |
| Air Freight Billing and Other expenses (Net) | -- | 1,62,351 |
| Total | -- | 1,62,351 |
| Expenditure in Foreign Currency : | | |
| Membership and Subscription Fees | 42,062 | 41,357 |
| Travelling | 1,01,451 | 3,06,474 |
| Total | 1,43,513 | 3,47,831 |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

31. Contingent Liabilities

- i. Estimated amount of contracts remaining to be executed on capital expenditure and not provided for as on 31st March, 2017 ₹ 5,25,154/- (Previous Year ₹ 5,25,154/).
 - ii. Counter guarantees given to Banks and to Mr. Areef Patel, Executive Vice Chairman for guarantees provided by them against credit facilities ₹ 77,10,05,000/- (Previous Year ₹ 69,19,22,590/-), for which no monetary benefit has accrued to Mr. Areef Patel, Executive Vice Chairman.
 - iii. Claims against the Company not acknowledged as debts ₹ 6,08,16,950/- (Previous Year ₹ 4,19,73,979/-).
 - iv. On account of CSR ₹ NIL (Previous Year ₹ 16,70,000/-).
32. 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.
33. 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.
34. Balances of Trade Receivable, Trade Payable and certain loans and advances are subject to confirmation / reconciliation and adjustments, if any in respect thereof.
35. Other Loans and Advances under Long Term Loans & Advances includes Inter Corporate Deposits aggregating to ₹ 1,28,27,000/- (Previous Year ₹ 1,28,27,000/-) 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.
36. Trade Receivable outstanding in Company books for Franchisee locations are collected by the Franchisee, as agent on behalf of the Company.
37. **Segment Reporting :**

(Amt. in ₹)

| Segment | Surface Transportation | Co-Loading of Courier | Consolidation of Cargo | Total |
|--------------------------------|------------------------------------|--------------------------------|------------------------------------|---|
| Segment Revenue | | | | |
| External Sales | 1,80,33,42,466 (1,76,30,42,307) | 29,79,16,277 (24,50,22,194) | 2,43,82,56,639 (3,10,55,68,377) | 4,53,95,15,382 (5,11,36,32,878) |
| Inter - Segment Sales | | | | |
| Total Revenue | 1,80,33,42,466 (1,76,30,42,307) | 29,79,16,277 (24,50,22,194) | 2,43,82,56,639 (3,10,55,68,377) | 4,53,95,15,382 (5,11,36,32,878) |
| Segment Result | 16,51,13,999 (17,61,95,143) | 2,48,77,964 (1,94,02,793) | 13,22,70,062 (17,54,71,114) | 32,22,62,025 (37,10,69,050) |
| Unallocated Corporate Expenses | | | | 19,61,78,989 (19,66,89,956) |
| Operating Profits | | | | 12,60,83,036 (17,43,79,094) |
| Interest Expenses | | | | 8,16,89,863 (9,02,21,969) |
| Interest / Dividend Income | | | | 2,64,03,373 (1,46,15,641) |
| Other Income | | | | 2,14,24,025 (1,18,96,212) |
| Net Profit | | | | 9,22,20,571 (11,06,68,978) |

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

| Segment | Surface Transportation | Co-Loading of Courier | Consolidation of Cargo | Total |
|--|--|--------------------------------------|--|--|
| Other Information | | | | |
| Segment Assets | 1,01,49,03,047 (85,99,60,642) | 8,37,65,274 (6,91,03,019) | 70,55,52,897 (72,18,10,202) | 1,80,42,21,218 (1,65,08,73,863) |
| Unallocated Corporate Assets | | | | 27,26,72,400 (36,68,75,449) |
| Total Assets | 1,01,49,03,047 (85,99,60,642) | 8,37,65,274 (6,91,03,019) | 70,55,52,897 (72,18,10,202) | 2,07,68,93,618 (2,01,77,49,312) |
| Segment Liabilities | 43,68,37,569 (42,52,12,817) | 48,90,208 (68,88,239) | 33,25,58,682 (38,20,81,772) | 77,42,86,459 (81,41,82,828) |
| Unallocated Corporate Liabilities | | | | 1,30,26,07,159 (120,35,66,484) |
| Total Liabilities | 43,68,37,569 (42,52,12,817) | 48,90,208 (68,88,239) | 33,25,58,682 (38,20,81,772) | 2,07,68,93,618 (2,01,77,49,312) |
| Capital Expenditure | 17,42,28,981 (84,08,092) | -- (28,500) | 1,20,80,644 (1,20,78,451) | 18,63,09,625 (2,05,15,043) |
| Unallocated Corporate Capital Expenditure | | | | -- (--) |
| Total Capital Expenditure | 17,42,28,981 (84,08,092) | -- (28,500) | 1,20,80,644 (1,20,78,451) | 18,63,09,625 (2,05,15,043) |
| Depreciation and Amortization | 2,74,28,717 (2,78,59,918) | 2,70,012 (3,00,726) | 1,32,67,382 (1,36,87,403) | 4,09,66,111 (4,18,48,047) |
| Unallocated Depreciation and Amortization | | | | 10,89,530 (9,63,484) |
| Total Depreciation and Amortization | 2,74,28,717 (2,78,59,918) | 2,70,012 (3,00,726) | 1,32,67,382 (1,36,87,403) | 4,20,55,641 (4,28,11,531) |

38. Related party disclosures : -

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

- A) **Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (Clause 3(a) of AS 18).**

DelivrEx India Limited (Wholly Owned Subsidiary)

- B) **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.

- C) **Key Management Personnel and relatives of such personnel (Clause 3(d) of AS18) and his relatives within the meaning of Clause 10.9 of AS 18.**

Mr. Areef Patel

Mr. Mahesh Fogla

Mr. Nitin Akolkar

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

D) 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 Capital 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. | Particulars | A | | B | | C | | D | |
|-----|----------------------------------|-----------|-------|--------|--------|-----------|-----------|-------------|-------------|
| | Transactions during the year | | | | | | | | |
| | | 16-17 | 15-16 | 16-17 | 15-16 | 16-17 | 15-16 | 16-17 | 15-16 |
| 1. | Lease Rent Paid | -- | -- | -- | -- | -- | -- | 19,13,296 | 18,96,948 |
| 2. | Rent Received | -- | -- | -- | -- | -- | -- | 7,02,960 | 6,63,510 |
| 3. | Director Sitting Fees | -- | -- | 50,000 | 50,000 | -- | -- | -- | -- |
| 4. | Remuneration Paid | -- | -- | -- | -- | 94,93,764 | 54,69,182 | -- | -- |
| 5. | Reimbursement of Expenses (Paid) | -- | -- | -- | -- | -- | -- | -- | 3,78,696 |
| 6. | Inter Corporate Deposit Repaid | -- | -- | -- | -- | -- | -- | -- | 2,74,00000 |
| 7. | Inter Corporate Deposits Taken | -- | -- | -- | -- | -- | -- | -- | 1,20,00000 |
| 8. | Interest on ICD paid | -- | -- | -- | -- | -- | -- | -- | 14,42,540 |
| 9. | Loans and Advances Given | 38,34,836 | -- | -- | -- | -- | -- | -- | -- |
| 10. | Investment | 1,00,000 | -- | -- | -- | -- | -- | -- | -- |
| | Balance as at | | | | | | | | |
| 11. | Investment | | | | | | | | |
| | DelivrEx India Limited. | 1,00,000 | -- | -- | -- | -- | -- | -- | -- |
| 12. | Property Deposit Given | | | | | | | | |
| | A S Patel Trust | -- | -- | -- | -- | -- | -- | 1,00,00,000 | 1,00,00,000 |
| 13. | Loans and Advances | | | | | | | | |
| | DelivrEx India Limited. | 38,34,836 | -- | -- | -- | -- | -- | -- | |

Above figures are excluding Service Tax, Swachh Bharat Cess and Krishi Kalyan Cess, wherever applicable.

NOTES :

- i. The godown deposit is treated as property deposit pending final outcome of application filed by the Company for recovery of possession in the Court of Additional Rent Controller , Central District, Tiz Hazari Court, New Delhi.
 - ii. 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.
39. 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. 31.

Notes on Standalone Financial Statements for the Year Ended 31st March, 2017

40. During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBN's and other notes as per the notification is given below:

(Amt. in ₹)

| Particulars | SBN's | Other Denomination notes | Total |
|--|-------------|--------------------------|-------------|
| Closing Cash on Hand as on November 08, 2016 | 1,16,54,500 | 1,24,19,419 | 2,40,73,919 |
| Add: Permitted Receipts | -- | 4,99,03,070 | 4,99,03,070 |
| Less: Permitted Payments | 8,33,000 | 4,98,41,304 | 5,06,74,304 |
| Less: Amount deposited in Banks | 1,08,21,500 | 10,14,823 | 1,18,36,323 |
| Closing Cash on Hand as on December 30, 2016 | -- | 1,14,66,363 | 1,14,66,363 |

*For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government on India, in the Ministry of Finance, Department of Economic Affairs, Number S. O. 3407 (E), dated November 08, 2016.

41. 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 : 26th May, 2017

NITIN B. AKOLKAR

Company Secretary

MAHESH FOGLA

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Patel Integrated Logistics Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Patel Integrated Logistics Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the consolidated Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting 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 there under.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statement gives the information required by the Act, in the manner so required, give a true and fair view in conformity with accounting principles generally accepted in India, of consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profits and their consolidated cash flows for the year ended as on that date.

Other Matters

Financial Statements / Consolidated Financial Statements of a Subsidiary which reflect total assets of ₹38,14,629/- as at March 31, 2017, total revenues of ₹Nil and Net Cash flows amounting to ₹ 16,301/- for the year then ended, have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors and the other financial information of subsidiaries referred in the Other Matters paragraph above we report, to the extent applicable, 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated 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 March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 A**” and
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Consolidated financial statements has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer to Note No.31 to the consolidated financial statements;
 - ii. The group did not have any long term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. In respect of the subsidiary companies incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund;
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements. Refer Note 40 to the consolidated financial statements.

For M S P & CO.

Chartered Accountants
FR No: 107565W

M. S. Parikh
Partner
M No: 08684

Place: Mumbai
Date: May 26, 2017

“Annexure A” forming a 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, 2017 in conjunction with our audit of the consolidated 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 consolidated 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 qualified 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 consolidated 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 consolidated 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 consolidated 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, 2017, 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
FR No: 107565W

M. S. Parikh

Partner
M No: 08684

Place: Mumbai

Date: May 26, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

| | Note No. | ₹ | As At 31.03.2017 ₹ |
|---------------------------------------|----------|--------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 15,88,66,120 | |
| Reserves and Surplus | 3 | 96,65,30,174 | |
| Money Received Against Share Warrants | 4 | 2,67,08,750 | |
| | | | 1,15,21,05,044 |
| Non - Current Liabilities | | | |
| Long Term Borrowings | 5 | 18,01,82,950 | |
| Deferred Tax Liability (Net) | 6 | 2,57,79,152 | |
| Other Long Term Liabilities | 7 | 2,64,22,647 | |
| | | | 23,23,84,749 |
| Current Liabilities | | | |
| Short Term Borrowings | 8 | 37,82,37,409 | |
| Trade Payables | 9 | 10,45,30,770 | |
| Other Current Liabilities | 10 | 10,47,38,155 | |
| Short Term Provisions | 11 | 10,47,77,284 | |
| | | | 69,22,83,618 |
| TOTAL | | | 2,07,67,73,411 |
| ASSETS | | | |
| Non - Current Assets | | | |
| Property, Plant And Equipment | 12 | 51,98,97,671 | |
| Capital Work-in-Progress | | 1,78,84,836 | |
| Intangible Assets | 13 | 7,48,599 | |
| Non - Current Investment | 14 | 3,97,41,454 | |
| Long Term Loans and Advances | 15 | 7,59,18,445 | |
| | | | 65,41,91,005 |
| Current Assets | | | |
| Current Investment | 16 | 8,12,24,436 | |
| Trade Receivable | 17 | 87,57,60,511 | |
| Cash and Cash Equivalents | 18 | 18,06,53,669 | |
| Short Term Loans and Advances | 19 | 27,91,33,156 | |
| Other Current Assets | 20 | 58,10,634 | |
| | | | 1,42,25,82,406 |
| TOTAL | | | 2,07,67,73,411 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 - 41 | | |

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 : 26th May, 2017

NITIN B. AKOLKAR
Company Secretary

MAHESH FOGLA
Chief Financial Officer

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Note No. | For the Year 2016-17 ₹ |
|--|----------|---------------------------|
| INCOME | | |
| Revenue from Operations | 21 | 4,53,95,15,382 |
| Other Income | 22 | 4,78,27,398 |
| Total Revenue | | 4,58,73,42,780 |
| EXPENSES | | |
| Operating Cost | 23 | 3,83,18,37,430 |
| Employee Benefits Expense | 24 | 29,13,65,740 |
| Finance Costs | 25 | 8,16,90,437 |
| Depreciation and Amortization Expense | 12 & 13 | 4,21,74,333 |
| Other Expenses | 26 | 24,81,98,026 |
| Total Expenses | | 4,49,52,65,966 |
| Profit Before Tax | | 9,20,76,814 |
| Tax Expense | | |
| Current Tax | | 1,81,00,000 |
| Deferred Tax | | 38,54,017 |
| (Excess) / Short Provision of Income Tax for earlier years | | - |
| Profit for the year | | 7,01,22,797 |
| Earning per Equity Share of face value of ₹ 10/- each | | |
| Basic (in ₹) | 27 | 4.41 |
| Diluted (in ₹) | 27 | 4.17 |
| Significant Accounting Policies | 1 | |
| Notes on Financial Statements | 2 - 41 | |

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 : 26th May, 2017

NITIN B. AKOLKAR
Company Secretary

MAHESH FOGLA
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Year Ended
31.03.2017

₹ ₹

A: CASH FLOW FROM OPERATING ACTIVITIES :

Net Profit Before Tax as per Profit and Loss Account 9,20,76,814

Adjusted For :

Profit / Loss on Sale / Discard of Assets (Net) (2,38,62,453)

Depreciation 4,21,74,333

(Net gain) / Loss on Sale of Current/Non - Current Investments (1,44,84,603)

Dividend Income (26,83,514)

Interest Income (2,37,19,859)

Finance Cost 8,16,90,437

5,91,14,341

Operating Profit Before Working Capital Changes 15,11,91,155

Adjusted For :

Trade and Other Receivables 58,59,835

Trade and Other Payables (5,68,87,410)

(5,10,27,575)

Cash Generated from Operations 10,01,63,580

Taxes Received / (Paid) (Net) 4,65,67,514

4,65,67,514

Net Cash from Operating Activities **14,67,31,094**

B: CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Assets (18,74,97,501)

Sale of Fixed Assets 8,05,31,487

(Purchase) / Sale of Current / Non - Current Investment (Net) (8,93,50,691)

Movement in Fixed Deposits (Net) 1,22,15,860

Increase in Capital Work in Progress (1,35,38,998)

Interest Received 2,57,19,190

Dividend Received 26,83,514

Net Cash (used in) Investing Activities **(16,92,37,139)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Year Ended 31.03.2017 |
|---|--------------------------|
| | ₹ |
| C: CASH FLOW FROM FINANCING ACTIVITIES : | |
| Proceeds from Public Deposits (Net) | 25,86,000 |
| Proceeds from Long Term Borrowings (Net) | 6,14,11,930 |
| Proceeds from Short Term Borrowings (Net) | (5,67,45,506) |
| Interest Paid | (8,20,88,855) |
| Dividend Paid | (92,28,900) |
| Net Cash (used in) / from Financing Activities | (8,40,65,331) |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (10,65,71,376) |
| Opening Balance of Cash and Cash Equivalents | 23,65,53,760 |
| Closing Balance of Cash and Cash Equivalents | 12,99,82,384 |

Notes :

- 1) Cash and Cash Equivalents do not include Fixed Deposits with Banks as Margin Money.
- 2) Amount of ₹ 5,54,33,799/- received as preferential money was included in above specified Bank Account.
- 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) This being the first year of preparation of Consolidated Financial Statements, previous year consolidated figures are not given.

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 : 26th May, 2017

NITIN B. AKOLKAR

Company Secretary

MAHESH FOGLA

Chief Financial Officer

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

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.

Principles of Consolidation

- i. The consolidated Financial Statements comprise the financial statements of Patel Integrated Logistics Ltd. and its wholly owned 100% subsidiary DelivrEx India Ltd.
- ii. DelivrEx India Ltd., became a subsidiary Company from its date of Incorporation i.e. 3rd May, 2016 and became a wholly owned subsidiary w.e.f. 14th June, 2016 and is consolidated from 3rd May, 2016 (being the closest available balance sheet date of DelivrEx India Ltd.)
- iii. The Consolidated Financial Statement of the Company and its Subsidiary Company have been prepared in accordance with the Accounting Standard 21 (AS-21) "Consolidated Financial Statements", by adding together the book value of like items of assets, liabilities, income and expenses. The intra-group balance, intra-group transactions and unrealized profit or losses are fully eliminated.
- iv. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.

b. Property, Plant and Equipment :

- 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. Land purchased on long term lease (99 years) is shown under Property, Plant and Equipment, and not separately shown under Leased Assets.

c. Intangible Assets:

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any.

d. Depreciation / Amortization:

- i. 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").
- ii. 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.
- iii. Cost of leasehold land is amortised over the residual period of the lease on straight line basis.

e. 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.

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

f. 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. Current Investments are carried at lower of cost and fair value, computed category wise.
- iii. Membership shares of a Co-operative Housing Society related to office premise are included under Non - Current Investments.
- iv. Profit / Loss on sale of Current / Non - Current Investments is computed on FIFO basis.

g. 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.
- 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. Administrative and other expenses are stated net of recoveries wherever applicable.

h. Employee 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. Employee benefits includes salary, wages, employee state insurance and contribution to provident fund, family pension fund, superannuation fund, gratuity and compensated absences to eligible employees.

Short term employee benefits like salary, wages etc. are recognized and charged to Statement of Profit and Loss when the employee renders the services.

Contribution to defined schemes such as Provident Fund, Family Pension Fund, Superannuation Fund (in the case of eligible employees) and Employees' State Insurance Scheme are charged to the Statement of Profit and Loss as incurred.

Company's liability towards gratuity is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and is fully provided for in the Statement of Profit and Loss on the basis of aforesaid valuation. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for in the Statement of Profit and Loss as incurred in the year in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

i. Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Statement of Profit and Loss.

j. Taxes on Income:

Taxes on Income are accounted for in accordance with Accounting Standard (AS 22)- Accounting for Taxes on Income, notified under the Companies (Accounting Standards) Rules, 2006. Income Tax comprises both Current and Deferred tax.

Current tax is measured at the amount expected to be paid to the revenue authorities, using applicable tax rate and laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

Minimum Alternate Tax (MAT) paid in accordance with the tax law, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

k. 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.

l. 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.

Claims in respect of which the Company is of the opinion that they are frivolous or is legally advised that they are unsustainable in law are not considered as Contingent Liability as the possibility of an outflow of resources embodying economic benefits is remote. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

As at
31.03.2017
₹

2 SHARE CAPITAL

Authorised Share Capital

2,00,00,000 Equity Share of ₹ 10/- each 20,00,00,000

20,00,00,000

ISSUED, SUBSCRIBED AND PAID UP :

1,58,86,612 Equity Shares of ₹ 10/- each paid up value 15,88,66,120

TOTAL

15,88,66,120

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

| Particulars | As At 31.03.2017 |
|--|---------------------|
| | No. of Shares |
| Equity Shares at the beginning of the year fully paid up | 1,58,86,612 |
| Equity Shares at the end of the year | 1,58,86,612 |

2.2 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.

2.3 The details of Shareholders holding more than 5 % shares :

| Name of the Shareholders | As At 31.03.2017 | |
|--------------------------|------------------|--------|
| | No. of Shares | % held |
| Patel Holdings Limited | 30,25,667 | 19.05 |
| A. S. Patel Trust | 13,71,500 | 8.63 |
| Mr. Asgar S. Patel | 10,65,879 | 6.71 |
| Mr. Areef A. Patel | 9,27,884 | 5.84 |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

| | | As at 31.03.2017 ₹ |
|--|--------------------|----------------------------|
| 3 RESERVES AND SURPLUS | | |
| Capital Reserve | | |
| As per last Standalone Balance Sheet | 1,27,33,553 | |
| Add : Profit on sale of Land | <u>3,34,94,457</u> | 4,62,28,010 |
| Capital Redemption Reserve | | 18,60,000 |
| Securities Premium Reserve | | |
| As per last Standalone Balance Sheet | 32,00,75,337 | |
| Less : Share issue expenses | <u>10,16,123</u> | 31,90,59,214 |
| General Reserve | | |
| As per last Standalone Balance Sheet | 44,78,23,518 | |
| Add : Transferred from Profit and Loss Account | <u>2,00,00,000</u> | 46,78,23,518 |
| Other Reserve | | |
| Contingency Reserve | | |
| (To meet contingencies) | | |
| As per last Standalone Balance Sheet | 3,78,46,266 | |
| Add : Transferred from Profit and Loss Account | <u>2,50,00,000</u> | |
| | 6,28,46,266 | |
| Less : Transfer to Profit and Loss Account | <u>99,29,097</u> | 5,29,17,169 |
| Profit and Loss Account | | |
| As per last Standalone Balance Sheet | 6,30,79,843 | |
| Add : Profit for the year | <u>7,01,22,797</u> | |
| | 13,32,02,640 | |
| Less : Appropriations : | | |
| Transferred to General Reserve | 2,00,00,000 | |
| Transferred to Contingency Reserve | 2,50,00,000 | |
| Proposed Dividend on Equity Shares | 79,43,306 | |
| (Dividend per share ₹ 0.50) | | |
| Tax on Dividend | <u>16,17,071</u> | 7,86,42,263 |
| TOTAL | | <u>96,65,30,174</u> |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

As at
31.03.2017
₹

4 MONEY RECEIVED AGAINST SHARE WARRANTS

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

TOTAL 2,67,08,750

5 LONG TERM BORROWINGS

Secured

| | Non Current Rupees | Current Rupees |
|------------------------------|-----------------------|--------------------|
| Term Loan | - | 60,780 |
| Deferred Payment Liabilities | 6,36,14,950 | 2,41,83,853 |
| | <u>6,36,14,950</u> | <u>2,42,44,633</u> |

Unsecured

| | | |
|------------------------------|----------------------------|---------------------------|
| Term Loan | - | 39,587 |
| Deposit Accepted from Public | 11,65,68,000 | 3,27,60,000 |
| | <u>11,65,68,000</u> | <u>3,27,99,587</u> |
| TOTAL | <u><u>18,01,82,950</u></u> | <u><u>5,70,44,220</u></u> |

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.

As at
31.03.2017
₹

6 DEFERRED TAX LIABILITY (Net)

Deferred Tax Liability

Related to Fixed Assets 2,38,91,275

Deferred Tax Liability / (Assets)

Disallowances under the Income Tax Act, 1961 18,87,877

TOTAL 2,57,79,152

As at
31.03.2017
₹

7 OTHER LONG TERM LIABILITIES

Deposits* 2,64,22,647

TOTAL 2,64,22,647

* Deposits includes deposits from Transporters, Customers, Franchisees and others.

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

As at
31.03.2017
₹

8 SHORT TERM BORROWINGS

Secured - Loans repayable on demand

| | |
|----------------------------------|--------------|
| Working Capital Loans from Banks | 37,81,15,201 |
|----------------------------------|--------------|

Unsecured

| | |
|---|----------|
| Working Capital Loans from Banks and Others | 1,22,208 |
|---|----------|

| | |
|--------------|---------------------|
| TOTAL | 37,82,37,409 |
|--------------|---------------------|

8.1 Working Capital Loans from Banks :

Secured by :

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

Collateral Security -

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

As at
31.03.2017
₹

9 TRADE PAYABLES

| | |
|-------------|-------------|
| Acceptances | 7,10,00,000 |
|-------------|-------------|

| | |
|--------|-------------|
| Others | 3,35,30,770 |
|--------|-------------|

| | |
|--------------|---------------------|
| TOTAL | 10,45,30,770 |
|--------------|---------------------|

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.

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

| | | As at 31.03.2017 ₹ |
|---|-------------|--------------------------|
| 10 OTHER CURRENT LIABILITIES | | |
| Current Maturities of Public Deposits | | 3,23,03,000 |
| Current Maturities of Deferred Payment Liabilities | | 2,41,83,853 |
| Current Maturities of Term Loan Liabilities | | 1,00,367 |
| Interest Accrued but not due on Public Deposits | | 70,51,123 |
| Unclaimed Dividend | | 35,75,347 |
| Unclaimed Matured Deposits and Interest Accrued thereon | | 9,18,329 |
| Other Payables | | |
| Staff Advance | 51,694 | |
| Statutory Liabilities | 71,42,539 | |
| Staff Liabilities | 2,11,19,255 | |
| Sundry Deposits | 23,48,783 | |
| Overdrawn Balance in Current Account with Bank | 15,44,531 | |
| Liabilities for claims | 10,02,205 | |
| Other Payables* | 33,97,129 | |
| | | 3,66,06,136 |
| TOTAL | | 10,47,38,155 |

* Includes Agency payables, etc.

| | | As at 31.03.2017 ₹ |
|---------------------------------|--|--------------------------|
| 11 SHORT TERM PROVISIONS | | |
| Provisions for Leave Encashment | | 1,06,16,907 |
| Proposed Dividend | | 79,43,306 |
| Tax on Dividend | | 16,17,071 |
| Provision for Income Tax | | 8,46,00,000 |
| TOTAL | | 10,47,77,284 |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

12 PROPERTY, PLANT AND EQUIPMENT

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March, 2017:

| Description | Gross Carrying Value | | | Depreciation / Amortisation | | | Net Carrying Value | |
|------------------------|----------------------|---------------------------|-----------------------------|-----------------------------|--------------------|-----------------------------|---------------------|---------------------|
| | As at 01.04.2016 | Additions / Adjustment | Deductions / Adjustments | As at 31.03.2017 | For the Year | Deductions / Adjustments | As at 31.03.2017 | As at 31.03.2017 |
| Freehold Land | 16,03,25,082 | - | 1,35,18,627 | 14,68,06,455 | - | - | - | 14,68,06,455 |
| Leasehold Land | 92,050 | 3,86,58,000 | - | 3,87,50,050 | 2,026 | - | 31,997 | 3,87,18,053 |
| Buildings | 14,23,18,156 | 4,15,25,000 | 1,03,84,528 | 17,34,58,628 | 21,62,278 | 17,20,242 | 3,20,36,976 | 14,14,21,652 |
| Furniture and Fixtures | 13,16,52,452 | 56,67,303 | - | 13,73,19,755 | 93,81,913 | - | 9,00,52,170 | 4,72,67,585 |
| Computer | 16,47,48,333 | 50,62,111 | - | 16,98,10,444 | 52,21,172 | - | 16,18,10,881 | 79,99,563 |
| Office Equipment | 6,58,11,754 | 54,87,253 | 5,41,312 | 7,07,57,695 | 52,95,556 | 5,41,297 | 5,41,41,473 | 1,66,16,222 |
| Plant and Machinery | 88,24,912 | 2,06,207 | - | 90,31,119 | 2,24,422 | - | 68,14,340 | 22,16,779 |
| Truck | 9,84,56,212 | 8,39,88,676 | - | 18,24,44,888 | 1,56,79,890 | - | 8,05,73,813 | 10,18,71,075 |
| Vehicles | 3,84,48,909 | 63,95,801 | 19,57,539 | 4,28,87,171 | 36,35,428 | 9,65,890 | 2,59,06,884 | 1,69,80,287 |
| Total | 81,06,77,860 | 18,69,90,351 | 2,64,02,006 | 97,12,66,205 | 4,16,02,685 | 32,27,429 | 45,13,68,534 | 51,98,97,671 |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

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, 2017 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 |
|---|---|---|--|
| | 2017 | 2017 | 2017 |
| Within one year | 3,18,07,510 | 76,23,657 | 2,41,83,853 |
| Later than one year and not later than five years | 7,25,16,192 | 89,01,242 | 6,36,14,950 |
| Total | 10,43,23,702 | 1,65,24,899 | 8,77,98,803 |

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 Gross carrying of leasehold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period.

13 INTANGIBLE ASSETS :

Following are the changes in the carrying value of acquired intangible assets for the year ended 31st March, 2017:

(Amt in ₹)

| | Gross Carrying Value | | | | Depreciation / Amortisation | | | | Net Carrying Value |
|------------------|----------------------|------------------------|--------------------------|--------------------|-----------------------------|-----------------|--------------------------|--------------------|--------------------|
| Description | As at 01.04.2016 | Additions / Adjustment | Deductions / Adjustments | As at 31.03.2017 | As at 01.04.2016 | For the Year | Deductions / Adjustments | As at 31.03.2017 | As at 31.03.2017 |
| Licence Software | 2,31,44,092 | 5,07,150 | - | 2,36,51,242 | 2,23,30,995 | 5,71,648 | - | 2,29,02,643 | 7,48,599 |
| Total | 2,31,44,092 | 5,07,150 | - | 2,36,51,242 | 2,23,30,995 | 5,71,648 | - | 2,29,02,643 | 7,48,599 |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

As at
31.03.2017
₹

14 NON - CURRENT INVESTMENTS

(Long Term Investments)

Investments in Equity Shares

Trade Quoted

| | | |
|-----|---|---------------|
| 20 | Gati Ltd. of ₹ 2/- each fully paid up | 1,013 |
| 200 | All Cargo Logistics Ltd. of ₹ 2/- each fully paid up | 16,993 |
| 20 | Transport Corporation of India Ltd. of ₹ 2/- each fully paid up | 1,495 |
| 10 | TCI Express Ltd. of ₹ 2/- each fully paid up | - |
| | | <u>19,501</u> |

Non Trade Quoted

| | | |
|--------|--|------------------|
| 250 | Pfizer Ltd. of ₹ 10/- each fully paid up | 2,26,721 |
| 50 | Ganesh Anhydride Ltd. of ₹ 10/- each fully paid up | 500 |
| 2500 | Power Grid Corporation of India Ltd. of ₹ 10/- each fully paid up | 3,84,775 |
| 165000 | Wall Street Finance Ltd. of ₹ 10/- each fully paid up | 34,10,000 |
| 1 | TCI Developers Ltd. of ₹ 10/- each fully paid up | - |
| 157 | BSE Ltd of ₹ 2/- each fully paid up | 1,26,542 |
| 250 | Sree Rayalseema Alkalies and Allied Chemicals of ₹ 10/- each fully paid up | 2,500 |
| | | <u>41,51,038</u> |

Non Trade Unquoted

| | | |
|------|--|-----------------|
| 5000 | Shamrao Vithal Co-op Bank Ltd. of ₹ 25/- each fully paid up | 1,25,000 |
| 50 | NKGSB Co-op Bank Ltd of ₹ 10/- each fully paid up | 500 |
| 910 | Shri Ambuja Petrochemicals Ltd of ₹ 10/- each fully paid up | 9,100 |
| 5 | The Memon Co-op. Bank Ltd of ₹ 10/- each fully paid up | 50 |
| 5 | The Natasha Co-op. Housing Society Ltd. of ₹ 50/- each fully paid up | 250 |
| 8 | Piramal Glass Limited of ₹ 10/- each | - |
| | | <u>1,34,900</u> |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

As at
31.03.2017
₹

Investments in Debentures - Quoted

14000 NCD of Blue Dart Express Ltd.
of ₹ 10/- each fully paid up

-

-

Investments in Debentures - Unquoted

40 NCD of Ganesh Benzo Plast Ltd
of ₹ 75/- each fully paid up

3,000

1 Secured NCD of Orris Infrastructure Private Limited

1,02,36,849

1,02,39,849

Investments in Mutual Fund - Quoted

16200 UTI Mastershares of ₹ 10/- each fully paid up

1,96,166

1,96,166

Investments in Mutual Fund - Unquoted

150000 Units Essel Asset II at NAV of ₹ 100/- each
Reliance Yield Maximiser AIF Scheme III

1,50,00,000

1,00,00,000

2,50,00,000

TOTAL

3,97,41,454

Note

Aggregate book value of quoted investments

43,66,705

Aggregate market value of quoted investments

59,36,067

Aggregate book value of unquoted investments

3,53,74,749

As at
31.03.2017
₹

15 LONG - TERM LOANS AND ADVANCES

(Unsecured Considered Good)

Property Deposit

Related Party (Refer Note No. 38[i])

1,00,00,000

Others

3,59,39,932

4,59,39,932

Earnest Money Deposit

6,35,595

Other Deposits

49,73,918

Other Loans and Advances (Refer Note No. 35)

2,43,69,000

TOTAL

7,59,18,445

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

As at
31.03.2017
₹

16 CURRENT INVESTMENTS

(Short Term Investments)

Investments in Equity Shares

Trade Quoted

| | | |
|------|--|------------------|
| 1000 | Blue Dart Express Ltd. of ₹ 10/- each fully paid up | 45,89,909 |
| | | <u>45,89,909</u> |

Non Trade Quoted

| | | |
|-------|--|--------------------|
| 76500 | Hindustan Petroleum Corporation Ltd. of ₹ 10/- each fully paid up | 2,61,45,992 |
| 9400 | State Bank of India of ₹ 1 /- each fully paid up | 24,83,007 |
| | | <u>2,86,28,999</u> |

Investments in Debentures - Unquoted

| | | |
|-----|---|--------------------|
| 2 | Secured NCD of Omkar Realtors Andheri Project Pvt. Ltd. | 80,69,139 |
| 50 | Secured NCD of Prime Focus Technologies Pvt. Ltd. | 50,00,000 |
| 100 | Secured NCD of Pinnacle Vastunirman Pvt. Ltd. | 1,03,38,082 |
| | | <u>2,34,07,221</u> |

Investments in Mutual Fund - Quoted

| | | |
|------------|---|------------------|
| 643255.101 | Redeemable Units of ICICI Balanced Advantage Fund at NAV of ₹ 15.09 each | 97,06,719 |
| | | <u>97,06,719</u> |

Investments in Mutual Fund - Unquoted

| | | |
|-----------|--|--------------------|
| 49062.834 | Redeemable Units of DSP Blackrock India Enhanced Equity Fund Class B-7.03 at NAV of ₹ 102.97 each | 50,52,000 |
| 98395.878 | Redeemable Units of DSP Blackrock India Enhanced Equity Fund Class B-7.01 at NAV of ₹ 100/- each | 98,39,588 |
| | | <u>1,48,91,588</u> |

TOTAL

8,12,24,436

Note

| | |
|--|-------------|
| Aggregate book value of quoted investments | 4,29,25,627 |
| Aggregate market value of quoted investments | 5,84,80,622 |
| Aggregate book value of unquoted investments | 3,82,98,809 |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

As at
31.03.2017
₹

17 TRADE RECEIVABLE

Secured Considered Good

| | |
|-----------------|--------------|
| Over six months | 1,40,10,603 |
| Others | 33,99,23,501 |

Unsecured Considered Good

| | |
|-----------------|--------------|
| Over six months | 5,54,34,651 |
| Others | 46,63,91,756 |

TOTAL

87,57,60,511

As at
31.03.2017
₹

18 CASH AND BANK BALANCES

Cash and Cash Equivalents

| | |
|---|--------------|
| Balance with Banks | |
| In Current Accounts (includes proceeds of preferential issue) | 11,72,93,402 |
| In Dividend Account for Unclaimed Dividend | 35,75,347 |
| Cash on Hand | 91,13,635 |

Other Bank Balances

| | |
|--|-------------|
| In Fixed Deposits | 20,08,423 |
| In Fixed Deposits (as margin money against bank guarantees, LC's and Others) | 3,31,62,862 |
| In Fixed Deposits (as earmarked against public deposits) | 1,55,00,000 |

TOTAL

18,06,53,669

Fixed deposits with bank includes deposits of ₹ 10,72,787/- with maturity of more than 12 months

As at
31.03.2017
₹

19 SHORT - TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

| | |
|--------------------|--------------|
| Prepaid Expenses | 61,63,071 |
| Staff Advances | 23,21,910 |
| Advance Income Tax | 17,50,63,339 |
| Others* | 9,55,84,836 |

TOTAL

27,91,33,156

* includes interest receivable, cenvat receivable, claim receivable, agent receivable and octroi advance.

As at
31.03.2017
₹

20 OTHER CURRENT ASSETS

| | |
|-----------------------------------|-----------|
| Interest Accrued on Bank Deposits | 31,15,690 |
| Pre-Operative Expenses | 26,94,944 |

TOTAL

58,10,634

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

For the Year
2016-17

₹

21 REVENUE FROM OPERATIONS

Sale of Services

| | |
|-----------------------------|----------------|
| Freight | 1,77,43,03,604 |
| Co Loading and Cargo Income | 2,34,43,91,970 |
| Commission | 38,24,79,946 |
| Other Operating Income | 3,83,39,862 |

TOTAL

4,53,95,15,382

For the Year
2016-17

₹

22 OTHER INCOME

| | |
|----------------------------|-------------|
| Interest Income | 2,37,19,859 |
| Dividend Income | 26,83,514 |
| Other Non Operating Income | 2,14,24,025 |

TOTAL

4,78,27,398

For the Year
2016-17

₹

23 OPERATING COST

| | |
|--|----------------|
| Truck Hire Charges | 1,04,16,51,926 |
| Truck Operational Expenses | 13,64,77,982 |
| Truck Repairs and Maintenance Expenses | 1,20,74,096 |
| Diesel, Oil and Grease | 9,08,22,331 |
| Taxes and Permits | 24,10,503 |
| Sundry Airport Expenses | 1,31,20,643 |
| Line Haul Transportation Expenses | 3,11,37,327 |
| Cargo Freight Charges | 2,04,92,70,414 |
| Handling Charges | 32,26,43,579 |
| Packing Materials Expenses | 15,81,328 |
| Miscellaneous Operating Expenses | 8,64,84,178 |
| Insurance | 21,40,291 |
| Agency Commission | 4,20,22,832 |
| Claims for Loss of Goods (Net of Recoveries) | 26,44,231 |
| Less : Transfer from Contingency Reserve | (26,44,231) |

TOTAL

3,83,18,37,430

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

For the Year
2016-17
₹

24 EMPLOYEE BENEFITS EXPENSE

| | |
|---|---------------------|
| Salaries and Wages | 24,88,60,679 |
| Contribution to Provident and Other Funds | 2,49,15,295 |
| Staff Welfare Expenses | 1,75,89,766 |
| TOTAL | 29,13,65,740 |

24.1 Defined obligations - Disclosures as per Accounting Standard 15 (Revised) are as under,

| | Gratuity 2016 - 17 ₹ | Leave 2016 - 17 ₹ |
|--|----------------------------|-------------------------|
| (A) Reconciliation of changes in present value of obligations | | |
| At the beginning of the year | 6,46,99,157 | 1,93,13,631 |
| Current service cost | 51,42,904 | 78,53,064 |
| Interest Cost | 51,75,933 | 14,51,998 |
| Actuarial (Gain) / Loss | 17,63,725 | (56,74,475) |
| Benefits paid | (74,18,476) | (1,23,27,311) |
| At the closing of the year | 6,93,63,243 | 1,06,16,907 |
| (B) Reconciliation of changes in fair value of plan assets | | |
| At the beginning of the year | 3,31,29,261 | - |
| Expected return on plan assets | 25,44,232 | - |
| Contributions | 39,49,354 | 1,23,27,311 |
| Benefits paid | (74,18,476) | (1,23,27,311) |
| Actuarial (Gain) / Loss | - | - |
| At the closing of the year | 3,22,04,371 | - |
| (C) Reconciliation of fair value of plan assets | | |
| At the beginning of the year | 3,31,29,261 | - |
| Actual return on plan assets | 25,44,232 | - |
| Contributions | 39,49,354 | 1,23,27,311 |
| Benefits paid | (74,18,476) | (1,23,27,311) |
| At the closing of the year | 3,22,04,371 | - |
| Funded Status | (3,71,58,871) | (1,06,16,907) |
| Excess of actual over estimated return on plan assets | - | - |
| (Actual rate of return = Estimated rate of return as ARD falls on 31st March) | | |
| (D) Actuarial Gain / Loss recognized | | |
| Actuarial (gain) / loss on obligations | (17,63,725) | (56,74,475) |
| Actuarial (gain) / loss for the year - Plan Assets | - | - |
| Actuarial (gain) / loss on obligations | 17,63,725 | - |
| Actuarial (gain) / loss recognized in the year | 17,63,725 | (56,74,475) |
| (E) The amount to be recognized in the Balance Sheet and Statement of Profit and Loss | | |
| Present value of obligations as at the end of year | 6,93,63,243 | 1,06,16,907 |
| Fair value of plan assets as at the end of year | 3,22,04,371 | - |
| Funded Status | (3,71,58,871) | (1,06,16,907) |
| Net assets / (liability) recognized in Balance Sheet | (3,71,58,871) | (1,06,16,907) |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

| | Gratuity 2016 - 17 ₹ | Leave 2016 - 17 ₹ |
|---|----------------------------|---------------------------------------|
| (F) Expenses recognised in statement of Profit and Loss | | |
| Current Service Cost | 51,42,904 | 78,53,064 |
| Interest Cost | 51,75,933 | 14,51,998 |
| Expected return on plan assets | (25,44,232) | - |
| Net Actuarial (gain) / loss recognised in the year | 17,63,725 | (56,74,475) |
| Expenses recognised in Statement of Profit and Loss | 95,38,330 | 36,30,587 |
| | | For the Year 2016-17 ₹ |
| 25 FINANCE COSTS | | |
| Interest Expense | | 7,43,41,653 |
| Other Borrowing Costs | | 73,48,784 |
| TOTAL | | 8,16,90,437 |
| | | For the Year 2016-17 ₹ |
| 26 OTHER EXPENSES | | |
| Electricity Charges | | 1,14,28,053 |
| Rent | | 5,64,89,953 |
| Repair to Buildings | | 8,97,485 |
| Insurance | | 26,65,991 |
| Printing and Stationery | | 92,66,358 |
| Postage and Telegram, Internet Charges | | 57,69,478 |
| Conveyance and Travelling | | 2,23,62,159 |
| Telephone and Telex | | 1,12,16,698 |
| Rate and Taxes | | 1,26,22,387 |
| Legal and Professional Fees | | 1,52,70,767 |
| Auditors' Remuneration | | 17,07,250 |
| Advertisement, Publicity and Business Promotion | | 54,41,350 |
| Directors' Sitting Fees | | 11,25,000 |
| Corporate Social Responsibility Expenditure (Refer Note No. 29) | | 16,81,700 |
| Miscellaneous Expenses | | 9,02,53,397 |
| Bad Debts Written Off | | 72,84,866 |
| Less : Transfer from Contingency Reserve | | (72,84,866) |
| TOTAL | | 24,81,98,026 |
| 27 EARNINGS PER SHARE (EPS) | | 2016-17 |
| A) Net Profit After Tax | | 7,01,22,797 |
| B) Calculation of Weighted Average Number of Equity Share of ₹ 10 each | | |
| i) Number of shares at the beginning of the year | | 1,58,86,612 |
| ii) Total number of shares outstanding at the end of the year. | | 1,58,86,612 |
| iii) Weighted Average Number of Equity Shares outstanding during the year | | 1,58,86,612 |
| C) Basic Earning per share (in ₹) | | 4.41 |
| D) Diluted Earning per share (in ₹) | | 4.17 |
| E) Nominal Value of Shares | | 10.00 |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

28. Payment to Auditors :

| Particulars | For the Year 2016 – 17 ₹ |
|---|--------------------------------|
| Audit Fees | 12,82,250* |
| Tax Audit Fees | 2,58,750* |
| Certification Fees including Limited Review | 3,45,000* |
| Out of Pocket Expenses | 74,750* |
| Total | 19,60,750 |

*includes Service Tax, Swachh Bharat Cess and Krishi Kalyan Cess of ₹ 2,55,750/-

29. Corporate Social Responsibility Expenditure :

The Company has incurred a total expenditure of ₹ 16,81,700/-, which is being debited to the profit and loss account for the year ended 31st March, 2017.

| Nature of expenses | Schedule in the financial statement | For the Year 2016 – 17 ₹ |
|--|-------------------------------------|--------------------------------|
| Donation to the Trust towards purchase of blood bank vehicle for use of Tata Memorial Hospital | Other expenses (Note 26) | 16,81,700 |
| Total | | 16,81,700 |

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, 2017.

- I. Gross amount required to be spent by the Company during the year – ₹ 14,76,535/-.
- II. Following is the amount spent during the year on (by way of contribution to the trust and projects undertaken):

| Particulars | For the Year 2016-17 ₹ |
|---------------|------------------------------|
| Other Project | 16,81,700 |
| Total | 16,81,700 |

30. Earnings and Expenditure in Foreign Currency :

| Particulars | For the Year 2016 – 17 ₹ |
|--|--------------------------------|
| Earnings in Foreign Currency : | |
| Air Freight Billing and Other expenses (Net) | -- |
| Total | -- |
| Expenditure in Foreign Currency : | |
| Membership and Subscription Fees | 42,062 |
| Travelling | 1,35,302 |
| Total | 1,77,364 |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

31. Contingent Liabilities

- Estimated amount of contracts remaining to be executed on capital expenditure and not provided for as on 31st March, 2017 ₹ 5,25,154/- .
 - Counter guarantees given to Banks and to Mr. Areef Patel, Executive Vice Chairman for guarantees provided by them against credit facilities ₹ 77,10,05,000/-, for which no monetary benefit has accrued to Mr. Areef Patel, Executive Vice Chairman.
 - Claims against the Company not acknowledged as debts ₹ 6,08,16,950/-.
 - On account of CSR ₹ NIL.
- 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.
 - 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.
 - Balances of Trade Receivable, Trade Payable and certain loans and advances are subject to confirmation / reconciliation and adjustments, if any in respect thereof.
 - Other Loans and Advances under Long Term Loans & Advances includes Inter Corporate Deposits aggregating to ₹ 1,28,27,000/- 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.
 - Trade Receivable outstanding in Company books for Franchisee locations are collected by the Franchisee, as agent on behalf of the Company.

37. Segment Reporting :

(Amt. in ₹)

| Segment | Surface Transportation | Co-Loading of Courier | Consolidation of Cargo | Total |
|--|------------------------|-----------------------|------------------------|-----------------------|
| Segment Revenue | | | | |
| External Sales | 1,80,33,42,466 | 29,79,16,277 | 2,43,82,56,639 | 4,53,95,15,382 |
| Inter - Segment Sales | | | | |
| Total Revenue | 1,80,33,42,466 | 29,79,16,277 | 2,43,82,56,639 | 4,53,95,15,382 |
| Segment Result | 16,51,13,999 | 2,48,77,964 | 13,22,70,062 | 32,22,62,025 |
| Unallocated Corporate Expenses | | | | 19,63,22,172 |
| Operating Profits | | | | 12,59,39,853 |
| Interest Expenses | | | | 8,16,90,437 |
| Interest / Dividend Income | | | | 2,64,03,373 |
| Other Income | | | | 2,14,24,025 |
| Net Profit | | | | 9,20,76,814 |
| Other Information | | | | |
| Segment Assets | 1,01,49,03,047 | 8,37,65,274 | 70,55,52,897 | 1,80,42,21,218 |
| Unallocated Corporate Assets | | | | 27,25,52,193 |
| Total Assets | 1,01,49,03,047 | 8,37,65,274 | 70,55,52,897 | 2,07,67,73,411 |
| Segment Liabilities | 43,68,37,569 | 48,90,208 | 33,25,58,682 | 77,42,86,459 |
| Unallocated Corporate Liabilities | | | | 1,30,24,86,952 |
| Total Liabilities | 43,68,37,569 | 48,90,208 | 33,25,58,682 | 2,07,67,73,411 |
| Capital Expenditure | 17,42,28,981 | -- | 1,20,80,644 | 18,63,09,625 |
| Unallocated Corporate Capital Expenditure | | | | 11,87,876 |
| Total Capital expenditure | 17,42,28,981 | -- | 1,20,80,644 | 18,74,97,501 |
| Depreciation and Amortization | 2,74,28,717 | 2,70,012 | 1,32,67,382 | 4,09,66,111 |
| Unallocated Depreciation and Amortization | | | | 12,08,222 |
| Total Depreciation and Amortization | 2,74,28,717 | 2,70,012 | 1,32,67,382 | 4,21,74,333 |

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

38. 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) and his relatives within the meaning of Clause 10.9 of AS 18.**

Mr. Areef Patel

Mr. Mahesh Fogla

Mr. Nitin Akolkar

- 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 Capital 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 |
|---------|------------------------|--------|-----------|-------------|
| | | 16-17 | 16-17 | 16-17 |
| 1. | Lease Rent Paid | -- | -- | 19,13,296 |
| 2. | Rent Received | -- | -- | 7,02,960 |
| 3. | Director Sitting Fees | 50,000 | -- | -- |
| 4. | Remuneration Paid | -- | 94,93,764 | -- |
| | Balance as at | | | |
| 5. | Property Deposit Given | | | |
| | A S Patel Trust | -- | -- | 1,00,00,000 |

Above figures are excluding Service Tax, Swachh Bharat Cess and Krishi Kalyan Cess, wherever applicable.

NOTES :

- i. The godown deposit is treated as property deposit pending final outcome of application filed by the Company for recovery of possession in the Court of Additional Rent Controller, Central District, Tiz Hazari Court, New Delhi.
- ii. 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.

Notes on Consolidated Financial Statements for the Year Ended 31st March, 2017

39. 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. 30.
40. During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBN's and other notes as per the notification is given below:

| (Amt. in ₹) | | | |
|---|-------------|--------------------------|-------------|
| Particulars | SBN's | Other Denomination notes | Total |
| Closing Cash on Hand as on November 08,2016 | 1,16,54,500 | 1,24,21,626 | 2,40,76,126 |
| Add: Permitted Receipts | -- | 4,99,22,070 | 4,99,22,070 |
| Less: Permitted Payments | 8,33,000 | 4,98,54,496 | 5,06,87,496 |
| Less: Amount deposited in Banks | 1,08,21,500 | 10,14,823 | 1,18,36,323 |
| Closing Cash on Hand as on December 30,2016 | -- | 1,14,74,378 | 1,14,74,378 |

*For the purpose of this clause, the term " Specified Bank Notes" shall have the same meaning provided in the notification of the Government on India, in the Ministry of Finance, Department of Economic Affairs, number S. O. 3407 (E), dated November 08, 2016.

41. This being the first year of preparation of Consolidated Financial Statements, previous year consolidated figures are not given.

As per our report of even date

For M S P & Co.

Chartered Accountants
(Registration No. 107565W)

M. S. PARIKH

Partner
Membership No. 08684

Mumbai,
Dated : 26th May, 2017

For and on behalf of the Board,

AREEF A. PATEL

Executive Vice Chairman

NITIN B. AKOLKAR

Company Secretary

P. S. G. NAIR

Director

MAHESH FOGLA

Chief Financial Officer

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees)

| Sl. No. | Particulars | Details |
|---------|---|--|
| 1. | Sl. No. | 1 |
| 2. | Name of the subsidiary | DelivrEx India Limited |
| 3. | The date since when subsidiary was acquired | 3 rd May 2016 |
| 4. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | From 3 rd May 2016 to 31 st March 2017 |
| 5. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR This is an Indian Subsidiary |
| 6. | Share capital | ₹.1,00,000/- |
| 7. | Reserves & surplus | ₹ (1,43,757/-) |
| 8. | Total assets | ₹ 38,14,629/- |
| 9. | Total Liabilities | ₹ 38,14,629/- |
| 10. | Investments | NIL |
| 11. | Turnover | NIL |
| 12. | Profit before taxation | ₹ (1,43,757/-) |
| 13. | Provision for taxation | NIL |
| 14. | Profit after taxation | ₹ (1,43,757/-) |
| 15. | Proposed Dividend | NIL |
| 16. | Extent of shareholding (In percentage) | 100% |

1. Names of subsidiaries which are yet to commence operations- Not Applicable

2. Names of subsidiaries which have been liquidated or sold during the year- Not Applicable.

The Company is not having any Associate Company and Joint venture, hence disclosure under Part B are not applicable to the Company.

For and on behalf of the Board

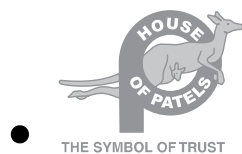
AREEF A. PATEL
Executive Vice Chairman

P.S.G. NAIR
Director

NITIN B. AKOLKAR
Company Secretary

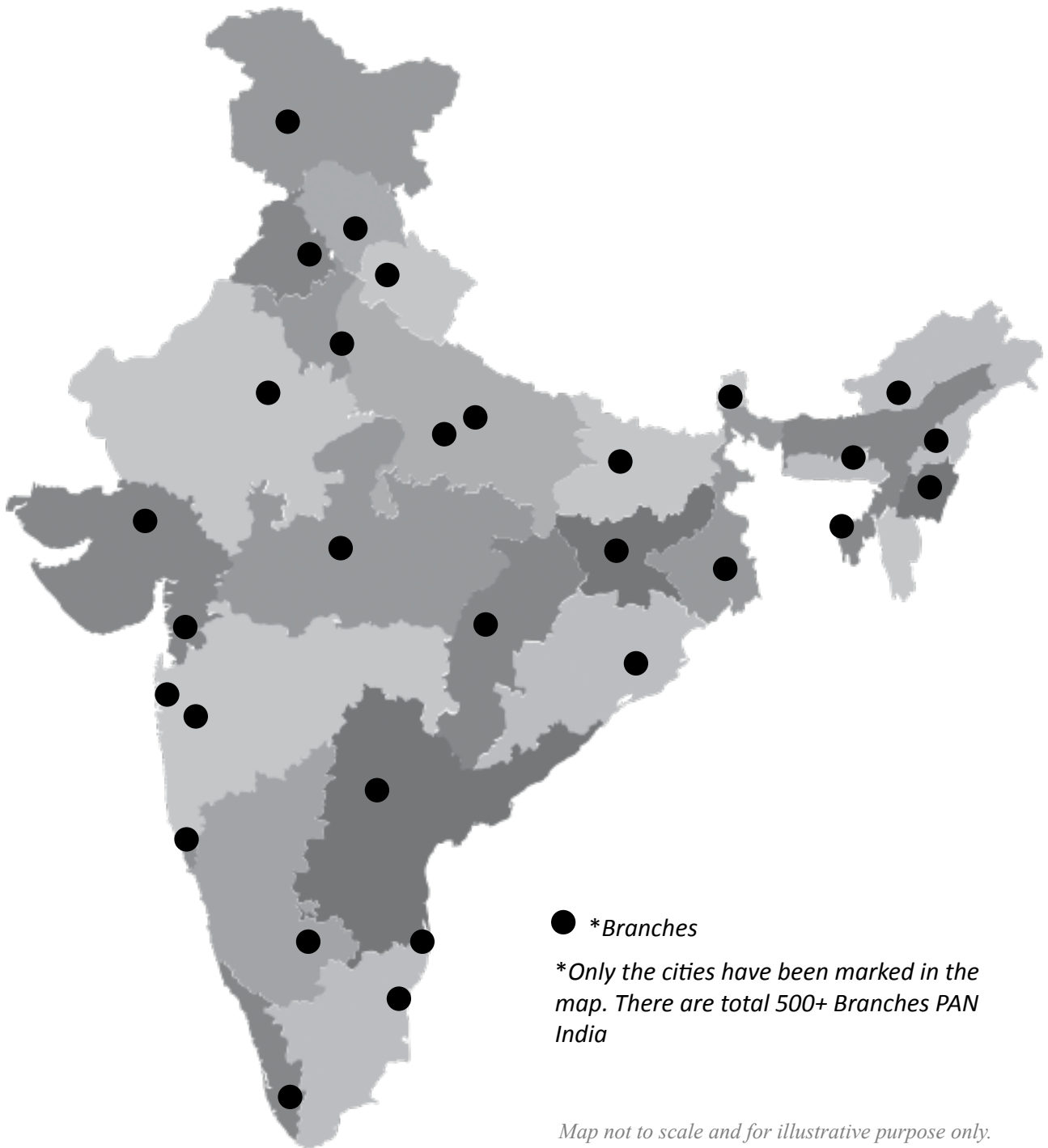
MAHESH FOGLA
Chief Financial Officer

GROWING EVERYDAY WITH YOU



- **A trusted name** in the world of Logistics is **One of the Pioneers in Logistics in India.**
- We have a unique experience of handling both **Air & Road Cargo.**
- We Handle **2 lacs tons** of Cargo worth **Rs.120 Billion** per year.
- **PAN India** presence with **500+ Stations.**

PAN INDIA PRESENCE



● *Branches

**Only the cities have been marked in the map. There are total 500+ Branches PAN India*

Map not to scale and for illustrative purpose only.

Notes:



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, 5th 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 55th Annual General Meeting of the Company, to be held on Wednesday, September 27, 2017 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:

| Sr. No. | RESOLUTIONS | Optional* | |
|---------|---|-----------|---------|
| | | For | Against |
| 1 | (a) Adoption of Standalone Audited Financial Statements of the Company for the financial year ended 31st March 2017 and the Reports of the Board of Directors and Auditors thereon. (b) Adoption of Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2017 and the Reports of the Auditors thereon. | | |
| 2 | Declaration of dividend on the Equity Shares for the Financial year ended March 31, 2017. | | |
| 3 | Re-appointment of Mr. Syed K. Husain (DIN: 03010306), who retires by rotation and, being eligible, offers himself for re-appointment. | | |
| 4 | Appointment of M/s. Hitesh Shah & Associates, Chartered Accountants, (Firm Registration No. 103716W) as Statutory Auditors of the Company and fixing their remuneration. | | |

Signed this _____ day of _____ 2017

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 in the register office of the company, not less than 48 hours before the commencement of the meeting.
- A proxy need not be a member of the Company.
- *It is optional to put (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the for or against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



CIN: L71110MH1962PLC012396

Regd. Office: Patel House, 5th 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 **55th Annual General Meeting** of the Company on Wednesday, September 27, 2017 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.



Perfection. Persistence. Prosper.
For a better India.



Patel Roadways™ is a division which undertakes the conventional transportation of Goods including - Less Truck Load (LTL) and Full Truck Load (FTL).

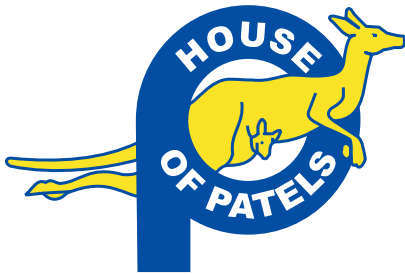


Patel Express™ is an expedite urgent, time-sensitive deliveries, from your doorstep to theirs. Virtually anywhere in India.



Patel Airfreight™ is a division of the company handling Airfreight of Domestic & International Cargo.





THE SYMBOL OF TRUST

Registered Office : Patel House, Plot No 48, Gazdhar Bandh,
North Avenue Road, Santacruz (W),
Mumbai, Maharashtra - 400054

Corporate Office : House Of Patel, Natasha Building, 1st Floor,
52 Hill Road, Bandra (W), Mumbai, Maharashtra - 400050

Email : contactus@patel-india.com | **Website :** www.patel-india.com

BSE : 526381 | **NSE :** PATINTLOG EQ
CIN : L71110MH1962PLC012396