



“Patel Integrated Logistics Limited
Q3 FY '26 Earnings Conference Call”

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MANAGEMENT: **MR. MAHESH FOGLA – EXECUTIVE DIRECTOR –
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PATEL INTEGRATED LOGISTICS LIMITED**

MODERATOR: **MR. VIKRAM SURYAVANSHI – PHILLIPCAPITAL INDIA
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Moderator: Ladies and gentlemen, good day, and welcome to Patel Integrated Logistics Limited Q3 FY '26 Earnings Conference Call, hosted by PhillipCapital India Private Limited. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikram Suryavanshi from PhillipCapital India Private Limited. Thank you, and over to you, sir.

Vikram Suryavanshi: Thank you. Good afternoon, and a very warm welcome to everyone. Thank you for being on the call of Patel Integrated Limited. We are happy to have the management with us here today for question-and-answer session with the investment community. Management is represented by Mr. Mahesh Fogla, Executive Director; and Mr. Avinash Paul Raj, Company Secretary.

Before we start with the question-and-answer session, we'll have opening comments from the management. I will hand over the call to Mr. Mahesh Fogla for opening comments. Over to you, sir.

Mahesh Fogla: Thank you, Vikram, and good afternoon, everyone. It is a pleasure to welcome you all to the earnings conference call for the third quarter and 9 months of the financial year ending on 31 March 2026. Let me first thank our host, PhillipCapital, for graciously hosting the con call. Thank you once again.

So now let me take you through the operational highlights for the period under review and then followed by the financial performance of the company. Yes, despite a temporary dip in the sales volume due to certain operational headwinds, which I will explain to you in the next few seconds, the company remained focused on its initiatives, which we have taken up now whether tactical or strategic.

Our gross income from operations saw a temporary decline, primarily due to a widely-known disruption of scheduled aircraft for more than a week from IndiGo Airline in December 2025 in the domestic sector. Further, after the festive season, there, as usual, there is temporary slowdown in the sales in our international sector as well.

However, to further strengthen our domestic network, we are expanding our cargo operations through a partnership with Star Airline as well. This is in addition to what the domestic airlines we have partnered with already, including IndiGo, Air India, Akasa, SpiceJet. So we have another airline tie-up as well, for which services are expected to commence in the month which we are talking about, that is February 2026.

Happy to share, with all concern about that, we have also, during the quarter under review, we incorporated Rajpat Logistics Private Limited as a subsidiary to expand our road logistics business, and consequently, strengthen our multi-model service offerings. The subsidiary has been incorporated very recently, on 27 November 2025. And just to inform, our company holds 60% in entity.

We are very much confident that when the operation of this subsidiary gets stabilized, it will contribute meaningfully in terms of turnover and profit for the company. The objective is to widen our logistics capability while remaining aligned with our core line of business.

This initiative will also follow our asset-light approach. We do not intend to own any truck and will operate through partner networks focusing on execution strength, service reliability and deeper engagement with very large corporate and public limited companies. And that is the objective of forming this subsidiary in the name of Rajpat Logistics Private Limited.

We are a company which is involved in the service activities. Naturally, to reinforce our people-first philosophy, company had just now taken an initiative to come out with a restricted stock unit for employees, structured on the lines of ESOP-on-ESOP, which we are all familiar with. This activity aims at fostering an ownership mindset among the employees, as well as create equity culture in the company, improve retention of our highly-talented employees, as well as aligning our long-term employee interests with all the sustainable shareholder value creation, so interest of all the stakeholders can get aligned by this activity.

However, just hurriedly, I can mention that this is subject to shareholder approval, subject to approval of shareholders, which we are in the due course taking that procedure -- for taking the approval of shareholders. So this activity is subject to approval of shareholders, pending approval of shareholders.

Now, further, as we can see in our core line of business as well, we are as committed on operational efficiency across key domestic and international routes, to enhance service quality and expanding customer reach, and continue to build on this

momentum. However, supported by strong growth in India air cargo market, as we know, Indian aviation market is the fastest-growing aviation market in the world, led by e-commerce, manufacturing and increasing demand for faster deliveries, we as a company remains well positioned to capture emerging opportunities and deliver sustainable and profitable growth.

Now let me share with all stakeholders key operational metrics related to cargo volume handled during the quarter. To provide a clearer picture, we classify our business into 2 segments. As above, we are into domestic and international. The domestic segment includes goods movement within India, while the international segment pertains to goods movement outside India, in simple terms.

In terms of volume, in Q3 FY '26, the company handled a total of 14,339 tons of cargo, comprising 12,270 tons of domestic cargo, which is temporarily down by 7% quarter-on-quarter. However, we are very hopeful this downside is very much restricted in the coming quarters.

On the international front, volume reached 2,069 tons, reflecting a decline of 6% quarter-on-quarter, which also at 1 month already over after the December quarter. And we are very confident that this decline will not happen in the subsequent quarters.

And this decline, as we were -- I was explaining earlier, was in the international -- temporary decline was due to festival, ending of festival, just after ending of festival. And in the domestic sector, there was in IndiGo a disruption of aircraft from IndiGo Airlines for more than a week in December 2025, which we all know is only a one-time affair. And we all understand now that things have been very much stabilized and necessary course correction has been taken by all the stakeholders. So in the subsequent quarters, we are not seeing any impact due to this.

Further, for the 9 months ended FY '26, total cargo volumes reached 43,050 tons. Let me repeat, 43,050 tons, with domestic volume at 37,101 tons, and international volume at 5,949 tons, which is more or less in line with our year-on-year comparison of the tonnage. However, we are making all our efforts to work hard and grow the ton volume.

Let me give now the average sales realization. On the blended sales realization for quarter 3 FY '26 reached INR59.82 per kg, while for 9 months FY '26, it reached INR58.75 per kg, reflecting that disciplined pricing from our team and its value-driven customer service approach. We are a company which is profitable and we are not like a company which wants to burn our cash. Now let's -- and we have a sustainable profit there all the time.

Now let me provide some key highlights of our financial performance, which will more strengthen the point which I was just mentioning to you all. During quarter 3 FY '26, the company reported operational income of INR88 crores in the quarter net of GST. From that, EBITDA reached INR2 crores, with EBITDA margin of 2.49%, while profit after including the income from our -- interest income from our income tax refund and other income, reached INR3 crores, translating into PAT margin of 3.05%.

We have on a year-on-year PAT growth of 12% -- on a quarter, year-on-year, we had a PAT growth of 12%. Similar number for the 9 months ended FY '26. Total operational income for the company reached, net of GST, reached INR251 crores, which is higher than INR256 crores in the corresponding 9 months of FY '25.

EBITDA for the 9 months period reached INR7 crores, with margins of 2.53%, while our PAT also adds INR7 crores. That is after depreciation and interest. Registering a year-on-year growth of 16%. PAT margin for the period is 2.53%.

This performance clearly highlights our cost-conscious approach and resilience in a challenging macro and, as we all know, geopolitical environment. Thank you, all of you, for listening. Now I open the floor for the question-answer session. Thank you once again for the attention.

Moderator: First question is from the line of Jenisha an Individual Investor.

Jenisha: I wanted to ask that your domestic volumes have declined quarter-on-quarter and even your International volumes have fallen. So beyond the IndiGo disruption and seasonal slowdown, were there any structural demand issues that you faced?

Mahesh Fogla: Thank you for asking the question, and let me clarify again. There is no slow in demand. Demand is very much there in the market and that people are more and more, as we are talking about the e-commerce growing, people want a faster delivery. And India is growing, definitely demand is also growing. Again, this is a onetime issue of disruption of aircraft, which we all know, of IndiGo. Otherwise, there was no other issues.

Jenisha: Okay. Also like your PAT margins have improved. Despite there was a decline in the volumes, PAT margins were good. So what -- like, is this a onetime effect?

Mahesh Fogla: No, Jen. It will continue. Why I'm telling you, because we are a company which is a net debt-free company now. So we have a saving in the interest costs as well as we have other income also coming up. And we are -- we will continue to earn the other

income, which will improve our PAT definitely. As for the accounting we have for other income, but more or less taken like a regular income.

Moderator: Next question is from the line of Shlok an Individual Investor.

Shlok: I wanted to know that -- so my question is like the previous person said. So our volumes have dropped, but this is because of IndiGo that you mentioned. But I want to know like, is there any specific concentration on IndiGo? Because only IndiGo was not operational, but other flights such as Air India and all were operational. So is there any specific high concentration on that side?

Mahesh Fogla: So look, not for us. It is for the India only. As we know, IndiGo is dominant market share. Even then, because we have a very marginal decline because we have a very good understanding with the others, Air India, other airlines. That's why we escaped out with a very marginal decline. If there is total reliance on the IndiGo, then decline would have been even higher.

But we cannot avoid the dominance of IndiGo, which is there, which is -- because, just to clarify, they use the same passenger aircraft which you and me fly, use for flying. And as the regulator is taking necessary action and they are trying to reduce the dependence on the IndiGo, and definitely, we also will be, similarly, will be positively affected.

Shlok: Got it, sir. So on the same point, so don't you think there is a risk that such flight operators, if they are not flying, then it is very risky for the business. And then we should operate on our own, leased model or something, for the flights?

Mahesh Fogla: Look, we have -- our own flight is always not a viable business model, as you know also, because that is not the right approach. And this is -- again, I'm telling you this is rather a temporary thing and we all know, like if something happens, which is very once in a while for that, the business model cannot have a disruption and changing and changing of that. So we have no intention of bringing any asset-heavy business or like airline.

Shlok: Okay, sir. And one more question on Rajpat Logistics. So I wanted to know when will it operationalize and how much margin growth can we see from that operation?

Mahesh Fogla: Look, it has already been in a sample stage, it has already got operational in the January quarter -- January to March quarter. And we are expecting, at least because any new business takes its time for stabilization of operations, so we are expecting in the next

few quarters definitely we will get a meaningful contribution from that company as well.

Shlok: And one more question I have is for the recent GST 2.0, so the GST rate cut. So did it help our business? Because like for traveling and all, the main logistics business should be the most beneficial from such initiatives by the government. So I wanted to know if it is helping, and till now that that is been said, has volumes increased because of this?

Mahesh Fogla: Look, yes, definitely as the consumption increase, the corresponding volume will increase. But let me give you, we are in the company which has very long presence in the logistics sector, and we have done a GST 2.0. But ATF, which is a major fuel cost in the airline, has not been brought under GST still, neither the petroleum for the -- neither the diesel, neither the petrol has been brought under the GST.

So whatever we said nd done, and all this is okay, but till these things are not coming under the GST, the benefit which we are expecting the logistics sector will get will not be available. So it is high time -- and just to -- as we are talking about, just to tell you further in the ATF, there is a VAT plicable, and which is different in different states, just to tell you.

We may talk about one India, one nation and all this one, but still my humble request to the government, that it's very high time as the logistics sector is one of the major sectors for growing the economy, we could bring all the major things like petroleum or the ATF, which are outside GST, to immediately bring under the GST.

Shlok: Sir, so these ATF charges are borne by us or it is directly passed on to the customers?

Mahesh Fogla: It's directly passed on to the customers.

Shlok: Then how should it affect our business, like the volume should increase?

Mahesh Fogla: Look, look, ultimately, everything is a cost-driven thing. If the costs increase, then customer may not go for that one. If cost is lower, then customer may go further. Correct, no? Everything, ultimately the economics is there, unit economy has to be there everywhere. If something is available lower cost, then they will opt further that thing.

Shlok: Got it. And sir, any projections on how we are going forward for quarter 4 in financial year FY '26? Will we improve in double digits on top line?

Mahesh Fogla: I'm refrained from giving the guidance, but going by the numbers which are coming up now also, I'm very hopeful that what you are talking about will be achieved.

Shlok: Okay sir, thank you so much sir. All the best.

Mahesh Fogla: Thank you.

Moderator: Thank you. Next question is from the line of Jimith Mehta, an Individual Investor. Please go ahead.

Jimith Mehta: So my first question is for the 9M of this financial year, the volumes were flat on a year-on-year basis. So what is the management outlook on this like FY '27 in terms of tonnage growth for the future?

Mahesh Fogla: Look, as we are a company which we're very conscious about the tonnage which you are talking about, I am talking about this is just because of the appened in the IndiGo fiasco, which let's call it, that affected. And so we don't think that -- there will be definitely a normal growth if the economy growing in the same line we will also grow because we are one of the major players which have a Pan-India presence.

We have an ecosystem already there. So whoever wants to move goods through the air will, definitely, we are coming into the picture. And as the aviation sector is growing, so we don't find any reason for not growing our business. We will definitely grow also. But it is practically not possible for me to give you a definite number right now because it depends on many factors.

Jimith Mehta: Okay, sir. So like -- for that, my second question would be, like, Worldwide, you have competitors. So like how much percentage market share you have, you are competing with whom and whom share you are taking? Can you give some light on that?

Mahesh Fogla: So we are, in our area of business, we definitely have a double-digit market share. And there are more than 40, 50 players out there, okay? In spite of that, we have a double-digit market share in our area of business, and let me clarify you again. Okay.

So we are not like actually we are trying to take out the market share of anybody and all these ones. It all depends on our service things and all these ones. If our service quality is okay and we are able to deliver. This business is basically what? Deliver, deliver, deliver. Okay.

So we are able to deliver. Definitely we have our – our forte will protected and we will be able to grow. And we are hopeful and as a company which has seen many ups and downs also and it still remains in the business.

So we definitely know that we will grow our business in the future. Going by that, as we know, number of airports are increasing, just to give you a figure, number of airports are increasing from 140 to 220. Number of passenger aircraft are increasing from 800 to 1,700. All these numbers -- because these are two things we use for our business. If they are increasing, then our business is bound to increase.

Jimith Mehta: Okay, sir. So you mean to say the industry is increasing at a rapid pace, so we are also -- you're also going to increase at that pace as well?

Mahesh Fogla: Yes.

Jimith Mehta: Okay, sir. Understood. Thank you for this opportunity and best of luck for the future.

Moderator: Thank you. Next question is from the line of Shivani Mehta an Individual Investor.

Shivani Mehta: Sir, actually, firstly, I wanted to ask that, what is the margin differential between the domestic and the International airfreight operations?

Mahesh Fogla: Yes. Look, just to tell you, it's more like insight about the business only, there is a substantial difference between the International gross margin and domestic gross margin. But in isolation, if you see like that you will find a substantial difference in the margin between the International and domestic.

But at the same time, as a matter of trade practice, International business is a very low working capital. In fact, working capital requirement is not there. But in the domestic business, then the working capital requirement is there. So it is very difficult to tell directly that this is -- the International business also have a low margin, but no working capital requirement, while the domestic business has a high margin, but a high working capital requirement also. So net-net, what I'm trying to tell you, these two business are not comparable with each other.

Shivani Mehta: Okay. Got it, sir. Also, I wanted to ask that currently as warehousing is accounting for a very small share of revenue, so what are you targeting for it as a contribution over next 2 to 3 years, say?

Mahesh Fogla: We have -- we time to time evaluate our ROI. We are an ROI-driven company. Hello, can you hear me?

Shivani Mehta: Yes, sir.

Mahesh Fogla: Yes. We are ROI-driven company. So as we are talking about warehouse are like sometimes become a very asset-heavy business and a low ROI-driven business. So having said so, we may look into the businesses or as I was explaining, asset-light businesses. So we are right now not much focusing on the creating assets and reducing our ROI.

Shivani Mehta: Okay. Got it, sir. Also, last question from my end, what is like the proportion of revenue, like, what is the revenue split between e-commerce and pharma clients like, how is that mix evolving?

Mahesh Fogla: We are a company which have more than 1,200 customers out there and not only pharma e-commerce. Just to tell you our business, we move documents, we move perishable goods. We move mobile, the electronic goods. We move all the things which can be moved through the air, apart from, definitely, we don't move dangerous goods. We don't move the silver and the gold, precious metals. So we don't track like that. We move all the things which can be moved through the air. So we are not depending only on e-commerce or pharma like that.

Shivani Mehta: Okay. Got it, sir. Thank you so much, sir. That is really helpful. All the best.

Moderator: Thank you. Next follow-up question is from the line of Shlok an Individual Investor. Please go ahead.

Shlok: Sir, just one question. I wanted to know that, in the opening statement you mentioned the partnership with Star Air. So I wanted to know in which regions are we partnering with this flight operator?

Mahesh Fogla: Right now it is between Mumbai and Hyderabad.

Shlok: Okay. And going forward, what do you think, how are they planning to expand and how will it benefit us?

Mahesh Fogla: Look, we all understand now that IndiGo fiasco happened and the government is talking about also not to depend on one major airline and everything is happening. So as more and more players are coming up, it will definitely help our business and these are companies which are regional airlines.

And we are a company which is a pan-India company, which have a network of more than 100 locations all over India. And as the number of airports are increasing, we are

-- the airlines also will increase its footprint and correspondingly by default, we also will increase. So it will be definitely helpful as the number of airlines are increasing in India. And in that respect, Star Airlines also is one of the things in that overall framework.

Shlok: Okay, sir. And in the previous concall, we had mentioned that Navi Mumbai Airport will be a major boost for us. So I just wanted to know if the operations from the Navi Mumbai [inaudible 0:34:10]?

Mahesh Fogla: No, it's still getting stabilized. Just to tell you, it's getting stabilized till now. It will take some more time.

Shlok: Okay, sir. Answers my questions. Thank you.

Moderator: Thank you. Next question is from the line of Vikram Suryavanshi from PhillipCapital. Please go ahead.

Vikram Suryavanshi: Yes. Sir, what would be cash balance currently?

Mahesh Fogla: Look, we have a cash balance of more than INR10 crores.

Vikram Suryavanshi: Okay. And in terms of working capital, how is the situation? Are we seeing some stress in working capital or -- compared to, say, past and all that? Or any material change happening in working capital?

Mahesh Fogla: Just to tell you, Vikram, working capital is very much comfortable. In fact, we are not utilizing our limit also, working capital limit which we have with the bank. That is giving us the parameter that our working capital limit is very much within a comfortable position.

As you know, we have developed a mobile app also. Like that if some -- 1 or 2 customers have some issues, and we don't do the further business only. The system intervenes. Apart from the human intervention, we've implemented a system intervention also. So we are very, very much, I think, -- compared to, I'm talking about the last 6 years, we are most comfortable right now in working capital, if I compare for the last 6 years.

Vikram Suryavanshi: Okay. And how is the development on this monetizing assets or property progression?

Mahesh Fogla: Correct, correct. As I was talking earlier in the call, we have a building which is going to be redeveloped and we are actively working, looking for a cluster redevelopment. So there are other buildings are also there.

So we are actively in the very active stage in talking with them, and it's progressing very well as I'm talking to you. And in hopefully next 2, 3 -- next few quarters, we will have a very definite agreement with them and be able to move forward.

Vikram Suryavanshi: Okay. And Pune location, I think if you can give an update...

Mahesh Fogla: Yes. Just to tell you, Vikram, as I was talking about when we are evaluating ROI time to time, we are just keeping this on hold till we get a definite ROI visibility and all this one. Not -- ROI, we want a high ROI in our business always. That is the reason we kept it on hold for time being.

Vikram Suryavanshi: But any particular reason keeping in hold or what is the challenge in generating better ROI?

Mahesh Fogla: Yes. Look, these are asset-heavy business, okay? These are asset-heavy business. So they may give us ROI, which is aligned with the bank rate of interest, okay? So that's why -- and we are finding an opportunity like asset-light opportunity we are finding up. If we are finding asset-light opportunity or the alternative, we are also mulling over internally. Another -- one more thing also where we can have a high ROI. So why not to go for that until that? That's the things out there].

Otherwise, there's no other challenges there. We can go to the cash-wise, bank balance-wise, we have no challenge. We have ready cash, as I am talking to you, as I explained to you, that all this out there. But we think that we can get more ROI in other alternatives, so why not to go for that?

Vikram Suryavanshi: Okay. Got it. But since we have comfortable limits on cash, is there any scope to increase our market share? Or how is the performance compared to other ROI...

Mahesh Fogla: Correct. I agree with you. That will definitely will increase also because, as I was talking about a Navi-Mumbai airport getting stabilized, or the Jewar Airport in Delhi -- near to Delhi, Noida, that is coming up. So if more and more airports and more and more aircraft are coming up, there is more and more movement of goods. So we will also require for that also the money also, definitely. And luckily, this cash in hand will be very timely helpful to us to take opportunity for all this one.

Vikram Suryavanshi: Got it. But are we able to maintain market share or gain market share overall -- gaining market share in overall industry growth?

Mahesh Fogla: Yes. To assure you, we are definitely a dominant player in our area of operation and there is no issue in that. And as we are talking about, we will have -- may have some new location also in International as well. Apart from right now, we are doing only in Mumbai. We are looking for not only doing the Mumbai, we want to do from some other metros also. We are actively discussing for that also.

So there is no issue in our -- that we will lose market share with any other thing. In our area of presence, by God blessings, we are very much secure. But we don't want to be complacent as well. So we are actively in our area of -- actively monitoring the situation as well.

Vikram Suryavanshi: Got it. And last question, sir, this Rajpat Logistics, when can we start materially contributing to our revenue and profitability?

Mahesh Fogla: Yes. It's definitely in the -- because just now it started. Look, after we were not in the road business for the last 6 years, as you know, after 2019. So it may take the next few quarters. But we already bring up all the structure, all the compliances and all that we already put in place now. So there are -- we are very much hopeful that in the next few quarters, it will have things out there, it will have a meaningful turnover, yes.

Vikram Suryavanshi: Got it, sir. Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for the closing comments.

Mahesh Fogla: Thank you all for participating in this earnings conference call. I again thank you, all of you, who have taken out their valuable time for hearing us. I hope we have been able to answer your questions to the satisfaction of yours.

Further, we are very open that if you have any other further questions or would like to know more about the company or any clarification, we have a dedicated IR manager, Investor Relations agency in the form of Valorem Advisors. Please contact them. They are very much ready to clear anything or can check with us if anything required. Once again, thank you for attending this.

Moderator: Thank you, sir. On behalf of PhillipCapital India Private Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.