



“Patel Integrated Logistics Limited Q1 FY '26 Earnings Conference Call”

August 06, 2025



MANAGEMENT: **MR. MAHESH FOGLA – EXECUTIVE DIRECTOR, PATEL
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MODERATOR: **MR. VIKRAM SURYAVANSHI – PHILLIPCAPITAL
(INDIA) PRIVATE LIMITED**



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Moderator: Ladies and gentlemen, good day, and welcome to the Patel Integrated Logistics Q1 FY '26 Conference Call hosted by PhillipCapital (India) Private Limited.

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As a reminder, all participants' 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 '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikram Suryavanshi. Thank you, and over to you, sir.

Vikram Suryavanshi: Thank you, Nidhi. Good afternoon and very warm welcome to everyone. Thank you for being on the call of Patel Integrated Logistics.

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 will have "Opening Comments" from the Management.

I will hand over the call to Mr. Mahesh for "Opening Comments." Over to you, sir.

Mahesh Fogla: Thank you, Vikram. Very good afternoon to everyone. It is a pleasure to welcome you all to the Earning Conference Call for the 1st Quarter of Financial Year 2026 of Patel Integrated Logistics Limited.

Let me first thank you, dear Vikram and his team from PhillipCapital for graciously agreeing to hosting the con call. We are really thankful to them.

Now, let me take you through the operational highlights for the period under review:

After that, we will take you through also the financial highlights.

Let me take you through the operational highlights first of all:

As we all know, there is a challenging global environment marked by ongoing geopolitical trends, tension, uncertainty, tariffs. However, we don't want to distract by all of them, and we remain focused on executing our initiatives, which we have taken up, and we are very much focused to achieve our goal.



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Operationally, we are well-positioned to benefit from upcoming infrastructure development. As we know, including the much-anticipated inauguration of the Navi Mumbai International Airport, which is expected to be operational by October 2025, as per the media report. And also, we are expecting in the UP also one big airport going to be open. As we know, these are all part of overall government initiatives to increase number of airports from around 140 to 220 airports.

As we know, as the number of airports are increasing and airports have a cargo facility, it will definitely give us a boost to our business, and the development is expected to significantly increase regional air cargo volume, unlocking meaningful growth opportunities. We believe this will play pivotal role in extending our network capabilities.

And as we know, we are a pan-India company, so more and more airports are increasing, and our network also will increase further. And we will be able to enhance our service offerings to the customer also. Customers will have more choice. And more cargo movement will be made by mode of air, which in turn supports our long-term growth and profitability.

And very recently, we have also signed a new rate contract with one of the leading airlines in the Middle East which will also help us to offer more competitive pricing to our customers and enable us more good to move from India to the Middle East. This move is expected to drive in our definitely international sales volume and further reinforce our strong market position.

Now, let me go by the numbers which are quarter under review. That is the June quarter, quarter ended on June 25. To provide a clear picture to all of you, we classify, as we know, some people who already attended our previous earning call, we classify our business into two segments, domestic and international.

Domestic segment include good movements within India through the air, while the international segment related to port and cross-border treatment means good movements out of India. In that, our total sales volume for the quarter is 13,318 tons, slightly lower than 13,366 tons in the previous quarter and 14,535 tons in the same quarter of the previous year.

Let me clarify in the outright, it is also seasonal business:

Quarter-to-quarter comparison may not be appropriate, although we are a growing company. So, if I talk about the June quarter of last year, it is more comparable than the immediate past quarter. However, I think that there is a requirement to give the quarter, immediate quarter figure also. So, we are giving that figure also to all of you.

Further, let me also happy to inform you that our sales realization has improved to Rs. 57.04 per Kg. That is the 3.5% year-on-year increase. When I am talking about the year-on-year, that means I am talking about the June quarter of the last year, reflecting our disciplined pricing and value-driven customer service.



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This was the overall sale volume for the quarter which I was talking to you, including the international and the domestic of 13,318 tons. If I do the breakup of that tonnage into domestic and international, then the domestic segment contributed 11,636 tons. Again, last year, we have 11,266 tons in Q4. Sorry, Q4 FY '25. I beg pardon. I will repeat the number. Within the domestic segment contributed 11,636 tons in the current quarter. Again, 12,617 tons in Q1 FY '25 in the last year.

The international segment contributed 1,682 tons, lower than 2,099 tons in Q4 FY '25, and 1,918 tons in Q1 FY '25. But this decline, as I was explaining, was primarily due to geopolitical uncertainty. That is, in fact, that people don't know what to do and what not to do.

However, we are very confident that things are getting settled down, as we are talking about. In the last quarter, it impacted, but in the coming quarter, we are hopeful to recover all this, whatever the decrease happened in the earlier quarter of June quarter.

Further, let me give now, apart from the tonnage figure, let me give the financial figure for the quarter under review:

During the 1st Quarter of FY '26, operational income declined by 5% to INR 78 crore year-on-year, that is net of GST. The decrease was primarily attributed to seasonal softness and a marginal drop in overall cargo volume.

EBITDA for the quarter was as sales have come down marginally, so consequently EBITDA also came down from, EBITDA for the quarter was 1.9 crore, down 9% year-on-year, with EBITDA margin standing at 2.44%.

However, we are able to keep our profit after tax increased by 6.7% year-on-year to INR 1.6 crores, supported by a substantial reduction in the finance cost, which we are hopeful to continue to get the benefit. Further, our profit margin improved to 2.05%.

These are some of the operational and financial highlights from my end. As I was explaining to you, we are very hopeful about the things which are going to happen in the future, in spite of all these noises which we are hearing from all over the world.

And as a general, as a macro picture also, we are not an export-dominated country like China. We are more dependent on our in-house demand, domestic demand. So, we don't expect much effect on all these noises not only to our company, but as general also. And since we are in logistics business and the economy is doing well, as we can see today also, our Honorable Governor also kept the growth rate same, and he is also hopeful. So, we are also hopeful for the entire thing. And by this, over to Vikram. Thank you, Vikram.

Vikram Suryavanshi:

Thank you, sir. I think we can move to the question-and-answer session.



- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vikram Suryavanshi. Please go ahead.
- Vikram Suryavanshi:** Sir, we have seen volume decline on Y-O-Y basis for this quarter, but on full-year basis as well as the long term, if you take, what kind of growth in volume we are targeting as a company?
- Mahesh Fogla:** Yes, as I was explaining, Vikram, yes, in one quarter, this quarter remains a seasonally weak for us, traditionally also. And we can see the figures coming up here for July already ended up also, and it looked good only. So, we are expecting at least, I will not give a specific number, but definitely we are expecting more than last year, overall.
- Vikram Suryavanshi:** And how is the gross margin as well as the EBITDA margin in international business compared to domestic business, if you can give some sense?
- Mahesh Fogla:** Definitely in the international business, the margins are lower because the recovery of money is also faster in international business. And in the domestic business, there, as a traditional practice, the receivables are there for three months around. So, the margins are a little higher. So, if I give you a ballpark figure of that, in the domestic business, the ballpark figure is around the 12%, around between 12% to 13% in the range. And in international business, the range is between 1.5% to 2.5%.
- Vikram Suryavanshi:** This is for gross margin.
- Mahesh Fogla:** Gross margin. I am talking about the pure gross margin.
- Vikram Suryavanshi:** And what would be our receivables and payable scenario currently in terms of days or absolute number, whatever is available?
- Mahesh Fogla:** Look, we also, very recently, we have introduced one system, also system driven because we want to be a system-driven company and after setting up the mobile app, FreightPILL mobile app in the last year, whereby everything moved through the mobile only or the system. No booking is done in a manual way.
- Recently, in December also, we have introduced receivable control also through the system only. And which right now we have a receivable as usual around the Rs. 65 crores around the figure are there, Rs. 65 crores to Rs. 68 crores figure. But as we have improved the data system as recently in December only and which is getting digested in the entire our ecosystem, we are hopeful to improve our receivables also in the coming quarter which will definitely help us in more movement of the goods and more sales volume. So, overall it looks like receivables also are in control.
- Vikram Suryavanshi:** And two more questions. One regarding we are hearing like a lot of other express players or logistic players are also aggressive in now, Air Express or Air Cargo Movement, when you look at the Gati or even other TCI Express, everyone is now started and putting, started giving air



volume numbers. So, are they competing with us or we also do consolidation for them and it is a complementary for us? So, how is the competitive scenario? If you can explain, that I think will be helpful.

Mahesh Fogla:

Yes, good actually. Vikram, what is happening in, look, like when you are talking about the specific name of the one party, they are also our customer also, and we actually, the market is growing now, and market is growing because the way that people are talking about electronics, all the movement of the good in the faster way.

And as the way the number of airports are increasing, and as you can see, we use normally the passenger aircraft. And the number of passengers are also increasing leaps and bounds. So, point is that whoever come is good for us only.

And as we can see earlier also, people are coming also, but we as a company, which are definitely scalable, we talk in our language. We have a strong brand recall of the POBC, we call it internally. And Patel Airfreight, Kangaroo brand, people have a lot of faith on that brand of Kangaroo brand. And we are open to competition. It is always welcome. Competition leads to more efficiency, more innovation. And we are to be unduly not bothered about any competition. And in fact, we will feel that more competition will give us a more market will be more wider and we will have a more fair only, overall.

Vikram Suryavanshi:

And how is the progress on monetization of non-core assets?

Mahesh Fogla:

As we are talking, my team, one of the team is talking to one of the developer already, to be honest with you, as we are talking right now also. But as we know, this type of thing takes time. But it is progressing. As I am talking to just now, the other team is talking to them. In other buildings, he is talking to the developer only.

Moderator:

The next question is from the line of Vishal, an individual investor. Please go ahead.

Vishal:

I wanted to know that more about the recent contract that is signed with the Middle Eastern Airlines. Specifically, like, will we be receiving some fixed allocated cargo space on the flights or we will be getting some incentives on the volume of load that we are providing to them?

Mahesh Fogla:

No, it is like that, look, there are a number of foreign airlines are there. When we are able to sign the contract with them, then we have the option to go to that airline and to that specific area also, okay. And definitely, as I was talking to you, we have signed a contract with one airline. I cannot talk the name right now. But this will open our further door. And it will definitely help us in increasing our sales volume.

Now look, if I don't have a contract with that airline, I cannot move the goods through that airline. Okay. So, now I have signed a contract with that airline. It is an open contract. Normally it remains an open contract. Okay. And depending on the situation, the rates go up and down.



And we will have not like an incentive like that. It is like that we will have a more increase in the sales volume. That will help us in that.

Vishal: And sir, how much time will it take for us to recognize the revenue for the same? Can we expect...

Mahesh Fogla: Just to tell you, as I was talking just ow, yesterday only we started that one also, putting the goods to that airline also. So, we are a company which daily loads the goods into the airline, okay? In our language, we call ourselves “every day you dig the well, every day you drink water”, okay? So, we are regular ones. So, we already started yesterday loading the goods through that airline. And we will start booking the revenue also.

Vishal: That answers my question.

Moderator: The next question is from the line of Kamal Jeswani from U First Capital. Please go ahead.

Kamal Jeswani: I just wanted to note that with this Make in India, where Modi is promoting this Make in India thing, iPhone or Apple is making their iPhones here in India. And these kind of electronics are definitely going to be, you know, logistics has to be done through airlines, right? So, with this growth coming in on Make in India and manufacturing happening in India and these goods are getting exported and also domestically supplied, is this translating into higher volume, such activities translating into higher activities for us, higher volumes?

Mahesh Fogla: Kamalji, thank you for asking this question, and we are all hopeful. And definitely I will be talking about one of the largest network in the country of the moment of the air cargo. And the number of airlines are increasing, number of passenger aircraft, just to clarify, number of passenger aircrafts are increasing, number of airports are increasing.

And manufacturing activity more and more increase in India, whether it is the electronic port, or as our Honorable Prime Minister was talking about, as small as, not a small thing, as a small, small thing, like Ganesha also. Ganesha is our god, I could not talk about small, but it is an almighty god they are talking about. So, it is like that, whatever the more and more manufacturing activity happens, it will be good for us, all of us.

And to be honest with you, after this, all this turmoil and all these noises which we are hearing, and after that, also, we are very committed and we are seeing the numbers are improving. That justify that all these getting translated into numbers and getting affected. We are positively getting impacted by what the Modi Made in India initiative taken by our Honorable Prime Minister.

Kamal Jeswani: So, that means definitely this also depends on the kind of capacity you get depending on how much load is available in the airline accordingly. But then you also mentioned last time that if it doesn't go in one flight, in the next flight it will go. So, basically, that is not a major constraint, the capacity of the airlines basically.



- Mahesh Fogla:** No, correct, correct. Yes, it is not a major constraint, I agree with you. But suppose if the number of airlines are increasing, then more and more people will also opt for the air movement. Ultimately, look, if there is no capacity, then the people will look for some other alternatives. What to do? Goods has to move. And as we are seeing, India is growing. We are the largest population of the world now. So, we are internally consumption is also very high. And luckily, we are a domestic aircraft. Our domestic operations are more than the international operations. So, these all get add up.
- Moderator:** The next question is from the line of Jagdish, an individual investor. Please go ahead.
- Jagdish:** So, my question was, since we use passenger aircraft, so are there any restrictions on the types of goods that can be transported by passenger airlines under this arrangement, such as frozen foods, batteries or electronics, given that such items often face limitations during regular air travel?
- Mahesh Fogla:** No, there is not like the goods which you mentioned we actually carry. But not as me and you supply also and all this one. There are specific precautions that are taken up and where lot of possible goods for movements are there in the passenger aircraft. What we use actually is the belly capacity of airlines. Not on the main board, where we are sit. Okay? So, belly capacity of airlines are getting used and then the goods which you mentioned are definitely moved through the airline.
- Jagdish:** One more question, sir. In the next quarter, if you can expect more because the festive season is coming. So, sir, in the next quarter, the festive seasons are coming. So, can we expect more in the coming quarters?
- Mahesh Fogla:** Yes, definitely. I have been prohibited from giving any forecast. So, I could not give any forecast. But I can internally tell you numbers are looking good only for us.
- Moderator:** The next question is from the line of Mr. Vikram Suryavanshi. Please go ahead.
- Vikram Suryavanshi:** Just a follow-up question. How would be, I think, our opportunities to venture into other businesses like we used to have earlier, road, surface transport also as well as there was also earlier mention about our venture into health and fitness industry with a franchisee. So, just wanted to know what would be the growth avenues apart from our revenue business? Are we looking to follow up that including even warehousing also?
- Mahesh Fogla:** Yes, we are in the process of that one, and just as we are talking about, we are also in the process of using one dedicated resource for our new project, which we call our new project. So, very soon we will bring on board one dedicated resource also for the new project. And we are evaluating time to time and things are in the pipeline. And as we know, we are a little cautious company. So, it takes time, but when this happens, it happens in a very fool proof method. So, we are in that mode also, definitely.



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- Vikram Suryavanshi:** And in the case of warehousing, whatever existing, Bangalore warehousing, apart from that, any other plans to expand the capacity or more focus will be on growing the existing business only?
- Mahesh Fogla:** Look, Vikram, we are in the business of doing that. Not that we will only grow in the warehouse or even the air cargo also. Wherever we get the opportunity and ROI is good, we are open to that one. And that is the reason, as I was explaining to you, Vikram, that we are bringing on board one dedicated resource also, very senior resource, very senior resource on the board also for the new project only. So, definitely we are looking all the way for all this one.
- Vikram Suryavanshi:** And anything happening on Pune location for warehousing?
- Mahesh Fogla:** Yes, that is also in the pipeline. That is definitely in the pipeline there. The things are moving. That only I can tell you at this stage.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Mahesh Fogla:** Thank you from the bottom of my heart to all of you who have asked the question or who have heard our earning call. As I was talking to you, we are continuing to remain focused for creating a long-term value for all stakeholders. Our entire team has a single-minded focus to create value for all the stakeholders and long-term sustainable value. Once again, thank you to Vikram and all his team for arranging this con call. Thank you, all of you.
- Moderator:** Thank you. On behalf of PhillipCapital (India) Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.