



**“Patel Integrated Logistics Limited
Q4 FY '26 Earnings Conference Call”
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PATEL INTEGRATED LOGISTICS LIMITED
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**MODERATOR: MR. HARSHIL SHAH – PHILLIPCAPITAL INDIA
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Moderator: Ladies and gentlemen, good day, and welcome to the Patel Integrated Logistics Q4 FY '26 Earnings Conference Call hosted by PhillipCapital. As a reminder, all participant lines will be in a listen-only mode and there will be an opportunity for you to ask question 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.

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 guaranteed of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Harshil Shah from PhillipCapital. Thank you, and over to you, sir.

Harshil Shah: Thank you. Good afternoon, and a 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 the Q&A 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 Q&A session, we will have opening comments from the management.

Now, I will hand over the call to Mr. Mahesh Fogla for his opening remarks. Over to you, sir.

Mahesh Fogla: Thank you. A good afternoon, and a very warm welcome to everyone for joining the earnings call of Patel Integrated Logistics Limited. FY 2025-'26 has been an important period for Patel Integrated Logistics Limited, marked by strong execution, significant improvement in profitability, and continued strengthening of our core air freight logistics business.

The results, numbers, which I will explain in just a few seconds, clearly demonstrate that the initiatives undertaken over the last few years are now translating into tangible financial performance and enhanced shareholder value.

Now, let me explain the numbers for the quarter under review. During the fourth quarter, the company delivered robust operational and financial growth. Total income from operations increased by 11.68% year-on-year to INR96.74 crores. More important for us, as we also chasing profitable growth, profit before tax increased by nearly 99% to INR3.70 crores, while profit after tax rose by over 60% to INR2.98 crores. Accordingly, earnings per share for the quarter increased by approximately 54% to INR0.43 per share.

Now let me explain to you the numbers for the full financial year 2025-26. Our company reported total income from operations of INR357.25 crores. While -- we are very happy to inform you that profit also before tax rose -- crossed the milestone of INR10 crores. We have achieved the profit -- in fact our profit grew by over 34% year-on-year to INR10.30 crores. Profit before tax is INR10.30 crores. Accordingly, profit after tax also increased by more than

26% to INR9.58 crores, clearly reflecting operational momentum and our disciplined cost management.

Let me assure all the people who have joined the call that these numbers are not incidental or one-off. They are the result of focused execution, strengthening of our air freight franchise, technology-led operational efficiencies, disciplined capital allocation and a conscious shift towards higher margin business segment.

Our company has successfully transformed itself into more agile, efficient and profitability-driven logistic organization, which will also prove why our core air freight division continues to deliver strong growth and profitability.

Accordingly, segment profit, segment air freight division profit increased to INR11.26 crores in FY 2025-26 compared to INR8.53 crores in the previous year. Clearly it shows that our market position in our area of operation and our execution capabilities. As we move, Patel Integrated Logistics Limited has one of the widest air freight networks in the country while we operate in around 100 airports with our offices spread over all over India which we have developed over the period of time.

Accordingly, we continue to have a significant and meaningful present in cargo transportation through passenger aircraft services. We server diverse industry -- we serve any industry which we want to move the goods through the air. Accordingly, we carry -- document, we carry pharma, we carry auto part, engineering goods, we carry electronic goods, we also carry the FMCG, whatever maybe that move through through the air.

As we are seeing the number, this also saw that our part improvement in operational efficiency and financial discipline. Accordingly, our finance cost reduced substantially through INR35 lakhs only, from INR1.18 crores in the previous year.

Reinforcing the strength of our balance sheet and prudent financial management. We are practically debt free company, although we have small amount of debt just for operational flexibility. As can we know in our company balance sheet we had more than INR20 crores cash and cash equivalent in hand.

So, company then clearly a debt free company, we can call net debt free company, technically. But practically we have a very healthy cash position, liquidity position in the company. Considering the good financial position and all these numbers which I explain just now, we are happy to inform you the Board has also recommended a final dividend of INR0.40 per equity share for 2025-2026. It is basically 30% of our profit after tax and reflecting our confidence in the company's financial strength and long-term growth trajectory, long-term growth path. We are very confident and we want to reward shareholders. So, 30% of our profit after tax has been declared as a dividend.

Going forward we believe that company strongly position to capitalize under structural growth opportunities emerging India's logistic and air cargo sector. We all know that now the number of airports are increasing, just now the Navi Mumbai airport got operational, Jewar airport in Noida is also getting operational. And as the number of airports are increasing government has

a target of increasing the number of airports from 140 to 220. For companies like us, has immense opportunity due to this .

Passenger aircraft, the airlines have order a very large number of passengers aircrafts. Increase will be from around 700 passenger aircraft to around 1,800 passenger aircraft which will also give us the growth opportunity for our company and for the country as a whole as well. As we know that there is a increasing demand for momentum of cargo which are very time consuming, which required a goods to move in the time bound manner.

As consumption is increasing in our country and we are a growing country. We -- the people are looking for the player which are organized player, wide network and execution capabilities. Hence, organized players like us had a very good opportunity lies ahead. And we are very confident while entering the next phase of growth.

As the company we will always remain clear in increasing our return on capital employed, leveraging technology, leveraging artificial intelligence, increasing the operational productivity. And as a result, creating the long-term value for all stakeholders.

Let me also explain you -- we've formed one subsidiary company in the last December quarter, Rajpat Logistics Limited. As we are talking, we are continuing to getting code for doing logistic business in top corporate of India. And we are very confident in next two, three years from almost, now the company is in the nascent stage, we will able to reach the turnover, very meaningful turnover for this company also.

So that will be an additional vertical for the company in addition to the air cargo business. As a result there will be improvement in our overall return on capital employed as well as our DSO (days sales outstanding)because Rajpat Logistics Limited will operate in an area where there will be minimal outstanding.

So, we are all are very excited about achieving the milestone, which was of INR10 crores profit, as well as we are expecting that this is only the beginning and we will grow much faster than this. Thank you.

Moderator: The first question is from the line of Vikram Suryavanshi from PhillipCapital.

Vikram Suryavanshi: So, what kind of revenue can we look at from Rajpat Logistics, say, three years, five years down the line? What is our vision here?

Mahesh Fogla: Yes, currently we are in the 400 cr bucket, correct? So, I can definitely say that Rajpat will add another 25% from that. Apart from -- growth in the airspace logistics, it will happen.

Vikram Suryavanshi: Okay, and what kind of margin can we expect in that business?

Mahesh Fogla: Yes, look that business will have a high return on capital employed because outstanding will be very minimal, so capital employed also will be churning will be very fast. And the return on capital employed will be higher than the margin definitely. That's the expectation we have.

And we are expecting a upward of 15% in return on capital employed from that business, ROCE.

Vikram Suryavanshi: So, there we'll basically do the booking for trucking trade basically and we'll outsource -- fleet from the market?

Mahesh Fogla: Yes, we are an asset light company, and we will continue to be an asset light company. So, we will not own any trucks, but we will leverage our network, which we have. And the contacts which we have and the strong brand which we are. And the top corporates are willing to give us the business and we want to not take any other business. We will take in a very few corporates only and doing business with them with almost -- with minimal risk.

Vikram Suryavanshi: Understood. And because of this ongoing war situation and the way we have seen the increase in the crude price as well as the ATF prices, how is it impacting the short term in terms of capacity availability from the airlines, as well as the fear of ATF prices going up and impacting the short term?

Mahesh Fogla: Yes, Vikram, this is actually, I can tell you, unfortunately, it's a favourable position for us because we are organized players. But at the same time, rates are hardening. As I'm talking to you from March, 15%, international rates have increased. So, rates are hardening. And unfortunately, there is -- supply issues are there. But since we have -- we are operating with more than 60 airlines.

Okay, 60 airlines and luckily in our case, as I can see, just now the April month has gone away, the momentum of the growth will continue. And we are -- it's an unfortunate situation for the world, but luckily, we are keeping our momentum intact.

Vikram Suryavanshi: Okay. So, but in say '27, can we see volume growth on a backup geopolitical situation or what kind of internal growth targets we have?

Mahesh Fogla: Yes, correct. What will be -- more rate will be increased more than the volume definitely because the rates are getting hardened. But at the same time volume also, it is very difficult to tell right now but the point is that more and more goods are moving through the air also because of all this and all this one. So we are very much hopeful that we will be able to maintain the growth in the volume as well.

Vikram Suryavanshi: Okay, got it. And in terms - we do have like a warehousing. So, any plan to increase the warehousing capacity or some of the time we also leave out the capacity, which is a part of further income. So, how is this like a steady state income generation opportunity we have, plus comment on anything on the warehousing side also?

Mahesh Fogla: Yes, Vikram, what is happening, as we can see in others, what actually is ultimately that we are a ROCE-driven company, and we are, like I was talking with just now, the subsidiary company, where the ROCE will definitely be more than what we can earn from the warehouse business. Okay, and the current business also, without owning the new assets, we are earning the ROCE more than what we can earn from the assets .

Yes, a warehouse is a long-term business, it will give growth. But currently, what we are, as internally, we are observing is that our current operations are giving us more ROCE than if we venture into the warehouse operation. So that is the process going on but never say never.

And if any good opportunity come and we find the lucrative ROCE coming up, then because luckily the company don't have a challenge of liquidity, the company has a healthy balance sheet that is not the issue for the company. So, we are open to that but right now immediately we are not looking. We don't have any plan to enter into the asset business.

Vikram Suryavanshi: Got it. And earlier you also mentioned about like revenue leakage or improvement in operational side with the mobile app launch. So, is that response a success and incrementally how we can see the benefit out of it?

Mahesh Fogla: Yes. You're right. We have now as early as, now the AI also coming up. So, we are talking about two days back. Also, we have internal AI meeting also and we want to leverage of this new technology for controlling any leakages which we have.

At the same time just to happy inform you. For the trade receivable control , I think probably we are the only one of the company in our industry who have put the system so that if the outstanding increase more than certain days for a customer which we are not comfortable, then the system only stop it and there is no manual intervention.

At the same time, we want to grow the turnover also . So, it's the little selective also is not that we want to be be totally the system-driven company and forget about the flexibility which due to institutional knowledge which we have. So, we are trying to use both the things, human knowledge which we have, institutional knowledge which we have and the system knowledge which it is giving us.

At the same time, app, we are trying to do the more automation now so that more and more automation can happen and the existing manpower can be used more productively. We are a sensitive company and we don't want anybody to lose the job. At the same time, we want to use the productivity of the employee in a more efficient way. So, our overall productivity improve. And ultimately, the profit is a by-product of entire thing which we do.

Vikram Suryavanshi: Got it, sir. And lastly, on this monetization of non-core asset which has been there for a long time, so any material development we are expecting from this?

Mahesh Fogla: Correct. Yes. As you know, we have one property is there, which is we are actively pursuing for the redevelopment. At the same time, that adjacent to our property, there are two more properties are also there. So, what now the things are coming up if three of us together develop then the value can be much more than that.

So as early as next week also, we're going to have a meeting for that only. And rest assured, we are actively pursuing that matter. At the same time, as we know, this is a once-in-a-lifetime opportunity in all this. So, we want to extract the maximum value what is possible from that.

Vikram Suryavanshi: Okay. And what will be the structure of this development? It can be broader possibility.

- Mahesh Fogla:** Sorry Vikram?
- Vikram Suryavanshi:** Will it be developed under existing listed player or will it be like sold out to at one time again? Or can it have recurring income?
- Mahesh Fogla:** Ultimately, no, we don't think it is a onetime like that. Till now, the thought process is that everything will be in the listed company only because that property owned by listed company, okay? So, what, and the structuring we are formulating, but I don't think we will go for one time like that because we have an appetite in-house also of the construction activity and all this one. So, we want to be part of that activity and not the one-off gain. We want to gain, we want to take the maximum benefit out of it, which may not be possible if we do one-off thing.
- Vikram Suryavanshi:** Got it sir. That was quite helpful thank you very much.
- Mahesh Fogla:** Yes.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Mahesh Fogla:** Yes. Thank you. As we know, Patel Integrated Logistics Limited is undervalued relative to its performance with double-digit revenue growth, liberal dividend payments and unmatched operational leverage, we are expecting very soon the company will have a valuation rerating which I'm pointing out because there are sometimes the shareholders have a point that our share prices are very low.
- And we, as a management person are aware of that one, and we are very much committed to do whatever is possible to enhance the shareholder value. And we are building the foundation for long-term businesses in Indian logistics. We once again thank you all of you for attending this call and hope the future will be more brighter than what we are mentioning you today. Thank you, all of you.
- Moderator:** Thank you. On behalf of PhillipCapital, that concludes this conference. Thank you for joining us. You may now disconnect your lines.