



PILL:SEC: APR 24-25/106

07th February, 2025

To
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400 001.

To
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051.

BSE SCRIP CODE: 526381

NSE SYMBOL: PATINTLOG

Subject: Transcript of the conference call for Unaudited Standalone Financial Results for the quarter and nine months ended 31st December, 2024.

Dear sir/Madam,

With reference to our intimation No. PILL:SEC: APR 24-25/98 dated 31st January, 2025 and in terms of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call with Investors and analysts held on Thursday, 06th February, 2025 in respect of the Unaudited Standalone Financial Results for the quarter and nine months ended 31st December, 2024.

The same will also be available on the website of the Company at www.patel-india.com .

This is for your information and records.

Thanking You

Yours faithfully,

For **PATEL INTEGRATED LOGISTICS LIMITED**

Avinash Paul Raj,
Company Secretary.

CC to Calcutta Stock Exchange



“Patel Integrated Logistics Limited Q3 FY25 Earnings Conference Call”

February 06, 2025



**MANAGEMENT: MR. MAHESH FOGLA – EXECUTIVE DIRECTOR, PATEL
INTEGRATED LOGISTICS LIMITED
MR. AVINASH PAUL RAJ – COMPANY SECRETARY,
PATEL INTEGRATED LOGISTICS LIMITED**

**MODERATOR: MR. VIKRAM SURYAVANSHI – PHILLIPCAPITAL
(INDIA) PRIVATE LIMITED**



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Moderator: Ladies and gentlemen, good day, and welcome to Patel Integrated Q3 FY25 Earnings Conference Call hosted by PhillipCapital.

As a reminder, all participant line will be in 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 “1” then “0” on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain some forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

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

Vikram Suryavanshi: Thank you, Sejal. Good evening and very warm welcome to everyone. Thank you all for being on the call of Patel Integrated Limited.

We are happy to have the management with us here today for a 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 call to Mr. Mahesh Fogla for “Opening Comments.” Over to you, sir.

Mahesh Fogla: Thank you, Vikram, and his team for arranging this call. A very warm welcome to all who have taken time from their busy schedule to make it convenient to attend the call. I thank all of you.

Let me first give the financial number, some highlights of the financial number, and then I will go into some operational things also, and the budget announcement which happened in the very last week only. That is the way I will explain the thing.

So, let me first give the financial number:

Our gross operational income in this quarter is INR 105.88 crore compared to INR 99.38 crores in the immediate last quarter. Quarter-on-quarter, there is an increase of 6.54%. The quarter-on-quarter increase in the gross operational income including GST of 6.54%, and in the same quarter of last year gross operational income was INR 90.63 crore, a year-on-year increase of 16.83%. That means almost 17% increase on year-on-year on gross operational income.

Going by the cumulative nine-month figure:



We have a gross operational income including a GST is of INR 302.16 crores against 9 months of the last year of INR 241.54 crores. Tthis 9 months INR 302.16 crores we have achieved again the last year of INR 241.54 crores, giving us an increase in a 9 month to 9 month of 25%.

And accordingly, we are getting EBITDA of quarter-to-quarter, let me first explain:

This quarter, we have achieved EBITDA of INR 2.35 crores against immediate last quarter of EBITDA of INR 2.19 crores , giving us the increase in EBITDA of 7%. EBITDA in the same quarter of last year was INR 2.07 crores. Hence, in this quarter, we have year-on-year increase in EBITDA, quarterly increase of EBITDA of 13.54%.

Similar 9-month figure of EBITDA of the current year is INR 6.68 crores Again, the 9-month of the last year of INR 6.32 crores, giving us an increase of 5.75%. This year 9-month cumulative EBITDA is INR 6.58 crores.

Now coming further to the profit after tax:

We have in this quarter which I mean always it has to be from October to December quarter where we have published the results today only. We have a PAT, profit after tax of INR 2.17 crores compared to immediate quarter of last quarter of this year only, immediate quarter of this year only, last immediate quarter, which I mean by July to September of INR 2.3 crores, giving us quarter-on-quarter increase in PAT of 7.30%. We have in the same quarter of last year profit after tax of INR 1.49 crores, and year-on-year increase in the PAT, quarterly PAT increase is 46%. 46%, I repeat.

9-month cumulative profit after tax is INR 5.74 crores against 9 months of the last year of INR 3.87 crores, giving us profit after tax increase of 48.30, 48% increase in the PAT of 9 months to 9 months year-on-year.

Accordingly, our earnings per share, EPS increased. Our EPS for this quarter is the INR 0.33 per share against immediate last quarter of this year was INR 0.31, giving us increase in EPS of 6.45%. We have a EPS in the same quarter of last year was INR 0.23, giving us an increase in the EPS top 43.48%. This increase in EPS on a year-on-year quarterly basis is 43%. Accordingly, 9-month EPS in this financial year, we have INR 0.86 per share compared to the last 9-month of the last year we have INR 0.60, giving us an increase in EPS of 43.33%.

These are the financial numbers which show us increases in quarter-on-quarter, also on year-on-year.

Yes, now let me come to some operational things which we had done in the last few months. First of all, we are a company which wants to play very prudently and conservative, although not ignoring the growth mindset.



And as a part of this control measure, we have implemented in our company the system for better outstanding control, which is what I mean by now there will be no manual intervention. If any debtor is going beyond the credit period approved as per the contract, his or her account will get blocked, and only after getting the money or after the very senior management intervention, this account will get unblocked.

So, it is a game-changing approach for us to control the debtor outstanding because we don't want debtor outstanding to increase for achieving the turnover, and it will ensure all-round discipline in our all the more than 100 locations all over India to ensure financial discipline as well as look for the new customer and not that we depend on some few customer and continue to do the activity. We are a proactive company, and we want to take the proactive approach always.

As I was mentioning last time, freight, we have launched a mobile app. We have launched a mobile app in the name of FreightPILL. Yes, this mobile app got stabilized in this quarter now, and now as a part of that virtually now all bookings are done through the mobile app only, and there is no manual booking, hardly very, very few, which will also get reduced as the time progresses. 99% things are happening in the system only.

This will also help in preventing any leakages. And as a part of digitalization measure, we want to be in the forefront. So, in our industry, I think probably we are the one of the first company which implemented this measure. Correct.

Now, however, after implementing all this also, as you can see, we are increasing in the turnover also happening, our profits are also happening. So, it's not that for the sake of control, we are projecting growth only. We are fully aware of the growth of the business.

Before going further, let me give you some more operational data about the load we achieve in this. Load, I mean volume in our business, how much load we achieve in this quarter compared to the last quarter and last year.

We have two types of business. One is that we call ourselves a domestic business and another is international. Just to explain somebody who joined first time in our con call, although I may have explained in earlier con call also, domestic means the goods movement within India. And international here we mean by that goods move out of the country.

So, in the domestic we have a load or the volume of this quarter of 12,210 against the immediate last quarter of 12,784. Okay. And the international we have it against 2,165 tonnage in this quarter against last quarter of 1,939, giving us the total tonnage of 14,376 against the immediate last quarter of 14,724. This is a small dip in the volume which you can see because of the seasonal impact because the 9-month figure, if I go by 9-month figure, there is an overall increase in the volume also.



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I will now come back to the 9-month figure. 9-month figure in the load volume is, yes, 37,611. 37,611 tonnage in 9 months against the earlier 9-month of 36,983 in the domestic front. In the international front, bother me, my throat is not doing well. So, I may not be able to, if anything clarifications is required, I will request you to, you can ask me anytime if anything not clear to you.

International load we have for 9 months, 6,023 compared to earlier 9-month of 4,970. And domestic plus international cumulative we have 43,635 for 9-month ended 31st December 2024. So, we have achieved a volume of 43,635 compared to earlier 9-month of 41,953. Okay. So, we have an increase in the volume also from 41,953 to 43,635. Yes.

Now, apart from the numbers, let me now talk over something else also. Not to bore you with number, dry number only. As we all know that the government has announced the budget in as early as on the 1st February 2025. Our Honorable Finance Minister has also mentioned that 120 new locations will be connected by air.

This will definitely have a huge positive impact on our operation as we are a pan-India company. And wherever the cargo facilitating in the airport will be there, by default we will also be there. It will definitely increase our network and our operation, our scale of operation, and overall definitely all these are related to the increase in our revenue and as well as load because if everything increased because we are a major player in our area of operations and if any network increase is there, we will also get benefited. We already have more than 100 locations and if 120 more are getting added up, it will definitely, as we can see by number, it will give a huge, huge positive impact to our things.

Further continuing with the Union budget, as we all know, the shipping industry has been already given an infrastructure pack up in this budget. We are very much confident that similar will be given for the aviation sector also. Aviation sector is also one of the pillars of infrastructure and government is very bullish about the aviation. They are coming out with a new airport in the Bihar as we know, announcement was there.

We also in our location where we are sitting now, Navi Mumbai International Airport is coming up. This will definitely increase the overall movement of goods through air in the Maharashtra, and we definitely will be getting our share of pie. And being an established player and being a very old player in our area of operation, it is expected that we will also get benefited by this.

Further, in one of the post-budget interview, our Honorable Union Finance Minister mentioned in one of the post-budget interview that Union Government is okay to bring aviation turbine fuel, ATF under GST. Why is it significant? Because aviation turbine fuel, as we know, is a very major component of the aircraft operation. Around 30% to 40% of the cost of operation is on ATF, and if it comes under this GST, then definitely the cost of operation of the aircraft come down bringing the overall efficiency in the aviation sector and improve the profitability of all people.



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However, the caveat was she mentioned that the State Government, who are also members of the GST Council, also have to agree for bringing the ATF under GST and which we think that all state governments, all people in the country now want the growth. So, sooner or later ATF will also come under GST, and we are expecting that will give further benefit to the growing hyper growth in aviation sector.

We are thankful to the Union Finance Minister that they have reduced the income tax rate for all people. This will definitely lead to the increase in consumption, and this will definitely lead to higher disposable income in the hands of the people. With higher disposable income, there will be more increase in consumption or the travel requirement or the saving.

This will give further benefit to the economy and as the consumption increases, there will be more movement of the goods. If there is a more movement of goods like electronic goods or something else, which will move by air also, there is more movement of goods through the air and we are being a pan-India company, we are very confident that we will also get benefited by this. So, we have a very positive outlook for this, for our as well as our company and for the aviation sector.

And another positive thing which I want to share with you all content that we had a demand of GST of 33 crore, which I am happy to share has been dropped as early as yesterday on the 5th February 2025 completely dropped. This will now help us in focusing our energy and our capital for investing in the warehouse or whichever or whatever other areas where return on capital will be higher. This will help us. It will not only depend on the air freight business. It will also cushion ourselves from the only depending on the airfreight business. We are very actively considering, we will definitely have an airfreight business, but we want to increase our new vertical also. So, there will be a growth from both the verticals.

As I was earlier mentioning that we have a property there, which yes, there is in this quarter also the development happened. Only the as I could not talk much because the final dotted agreement it has to be signed, but this type of thing take the time, but when it happen, it will happen definitely in a very good way. The discussions are in advanced stage. We are actively pursuing how to monetize our loan for assets. And I hope very soon I will be able to give you some good news on this account also.

Things are looking as the economy growing and as a favorable Union Budget, we all are expecting that things will be looking in a very, very positive way. For the realty, as we know, we also have a very sizable realty. So, in this budget, realty also given a benefit only, positive for the realty. Overall, this is also beneficial for us.

By this, I conclude my observation. I am very happy to clarify anything which I missed out.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on their touch tone telephone. If you wish to remove



yourself from the question queue, you may press "*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Majid Ahmed from Tradewalk Research. Please go ahead. Mr. Majid, your line has been unmuted. Please go ahead with the question. Sir, you are not audible. I would request you to please use your handset.

Majid Ahmed: I am using handset. I am audible now. Am I clear now?

Moderator: Sir, I would request you to speak a little louder.

Majid Ahmed: Yes. I hope I am audible. Greetings to the management. I think it's been a very good quarter. So, my first question that I have is, you are saying that you are looking to invest in high ROCE businesses. So, which segment are you looking to invest? Can you repeat it again. What we were targeting the IRR?

Moderator: Sorry to interrupt, sir, your voice is not clear. We can't hear you.

Majid Ahmed: Can you hear me now?

Moderator: Yes, sir, please continue.

Majid Ahmed: **(Inaudible) 26:44.**

Moderator: No, sir, we can't hear you. Ladies and gentlemen, we have lost the connection of the current participant. We will move on to the next participant. The next question is from the line of Ankur Sawaria, who is an individual investor. Please go ahead.

Ankur Sawaria: Good evening, sir. My first question is that even though our revenue is increasing, how come our operating margin is not increasing? It is going down. It was about 5% at one point of time, and now it has reduced to about 2-2.5%.

Mahesh Fogla: Yes, correct. We are aware of that one. If more happens, as you can see that there are two products mix. One is the domestic, one is the international. Internet, although money come very fast, but margins are lower. So, we are aware of that one. So, we are now thinking of changing our product mix further again to focusing more on the domestic so that our product margin can improve. Yes, I agree with your point. Thank you for your observation is correct. Very much correct.

Ankur Sawaria: My second question is, sir, even though some of the promoters have sold their shares in this quarter, how come the promoter share has increased? This is something I am not able to understand that during the quarter, the shareholding of the promoter is showing as more than last quarter, but the promoter has sold during this quarter.



- Mahesh Fogla:** Yes. Between October to December, we have a right too where promoter has subscribed more than their quota, okay?
- Ankur Sawaria:** Okay.
- Mahesh Fogla:** For that reason, they have got a holding and then they have sold some share, but definitely the subscription was much, much larger, and as a result, net-net, they have increased their holding.
- Ankur Sawaria:** So, why is the promoter selling again and again, sir, for last 2-3 quarters?
- Mahesh Fogla:** Look, there was some selling, I agree with you. I am not denying your point. But then there was some, but at the same time if you see, promoter have infused the more money than they sold off, correct?
- Ankur Sawaria:** Yes, sir.
- Mahesh Fogla:** Yes, and there was some personal requirement of the promoter was there. For that, they sold some share. I agree with you. But at the same time, I am not expecting, now I will not be able to comment much on that one. But my expectation now that there will be not much further will be there.
- Ankur Sawaria:** So, what do you foresee, sir, in the next 2 to 3 years, where do you foresee the company to go, sir?
- Mahesh Fogla:** Company to grow, grow, grow. Nothing else.
- Ankur Sawaria:** Yes, okay.
- Mahesh Fogla:** I have the same vision like you to grow, grow, grow the company.
- Ankur Sawaria:** Sir, even we are hoping for the same that the company grows.
- Mahesh Fogla:** Correct.
- Ankur Sawaria:** So, what I see is that, again I am repeating myself. For last quarter I said the same thing, that value wise the company is far more valuable than the market cap as of now. But the market always give value to the company that is growing. So, value wise we are okay, but growth wise we are not okay. So, as a shareholder, what we envision is that the company grows far more so that the shareholder also gets something out of the share price or the dividend. But dividend is too less. That is why we want that the share price should reflect in the value of the company.
- Mahesh Fogla:** Yes. Look, you are fully correct. What is in our share price, but not fully in our control, as you know also. Now all the small cap, Nano cap, whatever maybe you could talk about, all have their share of the brunt. But what we have in our control is that company, to grow the company, to



take whatever the non-core asset, how to monetize. That is in our hands, which we are, yes, I told last quarter also. This quarter also further movement happened. But till the agreement gets signed, it's difficult for me to tell anything to you guys. But yes, I can assure you we are working on that direction only.

Ankur Sawaria:

Thanks a lot for answering my question, sir, and best of luck for the future.

Mahesh Fogla:

Thank you. Thanks a lot.

Moderator:

Thank you. Ladies and gentlemen you may press "*" and "1" to ask a question. The next question is from the line of Vikram Suryavanshi from PhillipCapital. Please go ahead.

Vikram Suryavanshi:

Yes, good evening, sir. Before I ask my question, I think the earlier participant was trying to ask the question. His question was, since we are focusing on high ROCE business as well as the new business opportunities, question was regarding which could be the new business areas we can focus going forward.

Mahesh Fogla:

Yes, correct. But the objective is that, Vikram, what I mean by that, we are right now more or less majorly in B2B, okay. We will be going by our logistic sector or the warehouse only. I am not telling about something we will go by unrelated sector. But there also we will go more into B2C into the B2B where definitely margins are higher. That I mean by that.

Vikram Suryavanshi:

Okay. And how is the development of this Pune location and if you can give some further update on that?

Mahesh Fogla:

Yes, definitely very upfront with you. And as I was mentioning that we unfortunately got in the middle the roadblock of GST. That roadblock got removed, yesterday only. Okay. Now we can that capital which is because regulatory compliance was supreme, now that capital got free, now we can again actively look into that our Pune thing.

Vikram Suryavanshi:

Okay, understood. And in terms of obviously, we have grown on nine months, but you rightly said that the Q-o-Q domestic was a seasonal impact, but is it also apart from seasonal competition impact because somehow we see overall volume growth is not that high. So, is it like an industry phenomena or is it a competition? And also there is a bit amount of margin pressure? So, if you can talk about some competitive intensity and how we are able to grow market share going forward or what kind of growth rate we can look in terms of volume.

Mahesh Fogla:

Yes, we have a 9 month to 9-month growth in the volume definitely. Quarter-to-quarter there is a small blip there. Okay. But at the same time, I can assure you that yes, we are also a more or less mirror of the economy also, and we were all seeing that the economy was a little slow down, which has been now corrected also by our budget also. Momentum and everything will pick up.

So, we have not lost our market share just to tell you correctly. Because the things are there, we are very focused on our market share and all this one. And as the location gets improved and



things get improved, number of location gets increased and consumption gets increased, this volume will come back again definitely, and we are expecting the growth in the volume only.

Vikram Suryavanshi: Okay, got it. But is there any way we can increase the market share and really do much better growth rate and demonstrate that in volume going ahead? Obviously, everyone will have expectation of growth, but how we can bring it into reality? Is there any way we can work in terms of market share gain or some strategy?

Mahesh Fogla: Yes, for definitely yes, we are internally also discussing. Look, we have just to tell you right now also double-digit markets there in our area of operation. Okay. So, it's not that we don't, we have a major share of markets that were double digits in the industry, which is very competitive industry. And we are having double-digit market share is also not something very, I had to be looking, I had to be considered also. That's the reason. One thing is that we are expecting the overall pie will increase.

Another thing which we are doing as I am mentioning you, we want to, apart from the turnover, we are also looking into how to increase our margin. And just now your previous speakers also talked about the margin, and we are very much focusing on the margin, how to increase the margin. And the load will come definitely, Vikram, load is not a challenge. But to pick up which load in some time become a challenge.

Because in the market what will happen, this type of industry, everybody is willing to give you load in a credit period, high credit period, everybody will give you load. But we don't want to take that one. We want to be also prudent enough to choose which one to do and which one not to do because we are looking for a long-term sustainable growth and not a shortcut measure.

So, definitely, the things are looking good, and we are in that direction only. That's why we are also apart from the B2B, we are looking into B2C also.

Vikram Suryavanshi: Got it. And last from my side, in terms of margin improvement, we do understand that as economy picks up, volume pick up, margins will improve. But is there any possibility for further cost optimization or efficiency gain to improve margin or it will be more based on the volume growth going forward?

Mahesh Fogla: About the cost optimization and working capital management, as I was mentioning in my remarks, we have implemented the software to meet the financial discipline all over India. Because we know, I am not sounding arrogant, we are just humbly telling customer will come to us. But sometimes they delay in payment and all this one which will block our working capital which further, because we are not taking any new loan as you know, we are a net debt free company now. So, we are also in the focus of collecting our money faster so we can churn our money faster and increase business.

Vikram Suryavanshi: Got it. And what would be your cash balance?



- Mahesh Fogla:** Cash balance right now if I go by my cash flow, statutory cash flow, net-net after loan and everything INR 8 crore is there already there apart from the some liquid investment and all this one.
- Vikram Suryavanshi:** Okay, thank you.
- Moderator:** Thank you. Ladies and Gentlemen, the next question will be from the line of Majid Ahmed from Tradewalk Research. Please go ahead.
- Majid Ahmed:** Am I audible now?
- Moderator:** Yes sir, now you are clear.
- Majid Ahmed:** Yes. So, my first question is, in this current quarter, there has been a classification of loss of 45 lakhs. Can you specify what is it?
- Mahesh Fogla:** Majid, sir, couldn't get you.
- Majid Ahmed:** So, for this quarter which you have reported, there has been a one-off of INR 45 lakh. I just wanted to know what is it like, what is it INR 45 lakh of...
- Mahesh Fogla:** INR 45 lakh, that you have seen in the results.
- Majid Ahmed:** In the result yes, for this quarter.
- Mahesh Fogla:** For this quarter, yes, correct. This we are actually getting the accounting adjustment what I am referring is the gratuity and leave encashment. Gratuity and leave encashment provision which are long term which always come below the line we call it. This INR 45 lakh is basically that one only, and we have certain investment also in blue chip company which mark-to-market we have to do as per the regulation. So, that is temporary mark-to-market loss is out there.
- Majid Ahmed:** Okay. So, then my second question is that, sir, you are looking for growth and looking for margin expansion, but for us as investors, we need to have a good hindsight of understanding about what could be the range about the revenue growth and what's the possibility of margin expansion? Can you quantify numbers or give a range so that it will be much easier for us to understand?
- Mahesh Fogla:** As one of your speakers only talk about that we have right now the PAT margin of 2.5%, correct?
- Majid Ahmed:** Yes, sir.
- Mahesh Fogla:** Yes, we gradually want to increase definitely, you know over a period of time, not in a one month or two month or one quarter or two quarter, double it, definitely double it.
- Majid Ahmed:** Okay, to double it. How about the revenue growth? The revenue growth guidance can you?



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Mahesh Fogla: Sir, revenue growth will be happening also. But to be honest with you, we already got the revenue growth this year, 9 month to 9 month, 25%. Okay. So, revenue growth is not a...

Majid Ahmed: Will it be maintained, this 25%, will it be maintained in the coming years or it will be more?

Mahesh Fogla: Yes, we will all try to maintain it, but to be honest, it will come by own. But we are not very much concerned about the revenue growth. It will come, sir. We are more concerned about the margin expansion now, because ultimately we are not a startup company which will burn the cash. We want to make the money.

Majid Ahmed: Yes sir, absolutely, absolutely. All the very best. Thank you.

Mahesh Fogla: Thank you for talking to us.

Moderator: Thank you. Ladies and gentlemen, you may press "*" and "1" to ask a question. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

Mahesh Fogla: I once again thank you, all of you, who have asked that question or who have heard the call, for taking out their time to hear the call. Most of the points I already spoke about in my opening remarks. I can only tell you that we have noted your concern, and we are very much aware. Management is totally professionally managed, and every staff of the company is very much addicted to the growth of the company. And we assure you that things will improve only from now on. Thank you.

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