



“Patel Integrated Logistics Limited
Q1 FY '25 Earnings Conference Call”
August 02, 2024



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PATEL INTEGRATED LOGISTICS LIMITED
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MODERATOR: **MR. VIKRAM SURYAVANSHI – PHILLIPCAPITAL INDIA
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Moderator: Ladies and gentlemen, good day and welcome to the Patel Integrated Logistics Q1 FY '25 Earnings Conference Call hosted by PhillipCapital India Private Limited. This conference call may contain 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 guarantees of future performance and involves 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 touchtone 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 Laiba. 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 investment community. Management is represented by Mr. Mahesh Fogla, Executive Director and Mr. Avinash Paul, 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 adding this call. Very warm welcome to all who have taken the time out from their busy schedule to attend this call. Thank you once again for attending this call. Now let me read out a little financial number for the benefit of all of us.

We have an income from operation for the June quarter of before the including GST of INR96.76 crores and other operating income of INR12 lakhs. Total gross income from operation is INR96.89 crores. That is giving a growth of the 34.78 year-on-year increase in the percentage as compared to INR71.89 in Q1 of FY '24. This is the almost increase of revenue by 34.78% year-on-year. And so we have our focus on the turnover giving us these numbers and happy to inform all concerned for that. Traditionally otherwise this quarter remain tough for us compared to all other quarters of the year.

However, we are able to achieve the turnover almost near to the INR100 crores. That is basically the team has done a remarkable job. Further, our total revenue after GST is 82.67 crores. Again that the expenses are operation cost of INR75.1 crores, employee benefit expenses of INR3.38 crores, finance cost of INR45 lakhs. We have a continuous focus on reducing our interest cost and that helps us in now. I believe the lowest interest cost in the quarter in many years.

Depreciation and amortization expenses are INR71 lakhs. Admin and other expenses are in line with the earlier quarter and it is actually INR1.57 crores. Again, the same quarter of the preceding year of INR1.56 crores despite the inflation and everything. So, this helps us due to our cost cutting or the continuous focus on the cost control measures help us in containing our admin cost. Total expenses due to this is INR81.14 crores. Again, the revenue of INR82.67

crores giving us the profit of INR1.53 crores and that result in the EPS of INR0.24 paisa per share quarterly basis. So obviously again the EPS of INR16 paisa in the same quarter of the last year. So we had an increase in the EPS substantially by ideally almost by 50% increase in the EPS. Profit after tax increased by 47.71% year-on-year to INR1.53 lakhs compared to INR1.03 lakhs in the same quarter of the last year.

Our [inaudible 05:48] definitely also achieved due to our increase in sales volume by 12% year-on-year to 14,535 tons is the volume for this quarter which is 12% increase compared to the same quarter of the last year. So we are very [inaudible 06:22] or hopeful that we will end this year with definitely with a very high growth despite the distant global geopolitical condition, the regulatory challenges which are there which I will also explain in the subsequent also.

As we can see our PAT has been increasing year-on-year reflecting our strong performance and resilience among all the uncertainty whether the geopolitical regulatory all this. Further as we know people who attended earlier call know we have also the non-core real estate are there. So we are actively exploring opportunity to monetize our non-core real estate to further benefit our all stakeholders. That all are definitely there and at the same time let me come back to the numbers of the -- we have an [inaudible 07:29] segment also we give to the shareholders and the stock exchanges. So let me briefly explain the quarterly numbers of that revenue and the division wise numbers.

We have for the co-loading of air freight division INR95.87 lakhs. Other than that we have INR1.02 lakhs up and this we minus the GST then we have of INR14.78 lakhs. Then net income or net sales from operations are INR82.11. We have giving that the next result before the interest cost we have a INR1.97 lakhs from the air freight division and the other division has a negative of - small negative of INR11 lakhs giving us a net figure of INR1.85 lakhs less finance cost of INR45 lakhs add interest income of INR12 lakhs.

Profit before tax as we seen in the earlier we have a for this quarter INR1.53 lakhs profit compared to the same quarter of the last year of INR1.03 lakhs giving us the increase of 47.71%. We have assets deployed in the air freight division of INR124.96 lakhs and for the other division is INR61.55 lakhs basically the reality at the book value and again that liability is basically is at INR52.84 lakhs of the air freight division and other is the INR12 crores giving us net capital employed for the air freight division is the INR72.11 lakhs and other basically our reality division as a INR49 crores net figure at the book value, but definitely as we know also market value of the reality will be higher only.

Further we are all can just now seen the union government budget which are given also the important to develop airport across various cities also in the Bihar also as we know and at the same time we are observing that airlines are also focusing on making the cargo as a separate division also. So that will give – this will give definitely help us in improving our business. If there is more and more trust from the airline for the cargo and being a company which is a pan India and we have a large ecosystem already in place all over India.

So more and more cargo [inaudible 10:35] by the airline will give us definitely improvement in our business and help us in growing our business further. Another update I want to give to all

the shareholders about our mobile app which is launched in the name of FreightPILL. We are already launched the mobile app now it is on the actual use only in many locations now in our company and this will make our operation paperless and probably in our area of operation we are the first to launch the mobile app in the name of FreightPILL.

And as we all know that we are in the company has a non-core real estate also in the heart of the Mumbai many real estate in the heart of the Mumbai apart from the other places also and for that reason we are actively discussing with the many people to get the maximum benefits out of this real estate which are there. One that something because these are a big one and that is generally this type of thing takes time so the discussion going on but definitely we are hopeful in the very near future something on something gets finalized and we will be happy to inform all of you about our new benefit what we are doing and how we are monetizing our Real Estate.

We are also not only try to depend on now the 38th June 2024 is over in the significance of this date is that now if we want technically we can go into our traditional roadway business also so there is a definitely internal deliberations are going on. At the same time we are not only want to depend we are going we are in the high growth air freight business at the same time as a risk mitigation measure and also for the benefit of all if something new come up which in our line of business only we will be looking for that also we are not we are looking for both organic and inorganic growth.

We are in the of now definitely we are now the festival seasons are coming up starting from the independent day so we are expecting this quarter actually already doing will do well and subsequent quarter also will do well only by this I close my comment right now. Over to Vikram please. Hello?

Vikram Suryavanshi: Yes sir. So we'll start with 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 from PhillipCapital. Please go ahead sir.

Vikram Suryavashi: Yes I think by the time question queue assemble. So sir if you look at last quarter we had a discussion about some tax refund is expected and even this quarter there was no tax provision. So how will be the effective tax for us going ahead or even on full year basis?

Mahesh Fogla: Yes correct. Definitely the we are within the we do within the law only the tax planning and our tax refund not came as we are expecting because as you know, the all the tax department are getting more and more, I can tell you more aggressive or whatever language I don't want to do that language. So they want to more checking and all these are going on.

As you know that yesterday also enforcers has got a GST notice. We also received some GST notice today only. That all is going on that I was talking about the regulatory challenges that only referring for that regulation good actually you pointed out to me. But look Vikram within the law we are a compliant company full compliant company and we want to be 100% compliant follow the rule of the law and within the rule of the law whatever the tax has to be paid we will pay but which is not required by the law we will not pay but which is required by the law or compliance we will pay. That's the way we plan our affair.

- Vikram Suryavashi:** Understood, but as a full year basis broadly how much will be our effective tax as a percentage of PPT?
- Mahesh Fogla:** Vikram, it is difficult to tell right now only for this point, but at the one or two quarter progress we will but at rest period, we will be keeping the interest of all the shareholders in mind and we will plan the affairs like that only, with the full compliance.
- Vikram Suryavashi:** Understood sir. And with the sale of this Chennai land facility now we were looking for Pune location so any progress or development or what kind would be scope of activity at Pune location?
- Mahesh Fogla:** Yes, it is progressing but at the same time we have not finalized any paper document as such till now. So we will not be able to comment much but definitely the discussions are going on I can tell you, but still there's some agreement of time which is very difficult to confirm the things are happening.
- Vikram Suryavashi:** But is the location is it finalized or...
- Mahesh Fogla:** Location is zero on, but at the same time discussions and negotiations are going on then there's no challenge in the location as such, but discussions and negotiations are going on and which is beneficial to us we will do we want to very cautious also before taking any plunge, so that's the reason we are taking our entire focus cautious we look from all the angles, if it is more or less we become a nobody can predict the future, but if it's 100% from right now visibility is there and 100% confirmed then we want to plunge that the region is taking time.
- Vikram Suryavashi:** Understood and if you look at our volume growth was pretty strong so can we get a breakup between say what was the volume for domestic in terms of tonnage and international for this quarter and last year same quarter?
- Mahesh Fogla:** Yes, definitely same quarter compared to the same quarter of last year we have a last same quarter of last year we have if I talk about the domestic one is what can I give you the kg figures are ready with me for kg?
- Vikram Suryavashi:** Okay.
- Mahesh Fogla:** INR1,13,113,34,991 Compared to this quarter, we have achieved INR1,26,166,1763. So basically INR12,616, if we talk about tonnage. And the international also there is a jump is there if I talk about the -- in the tonnage only 1,629 or 30 you take a round figure 1,630 in the June quarter of last year. And in this in tonnage I'm talking about now and this quarter we achieved 1,918.
- So overall if I talk about, we have a 12,964 in the last quarter of -- same quarter of the last year 12,964 tonnage. And this year we have achieved that in this quarter we have achieved the increase in the volume by 12% giving us 14,535. So definitely there is an increase in the volume is there and as we can see the things which are going internationally, I think increasing more than the domestic but as the festive seasons are coming up, we expect the domestic also to pick up.

- Vikram Suryavashi:** Understood. So our gross margin impact is also because of this mixed change or is there anything else because if you look at typically we used to do gross margin of 10%, 11% if you do the revenue?
- Mahesh Fogla:** In this quarter it little bit come down only because of the product made international are doing more than the domestic and international there are margins are little lower. So it marginally has came down compared to the earlier quarter I'm talking about but overall definitely the sales have improved so overall margins have improved but in the percentage terms I have my gross margin percentage term is 0.5 % came down because of product mix nothing else overall.
- Vikram Suryavashi:** Understood, but okay so there is no other reason apart from the product mix in terms of competition or something.
- Mahesh Fogla:** No, in fact the average is like it's coming up only.
- Vikram Suryavashi:** Okay and any update on right issue we have no BSE notice but just to follow up on that.
- Mahesh Fogla:** Which BSE notice?
- Vikram Suryavashi:** BSE notice on this rights issue.
- Mahesh Fogla:** Yes, rights issue that we have already got approval as you know also and just to inform to all concerned definitely this time it will not be at the par it will be at the premium only so it will be near we will be trying to more because we want to protect the interest of all the stakeholders so we don't want that a price get affected or other so we want we will ensure that it is more or less in align with market sizes. Yes, we are in the process of preparing the letter and all this one and at the right time definitely we will come out with that only but it's a very small issue just to tell you it's more like compliance measure than the right issue it will be only a hardly I think maybe around the INR40 lakhs to INR50 lakhs here not more than that.
- Vikram Suryavashi:** Okay, we'll wait for more questions.
- Moderator:** Thank you very much. Ladies and gentlemen as there are no further questions I now hand the conference over to Vikram Suryavanshi for closing comments.
- Vikram Suryavashi:** Yes, we thank the management of Patel Integrated for giving us an opportunity to host the call and taking time out for interaction with the stakeholder. Any closing comment from you sir?
- Mahesh Fogla:** Yes, only I want to further update we also have every corporate or many not every corporate many corporates are receiving the GST notice. Today only we received the GST notice also but rest SEO definitely we will contest and our belief is that it's like more an officer want to keep the timeline in check and all that's why they are using the left right notice but we will not have any financial impact due to this.
- I just want to update to all concerns and definitely we will protect the interest of all the stakeholders and as you were mentioning we were all we were all geared up for the festive decisions are coming up and very hopeful that the things will improve further for us and for that reason.



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I want to give my season greeting to all of them because now from the independent day 15th August the festive season are starting wish all of them a very happy independence day then the Raksha Bandhan and Lohri festivals are coming up. Once again thank you all of you who attended this call from by taking time out of your busy schedule and giving an opportunity to explain our updates and explain our company's financial number to you as well as the other things to you. Thank you once again to all of you.

Moderator:

Thank you. On behalf of PhillipCapital India Private Limited that concludes the conference. Thank you for joining us and you may now disconnect your lines.