Management Discussion

Unidentified Speaker
Good afternoon, ladies and gentlemen. On behalf of the CapSide Advisors team, I welcome you all to the H1 FY27 post-earnings conference call of Shree Vasu Logistics Limited. Today on the call from the management, we have with us Mr. Atul Garg, Managing Director, Mr. Nivesh Patel, Chief Financial Officer, and Mrs. Monali Makija, Company Secretary and Compliance Officer. As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainty.

Please note that all participant lines will be in listen-only mode, and there'll be an opportunity for you to ask questions after the opening remarks. Also ensure that you raise hands to get in line for your questions. Further, a reminder that this call is being recorded. I would now request the management to brief us about the business and financial performance for the period ended September 2027, post which we will open the floor for Q&A. Over to you, Atul sir. Good afternoon everyone, and thank you for joining the Shree Vasu Logistics earnings call for the half year ended 30th September 2026.

I am joined by our Chief Financial Officer Nevas Patel and Company Secretary Monali Makija. So for those who, who are new to our story, we began in Raipur in 1987 as FMCG distributors Today we are a listed logistics company with 3 revenue streams: third-party logistics, part PTL transportation, which is called secondary transportation, and warehouse leasing. Our 3PL business covers CNF and depot operations, in-plant logistics, secondary transportation, infrastructure for e-commerce and quick commerce.

Transportation combines our own fleet with partner vehicles, and leasing adds steady annuity-style income. We operate in 16 states and 1 union territory and in 43 cities with 2.6 million square feet of warehousing space, 100+ own vehicles, and more than 10,000 trained employees serving over 136 enterprise clients. All of this runs on a technology stack we built and own, which powers our zero phone call operations. I will move on to give you a brief on our half-yearly unaudited limited review. Reviewed financials, H1 FY27 versus H1 FY26.

Turning to results, I am pleased to report a strong first half with growth in both turnover and earnings. All figures are standalone. For H1 FY27, revenue from operations was Rs 144.98 crores, up 37.2% from Rs 105.7 crores in H1 FY26. EBITDA rose 38.6% to Rs 37.2 crores from Rs 26 crores, with the margin at 25.7% against 24.6%. Profit after tax grew, grew 171% to Rs 8.4 crores from Rs 3.1 crores, and earnings per share were Rs 7.25 against Rs 2.68. Q1 FY27 versus Q1 FY26. Looking at the quarters, Q1 set the pace.

Compared with Q1 FY26, revenue rose 30% to Rs 64.8 crores from Rs 49.8 crores. EBITDA rose 34% to Rs 16.7 crores from Rs 12.4 crores, and profit after tax rose 74% to Rs 3.3 crores from Rs 1.9 crores. Q2 FY27 versus Q2 FY26. Q2 carried the momentum, momentum forward. Revenue was Rs 80.2 crores, up 43.2% from Rs 56 crores in Q2 FY26. EBITDA was Rs 20.5 crores against Rs 13.6 crores, and profit after tax was Rs 5.1 crores against Rs 1.2 crores. Q2 FY27 versus Q1 FY27. Within the half, Q2 also improved on Q1. Revenue grew 23.9% sequentially from Rs 64.8 crores.

EBITDA moved to Rs 20.5 crores from Rs 16.7 crores, with the margin at 25.6% against 25.8%, and profit after tax moved to Rs 5.1 crores from Rs 3.3 crores. So the things that drove this performance was our strong order book for new clients, and at the same time, we strengthened our execution part by adding strong leaders in our company. We have been getting repetitive business from our current clients in the new territories. Also, we were able to turn around the new business that we

started last year. On the upcoming quarters, we would like to inform that our client base continues to broaden with new clients adding up continuously alongside repeat business getting generated from our clients in new territories.

Now we are operational all across India with proper regional team setups and will be further scaling up in all zones in coming months. Looking ahead, our strategy is very clear. We aim to scale up our warehousing footprints across high-demand zones, adopt, adopt advanced supply chain automation, and deepen our relationships with marquee enterprise clients. With our customer-first approach and professional leadership team, we are confident in delivering sustained long-term value to all our stakeholders.

Thank you once again for your continued partnership and confidence in Shree Vasu Logistics. We are now ready to take your questions. I will now hand over the floor to the moderator for question and answer sessions. Thank you, thank you, sir. We'll now begin with the Q&A session. Let us wait for 2 minutes as the queue gets formed. I would request attendees to raise hands whomsoever have any queries, please. Yeah, now I think the first question is from Rajkumari Duggad. Hello? Yes. Hello. Hi sir, I'm Rajkumar, an individual investor.

I have a couple of questions to ask. The first question is, how concentrated is the client book? How has that changed? And what is the renewal and churn experience with the VGC clients? I think the voice is very low, Rajkumar ji. Can you repeat the question? Hello, am I audible, sir? Now it's better. My question is, how concentrated is the client book? How has that changed, and what is the renewal and churn experience with legacy clients? So our client book is well spread and we have almost like 136 clients we are working with, out of which around 30% business comes from top 20 clients.

So technically speaking, we are not dependent on any one or two clients. We have clients like Dabur, Parle, JK Tyres, for which we are working in multiple locations. And, uh, the kind of business we are into, it's a long-term partnership. So normally, uh, it doesn't depend on any kind of renewal activity because we are holding crores of stock for them. Yes, sir. And my second question is, are you evaluating any acquisition, and how do you view inorganic growth against the greenfield capacity given your leverage?

So we are open to acquisition offers, uh, but as of now, a lot of organic growth is coming in for us, so we are focusing on that. Okay, thank you so much, sir. Okay, next question is from, uh, I think that Q- Sir, I see there are no other questions from participants, so we'll wait for another 2 minutes for if there are any queries. Okay, there is a new participant. His name is unknown, so we'll allow him to ask the question. Yes. Hello, good afternoon. Good afternoon, ji. My question is, uh, what share of your 750 vehicles is owned versus attached or hired?

What is the utilization and what are the fleet modernization and EV plan? So basically, uh, what we do is we send all these stocks to various distributors on behalf of our clients. So we are using multiple modes. So we have our own fleet of around 125 vehicles, so that we are using so that the market doesn't blackmail us. Then we have market hired vehicles which we hire directly from the market on day-to-day basis. Then third mode is the contract transporters where we use them for sending small part loads.

And the fourth is couriers. So at times where the parcel loads are very small, we are sending stocks through courier also. Okay. And what are our EV plans? So we have started deploying EVs, but as of now, the overall acquisition cost and running cost is higher than the normal vehicles available in the market. So we are going slow on that. Okay, so not in short terms, right? Sorry? Not in short terms you are planning? No, so we don't, because everything is back to back cost back for us. So [Foreign

Speech] running cost [Foreign Speech] acquisition cost, [Foreign Speech] we may shift.

So it's always a comparative Cost analysis. Based on that, we take the decision. Yes, yes. Yeah. And, uh, next one is, uh, uh, what are your insurance covers and sinkages and claim experiences? In respect to the vehicles? Yes. So we hardly have- all across India, whatever business we are doing, one or 2 such incidents happen during the year. Because of some unavoidable instances. Yes. Yeah, circumstances. Apart from that, we don't have any such major issues around this. Okay. Okay. Is there any GST demand on that insurance claims or something?

No. Okay. Because it's a The client's invoice is there. The material which we are carrying, it is client's invoice, it is not our invoice. So depending on which client's stock got accidented, they have their own survey policy insurance guy appointed. Yes, they come and do all the formalities. Yes, yes. Yeah, right. Thank you then. Thank you, ji. Sir, we'll wait for another minute. Uh, there are no further hands raised, so if there are no questions, then we can move ahead to close the call. Sir, there are no further questions.

I think we'll go ahead to conclude the call. Thank you, management. Ladies and gentlemen, this concludes the H1 FY27 post-earnings conference call of Shree Vasu Logistics Limited. You may now disconnect. Thank you and have a pleasant day. Thank you so much.