



Snowman Logistics Limited
Annual Report, 2015-16

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Our performance 2015-16

Revenues (Rs. crore)

240.13

EBIDTA (Rs. crore)

50.73

PBT (Rs. crore)

13.09

PAT (Rs. crore)

20.61

Cash profit (Rs. crore)

36.42

EBIDTA margin (%)

21.13

PAT margin (%)

8.49

Cash profit margin (%)

15.17

Capacity utilisation (%)

74

Debt-equity ratio

0.33

Capacity additions (Pallets)

13,000

About The Group

Gateway Distriparks Limited (GDL) is a leading integrated logistics facilitator in India with three synergetic verticals – Container Freight Stations (CFS), Inland Container Depots (ICD) with rail transportation, and Cold Chain Logistics. Gateway Rail Freight Limited, a subsidiary of GDL, provides inter-modal logistics and operates rail-linked Inland Container Depots.

Company Profile

- Established in 1993, Gateway acquired majority shareholding of Snowman in 2006
- Promoted by Gateway Distriparks Limited, one of India's largest logistic solutions provider
- Investors include Mitsubishi Group, International Finance Corporation and Norwest Venture Partners

Presence

- Corporate office in Bengaluru
- 30 temperature controlled warehouses in 15 cities, having a capacity of 98,500 pallets
- Listed and traded actively on NSE and BSE as 'Snowman'

Clients

The Company's clientele comprises prominent brands from diverse industries like pharmaceuticals, meat and poultry, seafood, fruits & vegetables, ice cream, confectionery, dairy products, quick service restaurants, ready-to-eat, processed foods, and industrial products among others.

Certifications & Affiliations

- ISO 22000 for food safety management

- ISO 14001 for environment management
- All warehouses comply with FSSAI norms
- Four FDA approved warehouses in select locations
- Global Cold Chain Alliance
- International Association of Refrigerated Warehouse
- World Food Logistic Organisation

Competencies

- Integrated warehousing, primary & secondary distribution services
- ERP based inventory management & control
- Real time temperature monitoring
- Value added services customised for all locations
- Group infrastructure for providing Import & Export services

Infrastructure

Warehousing

- 98,500 pallet capacity in 30 warehouses
- Multi facility use of environment-friendly refrigerants
- Chambers designed to accommodate products in the temperature range of +20 to -25°C
- 100% power back-up with multi-generator
- State-of-the-art equipment
- Fully palletised; zero product damage
- Blast freezer with a refrigerant temperature of -40°C

Distribution

- Part cargo consolidation and movement
- Point-to-point (full truck load) service
- Customised milk run and door pickup /delivery
- 300+ reefer vehicles
- Last mile distribution, multi-mode for air shipment
- Plugin facility at each warehouse
- Real-time vehicle tracking and temperature monitoring via GPS
- Trained drivers ensure safe and timely delivery



98,500

No. of Pallets

30

No. of Warehouses

15

No. of cities



300+

Reefer vehicles

22,54,732

(sq. ft.) Cumulative
space covered by the
warehouses

400+

No. of cities covered
by vehicles

Chairman's Statement



Dear Shareholders,

IN LINE WITH THE GROWING NEED FOR TEMPERATURE-CONTROLLED INTEGRATED LOGISTICS SERVICES, YOUR COMPANY GREW ITS CAPACITY 15% IN 2015-16. THIS RAPID CAPACITY ACCRETION WAS ALSO NECESSITATED BY THE NEED FOR THE COMPANY TO ACQUIRE CRITICAL MASS, WHICH IN TURN WOULD ENRICH OUR BRAND AND TRANSLATE INTO ENHANCED CUSTOMER ACCRETION. THIS AGGRESSIVE CAPACITY ADDITION WAS INTENDED TO ENHANCE OUR ECONOMIES OF SCALE, STRENGTHENING OVERALL COMPETITIVENESS, TRANSLATING INTO A ROBUST FOUNDATION OF PROFITABILITY AND SUSTAINABILITY.

At Snowman, we believe that this strategic direction was validated by the financials. Your Company reported CAGR revenue growth of 31 per cent in the five years ending 2015-16 and a profit after tax growth of 27 per cent during the period. This growth was 2x the sector growth average, validating our strategic priority.

Following this aggressive business investment over the last five years, the time has come to consolidate our capacity addition and enhance value from our existing assets and facilities. We believe that such an approach will enhance our asset utilisation, revenues from existing assets and return on employed capital. At the same time Snowman will continue to invest in building capacity further with a goal of growing by 15-20% every year.

In this financial year, there have been some changes in the business model of Snowman after the management changes which took place during the year. Under the new leadership team, the Company

is now focused on its core business of temperature controlled warehousing for frozen and chilled products and has decided to cater to the distribution business only related to our warehousing business. With these changes and a reduced fleet size, which is fully owned instead of leased, the transportation margins have improved with better control and higher capacity utilisation.

Snowman Logistics was a first-mover in India's warehousing business, offering specialised temperature-controlled warehouses. The company's infrastructure comprised compartmentalised temperature-controlled and power-backed warehouses proximate to key consuming markets coupled with mechanised product handling. Gradually, the Company widened the moat, graduating one-off business transactions into long-term relationships marked by quality considerations over price. In addition to this, your Company selected to invest in transport services

as an ancillary support to the overall warehousing business which increased the share of specialised customers in the portfolio, which enhanced returns on pallet investments.

Note of thanks

I wish to thank all our stakeholders - shareholders, investors, bankers, customers, vendors and employees - who have demonstrated faith in our business model and in the Company's vision. I assure that the outlook appears promising and we expect to report sustained market outperformance going ahead.

Regards,

Prem Kishan Dass Gupta
Chairman

Board of Directors



Prem Kishan Dass Gupta
Chairman



Mrs. Mamta Gupta
Director



Mr. Shabbir Hassanbhai
Independent Director



Mr. Tomoyuki Masuda
Director



Mr. AKT Chari
Independent Director



Mr. Michael Philip Pinto
Independent Director



Mr. Bhaskar Avula Reddy
Independent Director



Mr. Saroosh Dinshaw
Independent Director



Mr. Arun Kumar Gupta
Independent Director



Mr. Pradeep Kumar Dubey
Whole-time Director & COO