

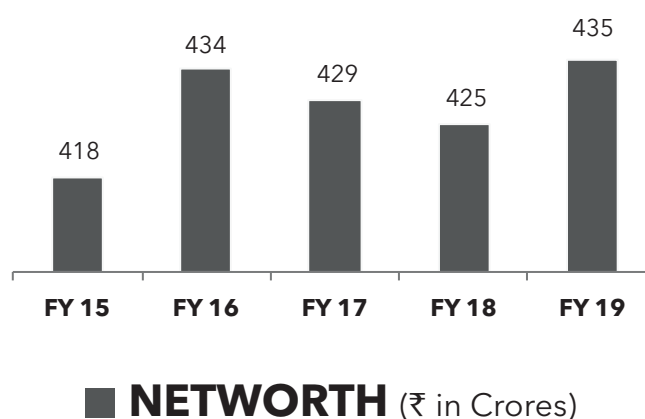
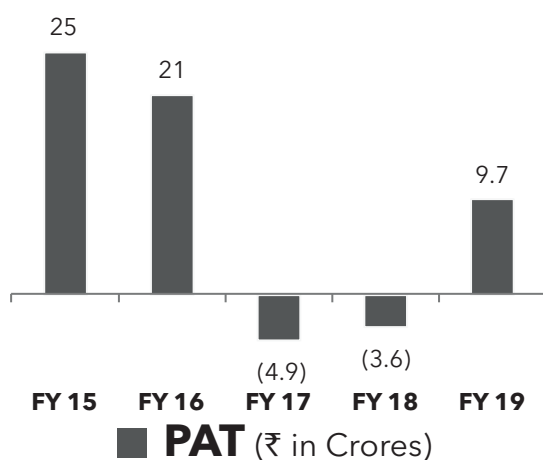
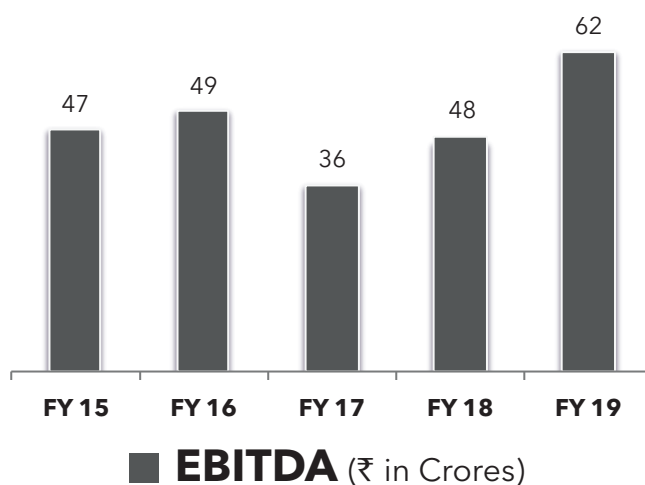
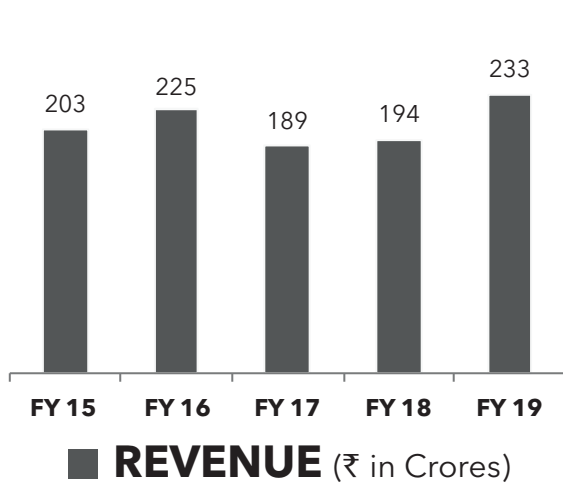


Annual Report **2018-2019**



SNOWMAN LOGISTICS LIMITED





51.64

Cash Profit (₹ in Crores)

27%

EBITDA Margin (%)

0.21

Debt Equity Ratio

1,04,343

Pallet Capacity

293

No. of Vehicles

31

No. of Warehouses

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Prem Kishan Dass Gupta
Chairman

Chairman's Statement

Dear Shareholders,

I am pleased to present the Annual Report to you, for the financial year ending 31st March 2019.

In FY 2018-19, the Revenue of the Company was Rs. 232.55 crores as against Rs. 194.28 crores in the previous year. EBITDA increased to Rs. 62.24 crores from Rs. 48.31 crores, PBT increased to Rs. 10.86 Crores from a loss of Rs. 3.56 Crores and PAT increased to Rs. 9.72 crores from a loss of Rs. 3.56 crores in the previous year.

Growth has always been a vital component for us at Snowman. The downswing did not deter our commitment towards this, and we implemented several key measures and initiatives that will set the tone of growth and profitability in the years to come. We are constantly upscaling ourselves and expanding our network with a long-term outlook to meet the increasing demand for an end-to-end cold chain logistic service provider. We are confident that this performance is sustainable. Further expansion is currently in the pipeline with new locations being planned.

We see growth in QSR, pharmaceutical and organized food retail to be amongst the biggest drivers of the cold chain market in India. With the growth, we expect consumers to get access to a very large variety of fresh fruits and vegetables, dairy products, meat and poultry products and a number of other temperature sensitive commodities that require cold chain storage and transportation. There has been a marked improvement in the consumer demand for processed foods. The Indian government has also announced the intent of establishing several mega food parks. This augurs well for the development of the cold chain industry in the country. A number of healthcare products such as vaccines, biopharmaceuticals as well as clinical trial materials are heat sensitive and must be stored at temperatures ranging from 2°C - 8°C. With India's vaccine, biopharmaceutical and clinical trials market expected to grow at double digit growth rates, we expect a strong demand of efficient cold chain facilities in the coming years.

Note of Thanks

I wish to thank all our stakeholders - shareholders, investors, bankers, customers, vendors and employees for their continued support.

Regards,

Prem Kishan Dass Gupta
Chairman

Board of Directors & Committees

Board of Directors

Mr. Prem Kishan Dass Gupta
Chairman
Mrs. Mamta Gupta
Director
Mr. Mamoru Yokoo
Director
Mr. Shabbir Hakimuddin Hassanbhai
Independent Director
Mr. Anil Aggarwal
Independent Director
Mr. Bhaskar Avula Reddy
Independent Director
Mr. Arun Kumar Gupta
Independent Director
Mr. Sunil Prabhakaran Nair
CEO & Whole Time Director

Audit Committee

Mr. Shabbir Hakimuddin Hassanbhai
Chairman
Mr. Prem Kishan Dass Gupta
Member
Mr. Bhaskar Avula Reddy
Member

Nomination And Remuneration Committee

Mr. Shabbir Hakimuddin Hassanbhai
Chairman
Mr. Prem Kishan Dass Gupta
Member
Mr. Bhaskar Avula Reddy
Member

Stakeholders Relationship Committee

Mr. Prem Kishan Dass Gupta
Chairman
Mr. Arun Kumar Gupta
Member
Mr. Mamoru Yokoo
Member

Corporate Social Responsibility Committee

Mr. Prem Kishan Dass Gupta
Chairman
Mrs. Mamta Gupta
Member
Mr. Arun Kumar Gupta
Member

Bankers

HDFC Bank Limited
Yes Bank Limited
State Bank of India
IndusInd Bank

Internal Auditors

Price Waterhouse,
Chartered Accountants

Secretarial Auditor

Mr. Nagendra D. Rao
Practicing Company Secretary

Registered Office

SNOWMAN LOGISTICS LIMITED

Plot No.M-8, Taloja Industrial Area,
MIDC, Raigad, Navi Mumbai,
Maharashtra - 410 206.
Tel: +91 22 39272010

Corporate Office

SNOWMAN LOGISTICS LIMITED
No.54, Old Madras Road,
Virgo Nagar, Bangalore,
India - 560 049

Email: investorrelations@snowman.in

Website: www.snowman.in

CIN: L15122MH1993PLC285633

Auditors

S.R.Batliboi and Co.LLP,
Chartered Accountants

Registrar and Transfer Agents

Link Intime India Private Limited

DIRECTORS' REPORT

To
The Members,

The Board of Directors are pleased to present the Annual Report of the Company together with the Audited Statements of Account for the financial year ended 31 March 2019.

Your Company is pleased to inform you that 2018-19 has been a profitable year with company posting a PAT of Rs.972 Lakhs (P.Y. -356 Lakhs).

This has been possible due to a concerted effort by the team and several ground breaking measures implemented; Keeping the customer at the core of our operation we are offering customized solutions to meet their requirements. This single window approach has ensured customer retention and an increase in the share of customer expenditure pie towards meeting their logistic requirement. We also implemented several initiatives to ensure cost reduction and achieve better operational efficiency. The undaunting spirit of the team deserves a mention, that has helped us wade over difficult times with renewed commitment and enthusiasm.

Financial Performance

Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)	Growth
Pallet Capacity	1,04,343	1,06,964	(2%)
Fleet Strength	293	293	0%
Revenue From Operations	23,255	19,428	20%
Other Income	325	385	(16%)
Total Income	23,580	19,813	19%
EBITDA	6,224	4,831	29%
EBITDA%	27%	25%	
PBT	1,086	(356)	405%
PBT%	5%	(2)%	
PAT	972	(356)	373%
PAT%	4%	(2)%	

Management Discussion & Analysis

Operations

During the year the Company recorded sales of Rs. 23,255 lakhs as compared to Rs. 19,428 lakhs, an increase of 20%. EBITDA of Rs. 6,224 lakhs as against Rs. 4,831 lakhs which is an increase of 29%. The PBT showed a vast improvement as compared to the previous year with losses coming down from (356) lakhs to profit of Rs. 1,086 lakhs during the current year.

Restructuring of the customer industry mix has helped us in better cost optimization. Our focus towards offering end to end solution and allied value-added services, has helped us to optimize overhead costs. Our initiatives in process improvements and Information Technology is well appreciated by our customers. We are happy that we have gained a lot of customer confidence and thus improved utilizations.

Outlook

With the challenges of demonetization and GST implementation behind us, the times ahead look very promising for the industry. Sea food, retail and pharma as well as other customers using our services have projected robust growth figures for the coming year which augurs well for the Company. Further with stringent implementation of FSSAI underway, customers have realized the value of using the services of quality players like Snowman.

Competition

The Company continues to enjoy leadership position in the industry. However, given the tremendous potential of the sector, we are seeing several new entrants foray into the business each year. While we are mindful of these developments, we see this as a validation of the growth potential the industry has to offer. Furthermore, we welcome healthy competition as it inspires us to do better and keep innovating for our clients.

Cautionary Statement

Statements made in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might vary materially from those either expressed or implied.

Share Capital

The paid-up share capital of your company is 167,087,995 equity shares of Rs.10/- each. There were no changes during the year.

Dividend

Keeping in mind the Company's growth plans and hence the need to conserve cash, the Board of Directors have not recommended any dividend for the year.

Board of Directors

As on date, the Board of Directors of the Company comprises eight Directors of which four are Non-Executive Independent Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the

criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The information related to remuneration of director as required under Section 197(12) of the Act is given at the end of the report.

Nomination, Remuneration and Board Evaluation Policy

The Nomination, Remuneration and Board Evaluation Policy contains the criteria for determining qualifications, positive attributes and independence of a director and policy relating to the remuneration for the directors, key managerial personnel and other employees of the Company. The Nomination and Remuneration Policy forms part of this report as "Annexure C" and are also available on the website of the Company.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Meetings

During the year 4 (Four) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period stipulated under the Companies Act, 2013.

Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are

adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on corporate governance practices followed by the Company together with the certificate from the Company's Secretarial Auditor confirming compliance forms part of this report as "Annexure A"

Auditors

Statutory auditors

Pursuant to Provisions of Section 139 of the Companies Act 2013 and the rules framed thereunder, M/s S.R. Batliboi & Co.LLP Registration number 301003E/E300005, Chartered accountants were appointed as statutory Auditors of the Company from the Conclusion of the 24th Annual General Meeting of the company held on 2nd August, 2017 for a term of five Consecutive Years subject to ratification of their appointment at every annual general Meeting.

Pursuant to Companies Amendment Act, 2017 read with the Companies (Audit and Auditors) Second Amendment Rules, 2018, with effect from 7th May, 2018, the requirement for placing the matter relating to Appointment of Statutory Auditors for ratification by members at every annual general meeting, during the term of their appointment, has been done away with. In view of the above M/s. S.R.Batliboi and Co. LLP (Firm Registration No. 301003E/E300005), continuous to be the statutory auditors of the Company, till the conclusion of the 29th AGM to be held in the calendar year 2022.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Nagendra D Rao, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The report is annexed herewith as "Annexure B"

Secretarial Compliance Report

Pursuant to Regulation 24(A) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other provisions as may be applicable, the Company has obtained the Secretarial Compliance Report from Mr. Nagendra D Rao, Practicing Company Secretary. The report is annexed herewith as "Annexure J"

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prohibition of insider trading, as approved by the Board is in force by the Company. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of the Company at the time when there is unpublished price sensitive information. The Board has appointed Mr. A. M. Sundar, Chief Financial Officer and Company Secretary as the Compliance

Officer under the Code.

Corporate Social Responsibility

During the year 2018-19, as a part of its corporate Social Responsibility, the company has contributed Rs.3 Lakhs in accordance with the schedule VII of the Companies Act 2013 and corporate Social Responsibility policy of the Company to Kalinga Institute of Social Science (KISS), Bhubaneswar, which is a fully free, fully residential home for 37000 (27000 pursuing + 10000 graduated) poorest of the poor tribal (indigenous) children who are provided complete and holistic education from Kindergarten to Post Graduation along with vocational and life skill empowerment.

The Annual Report on CSR activities is annexed herewith as "Annexure D".

Internal Control and Internal Audit

The Company has in place adequate systems of Internal Control to ensure compliance with policies and procedures. The Company has a system of carrying out internal audit, covering all business processes to review the internal control systems. The internal control system and mechanism is reviewed periodically by the Audit Committee to make it robust so as to meet the challenges of the business.

Vigil Mechanism

The Company has a vigil mechanism in place named as Whistle Blower Policy to report concerns to the management about unethical behavior, actual or suspected fraud or violation of the Codes of conduct. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

Related Party Transactions

The related party transactions as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended March 31, 2019 are given below. Suitable disclosure as required by the Indian Accounting Standards has been made in the notes to the Financial Statements.

The company purchased a land parcel from Gateway Distriparks Limited for Rs.2.46 Crores at Krishnapatanam in the ordinary course of business. The above transaction has been carried out at the prevailing market price after getting a valuation from an Independent valuer.

Particulars of Loans Given, Investments Made, Guarantees Given or Security Provided by the Company

The Company has not given any loan or any guarantee or security.

Particulars of Contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to in section 188 (1) of the Companies Act, 2013 are given in form AOC-2, which is annexed to this report as annexure I. Details of policy determining material subsidiaries and the policy for dealing with related party transactions can be accessed by clicking on the Company's website www.snowman.in.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure E".

Employee Stock Option Scheme

The details of stock options as on 31 March 2019 under the Snowman ESOP Scheme 2012 is set out in the "Annexure F" to the Directors' Report.

Human Resources

The Company is committed to provide a healthy environment to all employees and thus does not tolerate any discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received by the Company during the period under review.

The total number of employees as on 31 March 2019 was 399 as against 394 as on 31 March 2018.

Particulars of Employees

Information in accordance with Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company is annexed herewith as "Annexure G"

Subsidiaries/Associates

Information about Subsidiaries/Associate/Joint Ventures are given in Form AOC-1, which is annexed as Annexure H to this report.

Disclosure under Section 134 (3)(m)

Conservation of Energy

The Company continues to give the highest priority for conservation of energy by using a mix of technology changes, process optimization methods and other conventional methods, on an on-going basis.

Technology Absorption

The Company continues to lay emphasis on development and innovation of in-house technological and technical skills to meet the specific customer requirements. Efforts are also being made to upgrade the existing standards and to keep pace with the advances in technological innovations.

Foreign Exchange Earnings and Outgoing

- i) Expenditure in foreign currency : Nil
- ii) Earnings in foreign currency : Nil

Acknowledgements

The Board of Directors thank all the stakeholders of the Company including its customers, shareholders, bankers, vendors for their continued support and assistance and look forward to having the same support in our future endeavors. The Directors also place on record, their sincere appreciation for significant contributions made by the employees towards the success and growth of the Company

For and on behalf of the Board of Directors
For **Snowman Logistics Limited**

Place: New Delhi
Date: May 13, 2019

Prem Kishan Dass Gupta
Chairman

Remuneration of Director

Details of Ratio of Remuneration of Director [Section 197(12) and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Sl. NO	Name of Director	Remuneration of Director for financial year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Sunil Prabhakaran Nair CEO & Whole time Director	10,800,996	36.09

ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Sl. NO	Name of Director	Remuneration of Director for financial year 2018-19	% increase in Remuneration in the Financial Year 2018-19
1.	Mr. Sunil Prabhakaran Nair CEO & Whole Time Director	10,800,996	8%
2.	Mr. A. M.Sundar Chief Financial Officer & Company Secretary	7,170,696	6.60%

iii. The percentage increase in the median remuneration of employees in the financial year is 6.74%.

vi. There were 399 permanent employees on the rolls of Company as on 31 March 2019.

v. Relationship between average increase in remuneration and company performance:
The increase in company revenue for the Financial Year 2018-19 over 2017-18, was 20% and the average increase given to employees was 9%. The average increase in remuneration is based many other factors like overall budgetary impact within the Company.

vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

The remuneration of the Key managerial Personnel was 0.77% of revenue from operations.

- vii. A) Variations in the market capitalization of the company:
The market capitalization as on March 31, 2019 was Rs.550.55 crores and Rs. 747.72 crores as on 31, March 2018.
- B) Price Earnings ratio of the Company was 56.81 as at March 31, 2019 and was (213.09) as at March 31, 2018
- C) The net worth of the company as at the close of the current financial year was Rs.435.05 cores and previous financial year was Rs. 425.28 crores.

- viii. Average % increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the % increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average % increase was 9% for all employees who went through the review cycle in the year. The average % increase for the key managerial team was 7.44%.

- ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

Name of the WTD/KMP	% of revenue from operations	% of PAT
Mr. Sunil Prabhakaran Nair	0.46%	11.11%
Mr. A.M. Sundar	0.31%	7.38%

- x. The key parameters for any variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.
There are no variable component of remuneration availed by the directors.
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year -Not Applicable; and
- xii. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy of the Company.