



SNOWMAN LOGISTICS LIMITED
(Formerly Snowman Frozen Foods Limited)
Twenty First Annual Report
2013-14

SNOWMAN LOGISTICS LIMITED

(Formerly Snowman Frozen Foods Limited)

Twenty First Annual Report

2013-14

Board of Directors

Mr. Gopinath Pillai	– Chariman
Mr. PremKishan Gupta	– Vice Chairman
Mr. Shabbir Hassanbhai	– Independent Director
Mr. Saroosh Dinshaw	– Independent Director
Mr. M. P. Pinto	– Independent Director
Mr. Masakazu Sakakida	– Independent Director
Mr. A.K. T. Chari	– Independent Director
Mr. Ravi Kannan	– CEO and Director

Statutory Auditors

Price Waterhouse, Chartered Accountants

Internal Auditors

Varma & Varma, Chartered Accountants

Company Secretary & Chief Financial Officer

Mr. A.M. Sundar

Registered Office & Corporate Office

Sy.No. 36/1, Virgo Nagar,
Old Madras Road, Bandapura Village
Bidarehalli Hobli, Bangalore – 560 049
Karnataka

Bankers

HDFC Bank Limited
Indusind Bank Limited
YES Bank Limited

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting their Directors Report on the business and operations of the Company and the financial statements of the company for the year ended 31st March 2014.

Your Company continues to be the largest integrated temperature controlled logistics service provider in the country with a total temperature controlled warehousing capacity of 58,543 pallets and 3,000 ambient pallets comprised of 23 temperature controlled warehouses across 14 locations as on March 31, 2014. As of March 31, 2014, we operated 370 Reefer vehicles consisting of 307 leased and 63 owned vehicles. The Company believes that the expanded warehousing operations coupled with the standard and quality of service the Company offers will augment your Company's growth.

Financial Performance

(₹ in Million)

Particulars	2013-14	% Growth	2012-13
Income:	1534.07		1136.95
Revenue from operations	18.26		4.08
Other Income	1552.33	36%	1141.03
Total Income			
Expenditure:			
Operating Expenses	902.40		652.01
Purchase of stock in trade	-		8.23
Changes in inventories of stock in trade	-		0.54
Employee benefit expense	151.92		129.32
Finance Costs	111.79		23.99
Depreciation and Amortization expense	149.71		90.72
Other expenses	99.60		91.87
Total Expenses	1415.42	42%	996.68
Profit before tax	136.91	(5%)	144.35
Tax Expenses			
Current Tax (MAT)	29.31		44.62
MAT credit entitlement	-		-
Deferred Tax charge/(credit)	(117.21)		(90.23)
Profit After Tax	224.80	18%	189.95
Earnings per share of face value of ₹10 each (Basic & Diluted)	1.90		1.85

Management & Operations

During the financial year 2013-14, the Company registered total revenue of `1552.33 Million as compared to `1141.03 Million in the previous year showing an increase of 36% Y-O-Y. PAT has increased from `189.95 Million to `224.80 Million, an increase of 18%.

During the year, the new warehouses at Hyderabad (3,000 pallets), Kolkata (5,882 pallets capacity), Chandigarh (Punjab)-3,360 pallets capacity), Surat (3,240 pallets capacity) Visakhapatnam extension (750 pallets), Mumbai (6,240 pallets), Hyderabad – Ambient (1,000 pallets) and Chandigarh – Ambient (2,000 pallets) commenced operations.

The Draft Red Herring Prospectus was filed with the Securities and Exchange Board of India on August 29, 2013. The latest letter on the DRHP was received from SEBI on February 21, 2014. The Company's merchant banker, HDFC Bank Limited is in the process of sending a comprehensive reply for the above letter from SEBI. On receipt of clearance from SEBI, the Company will proceed with filing the Red Herring Prospectus with the Registrar of Companies.

Directors

As on date, the Board of Directors of the Company comprises of eight Directors of which four are Independent Directors.

Re-appointments

As per the provisions of the Companies Act, 2013, Mr. Prem Kishan Gupta, Vice Chairman and Mr. Ravi Kannan, Wholtime Director are liable to retire by rotation and being eligible, seek re-appointment. The Board of Directors recommend their appointment.

The Companies Act, 2013 provides for appointment of independent directors. Section 149 (10) of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. The provisions of retirement by rotation shall not apply to such independent directors.

Mr. Shabbir Hassanbhai, Mr. Saroosh Dinshaw, Mr. Michael Philip Pinto and Mr. A.K. T Chari being eligible are appointed for a term of two years in accordance with the Companies Act, 2013. Mr. Ravi Kannan, CEO and Wholtime Director is appointed for a term of 5 years eligible to retire by rotation

Board Committees

During the year under review, two committees of the Board were constituted. The Board of Directors constituted the Share Allotment and Transfer Committee on June 14, 2013. The committee was renamed as the Stakeholders Relationship Committee by a resolution passed by the Board of Directors in its meeting held on April 30, 2014. The CSR Committee was constituted by a resolution passed by the Board of Directors in its meeting held on April 30, 2014.

The Compensation Committee was renamed as the Nomination and Remuneration Committee by a resolution passed by the Board of Directors in its meeting held on April 30, 2014.

Corporate Governance

Audit Committee Meetings of the Board of Directors were convened regularly to review the actions taken on Internal Audit Reports and suggestions made therein.

Auditors

M/s. Price Waterhouse, Firm Registration Number: 301112E, Chartered Accountants, Kolkatta, Statutory Auditors of the Company who have been appointed by the members of the Company cease their office at the ensuing Annual General Meeting. Being eligible they have offered themselves to be reappointed as the Statutory Auditors of the Company. The Board of Directors upon the recommendation of the Audit Committee proposes the re-appointment of Price Waterhouse as the statutory auditors of the Company subject to the approval of the members at the Annual General Meeting. Their comments on the accounts and notes to the accounts are self-explanatory.

Dividends

Your directors are not recommending any dividends for the financial year ended 31st March 2014.

Particulars of Employees

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with Company's (Particulars of Employees) Rules, 1975 as amended forms part of this report.

However, as per the provisions of Section 219 of the Companies Act, 1956, the Report and Accounts are being send to all shareholders of the Company, excluding the aforesaid information. Any shareholders interested in obtaining such particulars may write to the Company Secretary and Compliance Officer at the Registered Office of the Company.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars required to be included in terms of Section 217(1)(e) of the Companies Act, 1956 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure attached herewith.

Employee Stock Option Scheme

During the financial year stock options have been granted to employees and directors of the Company under this scheme. On exercise of the options so granted, the paid up equity share capital of the Company will increase in terms of the stock option scheme mentioned above. The details of the options granted by the Company are given below

Particulars	ESOP Plan I
Date of meeting of ESOP Committee / Board of Directors/ Shareholders, granting the options	April 24, 2012 February 05, 2013 August 01, 2013
First grant of options by ESOP Committee / Board of Directors (No. of Equity Shares of Face value Rs. 10 each)	21,25,000 765,000 170,000
Vesting period: The options would vest not earlier than one year and not later than 4th (forth) year from the date of grant i.e from	May 01, 2012 February 05, 2013 August 01, 2013
Exercise Period	Within 5 years from the date of vesting
Exercise Price	Rs. 10.60 per share Rs. 10.60 per share Rs. 15.40 per share
Options outstanding as on March 31, 2014 (No. of Equity Shares)	1,167,000 419,000 170,000
Date of Closing Market Price on National Stock Exchange for computation of Fair Value:	NA
Method of Accounting and Intrinsic Value:	The exercise price of Rs.10.60 and Rs.15.40 per share is based on the intrinsic value

Director's responsibility statement pursuant to the provisions of sub-section (2aa) of section 217 of the companies act, 1956

Your Directors hereby confirm that -

- all the applicable accounting standards have been followed in the preparation of annual accounts;
- accounting policies were adopted and applied 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 as at 31st March, 2014 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken;
- the annual accounts have been prepared on a 'going concern' basis;



SNOWMAN[®]
The Cold Chain Company

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.

Acknowledgements

The Board wishes to place on record its appreciation to the Company's customers, vendors and bankers for their continued support to the Company during the year. The Directors also wish to place on record their deep sense of appreciation to the contribution made by all employees at all levels for sustaining the organizational growth especially during the challenging times.

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 30, 2014

Prem Kishan Gupta
Vice -Chairman

Annexure to the Directors Report for the year ended March 31, 2014

Conservation of energy, technology absorption and foreign exchange earnings and outgo

Conservation of Energy:

Energy Conservation measures taken	High quality insulation is used
Additional investments and proposal, in any being implemented for reduction of consumption of energy	No additional investment has been made for the specific purpose
Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	As per Form A and Form B annexed
Technology	As per Form B annexed

Foreign Exchange Earnings and Outgo:

Total Foreign Exchange Used and Earned:

	Current Year (₹)	Previous Year (₹)
CIF Value of Imports	4,32,68,221	2,94,14,707
Expenditure	3,27,299	22,250

Conservation of Energy:

Form A

	Current Year	Previous Year
Purchased		
Unit	2,16,47,377	89,57,819
Total Amount	10,46,85,072	6,37,27,385
Rate/ Unit	4.85	7.11
Own Generation		
Through diesel generator:		
Unit	601,721	10,46,694
Unit per litre of diesel	2.98	2.98
Other forms of power generation - Not Applicable		

Form B

(See Rule 2)

Form of Disclosure of particulars with respect to absorption

Research and development (R & D)

- | | |
|---|-----|
| 1. Specific areas in which R & D carried out by the company: | Nil |
| 2. Benefits derived as a result of the above R&D | NA |
| 3. Future plan of action | NA |
| 4. Expenditure on R & D | |
| (a) Capital | Nil |
| (b) Recurring | Nil |
| (c) Total | Nil |
| (d) Total R & D expenditure as a percentage of total turnover | NA |

Technology, absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

Not applicable; no external technology has been bought in.

- | | |
|---|----|
| 2. Benefits derived as a result of the above efforts | NA |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: | |
| (a) Technology imported. | |
| (b) Year of import. | |
| (c) Has technology been fully absorbed? | NA |
| (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action. | NA |

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 30, 2014

Prem Kishan Gupta
Vice -Chairman

INDEPENDENT AUDITORS' REPORT

To the Members of Snowman Logistics Limited (Formerly Snowman Frozen Foods Limited) Report on the Financial Statements

1. We have audited the accompanying financial statements of Snowman Logistics Limited (Formerly Snowman Frozen Foods Limited) (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act")/ notified under the Companies Act, 1956 (the "Act") read with the General Circulars 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the over all presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
 - (b) in the case of the Statement of Profit and Loss, of the profit or the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

INDEPENDENT AUDITORS' REPORT

To the Members of Snowman Logistics Limited (Formerly Snowman Frozen Foods Limited) Report on the Financial Statements

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (herein after referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act/ notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Water house

Firm Registration Number : 301112E

Chartered Accountants

Place: Mumbai

Date: April 30, 2014

Uday Shah

Partner

Membership Number : 046061

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Snowman Logistics Limited (Formerly Snowman Frozen Foods Limited) on the financial statements as of and for the year ended March 31, 2014.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4 (ii) of the said Order are not applicable to the Company.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4 (iii) (b), (c) and (d) of the Order are not applicable to the Company.

(b) The Company has not taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4 (iii) (f) and (g) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the a fore said internal control system.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.

(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section(1) of Section 209 of the Act for any of the products of the Company
- ix (a) The Company is generally regular in depositing undisputed statutory dues in respect of tax deducted at source, professional tax and service tax, though there has been as light delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, sales tax, wealth tax, income tax, customs duty, and other material statutory dues, as applicable, with the appropriate authorities.

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Snowman Logistics Limited (Formerly Snowman Frozen Foods Limited) on the financial statements as of and for the year ended March 31, 2014.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax and sales tax as at March 31, 2014 which have not been deposited on account of a dispute, areas follows:

Name of the statute	Nature of dues	Amount (Rs.)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Income Tax	196,040	2006-2007	Commissioner (Appeals)
Kerala Value Added Tax	Value Added Tax	774,993	2010- 2011	Commissioner (Appeals)

*Net of amounts paid under protest

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an over all examination of the Balance Sheet of the company, were port that the no funds raised on short-term basis have been used for long-term investment.
- xviii The Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. In our opinion, and according to the information and explanations given to us, the price at which such shares have been issued is not prejudicial to the interest of the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Snowman Logistics Limited (Formerly Snowman Frozen Foods Limited) on the financial statements as of and for the year ended March 31, 2014.

- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place: Mumbai
Date: April 30, 2014

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 046061

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Balance Sheet as at March 31, 2014

	Note	March 31, 2014	(Amount in Rs.) As at March 31, 2013
Equity and Liabilities			
Shareholder's Funds			
Share capital	3	1,241,058,570	1,029,070,000
Reserves and surplus	4	971,978,927	262,681,547
Non-current liabilities			
Long-term borrowings	5	904,000,000	909,000,000
Long-term provisions	6	2,419,548	3,715,685
Current liabilities			
Short-term borrowings	7	402,500,915	-
Trade payables	8	45,350,569	53,305,145
Other current liabilities	9	315,174,864	181,606,344
Short-term provisions	10	1,900,369	844,267
Total		<u>3,884,383,762</u>	<u>2,440,222,988</u>
Assets			
Non- Current Assets			
Fixed assets			
Tangible assets	11	2,487,388,369	1,566,649,699
Intangible assets	12	12,642,023	7,494,469
Capital work-in-progress		424,342,543	319,578,388
Intangible assets under development		-	920,004
Long term loans and advances	13	168,247,285	111,610,023
Other non current assets	14	1,402,980	1,226,994
Deferred tax asset (Net)	15	163,802,373	46,592,194
Current assets			
Trade receivables	16	394,764,809	267,685,068
Cash and bank balances	17	160,942,710	73,303,907
Short-term loans and advances	18	66,842,398	44,043,686
Other current assets	19	4,008,272	1,118,556
Total		<u>3,884,383,762</u>	<u>2,440,222,988</u>

Summary of Significant Accounting Policies 2

The notes are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner

Membership Number: 046061

Place: Mumbai

Date: April 30, 2014

For and on behalf of the Board

Prem Kishan Gupta
Vice - Chairman

Ravi Kannan
CEO and Director

Place: Mumbai

Date: April 30, 2014

Shabbir Hassanbhai
Director

A. M. Sundar
CFO and Company Secretary

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Statement of Profit and Loss

		(Amount in Rs.)	
	Note	For the year ended	
		March 31, 2014	March 31, 2013
Revenue from operations	22	1,534,067,557	1,136,951,177
Other Income	23	18,260,669	4,076,658
Total revenue		1,552,328,226	1,141,027,835
Expenses:			
Operating expenses	24	902,400,242	652,014,144
Purchases of Stock-in-Trade	33	-	8,231,067
Changes in inventories of Stock-in-Trade	25	-	536,670
Employee benefits expense	26	151,920,513	129,320,819
Finance costs	27	111,791,804	23,987,135
Depreciation and amortisation expense	28	149,708,608	90,715,823
Other expenses	29	99,605,378	91,871,854
Total expenses		1,415,426,545	996,677,512
Profit before tax		136,901,681	144,350,323
Tax expense			
Current tax (MAT) [including adjustment for earlier years]		29,319,766	44,623,884
Deferred tax credit		(117,210,179)	(90,226,517)
Profit for the year		224,792,094	189,952,956
Earnings per equity share	32		
(Nominal Value per Share:Rs. 10 (2013:Rs. 10))			
Basic		1.90	1.85
Diluted		1.90	1.85
Summary of Significant Accounting Policies	2		

The notes are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Uday Shah

Partner

Membership Number: 046061

For and on behalf of the Board

Prem Kishan Gupta
Vice - Chairman

Shabbir Hassanbhai
Director

Ravi Kannan
CEO and Director

A. M. Sundar
CFO and Company Secretary

Place: Mumbai Date: April 30, 2014

Place: Mumbai
Date: April 30, 2014

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Cash Flow Statement

	(Amount in Rs.)	
	Year ended	
	March 31, 2014	March 31, 2013
<u>Cash flow from operating activities</u>		
Profit before tax	136,901,681	144,350,323
Adjustments for :		
Depreciation	149,708,608	90,715,823
Liabilities no longer required written back	-	(833,317)
Provision for doubtful debts	17,357,289	19,816,506
Bad debts	15,813,683	12,542,843
Provision for doubtful debts adjusted	(15,813,683)	(12,542,843)
Assets written off	222,543 -	617,871
Profit on sale of fixed assets	(618,468)	(1,209,568)
Employees stock options expense	1,435,754	-
Interest income	(17,581,887)	(1,983,909)
Interest expenses	111,791,804	23,026,122
Operating profit before working capital changes	<u>399,217,324</u>	<u>274,499,851</u>
Changes in Working Capital:		
Decrease in inventories	-	536,670
(Increase) in trade receivables	(144,437,030)	(159,871,154)
(Increase) in loans and advances	(69,716,643)	(75,016,975)
Increase/ (decrease) in current liabilities	796,502	117,882,531
Cash generated from operations	<u>185,860,153</u>	<u>158,030,923</u>
Direct taxes paid (net of refunds)	(39,215,083)	(18,390,714)
Net cash generated from operating activities	<u>146,645,070</u>	<u>139,640,209</u>
Cash flow from investing activities		
Purchase of tangible/intangible assets	(1,179,871,402)	(1,137,871,465)
Sale of fixed assets	828,344	1,889,870
Interest received	14,692,171	2,126,453
Net cash from / (used in) investing activities	<u>(1,164,350,887)</u>	<u>(1,133,855,142)</u>
Cash flow from financing activities		
Proceeds from share capital	211,988,570	-
Proceeds from securities premium (net)	483,069,532	-
Proceeds from long term borrowings	150,000,000	950,000,000
Proceeds from short term borrowings	402,500,915	-
Repayment of long term borrowings	(41,000,000)	-
Interest paid	(101,214,397)	(23,026,122)
Net cash from / (used in) financing activities	<u>1,105,344,620</u>	<u>926,973,878</u>
Net increase/ (decrease) in Cash and Cash Equivalents	87,638,803	(67,241,055)

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Cash Flow Statement

	(Amount in Rs.)	
	Year ended	
	March 31, 2014	March 31, 2013
Cash and Cash Equivalents at the beginning of the year	73,303,907	140,544,962
Cash and Cash Equivalents at the end of the year	<u>160,942,710</u>	<u>73,303,907</u>
Cash and cash equivalents comprises of:		
Cash on hand	983,509	1,489,730
Cheques on hand	611,976	4,664,832
Balance with banks		
In current accounts	28,337,930	37,700,141
Deposit accounts	120,054,036	20,000,000
Other bank balance		
" - Long term deposits with maturity more than 3 months but less than 12 months (Refer Note 2 below)"	10,955,259	9,449,204
Total	<u>160,942,710</u>	<u>73,303,907</u>

Notes:

- 1 The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standard (AS)-3 on Cash Flow Statements as notified under Section 211(3C) and the relevant provisions of the Companies Act, 1956 [Refer note 2(a)]
- 2 Held as lien by bank against bank guarantee.
- 3 Previous years' figures have been regrouped/ reclassified wherever necessary to conform with current years' classification.

This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner

Membership Number: 046061

For and on behalf of the Board

Prem Kishan Gupta
Vice - Chairman

Shabbir Hassanbhai
Director

Ravi Kannan
CEO and Director

A. M. Sundar
CFO and Company Secretary

Place: Mumbai Date: April 30, 2014

Place: Mumbai
Date: April 30, 2014



SNOWMAN[®]
The Cold Chain Company

SNOWMAN LOGISTICS LIMITED

(Formerly Snowman Frozen Foods Limited)

Notes to the financial statements

1. General Information

Snowman Logistics Limited (the 'Company') is engaged in cold chain business in India. Snowman offers a range of complete and unique facilities for transportation, storage, handling and retail distribution of frozen and chilled products.

The Company had changed its name from Snowman Frozen Foods Limited to Snowman Logistics Limited and obtained a fresh certificate of incorporation dated March 17, 2011.

2. Summary of significant accounting policies

a) Basis of Preparation of Accounts

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Tangible Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of land. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. The company capitalises all costs relating to the acquisition, installation and construction of fixed assets, up to the date when the assets are ready for commercial use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognised in the Statement of Profit and Loss, losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on additions/ deletions to fixed assets is calculated on pro-rata basis from/upto the date of such additions/ deletions. The Company provides depreciation on straight-line basis method at the rates specified under Schedule XIV to the Act. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

Leasehold land including building constructed thereon is being amortized over the lease period.

SNOWMAN LOGISTICS LIMITED
(Formerly Snowman Frozen Foods Limited)
Notes to the financial statements

d) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on straight-line basis over a period of 5 years, based on management estimate. The amortization period and the amortization method are reviewed at the end of each financial year.

e) Inventories

Inventories are stated at lower of cost and net realisable value. Cost means only the purchase cost of the goods. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to record the sale.

f) Revenue Recognition

Income from Transportation, Storage and Handling activities are accrued on completion of the service. Income from commission on consignment sales is recognised on the completion of consignment sales.

g) Other income

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

h) Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency is reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, from April 1, 2011 onwards, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and a mortised over the balance period of such long term asset/ liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.



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SNOWMAN LOGISTICS LIMITED

(Formerly Snowman Frozen Foods Limited)

Notes to the financial statements

i) Employee Benefits

(a) Defined Contribution Plan

Contribution towards provident fund and pension scheme for employees is made to the regulatory authorities which are recognised by the Income Tax Authorities and administered through appropriate authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(b) Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(c) Other Employee Benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

j) Borrowing Cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

k) Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

SNOWMAN LOGISTICS LIMITED

(Formerly Snowman Frozen Foods Limited)

Notes to the financial statements

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

l) Leases

Assets acquired under operating leases, where a significant portion of the risk and rewards of ownership are retained by the lessor, are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

m) Employees' Stock Option Scheme

Equity settled stock options granted under "ESOP Scheme" are accounted for as per the accounting treatment prescribed by the Guidance Note on Employee Share based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortised portion.

n) Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.



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SNOWMAN LOGISTICS LIMITED

(Formerly Snowman Frozen Foods Limited)

Notes to the financial statements

o) Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

p) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

q) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies followed for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under 'Unallocable corporate expenses'.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)**

Notes forming part of the Financial Statements

(Amount in Rs. unless otherwise stated)

	As at	
	March 31, 2014	March 31, 2013
3 Share capital		
Authorised		
200,000,000 (2013: 125,000,000) equity shares of Rs. 10 each	2,000,000,000	1,250,000,000
Issued		
124,105,857 (2013: 102,907,000 Shares) equity share of Rs. 10 each	1,241,058,570	1,029,070,000
Subscribed and Paid - Up		
124,105,857 (2013: 102,907,000 Shares) equity share of Rs. 10 each	1,241,058,570	1,029,070,000
	1,241,058,570	1,029,070,000

**(a) Reconciliation of number of shares
Equity Shares:**

	As at			
	March 31, 2014		March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	102,907,000	1,029,070,000	102,907,000	1,029,070,000
Add: Number of shares issued during the year	21,198,857	211,988,570	-	-
Balance at the end of the year	124,105,857	1,241,058,570	102,907,000	1,029,070,000

(b) Details of shares allotted during the year:

Scheme/ Date of allotment	Number of shares		Amount	
	ESOP	Preferential Allotment	Share Capital	Securities Premium
July 05, 2013	678,000	19,842,857	205,208,570	496,478,225
August 01, 2013	108,000	300,000	4,080,000	7,564,800
February 11, 2014	270,000	-	2,700,000	162,000
Total	1,056,000	20,142,857	211,988,570	504,205,025
March 31, 2013	-	-	-	-

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)

Notes forming part of the Financial Statements

(Amount in Rs. unless otherwise stated)

(c) Rights, preferences and restrictions attached to shares:

Equity shares :The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

(d) Shares held by holding company and subsidiary of holding company

Equity Shares:	March 31, 2014	As at March 31, 2013
67,254,119 (2013: 54,711,720) equity shares held by Gateway Distriparks Ltd., the holding company	672,541,190	547,117,200

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares	March 31, 2014	As at March 31, 2013
Gateway Distriparks Ltd., the holding company*	67,254,119 54.19%	54,711,720 53.17%
Norwest Venture Partners VII-A- Mauritius	17,142,857 13.81%	- -
Mitsubishi Corporation	15,641,000 12.60%	15,641,000 15.20%
International Finance Corporation	15,427,500 12.43%	20,570,000 19.99%
Nichirei Logistics Corporation	- -	7,400,000 7.19%

* 101 Shares (2013 : 101) are held by Gateway Distriparks Ltd., jointly with Prem Kishan Gupta.

(f) Shares reserved for issues under options

Refer Note 35 for details of shares to be issued under the Employees Stock Option Plan.

**Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)**

	(Amount in Rs.)	
	March 31, 2014	As at March 31, 2013
4 Reserves and surplus		
Capital Subsidy from National Horticulture Board	1,815,000	1,815,000
Securities premium		
Opening balance	88,851,504	88,851,504
Add: Received on issue of shares [Refer note 3 (b)]	504,205,025	-
Less: Amount utilised for share issue expenses (Refer note 38)	21,135,493	-
Balance at the end of the year	571,921,036	88,851,504
Employees stock options plan (ESOP) outstanding account		
Opening Balance	-	-
Add: Addition during the year (Compensation for ESOP granted) [Refer notes 26 and 35]	1,435,754	-
Less: Transfer to securities premium account on exercise of ESOP during the year	-	-
Balance at the end of the year	1,435,754	-
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	172,015,043	(17,937,913)
Profit for the year	224,792,094	189,952,956
Balance as at the end of the year	396,807,137	172,015,043
	971,978,927	262,681,547
5 Long -term borrowings		
Secured term loans:		
From HDFC Bank Limited	479,000,000	609,000,000
From International Finance Corporation	425,000,000	300,000,000
	904,000,000	909,000,000

Nature of security and terms of repayment for secured borrowings:

Nature of security	Terms of Repayment
<p>i) Term loan from Bank (HDFC Bank) amounting to Rs. 609,000,000 (2013: Rs. 650,000,000) is secured by paripassu charge on all assets namely fixed and current assets present and future of the company and corporate guarantee from Gateway Distriparks Limited, the Holding Company</p>	<p>Principal is repayable (for each disbursement) in 20 equal quarterly instalments starting from August 2013.</p>
<p>ii) Term loans from International Finance corporation (IFC) amounting to Rs. 450,000,000 [2013:Rs. 300,000,000] are secured by paripassu charge on all assets namely, fixed and current assets present and future of the company and corporate guarantee from Gateway Distriparks Limited, the Holding Company.</p>	<p>Principal is repayable in 12 half yearly instalments starting from January 2015.</p>

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

	(Amount in Rs.)	
	As at	
	March 31, 2014	March 31, 2013
6 Long term provisions		
Provision for employee benefits:		
(Refer Note 34)		
Provision for gratuity	366,677	1,110,904
Provision for compensated absences	2,052,871	2,604,781
	2,419,548	3,715,685
7 Short-term borrowings		
Secured:		
Working capital loan repayable on demand from banks	2,500,915	-
(Refer note i below)		
Short- term loan from Yes Bank Limited (Refer note ii below)	400,000,000	-
	402,500,915	-

i) Working Capital loan of Rs. 30,000,000 (2013: Rs.30,000,000) from HDFC Bank has been sanctioned, out of which Rs. 2,500,915 has been utilised as at the year end (2013:Rs. NIL) which is secured by paripassu charge on all assets namely fixed and current assets present and future of the company and also unconditional and irrevocable corporate guarantee from Gateway Distriparks Limited, the Holding Company.

ii) Short term loan of Rs. 800,000,000 from YES Bank Limited has been sanctioned, out of which Rs. 400,000,000 (2013: Nil) has been disbursed during the year, which is secured by first exclusive charge on all future assets namely, fixed and current assets of the company, charge on all operating cash flows as well as the receivables of the company from the projects, charge on all insurance policies relating to the projects and also unconditional and irrevocable corporate guarantee from Gateway Distriparks Limited, the Holding Company

8 Trade payables

Trade payables (Refer note 39)	45,350,569	53,305,145
	45,350,569	53,305,145

9 Other current liabilities

Current maturities of long term debt (secured) (Refer note 5)	155,000,000	41,000,000
Interest accrued but not due on borrowings	22,397,709	11,820,302
Capital creditors	82,127,411	76,085,557
Advance from customers	10,712,296	8,727,043
Statutory dues (Including provident fund and tax deducted at source)	8,638,425	6,222,213
Employee benefits payable	10,053,138	7,371,858
Other payables towards contractual obligations	26,245,885	30,379,371
	315,174,864	181,606,344

10 Short- term provisions

Provision for employee benefits:

(Refer Note 34)

Provision for gratuity	1,500,000	584,023
Provision for compensated absences	400,369	260,244
	1,900,369	844,267

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

11 Tangible assets

(Amount in Rs.)

	Gross Block			Depreciation			Net Block		
	April 01, 2013	Additions (Refer note iv)	(Disposals) /Adjustments	March 31, 2014	April 01, 2013	For the year	(Disposals) /Adjustments	March 31, 2014	March 31, 2013
Own Assets:									
Land [Note i (a)]	74,273,911	2,640,000		76,913,911	-	-	-	76,913,911	74,273,911
Buildings [Note ii]	595,939,219	524,003,598		1,119,942,817	46,378,693	40,908,292	-	1,032,655,832	549,560,526
Plant and Equipment	1,088,670,912	507,802,380	(899,600)	1,595,573,692	336,447,007	72,221,777	(599,340)	1,187,504,248	752,223,905
Furniture and Fixtures	32,995,890	13,965,659	(73,265)	46,888,284	3,328,620	2,958,313	(73,265)	40,674,616	29,667,270
Vehicles [Note iii]	190,699,485	11,335,500	(10,449,126)	191,585,859	63,793,679	26,657,700	(10,388,765)	111,523,245	126,905,806
Office equipment	5,634,610	5,197,943	(85,610)	10,746,943	1,278,623	462,411	(51,322)	9,057,231	4,355,987
Computer Equipment	14,530,315	2,594,265	(156,797)	16,967,783	5,205,476	2,388,937	(119,287)	9,492,657	9,324,839
	2,002,744,342	1,067,539,345	(11,664,398)	3,058,619,289	456,432,098	145,597,430	(11,231,979)	2,467,821,740	1,546,312,244
Assets Under Lease									
Land on lease [Note i (b)]	23,253,914	-	-	23,253,914	2,916,459	770,826	-	19,566,629	20,337,455
	23,253,914	-	-	23,253,914	2,916,459	770,826	-	19,566,629	20,337,455
Total	2,025,998,256	1,067,539,345	(11,664,398)	3,081,873,203	459,348,557	146,368,256	(11,231,979)	2,487,388,369	1,566,649,699
March 31, 2013	1,122,804,895	918,909,997	(15,716,636)	2,025,998,256	384,743,888	89,024,907	(14,420,238)	1,566,649,699	

Notes:

- Includes land with book value Rs. 1,028,400 (2013: Rs. 1,028,400) pending registration with concerned authorities.
- Represents payment made for acquiring land on lease at various locations for a period of 99 years.
- Includes building with gross block value of Rs. 829,657,353 (2013: Rs. 263,200,484) on leasehold land.
- Vehicles include "Trucks" used for temperature controlled services, with gross book value of Rs. 186,087,235 (2013: Rs. 185,565,131) and net book value Rs. 108,494,985 (2013: Rs. 123,404,201).
- Incidental expenditure capitalised during the year is Rs. 48,150,330 (2013:Rs. 35,755,372) (Refer note 29)

12 Intangible assets

(Amount in Rs.)

	Gross Block			Amortisation			Net Block		
	April 01, 2013	Additions (Refer note iv)	(Disposals) /Adjustments	March 31, 2014	April 01, 2013	For the year	(Disposals) /Adjustments	March 31, 2014	March 31, 2013
Computer Software	11,753,945	8,487,906	-	20,241,851	4,259,476	3,340,352	-	7,599,828	7,494,469
Total	11,753,945	8,487,906	-	20,241,851	4,259,476	3,340,352	-	7,599,828	7,494,469
March 31, 2013	8,110,060	3,643,885	-	11,753,945	2,568,559	1,690,917	-	4,259,476	7,494,469

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

	(Amount in Rs.)	
	As at	
	March 31, 2014	March 31, 2013
13 Long term loans and advances		
Unsecured, considered good		
Capital advances	33,952,029	40,195,057
Security deposits	94,294,833	47,472,416
Advances recoverable in cash or in kind	8,008,838	1,846,282
	136,255,700	89,513,755
Other loans and advances		
Advance income tax (Net of Provisions)	31,366,014	21,470,697
Others	625,571	625,571
	31,991,585	22,096,268
	168,247,285	111,610,023
14 Other non current assets		
Others		
Long term deposits with bank with maturity period more than 12 months (refer note below)	1,402,980	1,226,994
	1,402,980	1,226,994
Note: Held as lien by bank against bank guarantee.		
15 Deferred Tax Assets/ (Liabilities) (Net)		
Deferred tax liabilities		
Depreciation	(693,169,000)	(386,045,266)
	(693,169,000)	(386,045,266)
Deferred tax assets		
Additional deduction under Section 35AD of Income Tax Act, 1961	837,714,188	406,737,163
Unabsorbed depreciation	9,830,185	16,913,123
Other timing differences	9,427,000	8,987,174
	856,971,373	432,637,460
	163,802,373	46,592,194
16 Trade receivables		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	6,079,492	4,365,909
Others	388,685,317	263,319,159
	394,764,809	267,685,068
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	15,280,871	12,860,334
Others	8,135,648	9,012,578
	23,416,519	21,872,912
Less: Provision for doubtful debts	23,416,519	21,872,912
	-	-
	394,764,809	267,685,068

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

	(Amount in Rs.)	
	As at	
	March 31, 2014	March 31, 2013
17 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	983,509	1,489,730
Cheques on hand	611,976	4,664,832
Bank Balances :		
In current accounts	28,337,930	37,700,141
Demand deposits (less than 3 months maturity)	120,054,036	20,000,000
	149,987,451	63,854,703
Other bank balance		
- Long term deposits with maturity more than 3 months but less than 12 months [Refer Note below]	10,955,259	9,449,204
	10,955,259	9,449,204
	160,942,710	73,303,907
Note: Held as lien by bank against bank guarantee.		
18 Short term loans and advances		
Unsecured, considered good		
Advance to suppliers	36,925,031	16,961,389
Balances with government authorities	19,979,346	21,855,967
Prepaid expenses	9,938,021	5,226,330
	66,842,398	44,043,686
19 Other current assets		
Interest accrued on fixed deposit	4,008,272	1,118,556
	4,008,272	1,118,556

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

(Amount in Rs.)

	March 31, 2014	March 31, 2013
20 Contingent liabilities		
Bank guarantees:		
Financial Guarantee	7,458,070	5,210,212
Performance Guarantee	259,472	1,000,000
Income Tax Matters (Amount paid under protest Rs. 574,603) (2013: Rs. 574,603)	770,643	770,643
Wealth Tax Matters (Amount paid under protest Rs. 301,833) (2013: Rs. 301,833)	301,833	301,833
Sales Tax Matters (Amount paid under protest Rs. 480,051) (2013: Rs. Nil)	1,255,044	-
	10,045,062	7,282,688

Note

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

21 Commitments

(a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	342,108,653	152,719,081
	342,108,653	152,719,081

(b) Other commitments

The company has non- cancellable operating leases for land used for construction of warehouses	1,874,970,938	768,760,846
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Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

	(Amount in Rs.)	
	For the year ended	
	March 31, 2014	March 31, 2013
22 Revenue		
Sale of traded goods	-	8,773,390
Sale of Services :		
Income from temperature controlled services	1,510,249,237	915,980,085
Income from ambient services	15,499,924	201,427,500
Income from consignment agency services	8,318,396	10,770,202
	1,534,067,557	1,136,951,177
Details of Sales (Traded goods)		
Fruits	-	8,773,390
	-	8,773,390
23 Other income		
Interest income	17,581,887	1,983,909
Profit on sale of assets	618,468	1,209,568
Provision no longer required written back	-	833,317
Miscellaneous income	60,314	49,864
	18,260,669	4,076,658
24 Operating expenses		
Power charges	114,206,915	80,454,646
Cold storage rent	54,621,702	35,687,938
Labour charges	60,095,640	36,335,794
Repairs and maintenance:		
- Plant and machinery	17,253,371	9,338,126
- Vehicles	25,242,162	19,578,282
Security and other charges	27,505,319	15,185,276
Vehicle running expenses	127,401,952	67,412,134
Vehicle fuel expenses	333,423,410	145,529,937
Hire charges- vehicles and containers	142,649,771	242,492,011
	902,400,242	652,014,144
25 Changes in inventory		
(Increase)/decrease in stocks		
Stock at the end of the year:		
Traded goods	-	-
	-	-
Stock at the beginning of the year:		
Traded goods	-	536,670
	-	536,670
Change in stocks	-	536,670

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

	(Amount in Rs.)	
	For the year ended	
	March 31, 2014	March 31, 2013
26 Employee benefits expense		
Salaries and wages	121,771,614	106,858,985
Employees stock options expense	1,435,754	-
Contribution to provident and other funds (Refer Note 34)	9,873,869	8,270,048
Staff welfare expenses	18,839,276	14,191,786
	151,920,513	129,320,819
27 Finance costs		
Interest expense	111,791,804	23,026,122
Interest on shortfall of advance tax	-	961,013
	111,791,804	23,987,135
28 Depreciation and amortisation expense		
Depreciation on tangible assets	146,368,256	89,024,906
Amortisation on intangible assets	3,340,352	1,690,917
	149,708,608	90,715,823
29 Other expenses		
Rent	3,327,731	3,782,950
Electricity charges	89,211	177,261
Printing and stationary	5,538,889	4,239,522
Insurance	6,793,513	5,929,476
Rates and taxes	7,560,020	3,581,612
Legal and professional charges	6,117,805	5,714,716
Auditors' remuneration		
-Audit fee	1,485,000	1,485,000
	-	-
-Out of pocket expenses	72,711	82,288
Communication	9,000,760	6,300,198
Travelling and conveyance	24,668,875	17,806,512
Recruitment and training	1,019,088	613,642
Bad debts	15,813,683	12,542,843
Less: Provision for doubtful debts adjusted	(15,813,683)	(12,542,843)
Provision for doubtful debts	17,357,289	19,816,506
Assets written off	222,543	617,871
Selling and distribution	2,372,499	7,048,336
Repairs and maintenance-others	3,104,702	3,587,722
Miscellaneous expense	10,874,742	11,088,243
	99,605,378	91,871,854
Expenses capitalised during the year		
Buildings and plant and machinery		
Salaries and wages	4,042,482	3,102,734
Travelling and conveyance	3,002,892	4,574,712
Consultancy charges	6,026,189	6,723,293
Others	3,642,049	470,121
Borrowing cost	31,436,718	20,068,266
Vehicles		
Registration related cost	-	816,247
	48,150,330	35,755,373
Capital work-in-progress		
Consultancy charges	1,854,774	6,023,619
Salaries and wages	1,997,568	1,641,482

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

(Amount in Rs.)

For the year ended

March 31, 2014 **March 31, 2013**

30 CIF value of imports

Capital goods	43,268,221	29,414,707
	43,268,221	29,414,707

31 Expenditure in foreign currency

Foreign travel expenses	327,299	22,250
	327,299	22,250

32 Earnings per share

Basic:

Profit after tax	A	224,792,094	189,952,956
Weighted average number of shares outstanding	B	118,394,686	102,907,000
Basic EPS	A/B	1.90	1.85

Diluted:

Profit after tax	A	224,792,094	-
Weighted average number of shares outstanding	B	118,458,066	-
Diluted EPS	A/B	1.90	-

33 Details of consumption and purchases

Purchases of stock in Trade

Fruits	-	8,231,067
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Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

34 Disclosures under accounting standard 15

a) Post Retirement Benefit- Defined Contribution Plans

The Company has recognised an amount of Rs. 7,521,055 (2013: Rs. 6,374,100) as expenses under the defined contribution plans in the Statement of Profit and Loss in respect of contribution to Provident Fund for the year ended March 31, 2014.

b) Post Retirement Benefit- Defined Benefit Plan

The Company makes provision for gratuity based on actuarial valuation done on projected unit credit method at each Balance Sheet date.

The Company makes annual contribution to the Gratuity Fund Trust which is maintained by LIC of India, a defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per provisions of Payment of Gratuity Act, 1972.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at the Balance Sheet date.

(i) Present Value of Defined Benefit Obligation - Gratuity

(Amount in Rs.)

	March 31, 2014	March 31, 2013
Balance at the beginning of the year	7,977,179	5,680,354
Current service cost	2,597,210	2,106,435
Interest cost	637,525	460,635
Actuarial (gain)/loss	(240,835)	(76,439)
Benefits paid	(499,215)	(193,806)
Balance at the end of the period/ year	10,471,864	7,977,179

(ii) Fair value of Plan Assets

Balance at the beginning of the year	6,282,252	4,203,266
Expected return on plan assets (estimated)	605,470	402,113
Actuarial gain/(loss)	35,616	30,589
Contribution by the company	2,181,064	1,840,090
Benefits paid	(499,215)	(193,806)
Balance at the end of the year	8,605,187	6,282,252

(iii) Assets and liabilities recognised in the Balance Sheet

Present value of defined benefit obligation	10,471,864	7,977,179
Present value of plan assets	8,605,187	6,282,252
Amount recognised as assets/(liability)	(1,866,677)	(1,694,927)

Recognised under:

Long term provision (Refer Note 6)	(366,677)	(1,110,904)
Short term provision (Refer Note 10)	(1,500,000)	(584,023)
Total	(1,866,677)	(1,694,927)

(iv) Expenses recognised in the Statement of Profit and Loss

Current service cost	2,597,210	2,106,435
Interest cost	637,525	460,635
Expected return plan assets	(605,470)	(402,113)
Actuarial (gain)/loss	(276,451)	(269,009)
Total expenses	2,352,814	1,895,948

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

(Amount in Rs.)

(v) Major Category of Plan Assets as % of total Plan Assets

	March 31, 2014	March 31, 2013
Insurer managed funds	100%	100%

(vi) Actuarial assumptions

Discount rate	9.20%	8.25%
Salary growth	10.00%	9.00%
Attrition rate	9.00%	9.00%

(vii) Amounts recognised in current year and previous four years

	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Present value of obligation	10,471,864	7,977,179	5,680,354	3,282,029	2,651,317
Present value of plan assets	8,605,187	6,282,252	4,203,266	3,427,991	2,239,791
Amount recognised in Balance Sheet (Liability)/asset	(1,866,677)	(1,694,927)	(1,477,088)	145,962	(411,526)
Experience adjustments on present value of obligations	(180,665)	(76,439)	830,807	(139,106)	(178,205)
Experience adjustment of plan assets	(35,616)	30,589	(14,270)	10,482	9,430

(viii) Expected contribution to the fund next year

	March 31, 2014	March 31, 2013
Gratuity	1,500,000	584,023

Notes:

- 1) The discount rate is based on the prevailing market yields of Indian government securities as at the Balance Sheet date for the estimated term of the obligation.
- 2) Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.
- 3) The salary escalation rate is the estimate of future salary increase considered taking into account the inflation, seniority, promotion and other relevant factors.

Other employee benefit plan: The liability for leave encashment and compensated balances as at year end is Rs. 2,453,240 (2013: Rs. 2,865,025).

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

35 Employee stock option plan

Snowman Logistics Limited Stock Option Plan 2012 (ESOP 2012):

Pursuant to the resolution passed by the Shareholders at the Extraordinary General Meeting held on April 24, 2012, the Company had introduced new ESOP scheme for eligible Directors and employees of the Company. Under the scheme, options for 5,145,350 (fifty one lakh forty five thousand three hundred and fifty) shares would be available for being granted to eligible employees of the Company and each option (after it is vested) will be exercisable for one equity share of Rs. 10.60 and Rs. 15.40. Compensation Committee finalises the specific number of options to be granted to the employees. Vesting of the options shall take place over a maximum period of 3 years with a minimum vesting period of 1 year from the date of grant.

Particulars	ESOP Grant I	ESOP Grant II	ESOP Grant III
Date of meeting of ESOP Committee / Board of Directors/ Shareholders, granting the options	April 24, 2012	February 05, 2013	August 01, 2013
First grant of options by ESOP Committee / Board of Directors (No. of Equity Shares of Face value Rs. 10 each)	2,125,000	765,000	170,000
Vesting period: The options would vest not earlier than one year and not later than 4th (fourth) year from the date of grant i.e from	May 01, 2012	February 05, 2013	August 01, 2013
Exercise Period	Within 5 years from the date of vesting.		
Exercise Price	Rs. 10.60 per share	Rs. 10.60 per share	Rs. 15.40 per share
Options outstanding as on March 31, 2014 (Number of Equity Shares)	1,167,000	419,000	170,000
Date of Closing Market Price on National Stock Exchange for computation of Fair Value	NA	NA	NA
Method of Accounting and Intrinsic Value	The excess of Fair Value (Market Value of the shares) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is amortised over the vesting period.		

	March 31, 2014	March 31, 2013
Outstanding at the beginning of the year	2,890,000	-
Granted during the year	170,000	2,890,000
Forfeited /Expired during the year	248,000	-
Exercised during the year [refer note 3(b)]	1,056,000	-
Outstanding at the end of the year	1,756,000	2,890,000
Exercisable at the end of the year	20,000	2,890,000

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

36 Segment reporting

(Amount in Rs.)

Business Segment	As at/ for the year ended					
	Temperature Controlled Services		Ambient Distribution		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenue						
External Sales	1,518,567,633	926,750,287	15,499,924	201,427,500	1,534,067,557	1,128,177,787
Unidentified segments	-	-	-	-	-	8,773,390
Total Revenue	1,518,567,633	926,750,287	15,499,924	201,427,500	1,534,067,557	1,136,951,177
Result						
Segment result	353,959,369	238,316,776	(669,954)	(4,030,422)	353,289,415	234,286,354
Unallocated corporate expenses (less income)	-	-	-	-	122,177,817	67,932,805
Operating Profit					231,111,598	166,353,549
Add: Interest income	-	-	-	-	17,581,887	1,983,909
Less: Interest expenses	-	-	-	-	111,791,804	23,987,135
Less: Income taxes (net)	-	-	-	-	(87,890,413)	(45,602,633)
Net profit					224,792,094	189,952,956
Other information						
Segment assets	3,570,367,270	2,188,660,836	2,481,618	65,659,118	3,572,848,888	2,254,319,954
Unallocated corporate assets	-	-	-	-	311,534,874	185,903,034
Total assets	3,570,367,270	2,188,660,836	2,481,618	65,659,118	3,884,383,762	2,440,222,988
Segment liabilities	1,652,320,340	1,046,343,216	1,002,399	5,821,140	1,653,322,739	1,052,164,356
Unallocated corporate liabilities	-	-	-	-	18,023,526	96,307,085
Total liabilities	1,652,320,340	1,046,343,216	1,002,399	5,821,140	1,671,346,265	1,148,471,441
Capital expenditure	1,030,559,986		922,553,882	45,467,265	-	-
Depreciation	147,861,234		90,715,824	1,847,374	-	-
Non cash expenses other than depreciation	16,174,062		16,760,323	787,302	3,674,054	

The Company is into the business of "Cold Chain Related Logistics" as primary segment which includes providing transportation, cold storage and consignment agency facilities. Based on the risk, rewards and nature, the Company has considered "Temperature Controlled Services" and "Ambient Transportation" as reportable segments. The company's operation are such that all activities are confined only to India and hence there is no secondary reportable segment relating to the Company's Business.

During the previous year the Company had reclassified its revenue, results and capital expenditure to the above mentioned segments, having regard to the nature of such items.

Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements

37 Related party disclosures

(a) Names of related parties and nature of relationship:

Holding company: Gateway Distriparks Limited

Fellow subsidiary companies:

1. Gateway East India Private Limited
2. Gateway Distriparks (South) Private Limited
3. Gateway Distriparks (Kerala) Limited
4. Gateway Rail Freight Limited.

Key management personnel:(KMP) Mr. Ravi Kannan, CEO and Director

(b) Transactions/balances

(Amount in Rs)

Particulars	For the year ended					
	Holding Company		Fellow Subsidiaries		KMP	
	March 31, 2014	March 31,2013	March 31, 2014	March 31,2013	March 31, 2014	March 312013
Reimbursement of expenses Gateway Distriparks Limited	431,617	192,411	-	-	-	-
Reimbursement of expenses received Gateway Distriparks Limited	647,500	-	-	-	-	-
Remuneration and advances paid to Mr. Ravi Kannan						
Remuneration paid to Mr. Ravi Kannan (Note 1)	-	-	-	-	9,134,616	8,338,680

Note:

1. Provision for group gratuity, which is based on actuarial valuation done on overall company basis, is excluded.

2. Gateway Distriparks Limited, the holding company has issued Corporate Guarantee of Rs.1,980,000,000 towards long term and short term borrowings of the company.



SNOWMAN[®]
The Cold Chain Company

**Snowman Logistics Limited
(Formerly Snowman Frozen Foods Limited)
Notes forming part of the Financial Statements**

38 Amount utilised for share issue expenses

Amount utilised for share issue expenses represents expenses (including consultants fees, legal fees, stamp duty payments) incurred towards private placement of shares to Norwest Venture Partners VII-A-Mauritius. "

39 Micro small and medium enterprises

There are no micro, small and medium enterprises, to which the company owes dues, or with which the company had transactions during the year, based on the information available with the company, which has been relied upon by the auditors.

40 Pursuant to the impending IPO (Initial Public Offering) by the company, the Draft Red Herring Prospectus was filed with the Securities and Exchange Board of India (SEBI) on August 29, 2013 and the company is in the process of responding to the queries raised by SEBI in this regard. On receipt of clearance from SEBI, the Company will proceed with filing the Red Herring Prospectus (RHP) with the Registrar of Companies (ROC)

41 Previous year figures

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner

Membership Number: 046061

Place: Mumbai

Date: April 30, 2014

For and on behalf of the Board

Prem Kishan Gupta
Vice - Chairman

Shabbir Hassanbhai
Director

Ravi Kannan
CEO and Director

A. M. Sundar
CFO and Company Secretary

Place: Mumbai

Date: April 30, 2014