



June 03, 2025

BSE Limited Phiroze Jeejeebjoy Towers Dalal Street Mumbai 400 001 Scrip Code: 543489	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Trading Symbol: GATEWAY
--	---

Subject: Transcript of Conference Call- Q4 FY 2024-25 held on Tuesday, May 27, 2025 from 04:00 P.M. (IST) onwards

Dear Sir / Madam,

Pursuant to Regulation 30 read with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our communication dated May 22, 2025, wherein we had informed regarding the Conference Call that was duly held on Tuesday, May 27, 2025 from 04:00 P.M. (IST) onwards, in this regard, please find enclosed herewith the transcript of the aforesaid Conference Call.

Please note the aforesaid transcript of the Call is uploaded on the website of the Company at <https://gatewaydistriparks.com/investors>

Kindly take the information on record.

Thanking You
Yours faithfully,

For Gateway Distriparks Limited

Divyang Jain
Company Secretary &
Compliance Officer

Encl. As above

GATEWAY DISTRI PARKS LIMITED

CIN: L60231MH2005PLC344764

Registered Office: Sector 6, Dronagiri, Taluka Uran, District Raigarh, Navi Mumbai, Maharashtra 400707, India

Corporate Office: 4th Floor, Prius Platinum, Saket District Centre, New Delhi – 110017, India

T: +91 11 4055 4400 **F:** +91 11 4055 4413 **E:** investors@gatewaydistriparks.com **W:** www.gatewaydistriparks.com



“Gateway Distriparks Limited & Snowman Logistics Limited Q4 FY '25 Earnings Conference Call”

May 27, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 27th May 2025 will prevail.



MANAGEMENT: **MR. PREM KISHAN DASS GUPTA – CHAIRMAN & MANAGING DIRECTOR**
MR. ISHAAN GUPTA - JOINT MANAGING DIRECTOR
MR. SAMVID GUPTA - JOINT MANAGING DIRECTOR
MR. KARTIK SUNDARAM AIYER – CFO, GATEWAY DISTRI PARKS LIMITED
MR. RAJGURU BEHGAL - CHIEF BUSINESS OFFICER, GATEWAY DISTRI PARKS LIMITED
MR. MANOJ SINGH - CHIEF STRATEGY OFFICER, GATEWAY DISTRI PARKS LIMITED
MR. PADAMDEEP SINGH HANDA - CEO & DIRECTOR, SNOWMAN LOGISTICS LIMITED
MR. N. BALAKRISHNA - CFO, SNOWMAN LOGISTICS LIMITED

Moderator:

Ladies and gentlemen, good day and welcome to Q4 FY '25 Earnings Conference Call of Gateway Distriparks and Snowman Logistics Limited.

This conference call may contain forward-looking statements about the company which are based on belief, opinion and expectation of the company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

Today on the call we have Mr. Prem Kishan Dass Gupta – Chairman and Managing Director; Mr. Ishaan Gupta – Joint Managing Director; Mr. Samvid Gupta – Joint Managing Director. From Gateway Distriparks Limited we have Mr. Kartik Sundaram Aiyer – CFO; Mr. Rajguru Behgal – Chief Business Officer; Mr. Manoj Singh, Chief Strategy Officer. From Snowman Logistics Limited we have Mr. Padamdeep Singh Handa – CEO & Director; Mr. N. Balakrishna – CFO.

I now hand the conference over to Mr. Samvid Gupta – Joint Managing Director for the opening remarks. Thank you, and over to you, sir.

Samvid Gupta:

Thank you. Good afternoon, everyone.

Just before we started the Q&A, we thought we will make it a bit easier because this time we had some accounting entries which were a bit of one-off in nature. So, we will just give clarity on a couple of them. We have given it in our press release, but we uploaded that a bit late as the meeting ran for longer.

So, basically CFS revenue, it appears to be negative, but actually this is on account of change in accounting method between gross revenue, net revenue of some certain discount. So, for the full year, this figure is about Rs. 46 crores. So, if you add that back, then FY '25 revenue for CFS vertical would be higher than FY '24.

Then another big change is that in December, Snowman Logistics became a subsidiary. So, now it gets line by line consolidated. So, for the full year, we have Rs. 145 crores of revenue, about Rs. 25 crores in EBITDA and PBT of Rs. 3 crores and Rs. PAT of 3.5 crores on account of consolidation.

There was a big one-time hit on, it's a provision, it's not a cash payout yet, but of about Rs. 12.8 crores. This is on account of the merger that we did within the group between Gateway Distriparks and Gateway Rail at the time and one more group entity. This is a provision we have taken on stamp duty amount payable for it, but since the amount was not ascertainable back when we did it three, four years ago, we have just taken it as a contingency right now.

And then the last item is that we have taken an exceptional income. Last quarter, we took it up about Rs. 380 crores, Rs. 390 crores for a gain in goodwill of Snowman. But this quarter, we

have corrected it. We have done the fair value of equity on consolidation. And there is a minus Rs. 258 crores there. Net off is still Rs. 131 crores. But again, it's a line item that's come in. It's not having any impact on cash flow or actual losses to the company.

So, I hope that clarifies a few of the things in the results. We can now move to Q&A. I will just hand it back to the moderator, please. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. First question is from the line of line of Love Jain from Artha India Ventures. Please go ahead.

Love Jain: Hi, good evening. Thank you for the opportunity. The first question is on Snowman Logistics. In the IP you mentioned on the facilities in Kolkata and Krishnapatnam will commence in June '25 and Q2 of this financial year respectively. However, on the second last page under the extension plan states that Krishnapatnam facility is expected to start operating in July '26, which is a Q2 of FY '27. Can you please clarify if these are different phases of the same plant or is there a change in the timeline? And what revenue growth targets has a company set in alignment with this increase in warehouse capacity?

Padamdeep Singh Handa: Hi, see the facility in Calcutta is starting in the month of June itself and it will add additionally almost 6,000 pallets. With the current inflow of material and the seasonality, if we look into it, we are quite positive in ramping up the facility much faster than what we earlier would have, if it would have come earlier. So, the business alignment is quite in line with the new facility.

As far as Krishnapatnam goes, that will be up in this year only, in the month of July. So, for that, when I go back to expansion plans, that is the second phase of Krishnapatnam, which will be taken in future for the expansion. There is a possibility, as we do have another warehouse available in Krishnapatnam to be converted to a cold store.

Love Jain: So, there would be two phase, one in this July '26 and another would be July '27. Sorry, July '25 and July '26.

Padamdeep Singh Handa: Right. That is as per the plan.

Love Jain: And another question on the transportation services. I can see, despite increasing segment-wise revenue for the transportation service, we can see a decline in EBIT from Rs. 52.88 lakhs to Rs. 5 lakhs, which is approximately 90% downside in this quarter. So, what is the reason of this?

N. Balakrishna: Hi, Bala here. Just give me a minute. So, you are looking at the quarter-on-quarter comparison, is it?

Love Jain: Yes.

N. Balakrishna: See, just for the sake, is it Q4 versus Q3 comparison you are doing, or Q4 versus Q4?

Love Jain: Q3, Q4.

- N. Balakrishna:** Q3, Q4. See, in Q4, as a year-end process, we have taken an additional provision as a cautious. Also, there is a slight dip in the margins in the current quarter. That itself is a reason. Otherwise, the revenue, I mean, otherwise the business itself is flat in the current quarter. That answers your question.
- Love Jain:** Yes. And another one is on the planned CAPEX that you mentioned, Rs. 100 crores to Rs. 150 crores. And in the previous call you mentioned 80% of the CAPEX is expected to be funded by debt. So, is this the same capital structure you are going to follow for the CAPEX or is there any change in the capital structure for this CAPEX amount?
- N. Balakrishna:** Yes, we are still of the same opinion that we go with 80-20 model. 20 will be from our internal accruals, 80 will be funded through loans.
- Love Jain:** And on the cash conversion cycle, I can see that in FY '25, it is increasing. Can you help us understand why the company decided to clear payables earlier and how this fits into the overall working capital strategy?
- N. Balakrishna:** Sorry, what is that decreasing? I didn't hear properly. If you can repeat.
- Love Jain:** Yes, so it is related to the days payable. Why the company has decided to clear payables earlier and how this fits into the overall working capital strategy.
- Samvid Gupta:** So, I think it's just a function of business. Depending on the business mix at that time, it varies, terms vary, customer to customer, whoever is growing at a different pace for the quarter. And this is primarily on account of the 5PL business.
- Ishaan Gupta:** Love, just one more thing since you touched upon expansion. I just want to add that apart from the CAPEX which we are planning, which will be for buying land and building up our own facilities, similar to our Lucknow model, we are also discussing BTS, where someone else builds a warehouse and we do a long-term lease for more locations. So, we will be growing on both asset light model as well as our own projects.
- Moderator:** Next question is from the line of Rohit from Samatva Investments. Please go ahead.
- Rohit:** Good evening and thank you for the opportunity. So, my first question is on Snowman Logistics. See, the margins have seen a significant dip over the last 3 to 4 years, where we were reaching somewhere around 18% to 19%. And I guess this year we have ended in 11% for the warehousing part of the business. Just wanted your thoughts on what's been the reason for this decline. Is it some accounting change or is there a mix change? Or what is the main reason for this?
- Padamdeep Singh Handa:** See, the margins, as you see, are blended sales also with more with growth coming from 5PL business. The overall blend of margins are reducing and that is what is reflecting on the P&L as well. Also there has been certain cost pressures in the last year which further because of the business mix change, as some of the industries did fantastically well and the others didn't do

much, so that also created some sort of a marginal dip, which is reflecting, but prima facie with the increase on the 5PL model, this reflection is there.

Rohit: Sir, I am only talking about the warehousing part. I get it 5PL is a bit low margin volume-based business. I am only talking about the warehousing part of the business. So, that's also, those margins also, 3 years back, around 18%-19%, that's come down to 11% this year. So, I just wanted to know on the warehousing part of the business.

Padamdeep Singh Handa: So, some of it is contributed by the "Park 'n' Pay" model. This year we have grown 500x in "Park 'n' Pay" model wherein close to 60,000 pallets were outsourced and built. So, wherein the margins are lower, thus the percentage margin is pulled down on the warehousing part.

Rohit: So going forward, can we expect margins to be at these levels due to your new "Park 'n' Pay" system that you have adopted?

Padamdeep Singh Handa: See, this is the short-term "Park 'n' Pay" what I am talking about, and we will continue to grow in that. Also, there was another business with Amazon, which was shut down which also impacted the overall warehousing margins. So, the mix of warehousing change also has contributed in overall reduction in terms of percentages which is reflected.

Rohit: My second question is on Gateway Logistics per se. So, just a broader picture I want to understand. Three to four years back, in one of your calls you had highlighted you want to increase your satellite terminals, you want to expand more in Central India, in Rajasthan. I get Jaipur hasn't come through. But apart from the facility in Uttarakhand, Kashipur facility, we haven't been able to add a lot of satellite terminals to improve our volumes. Just wanted, what are our plans going forward in terms of maybe setting up new ICDs or, you know, leasing out something. What is exactly our goal going forward?

Samvid Gupta: So the plan remains the same. But as we mentioned over the last few calls that land acquisition continues to be a big challenge. We have almost finalized a couple of parcels and then due diligence doesn't go through. Some title issue is there. Some people back out last minute on price. So, we are looking for viable projects only and we don't want to expand for the sake of expanding.

That being said, there are still two, three active opportunities that we are looking at. And one of them is also on an asset light model. So, hopefully, you know, we have been saying we will get back with it. But even though the overall sentiment is down right now, fresh investments are much lesser. So, we are also reevaluating our plans. But we definitely want to have more rail linked ICDs.

Rohit: Got it. Sir, on this Western Direct Freight Corridor, last in H1 if I am not wrong, the rail coefficients to all the three ports had seen a significant fall. So, what are you getting on ground? Why is the rail coefficient actually decreasing? The share to Mundra and Pipavav in spite of both of them being connected on the Western DFC, why is still road being preferred over rail?

So, speaking because once JNPT comes through maybe by the end of the year, is there a possibility that volumes might not kick through for us or for the industry as a whole?

Rajguru Behgal:

Hi, Rajguru this side. So, one of the reason you have seen a slight dip in rail volumes was also due to the congestion issues faced especially at Mundra Port, and there was double stack restrictions very often. And especially due to heavy pipeline towards Mundra and there was a restriction going towards Mundra which really hit the overall volumes. Plus, trade was also expecting that with the completion of DFC, which is not done till now, there will be some kind of positive commercial advantage given to the trade. That has also not happened. So, we are just waiting and watching. So, hopefully once the JNPT Corridor is completed, which now they are saying is, as per the site they are mentioning December, but as per our sources it might take another couple of months. So, it should happen by March. So, then only we will see 100% advantage. Then there is a possibility of some shift from road to rail.

Rohit:

Fair enough. So, just one last question is on your Kashipur ICD. So, if I am not wrong, we had invested, we had acquired it for around Rs. 150 crores. And currently I guess we are doing around 3,000 to 3,500 TEUs. Just wanted what was the reasoning to buy the Kashipur ICD considering in your only calls earlier you had said the total addressable volume is only around 10,000 to 12,000 TEUs. So, what was the reasoning to spend so much money on an ICD where the potential volumes within that area is only 3x what we are doing right now? So, just your thoughts on that and how do you see it going forward in terms of expanding volume from that ICD?

Samvid Gupta:

So, you know, that time the operations, rail operations were done by someone else. So, we looked at the whole picture of rail plus road plus ICD. And it made sense because it's about a four-to-five-year payback for us, which was better than a Greenfield ICD project. While the volumes are not as high as NCR or Ludhiana, it's still a good catchment area. There are some fresh investments also coming in that region and with our increased services and us hubbing it via Garhi, via Piyala, we can target a slightly wider market there because we can pass on the DFC and double stacking margins. So, that was the thought behind it.

Rohit:

Fair enough. If I just have one more question on Snowman logistics per se. So, it's on the 5PL business. So, I understand organically, within the three clients that we have, we have been doing well. But it has been three years, three to four years, and we haven't been able to add any new customers, you know. So, are you still confident? And I just want to know is there any real value addition that you are able to give to the clients? Because if I look over the last three years, I get it, we have three clients, but there has been no inorganic growth on that part. So, how do we plan to expand the 5PL business?

Padamdeep Singh Handa:

So, this year we have added two new customers. One is Unilever and the other one is an Indonesian coffee chain by the name Kopi Kenangan. And that will start reflecting, I mean, it has already reflected in our books this year, and it will further increase the volumes in the coming years. And we are constantly working on creating new similar customers, apart from our organic growth from the existing ones.

- Rohit:** So, the Unilever part, what are we exactly doing for them, if you could just elaborate?
- Padamdeep Singh Handa:** So, we are doing their ice cream distribution in Northeastern states, seven sisters from our Guwahati warehouse.
- Moderator:** Next question is from the line of Bhoomika Nair from DAM Capital. Please go ahead.
- Bhoomika Nair:** Hi. First, I just want to understand all the exceptionals as there are multiple from what I understand. One is clearly the revaluation of Snowman goodwill, which is Rs. 258 crores. Second, I believe there is some stamp duty. And third, there is a revaluation of assets, because of which the depreciation is also kind of changed during the quarter. Is that understanding, are these the three exceptionals? And if you can just highlight if I have missed anything else during the first thing so far?
- Samvid Gupta:** Yes, it's that plus Snowman number getting line by line consolidated and also the CFS revenue getting adjustment, which we have been doing for the last three quarters as well. So, it's not a like-to-like. If you look at Q4 last year versus Q4 this year, you will see a change in, you know, this is basically gross revenue, net revenue, some discounts earlier were counting as part of net revenue. So, that's about Rs. 46 crores on the CFS revenue side for the full year.
- Bhoomika Nair:** And from a depreciation perspective, can you clarify what is being the impact for the quarter and for the year because of this utilization being reassessed?
- Samvid Gupta:** We have only done it in Q4. We have not done it backdated from Q1. It's between Rs. 3.5 crores to Rs. 4 crores.
- Bhoomika Nair:** So, it's lower by Rs. 3.5 crores, Rs. 4 crores for the 4Q, which is where it will continue as, and this is a base to be utilized for now, next year as well. Is that understanding correct?
- Samvid Gupta:** Yes.
- Bhoomika Nair:** And on this revaluation of the Snowman goodwill, Rs. 258 crores, was there any tax benefit associated to this?
- Samvid Gupta:** No, it comes as goodwill. So, we have taken a gain on goodwill and then now we have taken an impairment on goodwill. So, net we are left with, plus Rs. 132 crores for the year. There is no tax impact, no tax impact, nothing. It's purely a balance sheet item.
- Bhoomika Nair:** Fair point. Just if you can call out what has been the Rail and the CFS EBITDA per TEU or anything of that sort, if you can just talk about that as well.
- Samvid Gupta:** Yes, so roughly it's about Rs. 9,500 - 9,600 for the rail side and say Rs. 1,300 - 1,400 for the CFS side.
- Bhoomika Nair:** This is for the 4th Quarter, right?

Samvid Gupta: Yes.

Bhoomika Nair: And also for the full year actually.

Bhoomika Nair: Sure. For rail, if we see now last two, three quarters, we have kind of settled at this 92-93,000 TEUs per quarter, and about Rs. 9,500-9,700 crore range for EBITDA per TEU. So, it's fairly sticky around this number. You know, how are we seeing growth kind of coming back given that we don't have any particular ICDs in pipeline for '26 per se, and it seems that at least Kashipur etc., we have not been able to scale up volumes per se? So, if you can just throw some light on this and any progress on any land acquisition for any ICDs that we were planning, any progress out there?

Samvid Gupta: So, because Q1 was low, this Q1 will be much better, say more in line with what we have done Q2, Q3, Q4. So, you will see some growth there. But otherwise, you know, we are just waiting on, say, one is the July date of the tariffs, how that plays out.

Overall also, sentiments are lower, fresh investments are less. So, volume will probably remain around the same range with some growth. More growth we are getting from gaining market share. But say the NCR market, Ludhiana market, those are flat as an overall basis. So, that's there.

On the new terminals, we are still waiting on finalizing something. We have still not been able to secure it. We are being extra careful after Jaipur. So, once it's there, we will announce it and let you know.

Bhoomika Nair: And in terms of the volumes per se, while obviously Y-o-Y 1Q will look good, but has the market seen any improvement in terms of the volume trade activity or not really because of the tariffs?

Samvid Gupta: So, not solely because of the tariffs. Generally also, even before that, volumes were flat. And I think if you see across the industry, it's like this right now.

Bhoomika Nair: If you can just also talk about the market share numbers and how our double stack has panned out in this particular quarter.

Rajguru Behgal: Yes, I will take it. So, in Quarter 4, our market share at NCR has been steady at 17%. And at Ludhiana, so we have regained our market share to 27%, which last year it was as low as like 24%-25% (to be read as 23%-24%). In the Uttarakhand market at Kashipur, we have regained market share to 37%. Yes, so that is the status of the market share.

In terms of the double stacking, after this double stacking which has happened at Faridabad, our double stacking percentage has increased to 41% in Q4. And if we split this further into different ICDs, so earlier we were in the range of 40% of Faridabad volumes, now it is gaining. So, overall, just wanted to tell you the overall 41% is there, and earlier it was around 38%. So, we

have gained 2%-3% advantage. And going forward also as the volumes grow, we are anticipating a good amount of increase. So, we are targeting 42%-43% going forward.

Bhoomika Nair: Just on this market share numbers, these were 4th Quarter market share numbers or for the full year, sir?

Rajguru Behgal: So, these were 4th Quarter, over last year 4th Quarter.

Bhoomika Nair: And how would it be for the full year?

Rajguru Behgal: Yes, full year NCR was 17% and Ludhiana 25%. Then Kashipur was 28%. Yes, full year, you see the lower number of Kashipur because Q1 and Q2 were down, which we gradually improved in Q3 and Q4.

Bhoomika Nair: So, I mean, with the volume growth being restricted to these market-led growth, given lack of new capacities per se, obviously the focus will have to be on market share gains. But given how competitive the market is, how are you seeing that pan out and versus the EBITDA per TEU? Where are we seeing the ability to kind of actually grow volumes or will it be more driven by the margin expansion as we move forward?

Samvid Gupta: No, so, we are focusing on Piyala and Viramgam. Those are two markets where we feel like we can do better. With Ludhiana, we kind of already regained our number one spot, so I think keeping that consistent will be there. But these two markets, there is good scope, especially after Faridabad got double stack.

Bhoomika Nair: This helps. Maybe I will come back in the queue. And sorry, just lastly, what is the CAPEX that we are looking for in FY '26-'27?

Samvid Gupta: So, maybe around Rs. 30 crores, other than the new terminals.

Bhoomika Nair: And sorry, what will it be for Snowman because that will also get consolidated now?

Samvid Gupta: Rs. 100 crores to Rs. 150 crores per year. Even Gateway is Rs. 30 crores per year. So, say Rs. 60 crores for the next two years. This is basically some warehousing capacity and vehicles.

Bhoomika Nair: So, basically this does not include any new ICDs. As and when we will acquire land, then we will outline that separately.

Samvid Gupta: Yes.

Moderator: Next question is from the line of Kunal Tokas from FVC. Please go ahead.

Kunal Tokas: The first question is about the 5PL vertical. This is represented as as drag in distribution segment in your statement. And while revenue has grown well, margins have fallen. So, can you explain why that is?

Padamdeep Singh Handa: See, as I have mentioned that we have acquired a new business with Unilever, wherein the margins are different to the earlier businesses we were doing in 5PL. So, that has contributed to a lower overall percentage when it is vis-a-vis the top-line. And also the product mix for the current customers of ours has changed, which has resulted in lower margins. There are certain items which are imported, and it comes at a different margin than what we procure and what we procure from India. So, the differential is because of the mixed change plus the new business with Unilever wherein overall margins are differently packed.

Kunal Tokas: So, earlier you were targeting gross margins of – in 5PL was 8%-9%. Has that changed now with the new situation?

Padamdeep Singh Handa: Yes, correct. That is changed, but it will remain in the range of 6% to 8% depending upon the product mix.

Kunal Tokas: All right. And I just want your clarification on accounting for the goodwill impairment that you have taken. Can you explain a bit more why that occurred, after taking the gain on consolidation last quarter?

Samvid Gupta: Yes, it's basically linked with the share price also, as well as the accounting standard where we have to make a discounted cash flow. So, we didn't really have a choice but to go with this figure. So, we have taken a hit of Rs. 258 crores. But again, it's purely a balance sheet item, no tax, no cash outflow. It has no bearing on the overall operations of the company.

Kunal Tokas: How much of it was linked to the share price and how much to the DCF calculation that you yourself did? What is the weightage of these two things?

Samvid Gupta: The DCF and the share price are roughly in the same range as of March 31st. So, that's the entire impact. Our last purchase was at about Rs. 75. So, we first took a gain at that value. Then this has come down from basically Rs. 75 minus close to Rs. 50. So, that Rs. 25-27 gap is the hit that we have had to take.

Moderator: Next question is from the line of Jainam Kiran Kumar Shah from Equirus Securities Private Limited. Please proceed.

Jainam Shah: I just missed one point. You clarified on the other income part. So, can you just repeat that part like the other income is higher during this quarter. What has led to that particular thing?

Samvid Gupta: So, there are some routine write-backs of discounts and incentives payable. Then there is also interest income, as the company is sitting on over Rs. 100 crores in cash right now. And then also there was a write-back on account of a provision we made for tax last year. And then we opted for Vivad se Vishwas, so we paid out the tax and closed out all the old matters. But last year we had only taken a provision, on a contingency basis. So, it got added back in EBITDA, but it subtracted back from PAT.

- Jainam Shah:** Got it. And the higher other expense, what could be the reason? Like we have been doing Rs. 28 to 30 CR kind of a number, but this year it went up to Rs. 40 CR. This is only for the Gateway number that I am talking about. Any specific other expense which has been added in to this number?
- Samvid Gupta:** Basically the stamp duty number that we have given of close to almost Rs. 13 crores, we mentioned it at the start of the call and the press release. This is again a provision. It's not a cash outflow yet. So, whenever the demand comes in, we will pay it.
- Jainam Shah:** Got it. That's it from my side.
- Moderator:** Next question is from the line of Love Jain from Artha India Ventures. Please go ahead.
- Love Jain:** Hi, thank you. I was seeing annual trade receivers, Snowman, increasing year-on-year. Can you please specify how much, these are considered good in FY '25 and how much are overdue from like last 6 months? And how much are the provisions basically? I think, if you can give break down of annual trade receivables.
- N. Balakrishna:** Hi, Bala here. The increase in trade receivables is a direct relation to our increase in turnover, we put it this way. And we carry a provision of approximately Rs. 4 crores, which is covering 180 days. But all the majority is from the current year itself. Hopefully that answers your question?
- Love Jain:** Yes. And how much are the provisions out of these? Is there any provision?
- N. Balakrishna:** We provisioned full 180 days, which is around Rs. 4 crores.
- Moderator:** Next question is from the line of Gaurav Gandhi from GPM. Please proceed.
- Gaurav Gandhi:** Just one question or clarification from your side. Sir, why have we arranged the land acquisition deal at Jaipur in such a way that it came under the Benami Property Act. And is there any possibility of settlement there or is this issue going to get dragged for many long years?
- Samvid Gupta:** Sir, it wasn't our intention to do anything like that. We still believe we did it the right way. We have a good top legal firm also advising us, who believes that we have a strong case. We are hopeful within the next year or two, for whatever reason, this got caught in this legal case. But according to us, it's still fine. There is no, unfortunately, like a settlement scheme, like Vivad se Vishwas and all that we have done in IT matters. But we are confident that the tribunal will go in our favor.
- Moderator:** Next question is from the line of Pranay Khandelwal from Alpha Invesco. Please proceed.
- Pranay Khandelwal:** So, I just wanted to know, now that Gateway has reached that 50% plus mark for Snowman, so is Gateway still looking to invest more in the company or maybe completely merge Snowman into GDL? How is the management thinking on that?

- Samvid Gupta:** So, no plans of merger right now as they are different businesses. Regarding stake also, we haven't thought of anything yet. We are not against it, but we don't have any immediate plans to increase our stake either.
- Pranay Khandelwal:** I was asking since you mentioned that there is some Rs. 100 crores on cash and GDL will be churning out more cash this year. So, any plans?
- Ishaan Gupta:** Every year there will be certain CAPEX which is required in GDL. And we have a track record of paying dividend also. So, based on the cash flows, if and when there is any surplus, then we could consider it. But as of now we have not announced any plans.
- Pranay Khandelwal:** And now on this Snowman side, any new customers that you are talking to for 5PL business or also wanted to confirm that these two customers that were mentioned, Unilever and Kopi, they are both on the 5PL side, right?
- Ishaan Gupta:** Yes, they are on the 5PL side. And on an ongoing basis, there are many customers who we have a conversation with. We also select those customers who we are confident of their growth and their ability to make payments on time, because this business is very working capital intensive. So, as and when we come across any large new customer, which makes sense, then we partner with them for 5PL.
- Pranay Khandelwal:** And Kopi I believe right now has only one outlet in India, right? So, what are their plans? Are they planning all these....
- Ishaan Gupta:** They have two outlets as of now. As of now they have two outlets, and we have obviously plans to expand more, but we will not be able to comment exactly how many stores and at what time.
- Pranay Khandelwal:** I think that will be all.
- Moderator:** Next question is from the line of Kunal Tokas from FVC. Please go ahead.
- Kunal Tokas:** Just a quick question. You mentioned right now that choosing the right customer is very important for your 5PL business because obviously you take inventory ownership, and you don't want to be left hanging with inventory you can't sell. So, onboarding a player like Kopi, which is just entering the industry, do you think it makes sense to take that risk versus going with more established players? But then obviously you also have the thing that established players have their own supply chain established. So, how do you manage that trade-off between taking more risk versus getting more growth from new players entering India or expanding in India?
- Padamdeep Singh Handa:** See, we have done our due diligence when we speak with a customer in terms of their plans in India, their stability, plus we see their global presence as well. So, at the pace Kopi is expanding globally and the way their contract is structured, it keeps us quite covered in all aspects and we try and put in our best effort in terms of doing a detailed due diligence, to ensure that the company's interests are safeguarded alongside the growth.

- Kunal Tokas:** What sort of securities do you have in these contracts? Do you have recourse to the parent entity of Kopi maybe?
- Ishaan Gupta:** You know, unfortunately, because of an NDA, we are not able to disclose the details of the contract with our customers. But we can assure you that we have built enough safety which guarantees us, that we will not be at a loss. And that's why finding customers who are acceptable, who are amenable to such terms of the agreement, it takes time and we are careful about who we choose.
- Kunal Tokas:** Also another question about the warehousing business. So, it's flat as we can see, but that's obviously also because of Amazon moving out. So, on a like-for-like basis, what would the growth have been if we just removed Amazon from the previous year's numbers as well?
- N. Balakrishna:** If we remove Amazon business alone, from the "Park 'n' Pay" and the dry business, it's around 5% increase we can see in a warehousing business, which is exactly been compensated by loss of Amazon business in the topline, which is around Rs. 10-11 crores, works out to be.
- Kunal Tokas:** And what has been the sort of pricing decline in the last one year?
- N. Balakrishna:** See, the margins impact is for various reasons. One is our temperature control business remained flat. And there is a few customer segments like meat, seafood and poultry. These were down year-on-year by 15%. That has a direct impact on our margins. Hope this addresses the question.
- Kunal Tokas:** Yes, it does. So, there has been a pricing decline, right?
- Ishaan Gupta:** Yes. Sorry, just to clarify, Kunal, when we say there has been a pricing decline, it's because our mix has changed. So, certain products which are stored at certain temperatures, the pricing is more and some of those have come down. But on average, across most of our existing customers who we do renewals with, then about 4% to 5% pricing increase we have this year. 4%. But the mix changes. That's why on an overall pricing basis, you will see the drop, but contract basis with customers, we are able to get increases.
- Kunal Tokas:** And how are you seeing the competitive intensity in this business? Because you know warehousing is the core of your business where you generate the most cash which you can then use to grow the 5PL business, while transport is more of just an ancillary service. So, how do you see the competitive intensity in this business?
- Ishaan Gupta:** So, as of now, on a pan-India basis, we are still the leader by a large margin in terms of capacity. On a regional level, at every new location, there are some cold storages who we compete with. And on the 5PL side, we don't have any competition as of now. But the scenario can change as the industry is maturing, and as more and more shift is happening from unorganized to organized. So, we do expect healthy competition to come in. And that is why we continue with our growth plans.

- Kunal Tokas:** And is your growth in this business limited just by the supply side, that is people not building enough cold storages? Or do you think there is also hesitancy from demand side, that is customers finding the cost of cold storage, professional cold storage services like you do may be a little bit too much compared to what they have been doing which might be unorganized, but that is what they have been doing?
- Ishaan Gupta:** It's a mix of both. You are right that people who are shifting from an unorganized setup to more organized, they see the value in using professional cold chain services. And also there are certain places where our warehouses are running 100% full. So, that's a supply side constraint that we have.
- Moderator:** Next follow-up question is from the line of Love Jain from Artha India Ventures. Please go ahead.
- Love Jain:** On the industries we are serving in the Snowman, in the presentation I can see we have a good amount of industries that we are serving. If you can give me which one is the highest margin in this quarter, if you can provide, what are the top industries that we are serving?
- Padamdeep Singh Handa:** See, we are serving from QSR to ready-to-cook food to the quick commerce. Quick commerce has been the recent add-on.
- Love Jain:** Can you give us the revenue breakdown?
- Padamdeep Singh Handa:** We will not be in a position to share that. It's a blended sort of a thing, so not ready at present with me.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. Participants that have missed out due to time constraint can reach out to Management and SGA for Gateway Distriparks & Snowman Logistics for any further information. With that, we conclude this conference. Thank you all for joining us and you may now disconnect your lines.