



Cold Chain Market – India

October 2014

Executive Summary

Market Overview

- Cold chain logistics market in India is valued at INR x1 bn in 20--, growing from around INR x2 bn in 20--
- Investments in Indian cold chain industry is expected to cross INR x3 bn by 20--
- Presently with deficit of x4%, aspect1 needs to increase x5% to eradicate result1
- New companies are venturing into service1 due to higher profitability

Drivers & Challenges

Drivers:

- Growth in Organized Retail
- Shift towards Horticultural Crops
- Growth in Processed Food Sector
- Demand from Pharmaceutical Sector
- Changing Consumption Pattern

Challenges:

- Lack of Logistical Support
- Uneven Distribution of Cold chains
- Cost of Establishment and Maintenance

Recent Developments

- Development1
- Development2
- Development3

Competitive Landscape

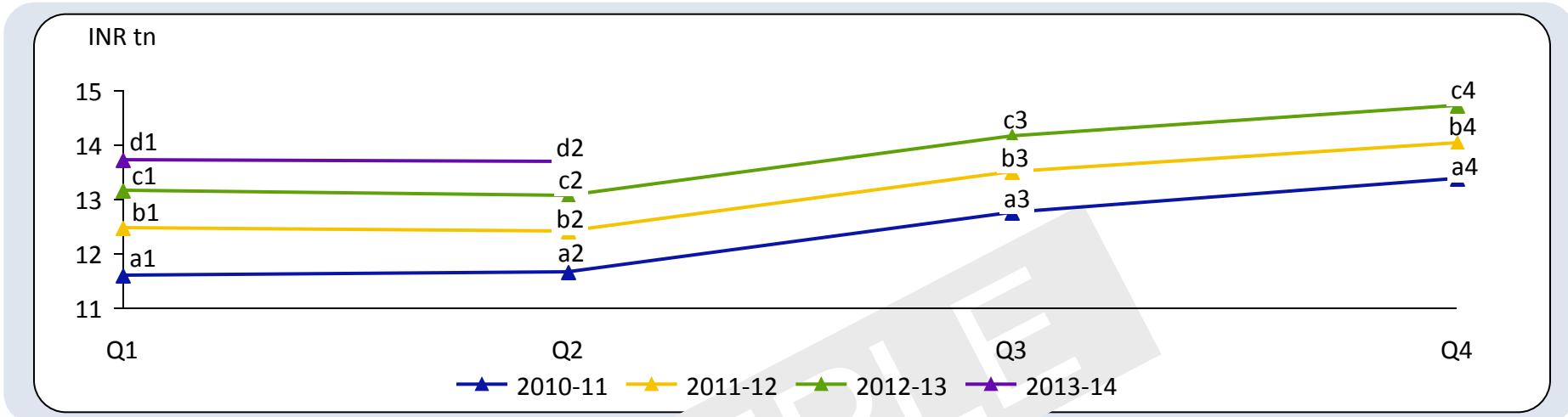
Key Players

| | | |
|---------------------------|------------------------|---------------------------------------|
| Brahmanand Himghar Ltd. | Snowman Logistics Ltd. | Fresh Healthy Enterprises Ltd. |
| Dev Bhumi Cold Chain Ltd. | Gati Kausar India Ltd. | Kelvin Cold Chain Logistics Pvt. Ltd. |

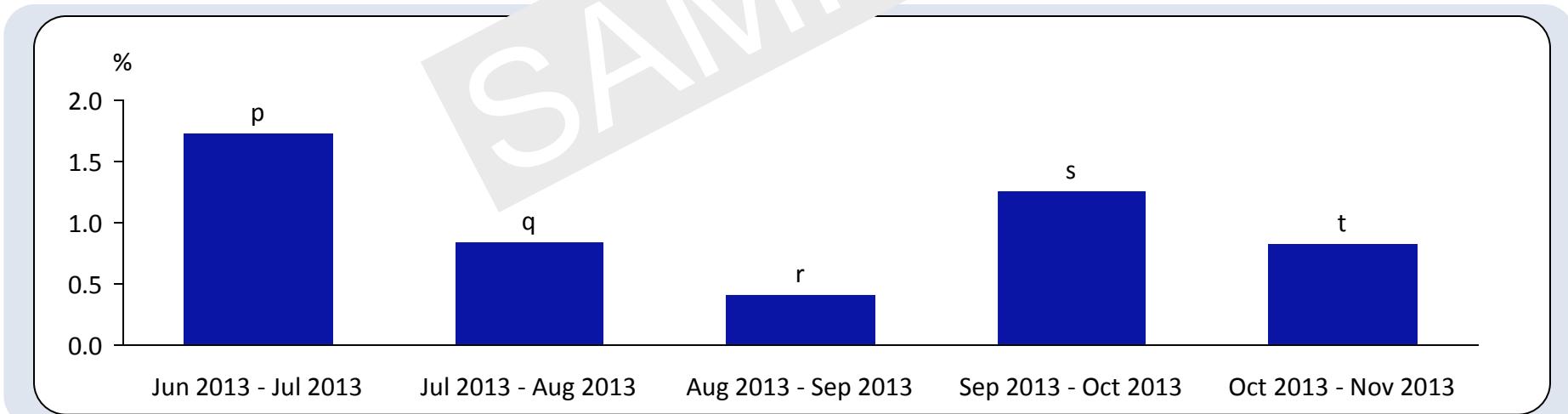
- **Macro Economic Indicators**
- Introduction
- Market Overview
- Government Initiatives
- Assisted Cold Chain Projects
- Drivers and Challenges
- Competitive Landscape
- Recent Developments
- Strategic Recommendations
- Appendix

Economic Indicators (-/-)

GDP at Factor Cost: Quarterly



Inflation Rate: Monthly



Introduction

Cold Chain – Overview

Cold Chain

A cold chain is a temperature-controlled supply chain, which consists of storage and distribution activities and maintains a product at a given temperature range

Segments

Surface Storage

It consists of refrigerated warehouses for short-term storage of essential raw materials

Refrigerated Transport

It includes (refrigerated) trucks, cars, van, containers and ships for transporting perishable products

Key Activities

Involves aggregation, grading , selection, cooling, packaging from raw materials or manufacturers

Transportation

It includes all activities related to transportation of produce to the market from farms or manufacturing location

Supply / Procurement

Transport

Storage

Transport

End-customer

Manufacturers / Farms

Refrigerated Transport

Cold Storage

Refrigerated Transport

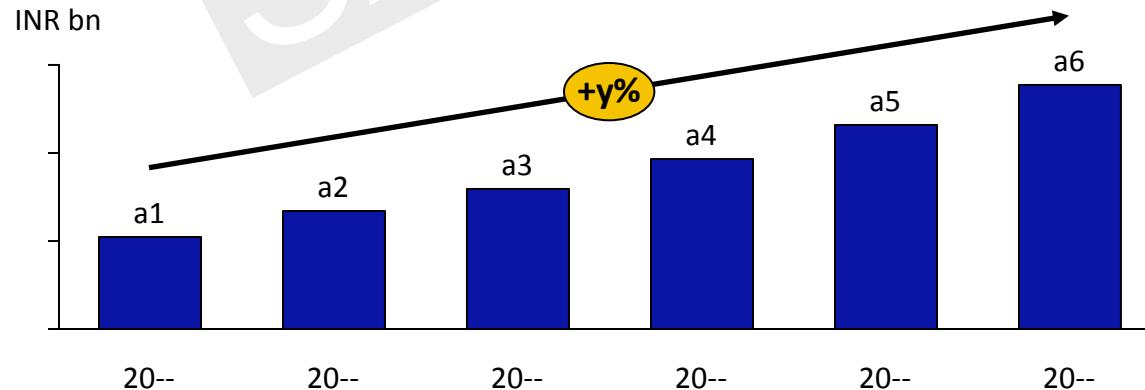
Retail, Terminal, Markets, Factory, Port or Airport

Cold chain industry is highly fragmented and somewhat dominated by segment1

Market Overview – India (1/3)

- Cold chain logistics market in India is valued at INR y1 bn in 20--, growing from around INR y2 bn in 20--
- Cold chain industry in India is largely untapped and somewhat dominated by the segment2
- Investments in Indian cold chain industry is expected to cross INR y3 bn by 20--
- Out of the total farm exports of INR y4 tn, fruits and vegetables accounts for ~INR y5 bn because of spoilage
 - Annually y5% of the fresh food produced in the country is wasted due to rotting costing producers and other stakeholders in the operations estimated INR y6 bn
 - Wastage of fruits and vegetables are higher in the region1 and region2 of country due to the regions' condition1 and condition2
- Cold chain primarily comprises of two segments – storage consisting of approximately y7% of the market share and transportation comprising around y8%

Cold Chain Logistics – Market Size & Growth



Assisted Cold Chain Projects (-/-)

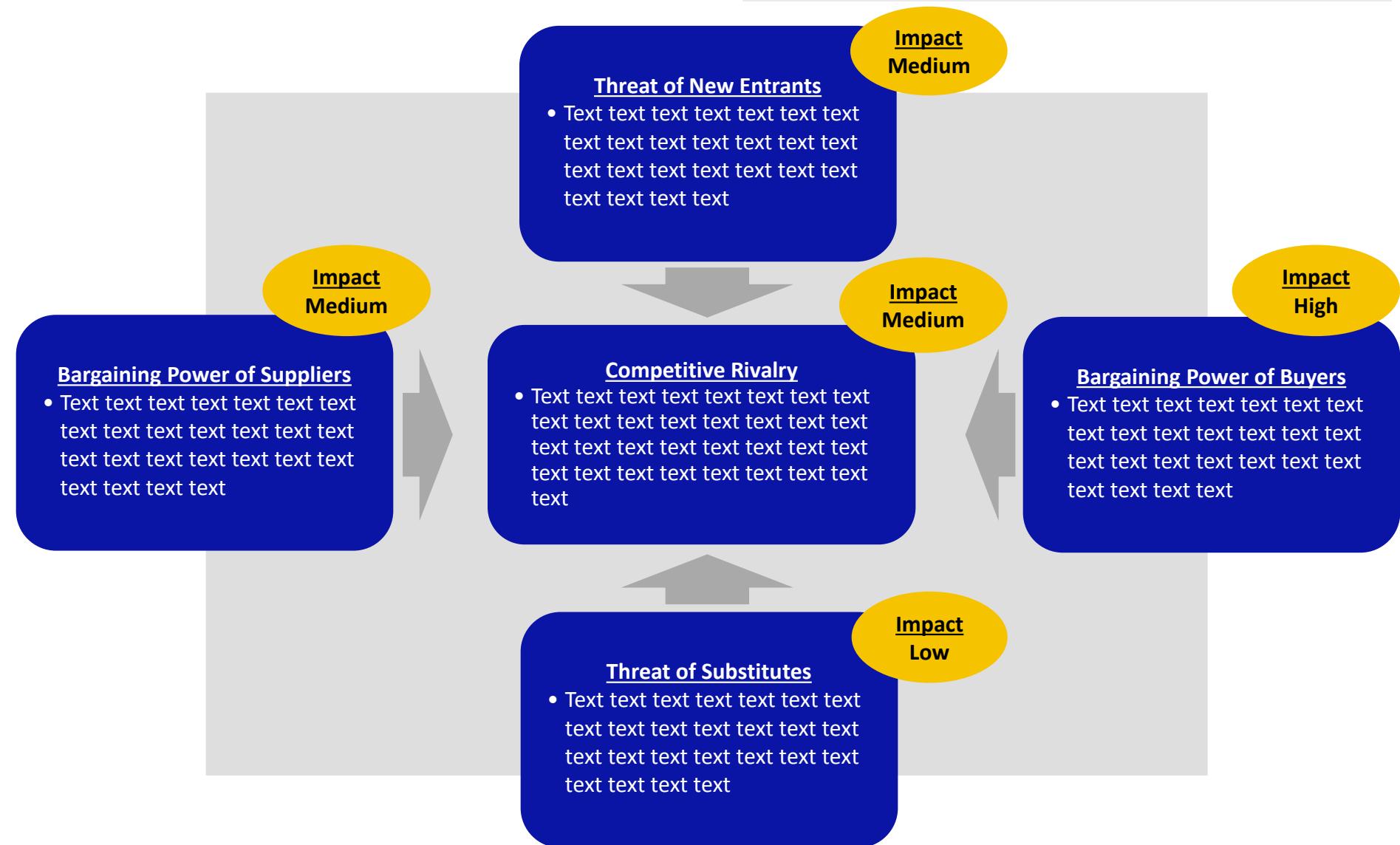
| Party | State | Product(s) | | Date of Final Approval | Grant Approved | Grant Released |
|-------------|-----------|-------------|--|------------------------|----------------|----------------|
| CompanyName | StateName | ProductName | | 28.01.20-- | | |
| CompanyName | StateName | ProductName | | 28.01.20-- | | |
| CompanyName | StateName | ProductName | | 28.01.20-- | | |
| CompanyName | StateName | ProductName | | 28.01.20-- | | |
| CompanyName | StateName | ProductName | | 28.01.20-- | | |
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| CompanyName | StateName | ProductName | | 28.01.20-- | | |
| CompanyName | StateName | ProductName | | 28.01.20-- | | |
| CompanyName | StateName | ProductName | | 28.01.20-- | | |

Drivers & Challenges – Summary

| <i>Drivers</i> | |
|-----------------------------------|-------------------------------------------------------------------------------------|
| Growth in Organized Retail |  |
| Shift towards Horticultural Crops |  |
| Growth in Processed Food Sector |  |
| Demand from Pharmaceutical Sector |  |
| Changing Consumption Pattern |  |

| <i>Challenges</i> | |
|---------------------------------------|-------------------------------------------------------------------------------------|
| Lack of Logistical Support |  |
| Uneven Distribution of Cold chains |  |
| Cost of Establishment and Maintenance |  |

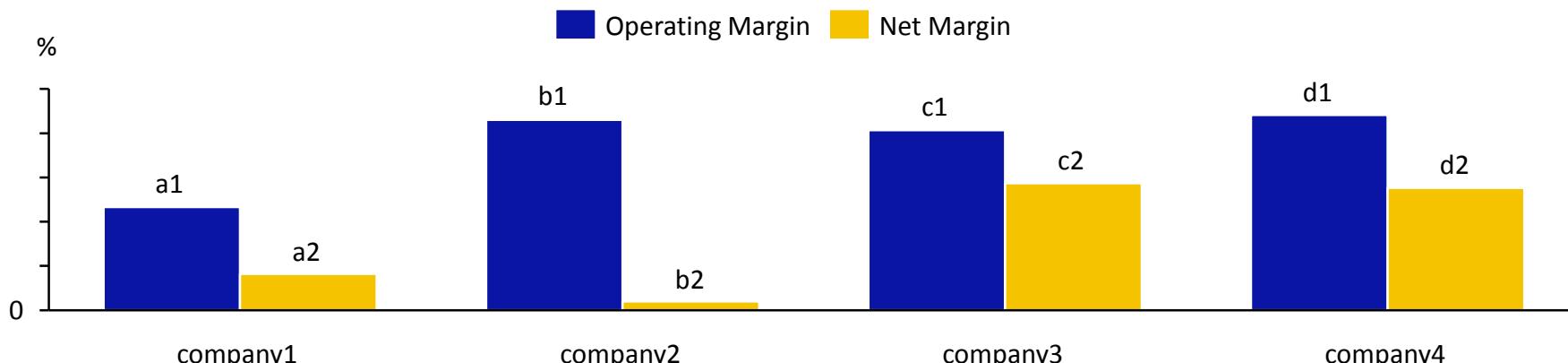
Porter's Five Forces Analysis



Competitive Benchmarking (-/-)

SAMPLE

Key Ratios of Top 4 Companies – Operational Basis (FY 2013) (1/3)



- Company1 recorded operating margin of -%, higher than that of company2, company3 and company4 which recorded operating margin of -%, - and -% respectively
- Thermax however recorded the highest net margin of -% higher than that of Ion Exchange, SPML and Va Tech Wabag which recorded net margins of -%, -% and -% respectively

Public: Domestic Company – Company 1 (1/4)

SAMPLE

Company Information

Corporate Address

Tel No.

Fax No.

Website

Year of
Incorporation

Ticker Symbol

Stock Exchange

Products and Services

| Category | Products/Services |
|----------|-------------------|
|----------|-------------------|

| |
|---------------|
| Sectors (EPC) |
|---------------|

Offices and Centres – India



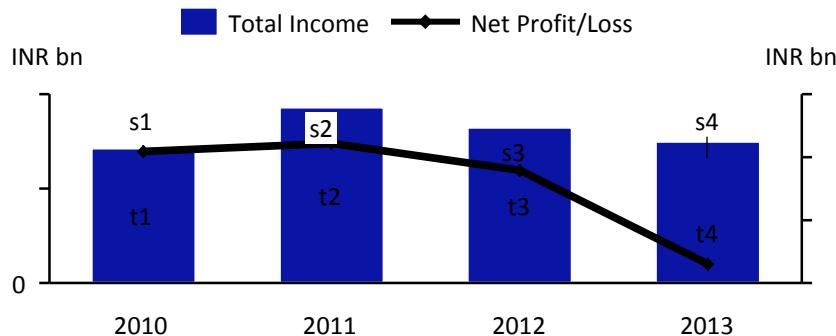
Key People

| Name | Designation |
|------|-------------|
| | |
| | |
| | |
| | |

Public: Domestic Company – Company 1 (2/4)

SAMPLE

Financial Snapshot



Financial Summary

- The company incurred a net loss of INR - bn in FY 2013, as compared to net profit of INR - bn in FY 2012
- The company reported total income of INR - bn in FY 2013, registering a decrease of -% over FY 2012
- The company earned an operating margin of -% in FY 2013, a decrease of - percentage points over FY 2012
- The company reported debt to equity ratio of - in FY 2013, an increase of - % over FY 2012

Key Financial Performance Indicators

| Indicators | Value (17/01/2014) |
|---------------------------------|--------------------|
| Market Capitalization (INR mn) | |
| Total Enterprise Value (INR mn) | |
| EPS (INR) | |
| PE Ratio (Absolute) | |

Key Ratios

| Particulars | y-o-y change (2013-12) | 2013 | 2012 | 2011 | 2010 |
|-----------------------------------|------------------------|------|------|------|------|
| Profitability Ratios | | | | | |
| Operating Margin | ↓ | | | | |
| Net Margin | ↓ | | | | |
| Profit Before Tax Margin | ↓ | | | | |
| Return on Equity | ↓ | | | | |
| Return on Capital Employed | ↓ | | | | |
| Return on Working Capital | ↑ | | | | |
| Return on Assets | ↓ | | | | |
| Return on Fixed Assets | ↓ | | | | |
| Cost Ratios | | | | | |
| Operating costs (% of Sales) | ↓ | | | | |
| Administration costs (% of Sales) | ↓ | | | | |
| Interest costs (% of Sales) | ↓ | | | | |
| Liquidity Ratios | | | | | |
| Current Ratio | ↑ | | | | |
| Cash Ratio | ↓ | | | | |
| Leverage Ratios | | | | | |
| Debt to Equity Ratio | ↓ | | | | |
| Debt to Capital Ratio | ↓ | | | | |
| Interest Coverage Ratio | ↓ | | | | |
| Efficiency Ratios | | | | | |
| Fixed Asset Turnover | ↓ | | | | |
| Asset Turnover | ↓ | | | | |
| Current Asset Turnover | ↓ | | | | |
| Working Capital Turnover | ↑ | | | | |
| Capital Employed Turnover | ↓ | | | | |

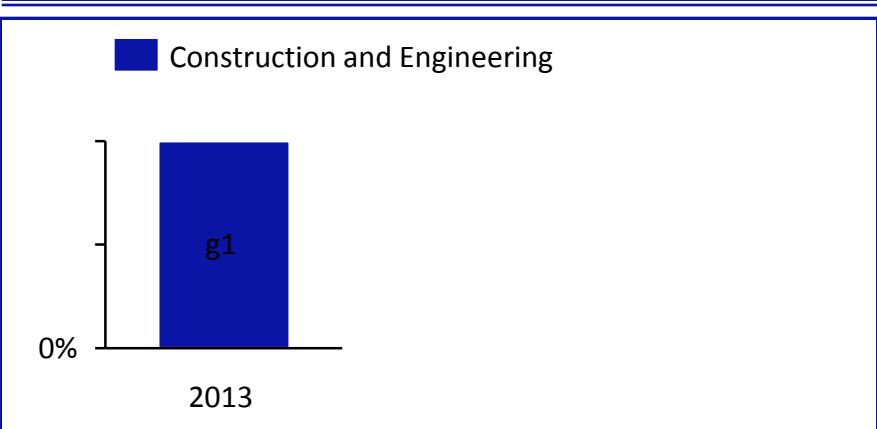
↑ Improved ↓ Decline

Public: Domestic Company – Company 1 (3/4)

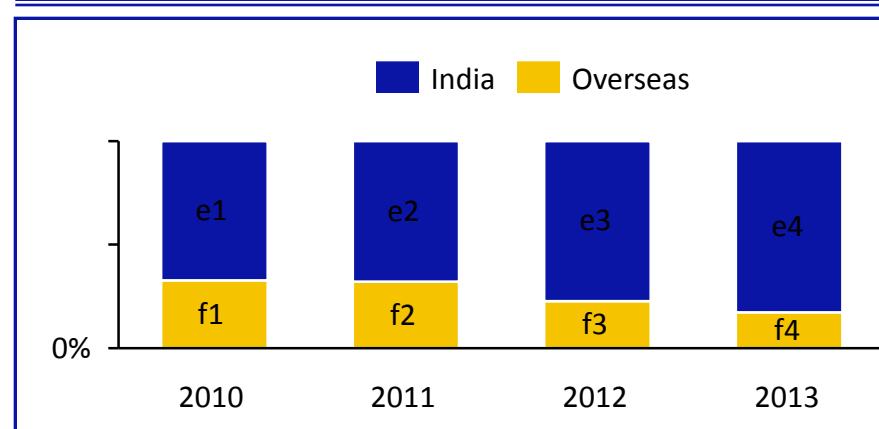
Company 1

SAMPLE

Key Business Segments



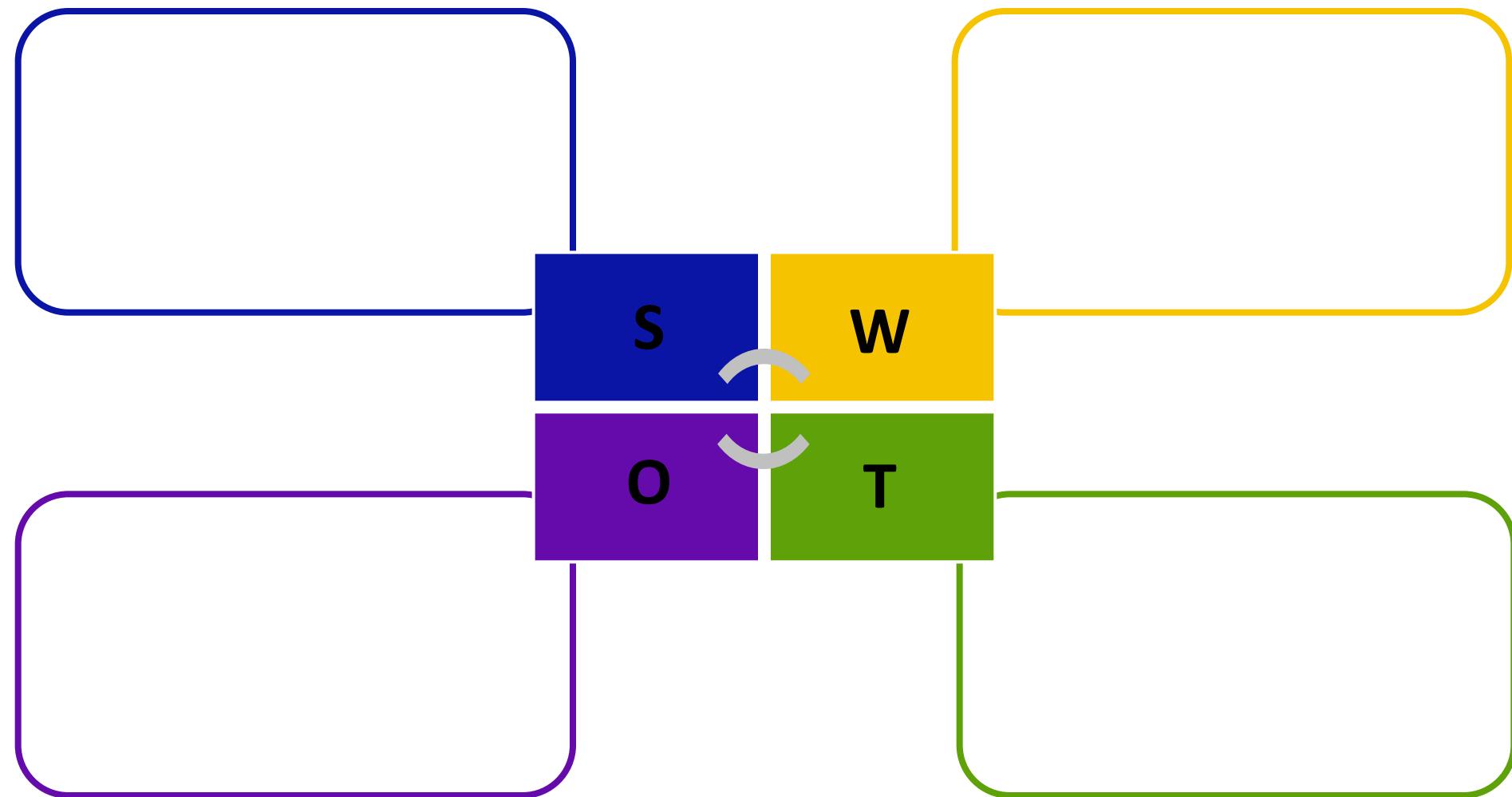
Key Geographic Segments



Business Highlights

Public: Domestic Company – Company 1 (4/4)

SAMPLE



Private: Domestic Company – Company 2 (1/5)

SAMPLE

Company Information

Corporate Address

Tel No.

Fax No.

Website

Year of Incorporation

Products and Services

Category

Products/Services

Products

Offices and Centres – India



Key People

| Name | Designation |
|------|-------------|
| | |
| | |
| | |
| | |

Private: Domestic Company – Company 2 (2/5)

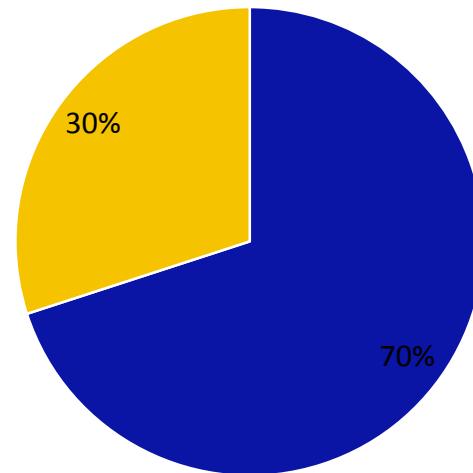
SAMPLE

Shareholders of the Company as on 28.09.2012

| Name | No. of Shares held |
|---------------------|--------------------|
| X | |
| X | |
| <i>Total</i> | |

Ownership Structure

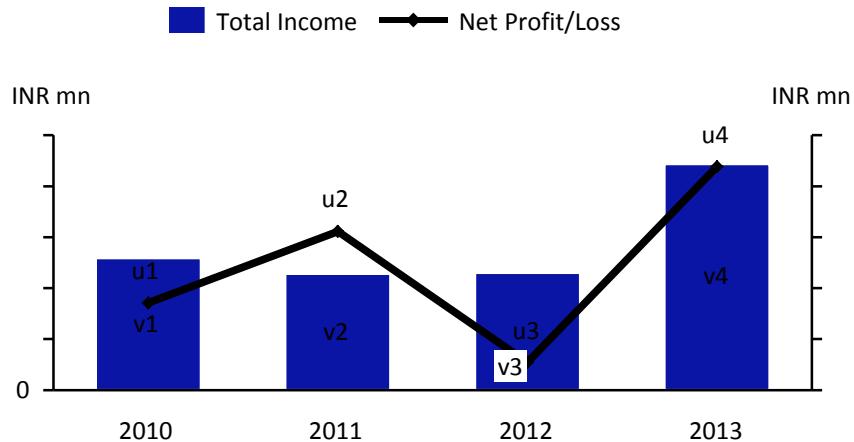
Corporate Bodies Foreign holdings



Private: Domestic Company – Company 2 (3/5)

SAMPLE

Financial Snapshot



Financial Summary

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- The company reported debt to equity ratio of - in FY 2013, a decrease of -% over FY 2012

Key Ratios

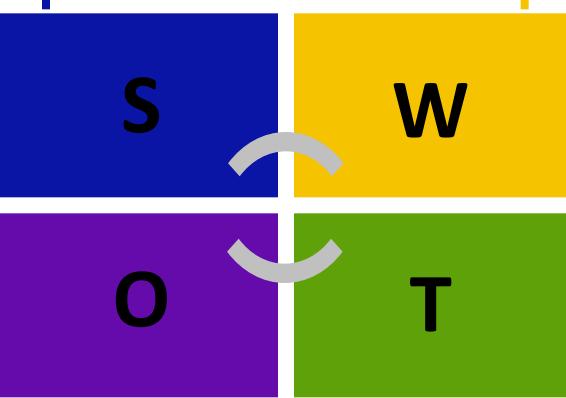
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|-----------------------------------|------------------------|------|------|------|------|
| Profitability Ratios | | | | | |
| Operating Margin | ↑ | | | | |
| Net Margin | ↑ | | | | |
| Profit Before Tax Margin | ↑ | | | | |
| Return on Equity | ↑ | | | | |
| Return on Capital Employed | ↑ | | | | |
| Return on Working Capital | ↓ | | | | |
| Return on Assets | ↑ | | | | |
| Return on Fixed Assets | ↑ | | | | |
| Cost Ratios | | | | | |
| Operating costs (% of Sales) | ↑ | | | | |
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| Efficiency Ratios | | | | | |
| Fixed Asset Turnover | ↑ | | | | |
| Asset Turnover | ↑ | | | | |
| Current Asset Turnover | ↓ | | | | |
| Working Capital Turnover | ↓ | | | | |
| Capital Employed Turnover | ↑ | | | | |

↑ Improved ↓ Decline

Business Highlights

Private: Domestic Company – Company 2 – SWOT Analysis (5/5)

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Recent Developments – Cold Chain Market (1/2)

Development1

Development2

- text text text text text text +
text text text text text +
 - text text text text +
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- text text +
 - .. text text text text text text text text text text
 - .. text text text text
 - .. text text text text text text text text text text
 - .. text text text

Development3

Strategic Recommendations (1/2)

- *Companies need to focus on specific1 and specific2 early to leverage on specific3*

Recommendation1

Recommendation2

SAMPLE

Appendix

| Ratio | Calculations |
|------------------------------------------|-------------------------------------------------|
| Operating Margin | (Operating Income/Revenues)*100 |
| Net Margin | (Net Profit / Revenues) *100 |
| Profit Before Tax Margin | (Income Before Tax / Revenues *100 |
| Return on Equity (ROE) | (Net Income / Shareholders Equity)*100 |
| Return on Capital (ROCE) | EBIT / (Total Assets – Current Liabilities)*100 |
| Return on Working Capital | (EBIT / Working Capital) *100 |
| Return on Assets | (EBIT / Total Assets)*100 |
| Return on Fixed Assets | (EBIT / Fixed Assets) *100 |
| Operating Costs (% of Sales) | (Operating Expenses / Sales) *100 |
| Administration Costs (% of Sales) | (Administrative Expenses / Sales) *100 |
| Interest Costs (% of Sales) | (Interest Expenses / Sales) *100 |

| Ratio | Calculations |
|----------------------------------|------------------------------------------------------------------------|
| Current Ratio | Current Assets / Current Liabilities |
| Cash Ratio | {(Cash & Bank Balance + Marketable Securities) / Current Liabilities)} |
| Debt to Equity | Total Liabilities / Shareholders Equity |
| Debt to Capital Ratio | {Total Debt / (Shareholders Equity + Total Debt)} |
| Interest Coverage Ratio | EBIT / Interest Expense |
| Fixed Asset Turnover | Sales / Fixed Assets |
| Asset Turnover | Sales / Total Assets |
| Current Asset Turnover | Sales / Current Assets |
| Working Capital Turnover | Sales / Working Capital |
| Capital Employed Turnover | Sales / (Shareholders Equity + Total Debt) |

Sources of Information

PRIMARY RESEARCH

Interviews

Leading Industry Experts

SECONDARY RESEARCH

Print Media

Leading Newspapers

Magazines and Journals

Annual Reports of Companies

Electronic Media

Regulatory Websites

Telecommunication & Technology Magazines

Company Websites

Premium Databases

Open Sources

Thank you for the attention

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