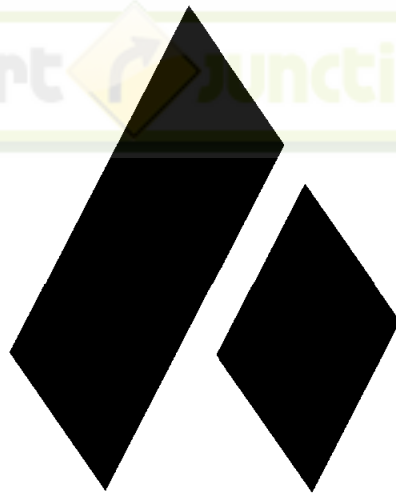


A E G I S  
L O G I S T I C S  
L I M I T E D

ANNUAL REPORT  
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**A E G I S**

## Company Vision

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Aegis is one of India's leading logistics service companies. Our vision is to provide total solutions for moving oil, gas and chemicals from the manufacturer to the end user.

We offer customers such essential services as sourcing of raw materials, tank storage and port services, arranging transportation, and on-site management of materials at the customer's site.

Aegis believes in providing end to end solutions, managing every activity in the supply chain to enable reliable, continuous and competitive supplies of raw materials for its customers.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN

K. M. CHANDARIA

#### VICE-CHAIRMAN

R. K. CHANDARIA

#### DIRECTORS

A. M. CHANDARIA

R. P. CHANDARIA

R. R. KHIMASIA

S. R. KHIMASIA

C. M. SHAH

S. S. KUMAR

V. B. GANGAR

D. J. KHIMASIA

R. J. KARAVADIA

K. S. NAGPAL  
(Alternate to Shri A. M. Chandaria)

### MANAGING DIRECTOR

S. K. HAZRA

### COMPANY SECRETARY

A. CHANDARANA

Members are requested to  
bring their copy of the  
Annual Report to the  
Annual General Meeting.

Please address all correspondence regarding  
share transfer work to the Registrar &  
Transfer Agents and not to the Company's  
Registered Office.

### BANKERS

Bank of Baroda

Dena Bank

### SOLICITORS & ADVOCATE

Little & Co., Mumbai

### AUDITORS

C. C. Chokshi & Co., Mumbai

Chartered Accountants

### REGISTERED OFFICE

502, Skylon

G.I.D.C., Char Rasta,

Vapi - 396 195, Dist. Valsad,

Gujarat State.

### CORPORATE & ADMINISTRATIVE OFFICE

Baldota Bhavan,

117, Maharshi Karve Marg,

Mumbai-400 020

Tel.: 022-2032059

Fax : 022-2062543

Website : www.aegisindia.com

### LIQUID TERMINAL DIVISION

Trombay,

Mumbai-400 074.

### CHEMICAL DISTRIBUTION DIVISION

Plot No. E-11,

Additional Jalgaon Industrial Area,

Jalgaon-425 001.

### REGISTRAR & TRANSFER AGENTS

IIT Corporate Services Ltd.,

Proto Prima Chambers,

2nd Floor, Suren Road, Near Cinemax,

Andheri (East), Mumbai 400 093.

Working hours: 9-30 to 12-45 & 1-30 to 3-00

Except Saturday, Sunday and Holiday

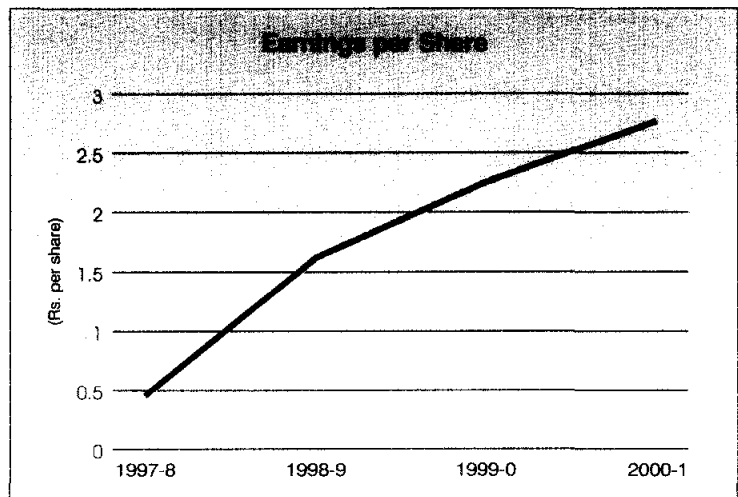
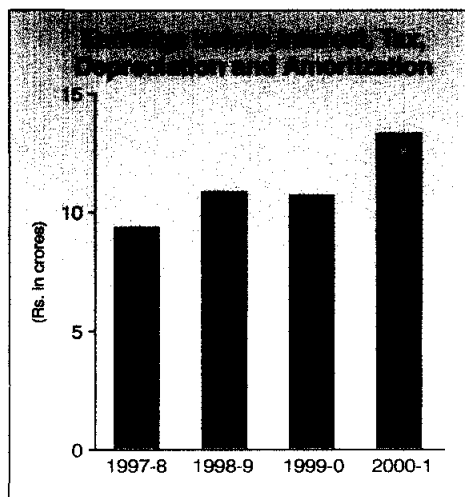
Tel.: 022-8306790/91 – Fax : 022-8215352

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## MANAGEMENT REVIEW

"2000/1 was a strong year of performance for Aegis Logistics Ltd. A year when the Company made considerable progress in implementing its strategy of moving into total logistics management services and in moving forward with a rapid expansion of capacity."

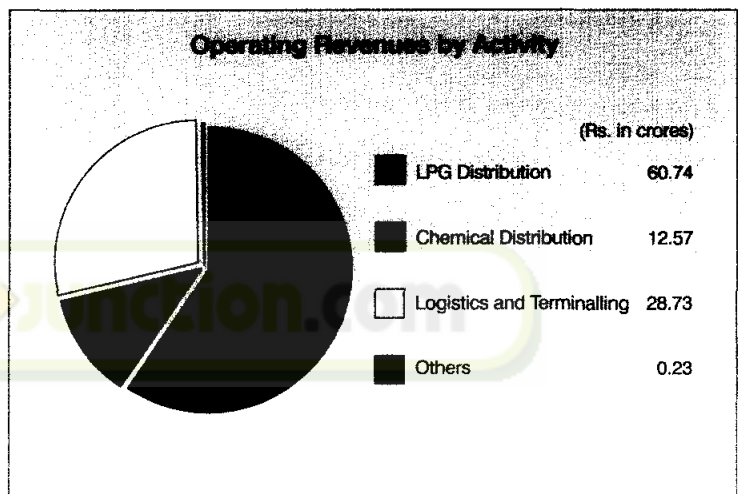


### Financial Highlights

- Operating Revenues rose by 96% to Rs. 102.27 crores
- Profit before tax rose by 34% to Rs. 7.12 crores
- Profit after tax rose by 31% to Rs. 4.29 crores
- EBITDA excluding non-cash charges was Rs. 13.31 crores
- Return on Capital Employed rose to 5.99%
- Debt to Equity Ratio was 0.46
- EPS rose by 23% to Rs. 2.75 per share

### Operating Revenue by Activity

The Company's operating revenues almost doubled during the current year due to entry into the LPG marketing business which generates high revenues. It is expected that this step change in revenues will not occur in future years. LPG distribution represents 59% of sales and logistics 28%.



### Major Developments during the year

- The Company began its *Project Millennium*: a 45% increase in capacity at its tank storage facility at Mumbai Port. The bulk of this new capacity will come on stream in the second half of 2001/2 and the project is expected to be fully completed by March 2002.
- The Company won a tender for a further two pipelines from Mumbai Port Trust. The Company has therefore decided to lay a new stainless steel pipeline and convert some existing storage tanks to stainless steel in order to be able to handle high purity chemicals.
- The Company has bid to build and operate a new berth at Mumbai Port in collaboration with a partner, on a build, operate, transfer basis (BOT).
- The Company has successfully entered into marketing and distribution of LPG to industrial customers and is now a leading player in the private sector.
- In Chemical Distribution, Aegis has strengthened its relationship with Procter & Gamble Chemicals of the US and begun distribution of products other than Fatty Alcohols.

**"The Company's strategy is to offer the *best service in the logistics sector*"**

### **Company Strategy**

The Company's strategy is to offer the best service in the logistics sector for oil, gas and chemical products by:

- being the No. 1 terminal for oil, gas and chemicals in the Country;
- increasing stability of revenues through more long-term contracts;
- broadening the service offering;
- acquiring new sites for greenfield port terminals in other regional markets in India;
- diversifying in new areas such as chemicals and oil distribution.



### **Future Business Opportunities**

The proposed dismantling of the administered price mechanism by April 2002 is likely to lead to major traffic growth for all oil, gas and chemical products as products are de-controlled and liberalized.

In addition, multinationals and Indian companies alike are increasingly demanding supply chain management strategies. Aegis aims to take a leadership position in offering these services.

Finally, the company believes that the integration of liquid storage facilities with the chemical and petroleum distribution business may offer significant competitive advantages.

### **Organisation Development**

The Company conducts annual management conferences involving the top 20 managers along with mid-year reviews. In this year's annual management conference at Lonavla, the management launched a company-wide three year "*Excellence Programme*" to raise the productivity, efficiency and professionalism of the Company to the highest level. Areas of focus will include for example, the intensive use of information and communications technology (ICT), enhanced management development and training, risk management, financial solidity, teamwork and safety. A new website, [www.aegisindia.com](http://www.aegisindia.com) was launched.

### **Safety, Health and Environment and Risk Management**

The Company maintains the highest quality and safety standards in the industry. The Liquid Terminal was awarded ISO 9001:2000 certification from SGS United Kingdom Ltd., making it the first terminalling Company in India to be awarded the year 2000 version of ISO-9001.

The Company's Risk Management division offers risk assessment and safety consultancy in association with Entec Ltd. of the UK to various oil, gas and chemical industries. Clients include Tractebel Gas Engineering (Taiwan), ONGC, IPCL, ACC, ICI.

### **Corporate Philosophy**

The Company in its continuing efforts to implement best practices has begun to implement the corporate governance code. Our philosophy will be governed by two principles: how to improve the effectiveness of the Board of Directors in supervising management; and how to improve communications with investors and shareholders.

### **Charity and Philanthropy**

As part of our corporate values, we believe strongly in supporting charitable contributions to the rural sector in India. Aegis contributes substantially to the work of Anarde Foundation which is carrying out integrated rural development programmes in Gujarat and Maharashtra in the field of tree plantations, disaster relief, water shedding and self-help groups for women.

**"As part of our corporate values, we believe strongly in supporting charitable contributions to the rural sector in India"**

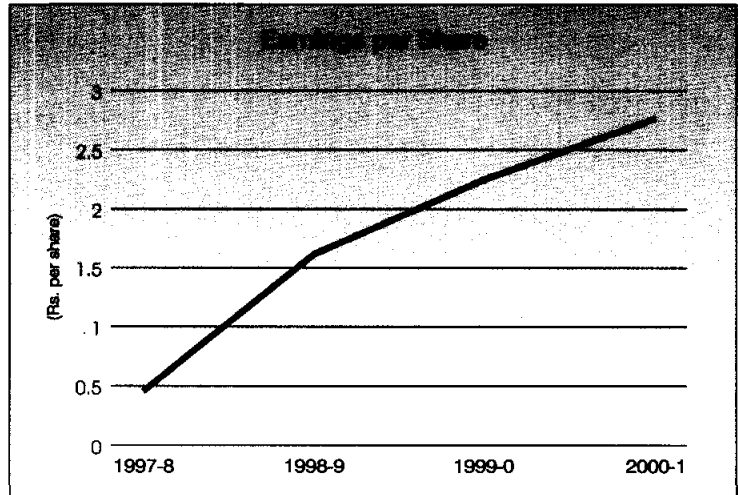
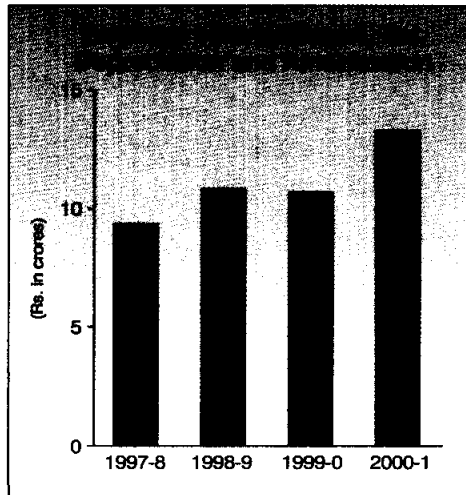
## 4 Years Financial Performance

(Rs. in Crores)

	1997/98	1998/99	1999/00	2000/01
<b>Operating Results</b>				
Sales and Other Income	105.68	67.52	54.66	<b>104.32</b>
Earnings before Interest, Tax, Depreciation, Provisions	9.35	10.85	10.70	<b>13.31</b>
Interest	4.10	3.19	2.42	<b>3.79</b>
Depreciation	3.98	3.34	2.96	<b>2.40</b>
Profit before tax	1.27	4.32	5.32	<b>7.12</b>
Tax	0.64	2.12	2.04	<b>2.83</b>
Profit after tax	0.63	2.20	3.28	<b>4.29</b>
<b>Financial Position</b>				
Capital	13.52	13.52	14.87	<b>16.22</b>
Reserves (less Revaluation Reserve)	25.26	33.33	36.07	<b>32.97</b>
Net Worth	38.78	46.85	50.94	<b>49.19</b>
Long Term Debt	25.76	14.42	12.48	<b>22.39</b>
Total Capital Employed	64.54	61.27	63.42	<b>71.58</b>
Net Fixed Assets (excl. revaluation reserve)	46.29	29.10	31.64	<b>38.93</b>
Investments	0.03	13.20	13.14	<b>6.83</b>
Net Working Capital	18.22	18.97	18.64	<b>25.82</b>
Total Net Assets	64.54	61.27	63.42	<b>71.58</b>
<b>Ratios</b>				
PAT to Net Sales %	0.60	3.26	6.00	<b>4.11</b>
Return on Capital Employed %	0.98	3.59	5.17	<b>5.99</b>
Debt: Equity	0.66	0.31	0.24	<b>0.46</b>
Current Ratio	1.18	1.69	2.18	<b>1.88</b>
EPS	0.46	1.61	2.24	<b>2.75</b>

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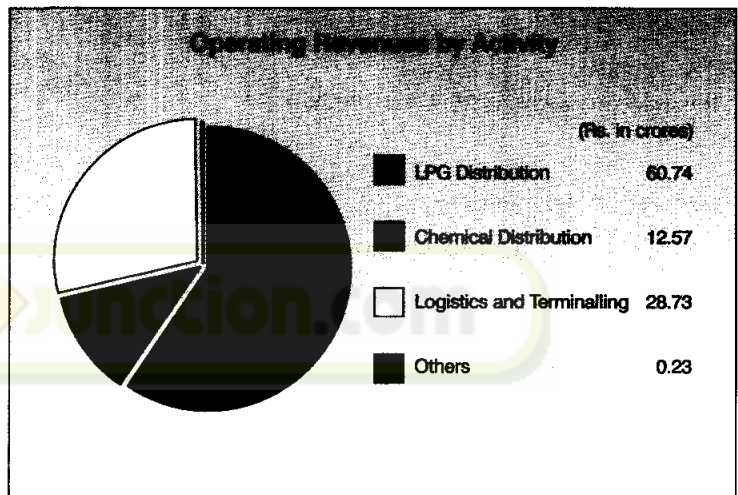


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**AEGIS LOGISTICS LIMITED**

502, Skylon, G.I.D.C, Char Rasta,  
Vapi - 396 195, Dist. Valsad, Gujarat State.

**NOTICE**

NOTICE is hereby given that the 44th Annual General Meeting of the Members of AEGIS LOGISTICS LIMITED will be held at Hotel Galaxy Inn, National Highway No. 8, Near Koparli Road, G.I.D.C., Vapi-396 195, Dist. Valsad, Gujarat State on Thursday, 13th September, 2001 at 11.30 a.m. to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. R. K. Chandaria, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. B. Gangar, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. D. J. Khimasia, who retires by rotation, and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Mr. R. J. Karavadia, who retires by rotation, and being eligible offers himself for re-appointment.
7. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS :**

8. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions contained in Article 68A of the Articles of Association of the Company and sections 77A, 77B and all other applicable provisions if any of the Companies Act, 1956 (the Act) and the provisions contained in the Securities and Exchange Board of India (Buy-Back of Securities) Regulations 1998 ("Buy-Back Regulations") (including any statutory modification(s) or re-enactment of the Act or Buy-Back Regulations, for the time being in force) and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (herein referred to as the Board which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to purchase or buy-back the Company's own fully paid Equity Shares of the face value of Rs. 10/- each for an aggregate amount not exceeding Rs. 4.83 crores at a maximum price of Rs. 12/- per share (hereinafter referred to as Buy-Back);

RESOLVED FURTHER THAT the Board be and is hereby authorised to implement the Buy-Back in one or more tranches within a period of twelve months from the date hereof (or such extended period as may be permitted under the Act or the Regulations or by the appropriate authorities) from the existing Shareholders; out of the free reserves and/or the securities premium account and/or the proceeds of the earlier issue of shares other than equity shares made specifically for buy-back purposes and that the buy-back may be made through the methodology of open market purchases in the stock exchanges or through tender offer or through book building process in such manner as may be prescribed by the Act and the Buy-Back regulations, and on such terms and conditions as the Board may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof constituted for the purpose be and is hereby authorized to determine the time frame for such Buy-Back and the offer price for the Buy-Back of the Equity Shares of the Company as aforesaid at a price not exceeding