



59th Annual Report

Aegis Logistics Limited
2015–16

To be the leading provider of logistics and supply chain services to India's oil, gas and chemical industry.

Our mission is to enable our clients to source, receive, store and deliver oil, gas and chemical products in a safe and environmentally responsible manner. We will do this by building an unrivalled national network of port-based tank terminals, pipelines and multimodal transportation facilities.

We will deliver flexible, responsive and high quality services to our clients with integrity and professionalism.

Corporate Information

Board of Directors

Chairman

Kapoorchand M. Chandaria

Vice Chairman & Managing Director

Raj K. Chandaria

Managing Director & CEO

Anish K. Chandaria

Directors

Anil M. Chandaria

Dineshchandra J. Khimasia

Rajnikant J. Karavadia

Kanwaljit S. Nagpal

Rahul D. Asthana

Poonam Kumar

Raj Kishore Singh

Dy. General Manager – Company Secretary

Monica T. Gandhi

Key Management Team

Group President & COO

Sudhir O. Malhotra

President (Business Development)

Rajiv Chohan

President (Operations & Projects)

Kamlakar S. Sawant

Chief Financial Officer

Murad M. Moledina

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants, Mumbai

Bankers

Bank of Baroda
Dena Bank
ING Vysya Bank Ltd.
HDFC Bank Ltd.

Solicitors & Advocates

AZB & Partners, Mumbai

Registered Office

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

Corporate & Administrative Office

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Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel (West), Mumbai - 400 013
Tel. : 022-6666 3666
Fax : 022-6666 3777
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Liquid Logistics & Gas Division

Plot No. 72, Mahul Village,
Trombay, Mumbai - 400 074

Liquid Cargo Park, Dock Zone,
Chiranjibpur, Dist. Purba Medinipur,
Haldia - 721 604, West Bengal

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai - 400 078
Tel. : 022-2594 6970
Fax : 022-2594 6969
Email : rnt.helpdesk@linkintime.co.in

Notes

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 & Share Transfer Agents and/or Corporate Office.

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Standalone Financial Statements

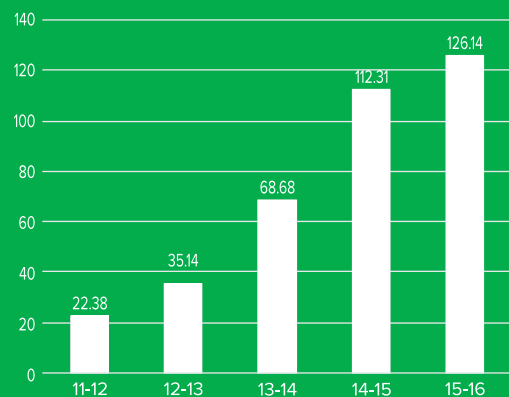
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Consolidated Financial Statements

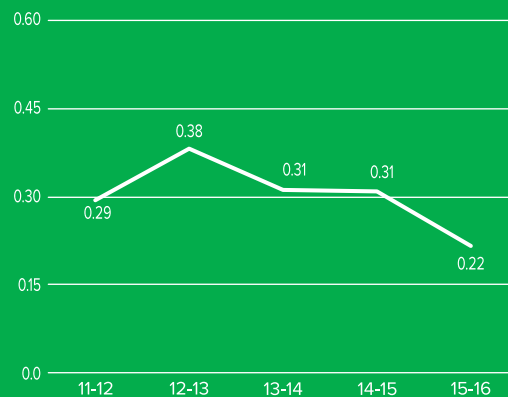
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Financial Overview

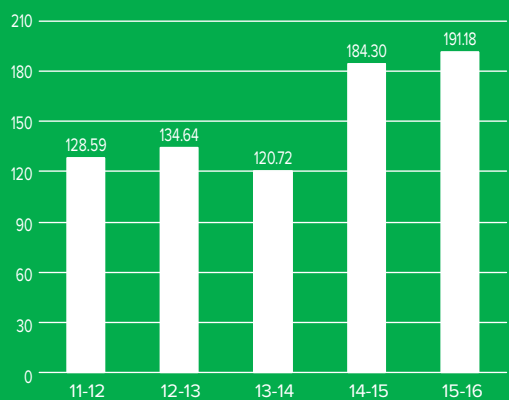
After Tax Profits (Rs. in Cr.)



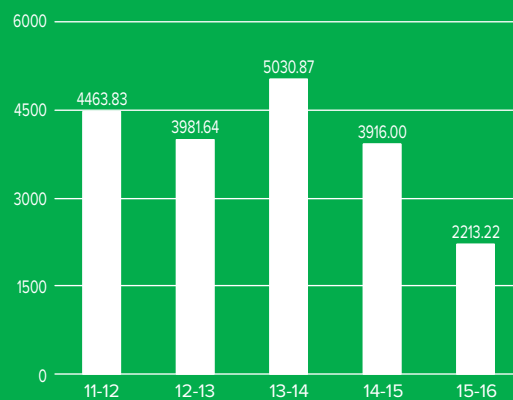
Debt Equity Ratio



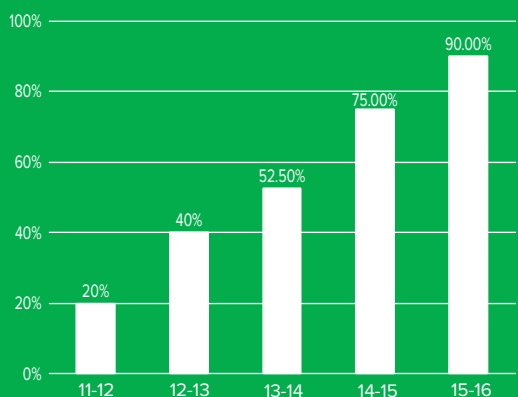
EBITDA (Rs. in Cr.)



Operating Revenue (Rs. in Cr.)



Dividend Payout (Rs.)



Highlights

- Profit after Tax: Rs. 126.14 Cr.
- Debt to Equity Ratio: 0.22
- EBITDA: Rs. 191.18 Cr.
- Operating Revenue: Rs. 2213.22 Cr.
- Dividend at Rs. 90.00%

Management Discussion & Analysis Report

Overview

During FY15-16, the Indian economy grew at a respectable rate, despite the challenges of a subdued monsoon. The revival of economic growth and a return to market pricing of fuels resulted in an improvement in business sentiment in the oil and gas sector. However, the rapid decline in international oil prices brought about some uncertainty in the fourth quarter in all petroleum and petrochemical products resulting in lower imports during that period. With a more stable oil price, both imports and exports of bulk liquids have subsequently stabilized. The demand for LPG continued to show robust growth and the Group benefitted from the capital investments in new LPG capacity made in the previous financial year at Pipavav and from operational improvements at the Mumbai LPG terminal. This resulted in an excellent performance in our gas terminalling business. The Group's performance improved from last year with Profit after Tax rising to Rs. 126.14 Cr. (previous year Rs. 89 Cr., excluding one time capital gain).

The liquid terminalling business of the Group benefitted from full capacity utilization at its facilities in Haldia, high capacity utilisation at the Kochi terminal and better utilisation of the Pipavav liquids terminal. The gas terminalling business performed extremely well with the addition of Indian Oil Corporation as a key customer, with record throughput of LPG at both Pipavav and Mumbai. Sourcing volumes were lower due to delays in the registration of Aegis Group International Pte. Ltd. (AGI) as an approved international vendor.

With the rationalization of LPG subsidies resulting in a decrease in the diversion of subsidized LPG to the transport and commercial sector, the volume performance of the gas retail and distribution business improved by 15%, with a commensurate rise in gross margins.

With several new projects under implementation, both liquid and gas terminals operating at higher

utilization, and several rail and pipeline logistics investments under way, the Group is poised for higher growth in the medium term.

Industry Structure and Development

The Group is engaged in the terminalling of oil products, chemicals and liquefied gases, sourcing of LPG and retailing and distribution of LPG. These sectors require specialized infrastructure at key ports such as specialized berths, fire fighting equipment, pipelines, transit storage and handling facilities and above all, safe and environmentally responsible handling practices. The terminalling, retail and distribution industry in India has many participants, but only a select few possess the necessary technical and safety credentials as well as the infrastructure to benefit from the long-term prospects for an increase in Indian imports and exports of oil products, chemicals and liquefied gases. Fortunately, the Aegis Group is positioned well for this.

The oil and gas industry comprises three major components: upstream, midstream and downstream. The upstream segment comprises Exploration and Production (E&P) activities, the midstream segment is involved in storage and transportation of crude oil and gas and the downstream segment is engaged in refining, production of petroleum products and processing, storage, marketing and transportation of the commodities such as crude oil, petroleum products and gas. The Group is engaged in both the midstream and downstream segments.

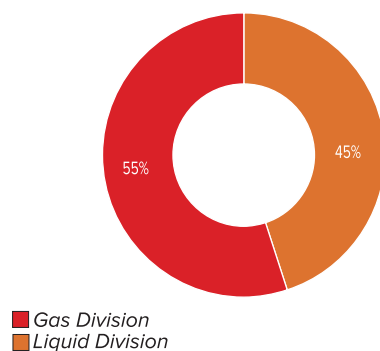
As energy consumption increases in India, growth in demand is likely to require sophisticated and safe logistics services. Deregulation of the oil sector will lead to new entrants in the petroleum retailing and bulk marketing requiring the need for integrated logistics services. The Group also services the terminalling requirements of bulk liquid chemical importers and exporters through its five bulk liquids terminals.

The increasing importance of new private ports such as Pipavav in Gujarat and several new ones along the east coast of India will continue to challenge the dominance of older, less efficient ports. As importers and exporters face ever increasing cost pressures, those ports which have made investments in infrastructure will benefit from the increase in traffic arising from India's imports and exports of oil products, chemicals and liquefied gases.

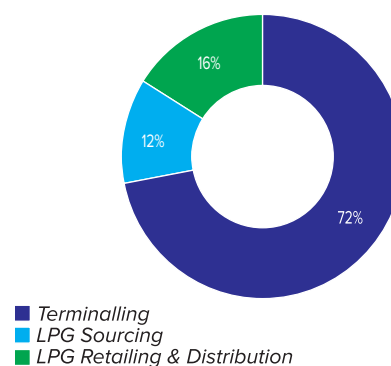
Rs. 102.38 Cr. for the year (previous year Rs. 97.39 Cr.), a rise of 5.12%. The performance of the Kochi terminal has improved and is expected to perform even better with the coastal movement of petrol and diesel. Future growth in this division will come from the new capacity being built at Haldia with its storage capacity of 60,190 KL increasing to 85,190 KL, from better capacity utilization of the liquid terminal at Pipavav, and from the new 100,000 KL liquid terminal project under implementation at

Segment-wise Analysis

Segment Result (EBITDA)



EBITDA by Business Vertical (2015-16)



Liquid Logistics Division

Liquid terminalling revenues were at an all time high of Rs. 170.60 Cr. (previous year Rs. 153.40 Cr.) for the year, an increase of 11%. Normalized EBITDA of the division was also at a record of

Kandla. The Mumbai terminals benefitted from the commissioning of the second chemical berth at Pir Pau with faster turnaround of vessels.

Aerial view of the second chemical berth, MbPT



New LPG spheres at Pipavav commissioned in March 2016

