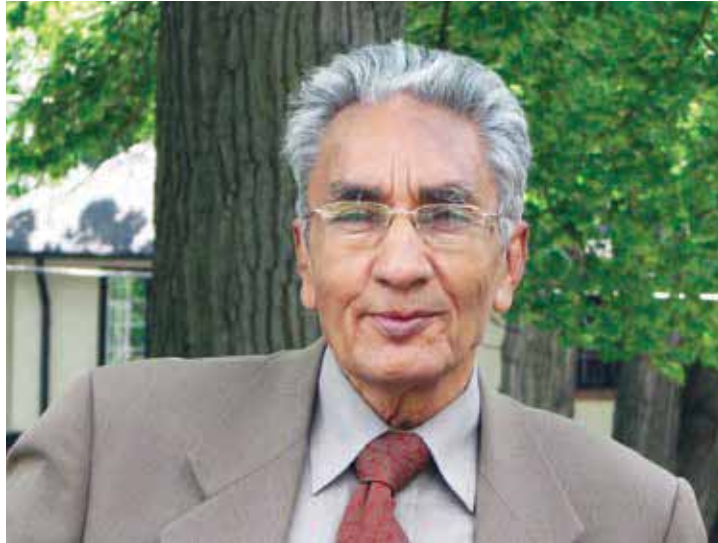


60th Annual Report
Aegis Logistics Limited
2016–17





Kapoor M. Chandaria
Chairman

4 April 1930 – 27 September 2016

*His vision, entrepreneurship, and philanthropic spirit
will be our guiding light.*

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

Vice Chairman & Managing Director

Raj K. Chandaria

Managing Director & CEO

Anish K. Chandaria

Directors

Anil M. Chandaria

Kanwaljit S. Nagpal

Rahul D. Asthana

Poonam Kumar

Raj Kishore Singh

Jaideep D. Khimasia

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

HDFC Bank Ltd.
Bank of Baroda
Kotak Mahindra Bank Ltd.

Registered Office

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

Corporate & Administrative Office

1202, 12th Floor, Tower B,
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel (West),
Mumbai - 400 013
Tel. : 022-6666 3666
Fax : 022-6666 3777
www.aegisindia.com

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

Liquid Terminal Division,
Port of Pipavav, Post Ucchaiya,
Via Rajula, Dist. Amreli, Gujarat - 365560

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
C 101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai - 400 078
Tel. : 022-4918 6270
Toll Free No.: 1800220878
Fax : 022-4918 6060
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

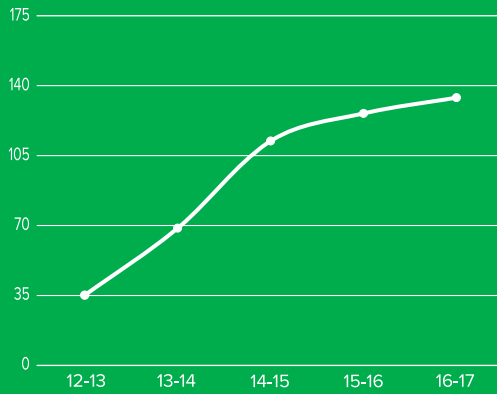
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Consolidated Financial Statements

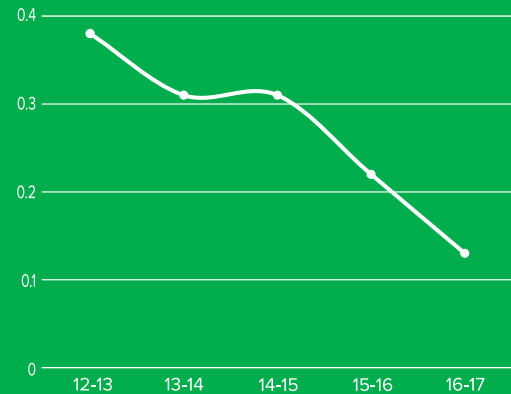
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Financial Overview

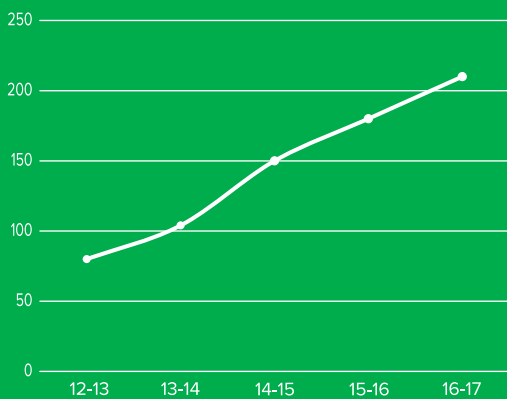
Profits After Tax (Rs. in Cr.)



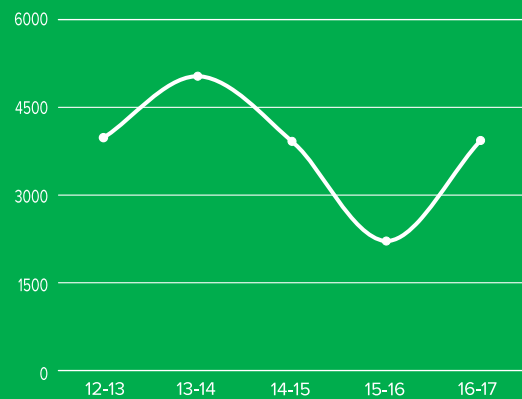
Debt to Equity



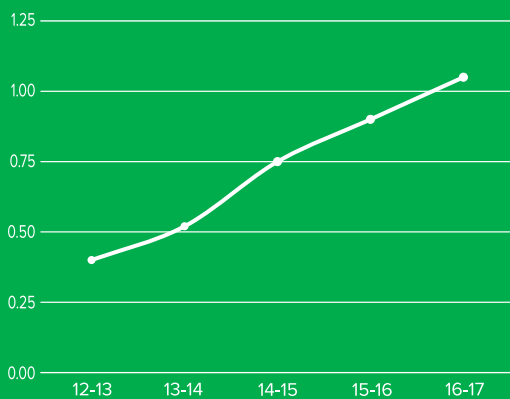
EBITDA (Rs. in Cr.)



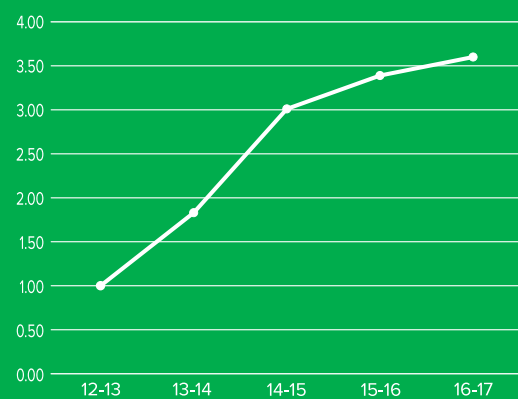
Operating Revenue (Rs. in Cr.)



Dividend Per Share (Rs.)



Earning Per Share (Rs.)



Management Discussion & Analysis Report

Overview

Despite the challenges of “demonetization”, the Indian economy grew at a rapid rate during FY16-17, buoyed by a good monsoon and subdued oil prices. The sustained revival of GDP growth of 6-7% and confidence boosting measures such as the long-awaited GST have improved business sentiment. With a more stable oil price, both imports and exports of bulk liquids such as bitumen and other petroleum products have continued to grow. The demand for LPG continued to show robust growth boosted by the LPG Subsidy Pahal (DBTL) Scheme, and the Group benefited 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. 134 Cr. (previous year Rs. 126.14 Cr.).

The liquid terminalling business of the Group benefited from full capacity utilization at its facilities in Haldia and higher capacity utilisation at the Kochi terminal, but the Pipavav liquids terminal remained under-utilized. 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 excellent and doubled from last year.

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 also improved significantly.

With several new projects nearing completion, both liquid and gas terminals operating at higher utilization, and several important new projects nearing completion in 2017-18, 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.

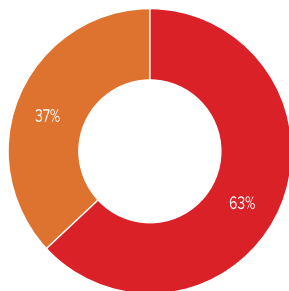
The oil and gas industry comprises three major components: upstream, midstream and downstream. The upstream segment comprises Exploration and Production (E&P) activities, the midstream segment is involved in storage and transportation of crude oil and gas, and the downstream segment is engaged in refining, 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 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.

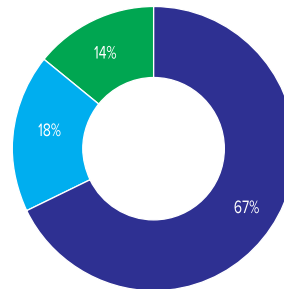
Segment-wise Analysis

Segment Result (EBITDA)



- LPG
- Liquids

EBITDA by Business Vertical (2016-17)



- Terminalling
- LPG Sourcing
- LPG Retailing & Distribution

Heated bitumen tanks at Haldia Terminal



Newly installed LPG unloading arms at MbPT

