



# 66<sup>th</sup> Annual Report 2022–2023

Aegis Logistics Ltd.

## **Vision**

To support India's transition towards  
a more sustainable future.

## **Mission**

To store and distribute bulk liquids and  
gases in a safe, sustainable manner.

## Corporate Information

### Board of Directors

#### Chairman & Managing Director

Raj K. Chandaria

#### Directors

Amal R. Chandaria

Anilkumar M. Chandaria

Raj Kishore Singh

Kanwaljit S. Nagpal

Rahul D. Asthana

Lars Erik Johansson

Jaideep D. Khimasia

Tasneem Ali

#### Company Secretary

Monica T. Gandhi

### Key Management Team

#### Chief Executive Officer

Sudhir O. Malhotra

#### President (Business Development)

Rajiv Chohan

#### President (Projects)

Kamlakar S. Sawant

#### President (Strategic Planning)

Keshav Shenoy

#### Chief Financial Officer

Murad M. Moledina

**Auditors**

M/s. CNK & Associates LLP  
Chartered Accountants, Mumbai

**Bankers**

Bank of Baroda  
HDFC Bank Limited  
Kotak Mahindra Bank Limited

**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](http://www.aegisindia.com)

**Terminal Locations**

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

Ambapada, Village Mahul,  
Taluka Kurla, Dist. Mumbai

Haldia Dock Complex, Mouza  
Chiranjibpur, Dist. Purba Medinipur,  
West Bengal

Port of Pipavav, Post Ucchaiya,  
Via Rajula, Dist. Amreli, Gujarat – 365560

Kandla Port Trust, Near Jawaharlal Road,  
Gandhidham, Kutch, Gujarat

Padukodi, Thannirbhavi, Mangalore.  
Willingdon Island, Kochi - 682 029

**Registrar & Share Transfer Agents**

Link Intime India Pvt. Limited.  
C 101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai - 400 078  
Tel. : 08108116767  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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## Financial Section (Standalone)

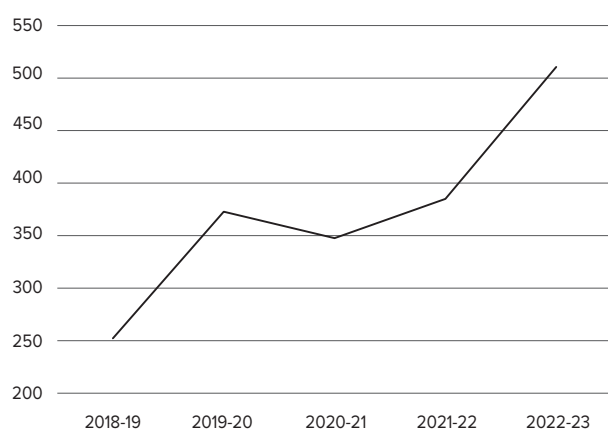
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## Financial Statements (Consolidated)

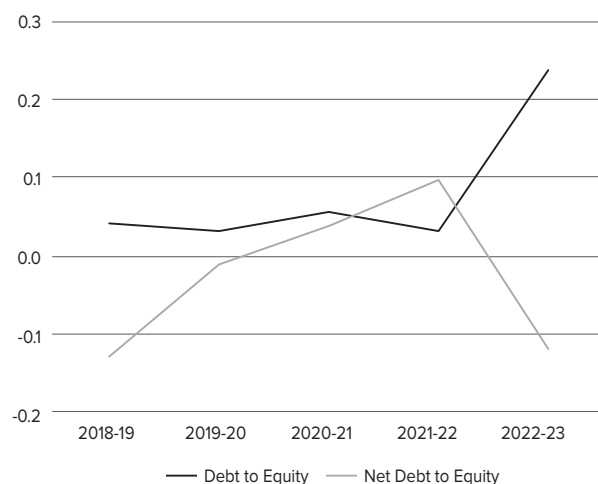
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## Financial Overview

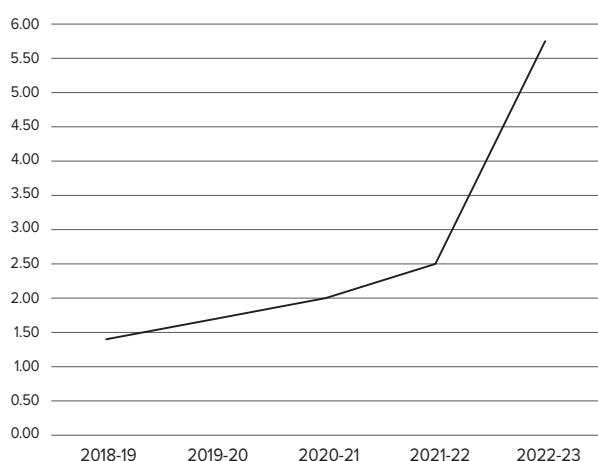
### Profit After Tax (Normalized for ESPP) (Rs. in Cr.)



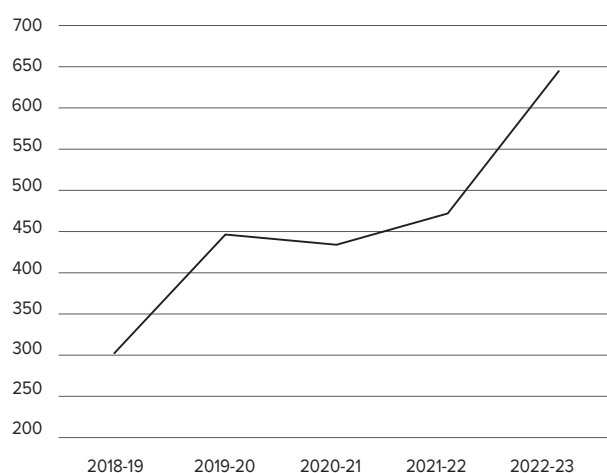
### Debt to Equity and Net Debt to Equity



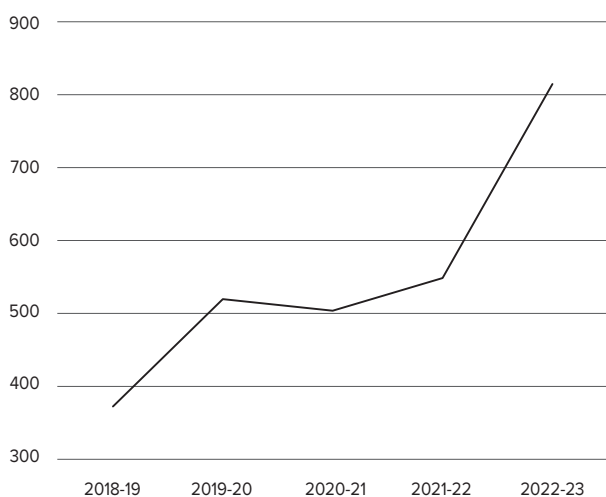
### Dividends Per Share (Rs.)



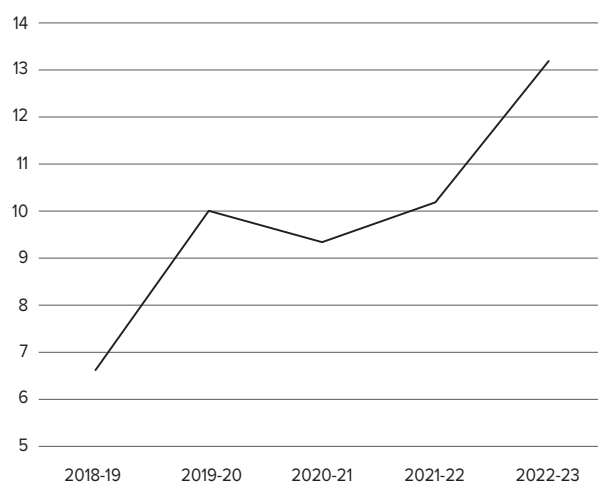
### Profit Before Tax (Normalized for ESPP) (Rs. in Cr.)



### EBITDA (Normalized for ESPP) (Rs. in Cr.)



### Earnings Per Share (Normalized for ESPP) (Rs.)



# Management Discussion & Analysis Report

## Introduction

Since its inception in 1956, the company has continually transformed itself to reflect the changing circumstances in the environment in which it operates. This period is no different. The world is undergoing a sustainability challenge that is manifesting itself in a variety of forms, no less than in the form of climate change. India, which has now surpassed China as the world's most populous country, can no longer be immune to such challenges and in fact, has made international commitments to reduce its carbon emissions to net zero by 2070.

This presents a uniquely challenging opportunity. Aegis must play its role in this metamorphosis. In this context, we commit ourselves to supporting India's transition to a more sustainable future. Of course, on a more practical level, the best way we can do that is by storing and distributing liquids and gases across India in a safe and sustainable manner with a dedicated focus on environmental impact. Our strategy remains unchanged — building a network of terminals and distribution facilities so that we may deliver on our mission.

## FY 2022-23 Highlights

### Completed Aegis-Vopak Joint Venture

Our newly created joint venture with Royal Vopak, Aegis Vopak Terminals Ltd. (AVTL) has started

excellently. We have no doubt that the combined reputation and quality of Aegis and Vopak together impacts the third-party logistics industry structure in the form of industry consolidation. An example is the acquisition of the Friends Group assets by AVTL, now making the Aegis Group the most important tank terminal operator in Kandla. We expect that this consolidation of the industry will continue over the years to come.

### Integrated LPG Supply Chain Well Positioned to Serve Sustainable Energy Demands

Aegis is a fully integrated participant in the Indian LPG market, comprised of four main segments: domestic cooking gas, industrial, commercial, and transportation. While LPG is not a renewable energy source, it is a much cleaner fuel than biomass, coal, or kerosene. Its portability and convenience make it an ideal fuel to help India transition to a more sustainable energy future. In addition to the demand from the domestic segment, the industrial use of LPG substituting dirty fuels has been boosted with the commissioning of the AVTL Kandla LPG terminal. The big jump in our distribution volumes reflected this, including those distributed in industrial-scale cylinders, such as our Magna solution. Throughput volumes of LPG also increased.

### FY 2022-23 Robust Profit Growth

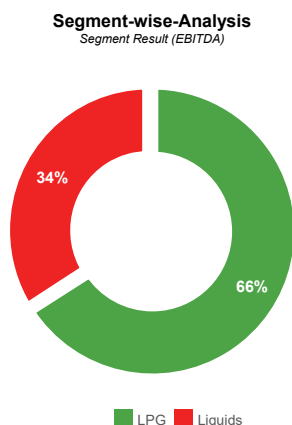
With the rapid increase in LPG distribution volumes and liquid tankage capacity, the operational profit of the Group increased to Rs. 815.07 crore as compared to Rs. 548.40 crore in



Aegis Magna LPG cylinder for industrial use



the previous year. Furthermore, the EBITDA split between LPG and Liquids is reflected below:



### Liquid Logistics Division

Liquid terminalling revenues were at Rs. 417.97 crore as compared to Rs. 270.01 crore the previous year, an increase of about 54.80%, and EBITDA of the division was higher at Rs. 271.50 crore compared to Rs. 195.59 crore in the previous year. The capacity additions at Mangalore, Kandla, and Haldia and the product mix handled boosted EBITDA performance by 38.81%. Future growth in this division will come from the additional capacity utilisation and better mix of products handled at Haldia, Kandla, Mangalore, and Kochi as well as future capacity additions at those ports. The Mumbai terminals continue to function at full capacity.

### Gas Division

Aegis Group captures the complete logistics value chain from sourcing and terminalling to the distribution of LPG. In FY 2022-23, the division recorded revenues of Rs. 8,209.25 crore as compared to Rs. 4,360.97 crore the previous year on account of higher volumes and higher prices. The EBITDA for the Gas division increased to Rs. 526.23 crore as compared to Rs. 389.32 crore in the previous year, mainly due to higher distribution volumes and higher terminalling volumes. Distribution of LPG and Propane through all channels in packed cylinders and bulk continued to be a focus area for FY 2022-23. This steady growth signals an increasing demand for LPG, and our integrated logistics services make Aegis Group uniquely positioned to both capture market share and achieve our vision of a more sustainable future.

### New Developments

The Group has kicked off an investment programme of 1,750 Crore comprising of an increase in LPG static capacity of 131,000 MT and an increase in liquids capacity of 170,000 KL in Pipavav and Mangalore and Haldia ports.

The company has also started construction of a 110,000 KL liquids terminal at JNPT port.

### Summary

With its strong market position due to capacity expansion, an improved LPG product mix, and



New Kandla LPG terminal



steadily higher volumes and prices in the Gas Division, the Group is well-positioned for continued growth in FY 2023-24.

The significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year on a consolidated basis, are summarised as follows:

Ratio	Consolidated		Change (%)	Reason for change
	FY 2022-23	FY 2021-22		
Net Profit Margin (%)	5.92	8.31	29%	Decrease in net profit margin ratio is on account of higher low margin sourcing business volume growth.
Return on Net Worth (%)	13.11	16.40	20%	Decrease in return on net worth ratio is on account of higher cash and bank balances and current investments yet to be deployed in the business.
Interest Coverage Ratio	8.31	22.70	63%	Decrease in Interest Coverage ratio is due to increase in borrowings.
Current Ratio (%)	243.51	101.41	140%	Increase in current ratio is due to increase in bank balances and current investments due to proceeds from slump sale of undertakings, Sale of investments in subsidiary company and Issue of equity shares by subsidiary company.
Debt to Equity Ratio	0.24	0.03	700%	Increase in debt to equity ratios is due to increase in borrowings. However, on consolidation net debt to equity ratio is negative.
Net debt to Equity Ratio	(0.12)	0.10	220%	Decrease in net debt to equity ratios is due to proceeds received from sale of investments in subsidiary company and Issue of equity shares by subsidiary company.



Propane tanker at weighbridge

### Internal Controls Systems and Adequacy

The Company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded, protected against loss from unauthorised use or disposition and that transactions are authorised, recorded, and reported correctly. The Company conducts audits of various departments based on an annual audit plan through an independent internal auditor and reports significant observations along with 'Action Taken Reports' to the Audit Committee from time to time. The views of the statutory auditors are also considered to ascertain the adequacy of the internal control system.

The Company regularly updates its risk management policy to protect the property, earnings, and personnel of the Company against losses and legal liabilities that might be incurred due to various risks.

### Occupational Health, Safety, and Environment

The emphasis on OHSE continues at all of the operations of the Group throughout India. The Company is committed to the best standards in safety and continuously monitors matters related to this. In addition to monthly reviews by the management, the Company has formed a high-level committee comprising of three directors and other Company executives, wherein matters concerning the subject are discussed. Safety drills are regularly carried out at all the Group's main facilities.

Although Aegis has a low carbon footprint, efforts are underway to reduce the impact on the environment and improve environmental sustainability. Aegis continues to monitor emissions with the installation of a continuous monitoring system at two locations and investing in pollution control systems. Aegis has engaged leading engineering Institutes to design equipment and model the impact on the environment. These efforts ensure that we are making progress towards our commitment to a more sustainable future.

### Human Resources Development

Aegis Group employs over 806 people. As the Company is growing fast, we are committed to competence development of young managers and recruitment of middle management in specific areas to sustain the future growth envisaged in the business.

### Risks and Concerns

Inordinate delays in renewing licences and permits take a significant amount of time and resources, which could be deployed more productively. Project timelines could be extended due to the lengthy and complex process of securing environmental permits.

### Corporate Social Responsibility

Aegis Group contributes directly towards the eligible Corporate Social Responsibility ("CSR") projects and is also a proud contributor to



*Liquid and LPG tanks at Pipavav terminal*