An Organization Study Report of
AEGIS LOGISTICS LTD

Submitted by
USHA C SHEELIN
1CR19MBA87

Submitted to
VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

In partial fulfillment of the requirement for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under Guidance of

Prof. Preksha Yadav
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Class of 2019-21

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CERTIFICATE BY THE INSTITUTION

This is to certify that **Ms. USHA C SHEELIN** bearing **USN 1CR19MBA87** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **AEGIS LOGISTICS LTD** is prepared by her under the guidance of **Mrs. Preksha Yadav,** Assistant Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.

Signature of the Guide	Signature of the HOD	Sanjay Jain Signature of the Principal
	Head of the Department Department of MBA CMRIT-PG Studies Bangalore-560 037	Principal CMR Institute of Technology Bangalore - 560037

Viva-voce Examination:

Internal Examiner: 30-09-20
[Signature & Date]

Preksha Yadav, AP, CMRIT
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External Examiner: Piyali 30/09/2020.
[Signature & Date]

Piyali RC, AP, CMRIT
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Affiliated to Visvesvaraya Technological University, Approved by AICTE New Delhi, Accredited by NBA New Delhi, Recognised by Government of Karnataka

DECLARATION

I, Mrs. Usha C Sheelin bearing USN 1CR19MBA87 hereby declare that the organization study conducted at AEGIS LOGISTICS Ltd. is record of independent work carried out by me under the guidance of Prof. Preksha Yadav faculty of M.B.A Department of CMR Institute of Technology, Bengaluru. I also declare that this report is prepared in partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone an organization study for a period of four weeks. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University /Institution.

Disclaimer

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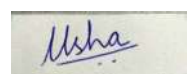

Place: Bangalore **Signature of the student**

Date: **USN:1CR19MBA87**

ACKNOWLEDGEMENT

I acknowledge the deep gratitude to all those who have made organization study successful and helped in preparing the report.

I would like to express my sincere thanks to **Dr. Sanjay Jain**, Principal of CMR Institute of Technology, Bengaluru for his valuable support and guidance throughout the course of organization study.

I am grateful to **Prof. Sandeep Kumar M**, HOD of the Department of MBA, CMR Institute of Technology, Bengaluru for his constant motivation and inspiration.

I thank my Internal Guide, **Prof. Preksha Yadav**, Professor of the Department of MBA, CMR Institute of Technology, Bengaluru for his constant guidance and support throughout the organization study.

Ms USHA C SHEELIN

USN: 1CR19MBA87

WEEKLY PROGRESS REPORT

Student Name	Usha C Sheelin
USN	1CR19MBA87
Title of the Study	An Organisational Study
Organization	AEGIS LOGISTICS LTD
WEEK-1	
Duration (start date - End date)	**6.8.2020 - 12.8.2020**
Chapter s covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
WEEK-2	
Duration (start date - End date)	**13.8.2020 - 18.8.2020**
Chapter s covered	Chapter 3
Descriptions of activities performed during the week	McKensy's 7S framework, Porter's Five Force Model.
WEEK-3	
Duration (start date - End date)	**19.8.2020 - 26.8.2020**
Chapter s covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
WEEK-4	
Duration (start date - End date)	**27.8.2020 - 30.8.2020**
Chapter s covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography

Signature of the Student **Signature of the Guide**

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CHAPTER-1

Introduction

Aegis Logistics Limited is a holding company, which is engaged in providing logistics and supply chain services to the oil, gas and chemical industry. The Company is engaged in the sale of liquefied petroleum gas (LPG), wholesale of solid, liquid and gaseous fuels and related products, and storage and warehousing of products, such as general merchandise warehouses and warehousing of furniture, automobiles, gas and oil, chemicals and textiles. Its segments include Liquid Terminal Division and Gas Terminal Division. The Liquid Terminal Division undertakes storage and terminaling facility of oil and chemical products. Its Gas Terminal Division relates to imports, storage and distribution of petroleum products, such as LPG and propane. It markets LPG packed in cylinders, which are used for domestic, commercial and industrial applications. It operates a network of filling plants, distribution points and dealers under the Aegis Puregas brand.

Profile

Aegis Group plays a key role in India's downstream oil and gas sector, and its flagship company, Aegis Logistics Limited, is India's leading oil, gas, and chemical logistics company. Our vision is to be the industry leader in our business segments by delivering superior customer service with a focus on quality, safety, and environmental standards.

The Group has five distinct but related business segments, and operates a network of bulk liquid handling terminals, liquefied petroleum gas (LPG) terminals, filling plants, pipelines, and gas stations to deliver products and services. Our client base includes many leading industrial companies in India as well as individual retail customers whom we serve at our Aegis Autogas stations.

Aegis Group also operates internationally through its sourcing and trading subsidiaries located in Singapore.

Aegis Logistics Ltd. was incorporated in 1956 and its shares have been listed on the Bombay Stock Exchange since 1978. Its shares also trade on the National Stock Exchange.

CHAPTER-2

BACK GROUND

Aegis Logistics Limited is in the business of import and distribution of Liquified Petroleum Gas (LPG) and storage and terminalling facility for LPG and chemical products. The company has storage facilities at Mumbai Haldia Pipavav Kochi Kandla and Mangalore. The Aegis Group captures the complete logistics value chain starting from sourcing terminalling to retail distribution of LPG. The Company has 9 subsidiaries (out of which 7 are wholly owned subsidiaries) as on March 31 2019 having business akin and germane to the business of holding Company.Aegis Logistics is a leader in Oil Gas and Chemical Logistics. The company is engaged in providing logistic solutions for Oil Gas Chemicals and Petrochemical Industries. With their strategic locations and indispensable services Aegis is a key supplier for total supply chain management services to major customers including Oil PSUs.

`Aegis Logistics Ltd was incorporated on June 30 1956 as a private limited company with the name Atul Drug House Ltd. In the year 1962 the company installed their first plant for the manufacture of formaldehyde and hexamine at Kandla. In the year 1967 they installed another plant at Capi near Bulsar in Gujarat State for the manufacture of 14400 tonnes of formaldehyde and 540 tonnes of hexamine per annum.In the year 1970 the company installed at Vapi a plant for the manufacture of Pentaerythritol formaldehyde with a capacity of 1200 tonnes per annum with the technical know-how supplied by Joset Meissner of W.Germany. In September 14 1976 the name of the company was changed to Atul Chemical Industries Ltd. Also they became a public limited company. The name of the company was again changed from Atul Chemical Industries Ltd to Aegis Logistics Ltd. In the year 1999 the Petrochemicals Division was hived off to Perstorp Aegis Chemicals Ltd (PACL) a joint venture company between the company and Perstorp AB Netherlands.During the year 2007-08 as per the scheme of arrangement (SoA) Throughput Activity Undertaking of Hindustan Aegis LPG Ltd was de-merged and transferred to the company with effect from the appointed date April 01 2007. During the year 2008-09 TapiFinvest India Pvt Ltd was amalgamated with the company.During the year 2009-10 the company entered into a strategic alliance with Essar Oil Ltd which entails a reciprocal arrangement wherein both the companies would sell each other fuels through their retail outlets.In April 1 2010 the company acquired 100% shareholding in Shell Gas (LPG) India Pvt Ltd. Consequently; SGLIPL became wholly owned subsidiary with effect from April 1 2010. Also the name of SCLIPL was changed to Aegis Gas (LPG) Pvt Ltd (AGPL).

During the year 2010-11 the company was awarded the Operations & Maintenance (O&M) contract for the product storage and dispatch operations of Bharat Oman Refinery Ltd (BORL) at Bina in Madhya Pradesh signifying the Aegis expertise of the company in Liquid Logistic and Operations & Maintenance. Also Aegis Gas (LPG) Pvt Ltd (AGPL) the wholly owned subsidiary of the company acquired 100% equity shares of Hindustan Aegis LPG Ltd (HAL PG) from its erstwhile shareholders. Consequently HAL PG ceased to be an associate and became a wholly owned subsidiary of AGPL.In November 2010 the company entered into a major deal with APM Terminals Pipavav to avail on sub-lease close to 100 acres of land for building a global oil and petrochemicals storage complex. The company will invest up to Rs 400 crore ($90m) in building a 600000 KL oil terminal complex in Port Pipavav. With the announcement of this project the company's liquids capacity will rise from 300000 KL to over 1 million KL. In February 2013 Aegis Logistics initiated the Pipavav - Phase I Greenfield project to set up a liquid terminal of 120000 KL and double storage capacity of the pressurized gases terminal to 5400 MT.During the financial year ended 31 March 2014 Aegis Logistics' terminalling business benefitted from investments made in the previous year in the liquid terminals business ranging from de-bottlenecking to commissioning of the new terminal at Haldia Dock Complex. Towards the end of the year the company partially commissioned the liquid terminal at Pipavav Port with the balance of the expansion of liquid terminal as well as the gas terminal expected to be completed by the end of 2014.

During the year under review the performance of the company's gas retail and distribution business was lower due to a slowdown in the growth rate of the retail LPG business as government policy on LPG subsidies fluctuated. The LPG sourcing and terminalling business improved largely due to higher off take by national oil companies during the year. During the financial year ended 31 March 2015 Aegis Logistics established a joint venture with ITOCHU Corporation of Japan. In furtherance to the same the company sold 8538 equity shares representing 40% of the outstanding shares of Aegis Group International Pte. Ltd. (AGI) its wholly owned subsidiary in Singapore to Itochu Petroleum Co. (Singapore) Pte. Ltd. a wholly owned subsidiary of ITOCHU Corporation. As a part of the proposed transaction the parties executed a Shareholders Agreement and Share Purchase Agreement by and between the company AGI and Itochu Petroleum Co. (Singapore) Pte. Ltd. for sale and transfer of 8538 equity shares of USD 1 held by the company in AGI at an aggregate consideration of US$ 5850000.

The Shareholders Agreement inter alia granted a right to Itochu Petroleum Co. (Singapore) Pte Ltd. for a period of six years to purchase 40% stake in the existing and new LPG Terminals of the Aegis Group subject to commercial negotiations on valuation. ITOCHU Corporation is one of the largest global LPG companies by sales volume and a key global player in the segment. The entry of a new strategic partner is aimed at raising the market share of AGI in India's imports by following a strategy of attaining cost leadership in the LPG import market. During the year under review Aegis Logistics' Bulk Liquid Terminal continued operations at full capacity. During the year under review Aegis Logistics' wholly owned subsidiary Aegis Gas (LPG) Private Limited commissioned its Liquid Storage Terminal with a capacity of 120000 KL and doubled its Gas Storage Terminal capacity to 5400 MT.During the year under review Aegis Logistics benefited from the capital investments made in the previous financial year at Haldia and Pipavav. The company's terminalling business benefited from near full capacity utilization at its facilities in Haldia an increase in business at the Kochi terminal and commissioning of operation of the Pipavav terminal.

The performance of the gas retail and distribution business stabilized with the gradual rationalization of LPG subsidies resulting in a decrease in the diversion of subsidized LPG to the transport and commercial sector. During the year under review the company's Liquid Logistics Division won several new contracts including six inland terminals for Hindustan Petroleum and the Marine Oil Terminal at Jawahar Deep. The business division demonstrated its logistics expertise by off loading bulk liquid cargo via ship to shore pipelines into its storage tanks refilled the product into ISO containers and transported them by rail to the customer's facilities several hundred kilometres away thereby delivering a cost effective logistics solution to the customer. LPG distribution volumes declined compared with the previous year mainly due to the illegal diversion of subsidized LPG to this sector During the year under review Aegis Logistics fully redeemed 250 units of 9.75% Secured Taxable Redeemable Non-Convertible Debentures of face value of Rs. 10 lacs each totaling to Rs. 25 crores maturing on put option exercised by Corporation Bank.

During the financial year ended 31 March 2016 Aegis Logistics 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 the company's gas terminalling business. The company's liquid terminalling business benefited 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.During the year under review the company's Liquid Logistics Division recorded all time revenue of Rs 170.60 crore. Normalized EBITDA of the division was also at a record of Rs. 102.38 crore for the year. The Mumbai terminals benefited from the commissioning of the second chemical berth at Pir Pau with faster turnaround of vessels.During the financial year ended 31 March 2017 Aegis Logistics embarked on a further expansion of its LPG storage capacity in Pipavav from 8100 MT to 18300 MT an increase of 10300 MT.

During the year under review the company's bulk liquid terminal continued operations at full capacity. During the year Aegis Logistics provided an Exit Offer to the shareholders of its subsidiary Sea Lord Containers Limited pursuant to Securities Exchange Board of India (SEBI) Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10 2016. As on 31 March 2017 the company holds 92.26% Equity Shares of Sea Lord Containers Limited. Further during the financial year F.Y. 2016-17 Sea Lord Containers Limited redeemed its entire Non-Cumulative Redeemable Preference Shares aggregating to Rs. 38 crore held by Aegis Logistics. During the year under review the liquid storage terminal undertaking of Aegis Logistics' wholly owned subsidiary Aegis Gas (LPG) Private Limited located at Pipavav Port along with all assets and liabilities was acquired by Aegis Logistics.During the year the under review LPG Assets at Haldia Dock Complex West Bengal of Aegis Logistics was transferred to its wholly owned subsidiary Hindustan Aegis LPG Limited. During the year review Aegis Logistics further invested USD 20000 at par in its wholly owned subsidiary Aegis International Marine Services Pte. Limited for its working capital needs. During the year under review Aegis Logistics 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 the company's gas terminalling business. The liquid terminalling business of the company 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.During the year under review sourcing volumes of the company's LPG division improved markedly due to the sharp increase in demand driven by the successful implementation of the LPG Subsidy Pahal (DBTL) Scheme in rural areas and gas throughput volumes increased significantly at both Mumbai and Pipavav on the back of this demand. Distribution volumes also improved compared with the previous year. The commissioning of an additional 2700 MT of LPG storage capacity at Pipavav during 2016-17 and the operational debottlenecking at the Mumbai LPG terminal contributed to the significant rise in throughput of LPG during FY 2017.Aegis Logistics' subsidiary company Hindustan Aegis LPG Limited commissioned a fully refrigerated LPG terminal at Haldia Dock Complex West Bengal in Q3 FY 2018 with a static storage capacity of 25000 MT and throughput capacity of 2500000 MT per annum. This is the largest LPG terminal in the Aegis portfolio.

During the ended 31 March 2018 Aegis Logistics completed its project of debottlenecking of Mumbai LPG terminal by connecting it by pipeline to the Uran-Chakan cross country LPG pipeline. During the year under review the company's bulk liquid terminal continued operations at full capacity.During the year under review Aegis Logistics' wholly owned subsidiary Aegis Gas (LPG) Private Limited expanded its LPG storage capacity in Pipavav from 8100 MT to 18300 MT an increase of 10200 MT. It has also redeemed all its outstanding Non - Convertible debentures which were listed on National Stock Exchange of India Ltd. During the year Itochu Petroleum Co. (Singapore) Pte. Ltd. a Singapore based company subscribed to 19.7% stake in the equity capital of Aegis Logistics' subsidiary company Hindustan Aegis LPG Limited through Preferential Issue.During the year under review Aegis Logistics' gas terminalling business performed extremely well with the addition excellent throughput at both Pipavav and Mumbai and with initial throughput at Haldia.During the year 2018-19 the Aegis Logistics Limited which held 92.46% of equity shares of Sea Lord Containers Limited in compliance with the provisions of section 236 of the Companies Act 2013 dispatched the respective consideration amount to all the minority public shareholders of the Company and acquired remaining equity shares aggregating 7.54 % of the total share capital of the Company. Accordingly the Company has become the wholly owned subsidiary of the Aegis Logistics Limited with effect from December 31 2018.

VISION

"Our **vision** is to be India s leading provider of **logistics** services to the oil, gas, and chemical industry. We aspire to be the industry leader in our business segments by delivering superior customer service and a focus on quality, safety, and environmental standards."

MISSION

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

Awards & Milestones

2012

–Aegis Logistics forays into marine bunkering sector to offer fuels and servicing solutions

–Aegis Group launches Its “Marine Products Division

2010

–Aegis Awarded BORL Contract

–Aegis enters into a major deal with APM Terminals Pipavav for a Port Infrastructure Project.

"A1+" by CARE for Working Capital facilities

“AA –” by CARE for Long–Term Borrowings

ISO 9001:2008, Quality Management Systems

ISO 14001:2004, Environmental Management Systems

OHSAS 18001:2007, Occupational, Health & Safety

Rating 1 under LPG Regulations & Supply and Distribution Order by CARE

Rating 1 under LPG (Regulation of use in Motor Vehicles for Auto Business) by CARE

Industry Structure and Development

The oil and gas industry comprises of 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.

The demand for LPG continued to show robust growth boosted by the PMUY (Pradhan Mantri UjjwalaYojna) scheme, and the Group benefited from the capital investments in new LPG capacity made in the previous financial years. Demand is not likely to simmer down anytime soon, given the strong push for cleaner fuels by the Government and the commitment to 100% LPG penetration. Separately, Government of India's push towards a gas based economy is estimated to present new investments and opportunities in this area. These developments present an opportunity for India's downstream and midstream oil and gas sectors. Given the growing demand for oil & gas in India and its wide application in household and industrial activities, it is apparent that there is a room for major investments in this sector. The Oil & gas sector requires 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 longterm 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. 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 six 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.

Liquid Logistics Division Liquid terminalling revenues were at Rs. 182.80 Cr. (previous year Rs. 168.28 Cr.) for the year, an increase of about 9%, and normalized EBITDA of the division was marginally higher at Rs 103.53 Cr. for the year (previous year Rs. 102.83 Cr.) The capacity additions at Mangalore, Kandla and Haldia commissioned in the second half of 2017- 18 are expected to boost EBITDA performance in the coming year. Future growth in this division will come from the additional capacity utilization 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 starting from sourcing, terminalling to distribution of LPG. In 2018-19, the division recorded revenues of Rs. 5433.02 Cr. (previous year Rs. 4622.68 Cr.) an increase of 17.53% on account of higher volumes. Sourcing volumes also improved markedly with the successful addition of Indian Oil as a key customer. LPG demand was driven by the successful implementation of the PMUY Scheme in rural areas. Gas Logistics volumes increased to 2.5 million MT (previous year 1.7 million MT). The new Haldia LPG terminal and bottling plant performed at above expectations in the first full year of operations. Distribution volumes also improved to 114,000 MT (previous year 78,000 MT) The normalized EBITDA for the gas division increased to Rs. 310.63 Cr. compared with the previous year Rs. 203.34 Cr. an increase of 52.76 % as the higher throughput and sourcing volumes resulted in stronger margins. The same applied in the distribution business.

New Developments

The most significant new development in 2018-19 was the announcement of the new LPG Terminal at Kandla. With a planned static capacity of 45,000 MT and potential throughput capacity of 4,000,000 MT, the project will be the 4th LPG Terminal in the Group's portfolio as well as being the largest. At a project cost of Rs. 350 Cr., the Terminal is scheduled for completion in first half of 2020-2021. The company proposes to finance the project through internal accruals and debt. 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 below: Consolidated Change (%) Reason for change FY 2017-18 FY 2018-19 Debtors Turnover 40.10 18.70 114.45 Better working capital management

Future Business Outlook

Terminalling and handling of liquids and gases is the main expertise of the Aegis Group and provides an important and stable source of Group profits by way of terminalling fees. This pattern is expected to continue in the future. As the Group continues to focus on executing its strategy of building a national network of port based tank terminals connected by road, rail and pipelines. Furthermore, the retail division continues to expand its geographic footprint and packed product offerings. This activity is also expected to be an important driver of growth in future years.

OWNERSHIP PATTERNS

The **Shareholding Pattern** page of **Aegis Logistics** Ltd. presents the Promoter's holding, FII's holding, DII's Holding, and **Share holding** by general public etc.

...

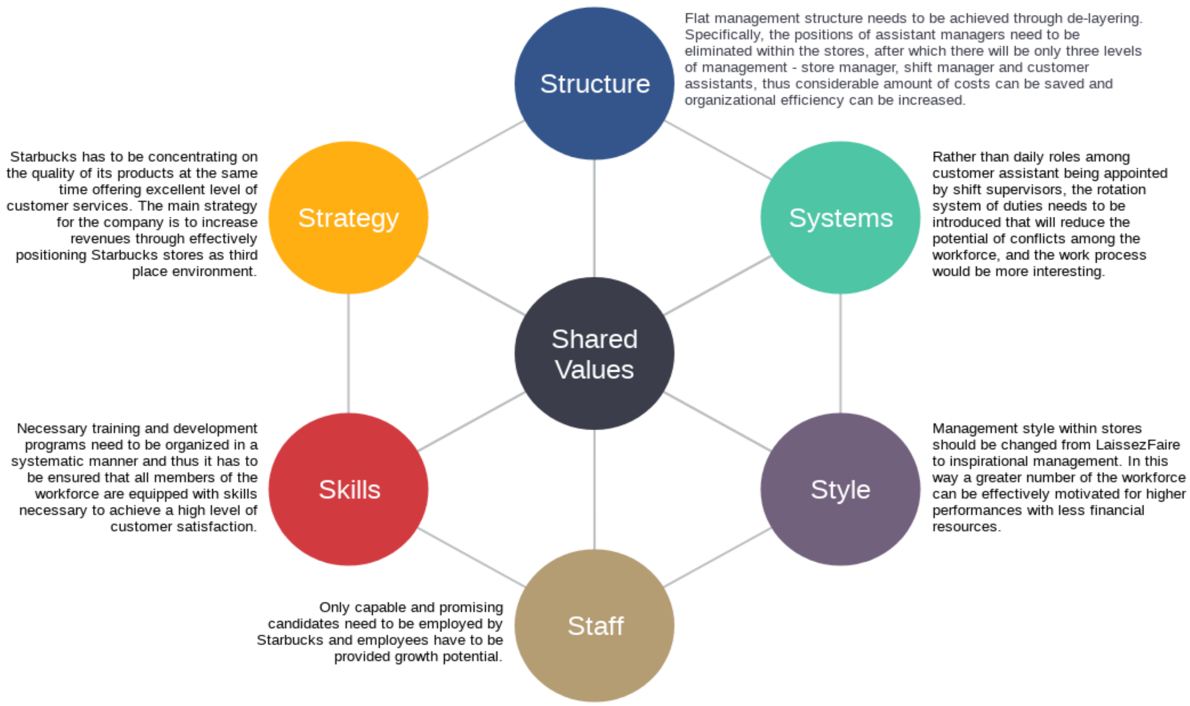
PREMARKET.

Shareholding Pattern - Aegis Logistics Ltd.

FinancialInstitutions	1728565	0.51%
ForeignPromoter	202676008	59.67%

CHAPTER – 3

McKensy's 7s frame work



- **Strategy:** this is your organization's plan for building and maintaining a competitive advantage over its competitors.
- **Structure:** this how your company is organized (that is, how departments and teams are structured, including who reports to whom).
- **Systems:** the daily activities and procedures that staff use to get the job done.
- **Shared values:** these are the core values of the organization, as shown in its corporate culture and general work ethic. They were called "superordinate goals" when the model was first developed.
- **Style:** the style of leadership adopted.
- **Staff:** the employees and their general capabilities.
- **Skills:** the actual skills and competencies of the organization's employees.

STRATEGY

The aegis logistics follows green logistics as its strategy .

Reduction in CO_2 emissions

1. To contribute to the prevention of global warming as well as to improve transportation efficiency while reducing costs.
2. Focusing on the introduction of low-emission vehicles and biodiesel fuel, reduction in transportation distance, and improvement in load factor.
3. Our global CO_2 emission from logistics activities came to 0.82 million tons across the world.

Product Differentiation and Competitive advantage

It helps an organisation to position itself and its products as environmentally friendly in the customers' perception. Besides attracting new profitable customers for organizations, it will give a competitive edge over the competitors in the marketplace. It will also strengthen the brand image and reputation in the marketplace

Adapting to Regulations and Reducing Risk

Organisation adopting green business practice can reduce the risk of being prosecuted for anti-environmental and unethical practices. A demonstrated effort towards creating an effective Green business through the sustained dedication of resources, activity, measurement and management protocol, will be highly regarded in the event that any question arises.

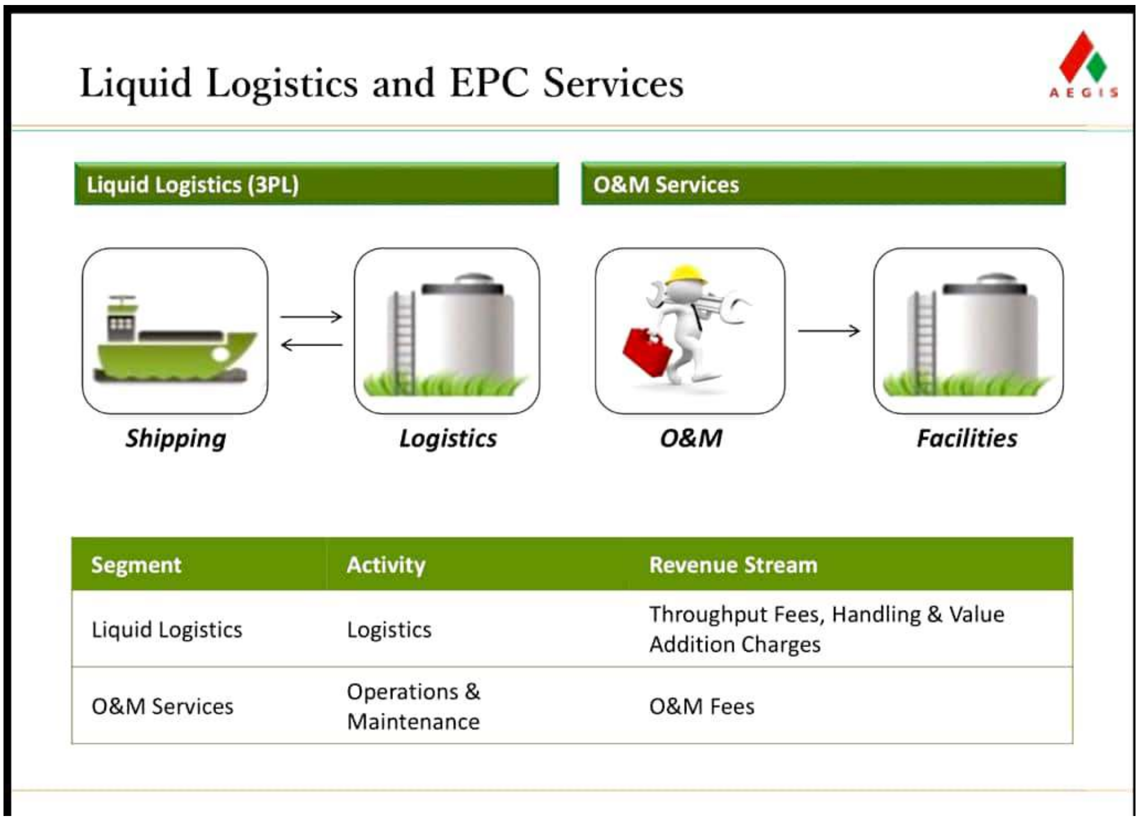
Improved quality and products

Organisational that produce products which are technologically advanced and the environment- friendly will find this will enhance the brand image and brand reputation in customers' mind.

Shipping and transport

1. The least expensive shipping modes often also have the lowest environmental impact. However, it's important to balance the economic and ecologic advantages of bulk shipping with the impacts of larger order sizes and carrying more inventories.
2. Revisit route optimization frequently. Changes in market conditions, fuel costs, traffic patterns, and road construction can impact delivery times, costs, and emission. The regular analysis is necessary to refine and validate.

Boosted businessperformance improve quality and products transportations, Product Differentiation, Competitive advantage, and it will help in reducing wastages. By getting into a green business they can get so many benefits and also they can improve their performance by having the environmental support

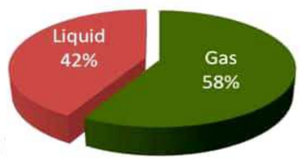


Current Business Break-up

Liquid Division

- **Business**
  - Third Party Liquid Logistics (3PL)
  - O&M Services

Q1FY18 EBITDA
Rs. 66 Cr

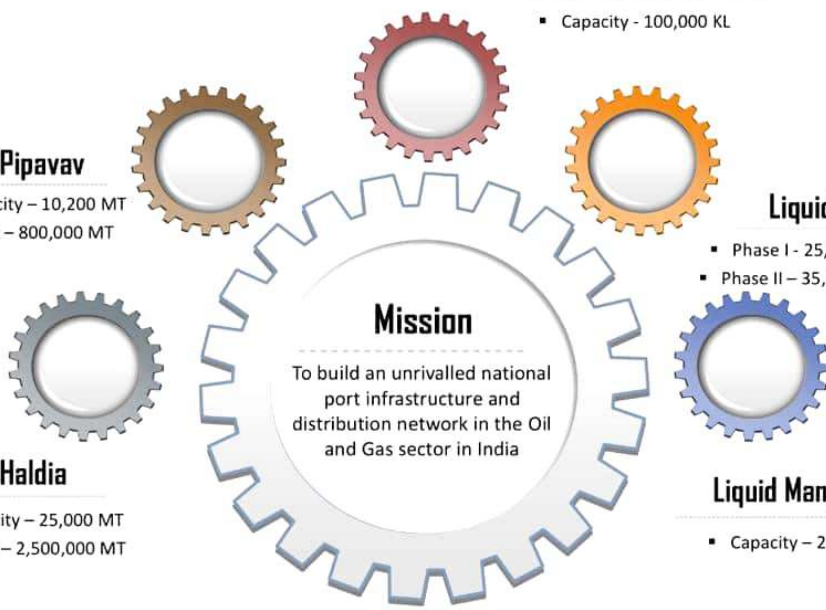


- **Revenue Model**
  - Fee based Revenue Model
  - Handling and Other Service Charges
  - O&M fees

Gas Division

- **Business**
  - Third Party Gas Logistics (3PL)
  - Auto Gas Retailing and Packed LPG Cylinders for Commercial segment
  - Industrial Gas Distribution
  - Marine Products Distribution (Bunkering)
  - Gas Sourcing
- **Revenue Model**
  - Fee based Revenue Model for Gas Logistics
  - Fees for Sourcing Business
  - Retail Margin for Gas Distribution
  - Handling and Other Service Charges

Major ongoing Expansion Projects



Liquid - Kandla

- Capacity - 100,000 KL

LPG - Pipavav

- Static Capacity – 10,200 MT
- Throughput – 800,000 MT

Liquid - Haldia

- Phase I - 25,000 KL Completed
- Phase II – 35,000 KL Commenced

LPG - Haldia

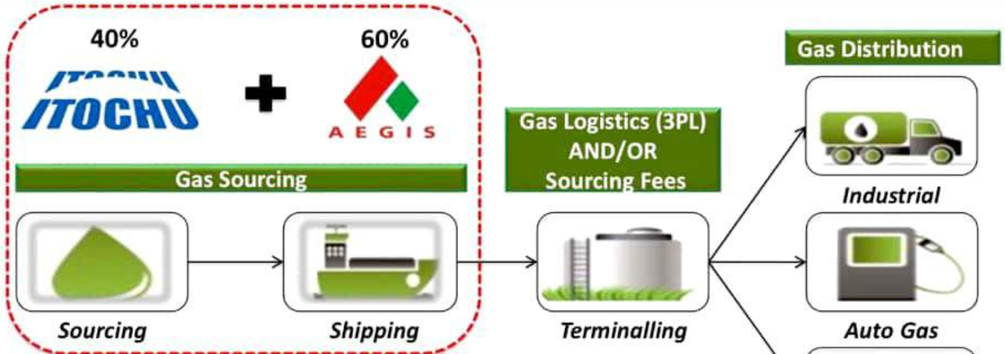
- Static Capacity – 25,000 MT
- Throughput – 2,500,000 MT

Liquid Mangalore

- Capacity – 25,000 KL

5

Gas Logistics - Capturing Complete Value Chain



Segment	Activity	Revenue Stream
Gas Sourcing	Sourcing & Shipping	Sourcing Commission
Gas Logistics	Terminalling	Throughput Fees, Handling & Value Addition Service Charges
Gas Distribution	Industrial, Commercial & Auto Gas	Distribution Margin

Creating 'Leading LPG Sourcing Player in India' through Vertical Integration Strategy

7

Our Gas Distribution Network

B2C

- **Auto Gas Retailing:** Distribute LPG as Auto Fuel through Gas Station Network
- 107 Auto Gas Stations across 7 States

B2B

- **Bulk Industrial Distribution:** Distribute LPG through road tankers to Auto, Steel, Ceramic Industries etc

- **Commercial LPG:** Distribute Packed Cylinders for Commercial and Industrial users
- 100 Commercial Distributors spread across 45 Cities in 8 states

Porter's Five Forces

The tool was created by Harvard Business School professor Michael Porter, to analyze an industry's attractiveness and likely profitability. since its publication in 1979, it has become one of the most popular and highly regarded business strategy tools.

Porter recognized that organizations likely keep a close watch on their rivals, but he encouraged them to look beyond the actions of their competitors and examine what other factors could impact the business environment. He identified five forces that make up the competitive environment, and which can erode your profitability. These are:

1. **Competitive Rivalry.** This looks at the number and strength of your competitors. How many rivals do you have? Who are they, and how does the quality of their products and services compare with yours?

   Where rivalry is intense, companies can attract customers with aggressive price cuts and high-impact marketing campaigns. Also, in markets with lots of rivals, your suppliers and buyers can go elsewhere if they feel that they're not getting a good deal from you.

   On the other hand, where competitive rivalry is minimal, and no one else is doing what you do, then you'll likely have tremendous strength and healthy profits.

2. **Supplier Power.** This is determined by how easy it is for your suppliers to increase their prices. How many potential suppliers do you have? How unique is the product or service that they provide, and how expensive would it be to switch from one supplier to another?

   The more you have to choose from, the easier it will be to switch to a cheaper alternative. But the fewer suppliers there are, and the more you need their help, the stronger their position and their ability to charge you more. That can impact your profit.

3. **Buyer Power.** Here, you ask yourself how easy it is for buyers to drive your prices down. How many buyers are there, and how big are their orders? How much would it cost them to switch from your products and services to those of a rival? Are your buyers strong enough to dictate terms to you?

   When you deal with only a few savvy customers, they have more power, but your power increases if you have many customers.

4. **Threat of Substitution.** This refers to the likelihood of your customers finding a different way of doing what you do. For example, if you supply a unique software product that automates an important process, people may substitute it by doing the process manually or by outsourcing it. A substitution that is easy and cheap to make can weaken your position and threaten your profitability.
5. **Threat of New Entry.** Your position can be affected by people's ability to enter your market. So, think about how easily this could be done. How easy is it to get a foothold in your industry or market? How much would it cost, and how tightly is your sector regulated?

   If it takes little money and effort to enter your market and compete effectively, or if you have little protection for your key technologies, then rivals can quickly enter your market and weaken your position. If you have strong and durable barriers to entry, then you can preserve a favorable position and take fair advantage of it.

ManagementDiscussion and Analysis

In compliance with 'Schedule V' of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Management Discussion and Analysis, which also includes further details on the state of affairs of the Company, forms part of this Annual Report.

Listing of Company's Securities

Equity Shares

The Company's Equity Shares continue to remain listed with the BSE Ltd. and National Stock Exchange of India Ltd. and the stipulated Listing Fees for the financial year 2016–17 have been paid to both the Stock Exchanges.

During the year, the Company has sub–divided (split) its equity share from the face value of Rs. 10/– each into Re. 1/– each.

Non–convertible Debentures

The Company's Redeemable Non–Convertible Debentures are listed on the Wholesale Debt Market Segment of National Stock Exchange of India Ltd. and the stipulated Listing Fees for the financial year 2016–17 have been paid.

Change in Registrar and Transfer Agent

The Board of Directors of the Company has on 10th May, 2016 duly approved the appointment of M/s. Link Intime India Pvt. Ltd. as Registrar & Share Transfer Agent of the Company w.e.f. 21st May, 2016 in place of M/s. Sharepro Services (India) Private Limited, the Company's existing Registrar and Share Transfer Agent of the Company whose services are terminated w.e.f. closure of business hours on Friday, 20th May, 2016.

The aforesaid was done in accordance with SEBI's Interim Order WTM/RKA/MIRSD2/41/2016 dated 22nd March, 2016.

Directors & Key Management Personnel

Pursuant to section 152 of the Companies Act, 2013, Mr. Anil M. Chandaria, Director of the Company retires by rotation and being eligible, offers himself for re–appointment.

Pursuant to section 161 of the Companies Act, 2013, during the year Board of Directors, on recommendation of Nomination and Remuneration Committee, had appointed Ms. Poonam

Ravi Kumar as Additional Director in the category Independent at their meeting held on 11th August, 2015 and Mr. Raj Kishore Singh as Additional Director at their meeting held on 10th March, 2016. Both the Directors will hold office upto the ensuing Annual General Meeting. Appropriate resolutions for the appointment/ re–appointment of the Directors are being placed for approval of the members at the Annual General meeting. Your Directors recommend the appointment of Ms. Poonam Ravi Kumar as Independent Director to hold office upto 5 (five) consecutive years up to 10th August, 2020 and appointment of Mr. Raj Kishore Singh as a Director at the ensuing Annual General Meeting.

Disclosure from Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Director of the Company under Section 149(6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149(6) read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Auditors

As per the provisions of sections 139, 141 of the Companies Act, 2013 and rules made thereunder, the Company had, in its Annual General Meeting held on 31st July, 2014, approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, (ICAI Firm Registration No. 117366W/W–100018) to hold office till the conclusion of the third consecutive Annual General Meeting, subject to ratification by the members at every Annual General Meeting. In compliance with the same, the Directors do hereby place for ratification, the re–appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, until the conclusion of the next Annual General Meeting.

Occupational Health, Safety & Environment

The Company is holding ISO–9001 (2008), ISO–14001 (2004) and OHSAS–18001 (2007) certifications and thereby meets all quality, environmental and safety standards specified under these Certifications.

The company carries out a monthly review of health, safety and environment compliance for all sites and carries out regular mock drills and emergency preparedness tests. The company carried out various competitions like slogans, posters, 'spotting the hazards' to create awareness of safety amongst all levels of employees, contract workmen and also transporters. The company completed internal safety audit with external auditor.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of section 134 of Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, the extent as are applicable to the Company, are given in Annexure 'A' to the Directors' Report.

Particulars of Employees

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Annual Report.

However, having regard to the provisions of the first proviso to section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Directors' Responsibility Statement

The Directors would like to inform the Members that the Audited Accounts for the financial year ended 31st March 2016 are in full conformity with the requirement of the Companies Act, 2013. The Financial Accounts are audited by the Statutory Auditors, Messrs Deloitte Haskins & Sells LLP.

The Directors further confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. The Directors had prepared the annual accounts on a going concern basis;

e. The Directors, had laid down adequate internal financial controls to be followed by the company and that such internal financial controls including with reference to Financial Statements are adequate and were operating effectively; and

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Control Systems and their Adequacy

The Company has an effective internal control and risk–mitigation system, which are constantly assessed and strengthened. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to Messrs NatvarlalVepari and Company, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

Significant and material orders

There are no significant and material orders passed by the regulators/courts/tribunals impacting the going concern status and the Company's operations in future.

Composition of Audit Committee

The Company has an Audit Committee comprising of the following four Non–Executive Directors, out of which three are Independent Directors:

1. Mr. Dineshchandra J. Khimasia (Chairman)

2. Mr. Kapoorchand M. Chandaria

3. Mr. Kanwaljit S. Nagpal

4. Mr. Rajnikant J. Karavadia

During the year, the Board of Directors of the Company had always accepted the recommendations of the Audit Committee.

Vigil Mechanism for Directors and Employees

The Company, pursuant to section 177 of Companies Act, 2013 read along with the rules made thereunder and Regulation 22 of SEBI LODR, have established vigil mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The scope of the policy is that it covers any alleged wrongful conduct and other matters or activity on account of which the interest of the Company is affected and is formally reported by Whistle Blower(s). The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the said Policy are explained in the Corporate Governance Report and also posted on the website of the Company.

Extract of the annual return as provided under sub–section (3) of section 92

Extract of the annual return as provided under sub–section (3) of section 92 of Companies Act, 2013 as prescribed in Form MGT–9 is given in Annexure 'B' to the Directors' Report.

Policy relating to remuneration of Directors, Key Managerial Personnel and other Employees

In terms of the provisions of section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI LODR, the Company duly constituted a Nomination and Remuneration (N&R) Committee comprising of the following members:

1. Mr. Dineshchandra J. Khimasia (Chairman)

2. Mr. Kanwaljit S. Nagpal

3. Mr. Rajnikant J. Karavadia

The N&R Committee identified persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the laid down criteria, recommend to the Board their appointment and renewal and shall carry out evaluation of every Director's performance. The

Committee formulates criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The Remuneration policy reflects the Company's objectives for good corporate governance as well as sustained and long–term value creation for stakeholders'. The Policy will also help the Company to attain optimal Board diversity and create a basis for succession planning. In addition, it is intended to ensure that –

a) the Company is able to attract, develop and retain high–performing and motivated Executives in a competitive international market;

b) the Executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the Applicable Law;

c) remuneration of the Executives are aligned with the Company's business strategies, values, key priorities and goals.

Disclosure of composition of the Corporate Social Responsibility Committee

Disclosure of composition of the Corporate Social Responsibility Committee, contents of the CSR Policy and the format as provided under section 135 of Companies Act, 2013 read along with Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in Annexure – 'C' to the Directors' Report.

Particulars of Loans, Guarantees or Investments

The Company is engaged in the business of providing infrastructural facilities as specified under section 186(11)(a) of the Companies Act, 2013 read with Schedule VI to the Companies Act, 2013. However, details of Loans, Guarantees and Investments are given in the notes to the Financial Statements.

Disclosure of particulars of contracts/arrangements with related parties

All transactions entered into with the related parties are in the ordinary course of business and are on arm's length basis.

There are no significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <http://www.aegisindia.com/Corporate_Governances>. aspx.

Development and implementation of Risk Management Policy

The Company has constituted a Risk Management Committee which is not a mandatory requirement consisting of majority members of Board of Directors comprising of the following members:

1. Mr. Raj K. Chandaria (Chairman)

2. Mr. Dineshchandra J. Khimasia

3. Mr. Kanwaljit S. Nagpal

4. Mr. Rajiv M. Chohan

The Committee lays down procedures to inform Board members about the risk assessment and minimization procedures, monitor and review risk management plan and for carrying out such other functions as may be directed by the Board.

The Company adopted a risk management policy including identification therein of elements of risk, and action taken by the Company to mitigate those risks.

The specific objectives of the Risk Management Policy are to ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated and managed, to establish a framework for the company's risk management process and to ensure companywide implementation, to ensure systematic and uniform assessment of risks related with Oil, Gas & Chemicals Logistics business, to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices and to assure business growth with financial stability.

The details of Committee and its terms of reference are also set out in the Corporate Governance Report forming part of the Board's Report.

Material changes and commitments, if any, affecting the financial position of the company

There were no material changes and commitments, which affected the financial position of the company between the end of the financial year of the company to which the financial statements relates and the date of the report.

CHAPTER-4

SWOT ANALYSIS

STRENGTH

Promoters increasing shareholding   397.8% returns for Nifty 500 over 5.9 years

Company with Low Debt

Company with Zero Promoter Pledge

FII / FPI or Institutions increasing their shareholding

Strong Momentum: Price above short, medium and long term moving averages

WEAKNESS

Degrowth in Revenue and Profit

Decline in Net Profit (QoQ)

Decline in Quarterly Net Profit (YoY)

Degrowth in Quarterly Revenue and Profit in Recent Results

Declining Revenue every quarter for the past 2 quarters

Declining profits every quarter for the past 2 quarters

Major fall in TTM Net Profit

Recent Results : Fall in Quarterly Revenue and Net Profit (YoY)

OPPORTUNITY

Rising Delivery Percentage Compared to Prev Day

Big Deal (Insider and SAST) buys last month greater than 1% of total shares

Big Deal (Insider and SAST) buys last week greater than 1% of total shares

Brokers upgraded recommendation or target price in the past three months 8.4% returns for Nifty 500 over 0.3 years

30 Day SMA crossing over 200 Day SMA, and current price greater than open 34.5% returns for Nifty 500 over 1.2 years

High Momentum Scores (Technical Scores greater than 50) 319.5% returns for Nifty 500 over 5.1 years

Highest Recovery from 52 Week Low

RSI indicating price strength

Insiders bought stocks

THREATS

Stocks with Expensive Valuations according to the Trendlyne Valuation Score 177.2% returns for Nifty 500 over 4.5 years

Company with negative growth and promoters decreasing shareholding

Stocks with high PE (PE > 40)

OTHERS

Expensive Rockets (DVM) 168.8% returns for over 5.4 years

Stocks gaining versus previous close, open price and RSI

Average Financial Performers - Stocks with Medium Trendlyne Durability Score versus Benchmarks 187.6% returns for Nifty 500 over 4.5 years

Average Bullish Trend - Stocks with Medium Trendlyne Momentum Score versus Benchmarks 181.7% returns for Nifty 500 over 4.5 years

Top Gainers

CHAPTER-5

ANALYSIS OF FINANCIAL STATEMENT

Five Year Financial Report

(Rs.in Crores)

Operating Results	2014/15	2015/16	2016/17	2017/18	2018/19
Operating Revenue	3916.00	2213.22	3930.29	4790.95	5615.82
Earnings before Interest, Dep and tax	184.30	191.18	213.26	276.45	372.53
Finance Cost including Forex/Hedging (net)	19.12	15.09	20.32	17.32	19.67
Depreciation and Amortisation Expense	22.96	23.42	23.81	34.31	50.54
Profit Before Tax	142.22	152.67	169.13	224.81	302.33
Tax	29.91	26.53	36.16	11.01	50.22
Profit After Tax	112.31	126.14	132.97	213.80	252.11
Financial Position					
Equity Share Capital	33.40	33.40	33.40	33.40	33.40
Other Equity	393.95	471.10	803.78	1173.87	1357.87
Non Controlling Interest	26.44	39.25	29.24	69.70	74.81
Total Equity	453.79	543.75	866.42	1276.97	1466.08
Non-current Borrowings	131.52	109.11	77.37	61.96	56.57
Deferred Tax Liability (net)	18.93	22.91	46.75	5.50	(11.92)
Total Capital Employed	604.24	675.77	990.54	1344.43	1510.73

Property, Plant & Equipment, CWIP, Goodwill and other Intangible Assets	487.79	545.11	1061.02	1407.96	1449.41
Investments	2.61	0.36	0.19	0.02	10.43
Net Working Capital	113.84	130.30	(70.67)	(63.55)	50.89
Total Net Assets	604.24	675.77	990.54	1344.43	1510.73
Ratios					
EBITDA on Captial Employed	32.98%	31.16%	21.53%	20.56%	24.66%
Debt : Equity (Non Current Borrowings/Total Equity)	0.29	0.20	0.09	0.05	0.04

* Reported numbers are as per the Indian Accounting Standards adopted by the Company since FY 2017-18

Revenue from operations increased marginally by 3.51% at Rs. 357.35 crores (previous year Rs. 345.22 crores). The Gross Profit (before net interest, depreciation, tax, hedging cost & foreign exchange loss (gain), PBIDT decreased to Rs.93.19 crores (previous year Rs. 156.66 crores) on account of lower other income. Profit before Tax was lower at Rs.73.90 crores (previous year Rs. 132.54 crores) and Profit after Tax decreased to Rs. 53.87 crores (previous year Rs. 107.83 crores) due to lower other income.

Group Consolidated

The Operating performance of the Group has shown improvement. The Revenue for the year decreased to Rs. 2213.22 crores (previous year Rs. 3916.00 crores) on account of lower commodity prices. The Profit before Tax for the year rose to Rs. 152.67 crores (previous year Rs. 142.22 crores) an increase of 7.35% on year on year basis. The Profit after Tax for the year rose to Rs. 126.14 crores (previous year Rs. 112.31 crores), an increase of 12.31% on year on year basis.

Liquid Segment

Revenues of the group for Liquid Division were higher for the year by 11.21% at Rs. 170.60 crores (previous year Rs. 153.40 crores) due to better capacity utilization. Normalised EBITDA increased to Rs. 102.38 crores compared to Rs. 97.39 crores in previous year, an increase of 5.12%. The revenues and margins continued to remain strong.

Gas Segment

The revenue for Gas Division during the year was Rs. 2042.62 crores (previous year Rs. 3762.60 crores) on account of lower LPG prices. The normalized EBITDA increased to Rs. 121.23 crores as compared to Rs. 84.65 crores in previous year, mainly due to improved margins and higher throughput volumes.

Outlook for the Group

The oil, gas and chemical logistics business continues to show good potential as India's import and exports of oil products, LPG and chemicals increase.

The company is poised to take advantage of this growth by operating its newly established facilities at Haldia and Pipavav at higher rates of capacity utilization. A new LPG terminal is under construction at Haldia and a new liquids terminal is planned at Kandla.

Dividend

The company continues to evaluate and manage its dividend policy to build long term shareholder value. The Directors recommended three interim dividends during the financial year ended 31st March, 2016 aggregating to total dividend of 90% i.e. Rs. 0.90 per share of Rs. 1/– each (previous year Rs. 7.25 per share of Rs. 10/– each).

New Projects and Expansion

In light of increased demand for LPG in the region, the company recently tripled its LPG storage capacity at Pipavav to 8,100 MT. This additional capacity will be available for use in FY 2016–17.

The Company is setting up a fully refrigerated LPG terminal at Haldia Dock Complex, West Bengal, with a static storage capacity of 25,000 MT and throughput capacity of 1,500,000 MT per annum. Terminal construction is underway with all the requisite environmental permits secured and is expected to be commissioned in 2017–18. This will be the largest LPG terminal in the Aegis portfolio. The Company has also signed a 20 year Memorandum of Understanding (MoU) with a large public sector unit as the anchor customer for use of this terminal.

The Company is expanding its Haldia liquids terminal by adding 25,000 KL of storage capacity which is expected to be commissioned in Q4 FY16–17.

The Company has initiated a project of debottlenecking of Mumbai LPG terminal by connecting it by pipeline to the Uran–Chakan cross country LPG pipeline. This will result in increased throughput capacity and less road movement of LPG.

In Kandla, the Company is building 100,000 KL of liquid capacity for chemicals and petrochemicals, which is expected to be commissioned in Q1 FY 17–18.

The company continues to look for opportunities to lease or acquire land at major and minor ports in India.

Allotment of Land at Ports

Aegis Group is continuing with its strategy of adding more terminals to its portfolio, offering its customers logistics services at every major gateway into and out of India. With the additional land allotments, Aegis Group is continuing its strategy of building a necklace of port terminals around India's coast line. The company already has additional land at the key ports of Pipavav, Haldia, New Mangalore, Kandla and Kochi available for new projects and will continue to evaluate new opportunities for land at all ports.

Credit Rating

The credit rating agency, Credit Analysis and Research Ltd. (CARE) has continued to assign a short term credit rating of 'A1+' (A One Plus) and long term rating of 'AA–' (Double A Minus).

India Ratings and Research (Ind–Ra) has assigned the Company a Long–Term Issuer Rating of 'IND AA'. The Outlook is Stable.

Consolidated Financial Statements

In compliance with the directions by Ministry of Corporate Affairs, Govt. of India (MCA), the Consolidated Financial Statements of Aegis Group as provided in this Annual Report are prepared in accordance with the Accounting Standard (AS 21) "CONSOLIDATED FINANCIAL STATEMENTS". The Consolidated Financial Statements include Financial Results of its Subsidiary Companies.

For information of members, a separate statement containing salient features of the financial details of the Company's subsidiaries for the year ended 31st March, 2016 in Form AOC–1 is included along with the financial statement in this Annual Report. The Annual Accounts of these subsidiaries will be made available to the holding and subsidiary companies' Members seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any Member at Head/Corporate Office of the Company and that of the subsidiary companies concerned and the same shall be displayed on the website of the Company www.aegisindia.com

Subsidiary Companies

The Company has nine subsidiaries (out of which, seven are wholly owned subsidiaries) as on 31st March, 2016 having business akin and germane to the business of holding Company, whose details are given in the Annual Report and there has been no change in the nature of business of its subsidiaries during the year. The operating & financial Performance of the subsidiary Companies are as provided below:

Sea Lord Containers Limited

During the year under review, the Company's Bulk Liquid terminal continued operations at full capacity. The Company recorded a Turnover of Rs. 48.58 Crores (Previous year Rs. 39.38 Crores), increase of 23.34% on YoY basis on account of product mix. Net Profit after Tax was recorded at Rs. 33.29 Crores (Previous year Rs. 23.91 Crores), an increase of 39.20%.

Aegis Gas (LPG) Private Limited (wholly owned subsidiary)

The revenue for the year has decreased to Rs. 105.09 Crores as against Rs. 111.21 Crores of the previous year on account of lower commodity prices. The Company commissioned its additional Gas Storage Terminal capacity 2700 MT. Profit after tax was therefore higher at Rs. 15.64 Crores as compared to Rs. 12.58 Crores in previous year.

Hindustan Aegis LPG Limited (wholly owned subsidiary)

During the year 2015–16, the operating revenue decreased to Rs. 1215.59 Crores from Rs. 2789.15 Crores in previous year on account of lower volumes and prices. Profit after tax for the year ended 31st March, 2016 was Rs. 11.38 Crores as compared to profit of Rs. 5.40 Crores in previous year.

Konkan Storage Systems (Kochi) Private Limited (wholly owned subsidiary)

During the year under review, the Income was Rs. 4.55 Crores as against Rs. 4.85 Crores in the previous year. The company made a net profit of Rs. 0.65 Crore as against Rs. 1.53 Crore in the previous year.

Aegis Group International Pte. Limited

The revenue for the year has decreased to Rs. 1500.44 Crores as against Rs. 3374.32 Crores of the previous year. Profit after tax for the year ended 31st March, 2016 was Rs. 11.22 Crores as compared to profit of Rs. 16.09 Crores in previous year.

Aegis International Marine Services Pte. Limited (wholly owned subsidiary)

The revenue for the year has decreased to Rs. 8.82 Crores as against Rs. 41.22 Crores of the previous year on account of lower volumes. Loss for the year ended 31st March, 2016 was Rs. 0.06 Crore as compared to profit of Rs. 0.31 Crore in previous year.

Aegis LPG Logistics (Pipavav) Limited (wholly owned subsidiary)

The Company incurred normal expenditure of Rs. 0.20 lacs during the year (Previous year Rs. 0.26 lacs). The Company has not commenced any commercial operations as yet.

Aegis Terminal (Pipavav) Limited (wholly owned subsidiary)

The Company incurred normal expenditure of Rs. 0.20 lacs during the year (Previous year Rs. 0.27 lacs). The Company has not commenced any commercial operations as yet.

Eastern India LPG Company Private Limited (wholly owned subsidiary)

The Company incurred normal expenditure of Rs. 0.59 lacs during the year (previous year Rs. 0.58 lacs). The Company has not commenced any commercial operations as yet.

Fixed Deposits

During the year under review, the Company has not invited any fresh fixed deposits nor renewed any existing fixed deposits from its shareholders and general public.

The total amount of fixed deposits matured and remaining unclaimed with the Company as on 31st March, 2016 was Rs. 2.45 lacs. There were no overdue deposits other than those unclaimed at the year end. There is no default in payment of interest and repayment of matured deposits & interest thereon by the Company.

CHAPTER-6

LEARNING EXPERIENCE

- Aegis Group plays a key role in India's downstream oil and gas sector, and its flagship company, Aegis Logistics Limited, is India's leading oil, gas, and chemical logistics company.
- Aegis Logistics Limited is a holding company, which is engaged in providing logistics and supply chain services to the oil, gas and chemical industry.
- The Company is engaged in the sale of liquefied petroleum gas (LPG), wholesale of solid, liquid and gaseous fuels and related products, and storage and warehousing of products, such as general merchandise warehouses and warehousing of furniture, automobiles, gas and oil, chemicals and textiles.
- Its segments include Liquid Terminal Division and Gas Terminal Division.
- The Liquid Terminal Division undertakes storage and terminaling facility of oil and chemical products.
- Its Gas Terminal Division relates to imports, storage and distribution of petroleum products, such as LPG and propane.
- It markets LPG packed in cylinders, which are used for domestic, commercial and industrial applications. It operates a network of filling plants, distribution points and dealers under the Aegis Puregas brand.
- Learnt to make a report and research
- Got to know the SWOT analysis of the company
- Their strategy on the environment friendly and to overcome competitors

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