



AEGIS LOGISTICS LIMITED

51st ANNUAL REPORT 2007 - 2008

Company Vision

Aegis is a leader in oil and gas logistics. We offer services such as sourcing of product, storage and port operations, arranging road and pipeline movement, shipping, and integrated supply chain management.

We believe in providing our customers in the oil, gas and chemicals industry with end to end solutions, managing every activity in the supply chain to enable reliable, continuous and competitive supplies of materials.

Our vision is to provide ***Total Supply Chain Management*** for oil, gas and chemicals.

Our Values

- We will provide the most flexible, responsive and best quality service to our customers.
- We will strive for the highest standards of integrity, hard work, professionalism and discipline.
- We will place a strong emphasis on safety, protecting the environment and attaining world-class standards in every sphere of activity.
- We shall strive to make a substantial contribution to the welfare and needs of the community and the society at large.
- We shall endeavour to maximise value for our shareholders.

Company Information

Board of Directors

CHAIRMAN

K. M. CHANDARIA

VICE-CHAIRMAN AND MANAGING DIRECTOR

R. K. CHANDARIA

MANAGING DIRECTOR

A. K. CHANDARIA

DIRECTORS

A. M. CHANDARIA

R. P. CHANDARIA

D. J. KHIMASIA

R. J. KARAVADIA

K. S. NAGPAL

V. H. PANDYA

COMPANY SECRETARY

J. N. SHAH

BANKERS

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

SOLICITORS & ADVOCATES

ANS Law Associates, Mumbai

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants
Mumbai

REGISTERED OFFICE

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

CORPORATE & ADMINISTRATIVE OFFICE

403, Peninsula Chambers,
Peninsula Corporate Park,
G. K. Marg, Lower Parel (West),
Mumbai-400 013.

Tel. : 022-6666 3666

Fax : 022-6666 3777

Website : www.aegisindia.com

LIQUID TERMINAL DIVISION

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

REGISTRAR & SHARE TRANSFER AGENTS

Sharepro Services India Pvt. Ltd.
Satam Estate, 3rd Floor, Above Bank of Baroda,
Chakala, Andheri (East), Mumbai-400 099.
Except Sunday and Holiday
Working Hours: 9.30 to 1.00 & 1.45 to 5.00
Tel. : 022-2821 5168, 6772 0300, 6772 0400
Fax : 022-2837 5646

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

Please address all correspondence regarding
Share Transfer Work to the Registrar & Share
Transfer Agents and not to the Company's
Registered Office

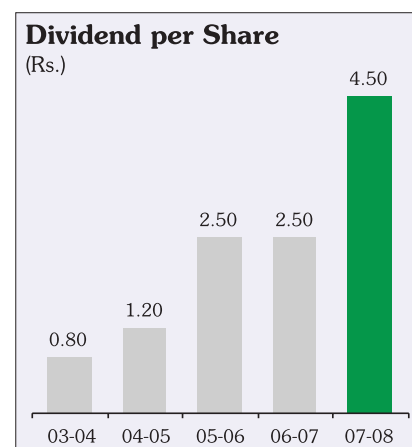
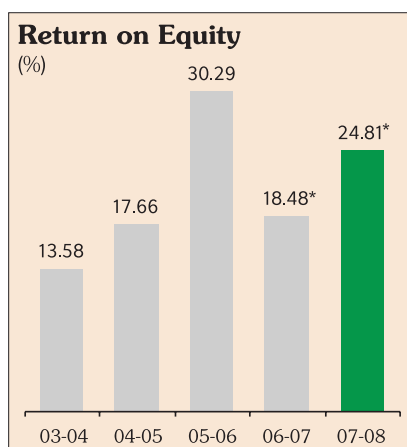
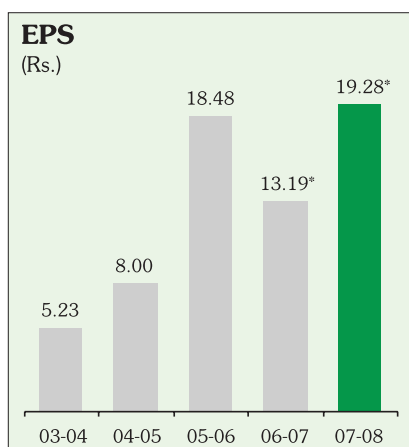
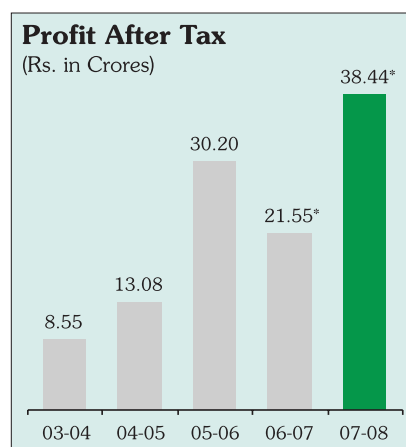
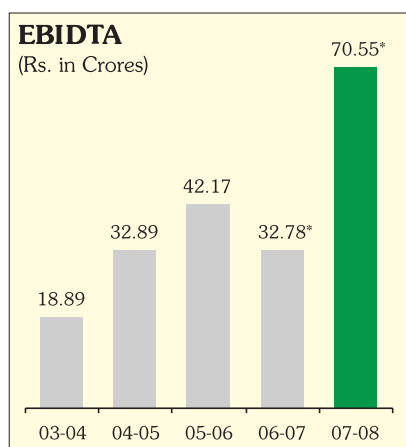
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Financial Overview

Group Financial Highlights

- ◆ Consolidated Net Sales up by 62% to Rs. 389.3 crores
- ◆ EBITDA : Rs. 70.55 crores, up by 115%
- ◆ Profit after tax : Rs. 38.4 crores, up by 78%
- ◆ EPS rises to 19.28 up by 46%
- ◆ Debt to Equity Ratio: 0.67
- ◆ Dividend increased to 45% from previous year 25%



* Aegis Group Consolidated figures

Management Discussion and Analysis Report

Overview

The oil and gas logistics sector in India continued to grow strongly in 2007-08. The Company's priorities were to complete its Trombay 2 project, acquire the LPG terminal of Hindustan Aegis LPG Ltd. (HALPG) and continue the rollout of auto LPG retail outlets. The Company was able to show an overall growth of 62% in Group revenues as a result of a 40% increase in revenues in the liquid logistics division and a 68% increase in gas division revenues.

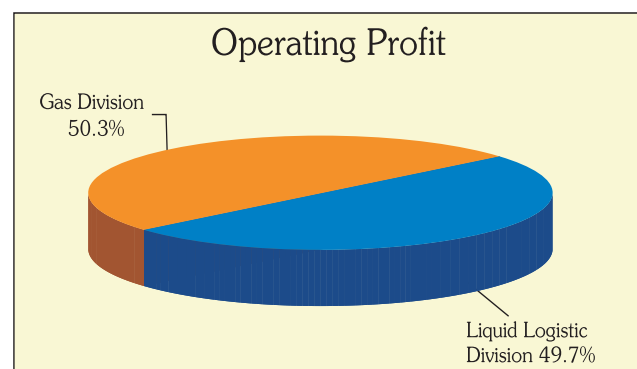
The addition of capacity through the Trombay 2 project, which was commissioned in the second half of the financial year, together with growth in volumes of petroleum products led to a very good performance in the liquid logistics division.

LPG revenues were boosted by high international prices of gas and an excellent 33% increase in product volumes, particularly Propane gas sales to industrial customers and throughput for the Oil PSUs. Auto LPG sales also began to grow during the year.

Net group profits after tax rose by an impressive 78% and earnings per share by 46% to 19.28 on

increased Equity Share Capital post acquisition of HALPG Unit.

The Company continued its strategy of building a national network of Oil and Chemical logistics terminals in major ports, with three terminals currently operating in Mumbai and Kochi and a planned construction of a fourth terminal at Haldia. The development of an inland distribution network also continued during the year with the completion of close to 40 Autogas retail outlets by March 2008, with a further 60 plus planned for rollout in 2008-09.



Aegis Terminal at Mumbai

Industry Structure and Development

The Third Party Logistics (3PL) sector provides a specialized integrated supply chain management service to customers in the Oil, Gas and Chemical Industry. In India, traffic of Petroleum products and Chemicals continues to grow faster than GDP rates. Therefore, the growth prospects for the logistics sector are positive. Leading players with high standards of safety and quality stand to increase market share as customers become increasingly demanding.

The Gas business also has high growth potential due to very low per capita consumption of LPG in India compared to the global average. All segments of the Gas business including Industrial Sales, Commercial Sales to the restaurant and hotel industry and Autogas retailing for the private cars look set to rise.

Segment-wise Analysis

Liquid Logistics Division

The addition of the second site in Trombay (Trombay 2) increased capacity in the division by 46% during the second half of the year. Volumes in Chemicals and Petroleum products were very strong as customers imported more products. Key Oil PSU customers expanded their use of Aegis storage and pipeline facilities. Segment revenues therefore showed a 40% rise and operating profits were up by 28%. Operating margins were a healthy 50%, although 5% lower than the previous year due to higher depreciation (New Plant) at Trombay 2 and lower rates at Kochi than the rates charged at Trombay.

The Company is in the third year of a five year site improvement programme at the main Trombay 1 port terminal. The Company is laying concrete paver blocks, improving the layout and automating more processes.

A Kaizen programme is being implemented vigorously at Trombay and is yielding substantial productivity benefits.

The Kochi site is being progressively upgraded to Aegis standards, although this will take some time as the site needs a good amount of work. There is also a considerable effort needed to bring new customers to the Kochi terminal and raise revenues, as the terminal is not operating at full capacity yet.

Gas Division

LPG sales were up by 68%. While some of this was due to higher prices as international prices rose throughout the year, product volumes handled were up by 33%. Propane sales to Industrial customers such as the steel industry showed a significant growth. Also, service revenues from throughput of gas from oil PSU customers were up strongly.



Aegis Autogas Station at Udipi



Aegis Autogas Station at Panvel



Aegis Autogas Station at Eluru



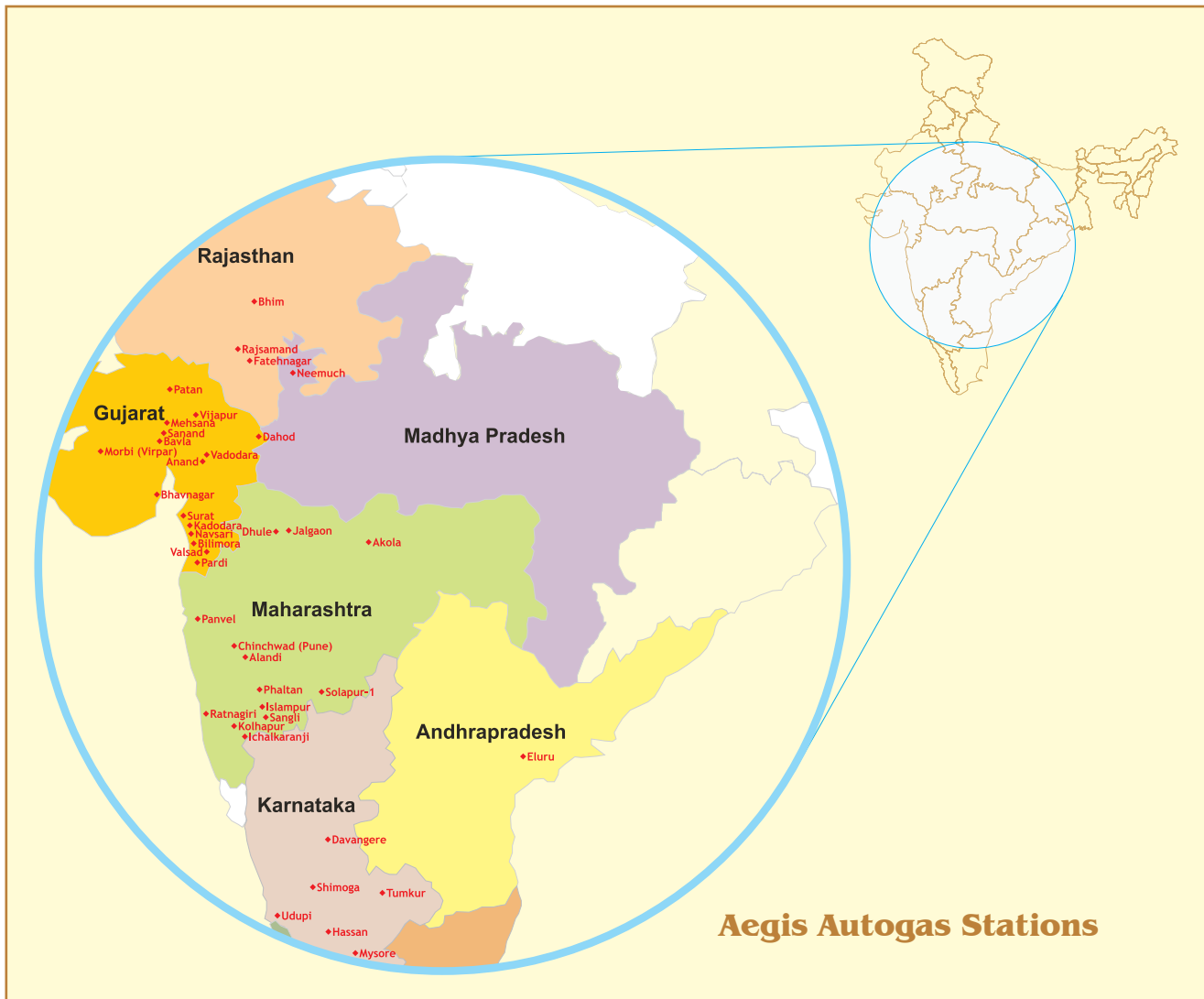
Finally, the Company's entry in the retailing of Autogas continued to expand. Close to 40 stations were operational by March 2008 with a further 60 plus expected to be rolled out in 2008-09 in 8 states in South and West India.

The brand "Aegis Autogas" is increasingly seen as a pure and high quality Autogas, giving good mileage over others.

Operating margins rose to 10.7% in this division from 5.2% in the previous year, due to a change in the product mix towards higher Throughput gas logistics service revenues such as from oil PSUs.

Opportunities and Threats

There is likely to be slower growth in the Indian economy over the next two years, especially with inflation and high government deficits. While there is no sign as yet of a slowdown in petroleum consumption, high oil prices may dampen growth in demand for these products. However, in the long term there is a good expectation of growth in the Oil and Gas logistics business particularly as customers appear to be investing in new refining capacity. Movement of goods around the country and imports and exports of petroleum and chemicals look set to grow. There may be some downward pressure on margins if lower quality logistics players try to take market share. However, the



Company's competitive strategy is to remain a high quality player, building long term relationships with key customers.

The Industrial LPG distribution business has good long term potential as demand for gas increases from Indian Industry. There is scope for competition from natural gas, as this will be cheaper than LPG. However, the infrastructure to carry natural gas is enormously expensive to build and the Company remains confident that LPG will remain a very important fuel for industry due to the ease of transportation and logistics.

Autogas retailing is likely to continue to be a key growth area for the Company as it is a higher margin segment than industrial sales and has exciting potential as the main gas-based alternative to petrol. A number of new LPG factory-fitted models are being produced by the car companies including the Maruti 800, Santro, Wagon R and Omni Van. These are increasingly popular. Some forecasts show that 10% of new cars may be LPG models. The market penetration of Autogas, currently at less than 3% of cars, is likely to increase over time. With high oil prices here to stay, a cheaper alternative in the form of Autogas appears to be catching the imagination of car owners. The Company will continue to roll out more stations in Tier 3 cities and is now looking at establishing a few Company Owned outlets in Tier 2 cities.

However, the Government's unwillingness to pass on the full petrol price (thus lowering the price difference with autogas) and continuing diversion of domestic subsidized cooking gas into autos, is currently adversely affecting Autogas sales. This trend has, in the last few months, led to reduced sales at Autogas stations. This is slowing the rate of conversions by new customers to Autogas. The Company is cautious about the near-term outlook for autogas sales due to these factors.

Future Business Outlook

The Oil and Gas logistics business shows excellent potential. Discussions with key customers such as oil PSUs and others will lead the Company to further expand capacity in Mumbai and other ports through greenfield projects.

LPG will see growing consumption in India despite the availability of more natural gas. This is due to the ease of transportation unlike natural gas which requires huge investment in infrastructure such as pipelines and a gas grid. All segments of the LPG business, including domestic cooking gas, Commercial LPG, Industrial LPG and Autogas retailing are expected to see high growth.

The Company is expanding its presence in two of these segments currently – Industrial LPG and Autogas retailing with plans to set up a 100 strong network of dedicated Autogas stations.

Internal Control Systems and their adequacy

The Company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded, protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company conducts audit 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.

Human Resources Development

With the acquisition of the Gas import terminal, Kochi terminal, Trombay 2 site and more marketing personnel, Aegis's human resource base today covers 285 team members. During the year, Aegis has taken several significant initiatives in further strengthening its human capital including recruitment of middle management.

Risk and Concerns

The Company derives most of its revenues from cargo volumes handled through two Pir Pau oil and chemical jetties at Mumbai port. Port congestion at Pir Pau continues to be a cause of concern. However, Mumbai Port Trust's proposed new chemical berth (expected to open in 2011) will alleviate this concern and allow continued growth in traffic. Aegis is exposed to specific risks that are particular to its businesses

and environment within which it operates, including economic cycle, market risk, credit risk etc. Aegis manages these risks by following prudent business and risk management practices.

Government policy changes with respect to excise duty, customs duty, or regulation in the oil sector are unpredictable.

The oil subsidy regime and continued large-scale diversion of cooking gas cylinders into autos could adversely affect sales growth of Autogas.

Corporate Social Responsibility

During the year, Aegis through its sponsored NGO Anarde Foundation continued to work for rural upliftment all over India, alleviating poverty, and improving the quality of life of the rural poor. The foundation was associated with a unique programme, WASMO, with the aim of providing water at the door step in villages. Indeed, a major focus continues to be water, with major projects in water shed management and trials of water purification systems in a number of villages carried out during the year.



Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Five Years Financial Performance

(Rs. in Crores)

	2003-04	2004-05	2005-06	2006-07*	2007-08*
Operating Results					
Operating Revenue	80.80	120.54	154.50	240.38	389.26
Earnings before Int., Depreciation, Tax	18.89	32.89	42.17	32.78	70.55
Interest	4.50	8.16	2.61	3.24	8.94
Depreciation	3.14	4.67	3.73	3.83	12.02
Profit before Tax	11.25	20.06	35.83	25.71	49.59
Tax	2.70	6.98	5.63	4.16	11.15
Profit after Tax	8.55	13.08	30.20	21.55	38.44
Financial Position					
Capital	16.22	16.29	16.31	16.31	19.91
Reserves (excl. Revaluation Reserve)	46.72	57.77	83.39	100.28	135.04
Net Worth	62.94	74.06	99.70	116.59	154.95
Total Debt	25.77	30.64	26.44	66.69	103.86
Deferred Tax Liability	5.61	6.90	7.26	7.57	23.64
Total Capital Employed	94.32	111.60	133.40	190.85	282.45
Net Fixed Assets (excl. Revaluation Reserve)	55.85	65.85	66.60	154.59	236.98
Investments	6.34	11.40	16.97	3.04	7.77
Net Working Capital	32.13	34.35	49.83	33.22	37.70
Total Net Assets	94.32	111.60	133.40	190.85	282.45
Ratios					
PAT to Operating Revenue %	10.58%	10.85%	19.55%	8.96%	9.88%
PAT on Net Worth %	13.58%	17.66%	30.29%	18.48%	24.81%
Debt : Equity	0.41	0.41	0.26	0.57	0.67
Current Ratio	2.63	2.45	2.75	1.61	1.62
EPS	5.23	8.00	18.48	13.19	19.28

* Aegis Group Consolidated figures

Notice

NOTICE is hereby given that the 51st Annual General Meeting of the Members of AEGIS LOGISTICS LIMITED will be held on Saturday, 27th September, 2008 at 11.30 a.m. at Hotel Galaxy, National Highway No. 8, near Koparali Road, G.I.D.C., Vapi 396 195, Gujarat to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended on that date together with Directors and Auditors Report thereon.
2. To declare final dividend on Equity Shares.
3. To appoint a Director in place of Mr. K. M. Chandaria, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. P. Chandaria, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. K. S. Nagpal, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Deloitte Haskins & Sells, Chartered Accountants, as the Statutory Auditors of the Company from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 269 and other applicable provisions, if any of the Companies Act, 1956 (hereinafter referred as "*the Act*") read with Schedule XIII of the Act and pursuant to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval from the Central Government, Mr. Raj Chandaria, Director of the Company be and is hereby appointed as Vice Chairman and Managing Director of the Company w.e.f. 31st March, 2008 for a period of 5 years, up to 31st March, 2013.

RESOLVED FURTHER THAT substantial powers of the management of the business and affairs of the Company, be and are hereby entrusted unto Mr. Raj Chandaria in his capacity as the Vice Chairman and Managing Director, subject to the superintendence, control and direction of the Board of Directors which powers shall *inter alia* include :

- To interact with executives/officers and direct them for maximizing profits.
- To engage, retain, employ, authorize and remunerate employees, experts, advisors, consultants or professional advisors as may be considered necessary and expedient.
- To delegate the powers of management of specific affairs of the Company entrusted with the Managing Director and for that purpose execute such power of attorney, affidavits as may be necessary or expedient for the purpose in favour of any officer, on behalf of the Company.
- To manage the day to day affairs of the Company.
- To purchase, sell, take on hire or otherwise deal with the equipments, plant & machinery, vehicles, furniture & fixtures and all such other assets as may be required for the purpose of the business of the Company within an overall financial limit of Rs. 300 lacs in any individual transaction and to incur capital expenditure during any financial year within the limits specified by the Board.

- To negotiate with trade unions or group of employees and to represent the Company in matters relating to employees of the Company before courts, tribunals or other statutory authorities including the power to delegate the authority in favour of any officer of the Company.
- To effect and maintain insurance on moveable or immoveable properties of the Company and insurance against loss and liability generally.
- To open and operate any banking or other account and to draw, make, accept, execute, endorse, discount negotiate, retire, pay, satisfy and assign cheques, drafts, bills of exchange, promissory notes, hundis, interest warrants and other negotiable or transferable instruments or securities.
- To borrow moneys with or without security, for the purpose of the business of the Company, subject to the approvals of the Company as required under section 293(1)(d) of the Companies Act, 1956 and approval of the Board of Directors of the Company as required under section 292 of the Companies Act, 1956 and subject further to such maximum limit as the Board may impose from time to time while giving such approval.
- To invest and deal with the funds of the Company (other than in the shares of the other companies covered by section 372A of the Companies Act, 1956) and fixed deposits with the Company's bankers.
- To enter into contracts for the purchase of goods for the Company subject to prior approval of the Board of Directors in terms of Section 297 and 299 of the Companies Act, 1956, wherever necessary.
- To appoint distributors for the sale of the products of the Company subject to prior approval of the Board whenever necessary.
- To enter into and become party to and to sign and execute all deeds, instruments, contracts, receipts and all other documents or writings on behalf of the Company not required to be executed under its Common Seal or not otherwise provided for in the Articles of Association of the Company.
- To become party to and to present for registration and admit execution of and to do every act, matter or thing necessary or proper to enable registration on behalf of the Company of all deeds, instruments, contracts, agreements, receipts and all other documents whatsoever.
- To institute, defend, prosecute, conduct, compound, refer to arbitration and abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested.
- To exercise and perform such powers and duties as the Board of Directors of the Company shall from time to time, determine and subject to any directions and restrictions, from time to time, given and imposed by the Board and further subject to the superintendence, control and direction of the Board, he shall have the general control, management and superintendence of the business of the Company.
- And generally to make all such arrangements and to do all such acts, deeds, matters and things on behalf of the Company as may be usual, necessary or expedient in the conduct and management of business and as are not by the Act or by the Memorandum and Articles of Association of the Company expressly required to be done by the Company in general meeting or by the Board.

RESOLVED FURTHER THAT Mr. Raj Chandaria, Vice Chairman and Managing Director be and is hereby entitled to receive the following remuneration during the tenure as Vice Chairman and Managing Director of the Company :

- | | |
|--|--------------------------------|
| • Remuneration | : Nil |
| • Perquisites | : Nil |
| • Sitting Fees | : Nil |
| • Expenses to visit India for business purposes/attending Board Meetings/Committee Meetings/General Meetings | : Actual to be paid/reimbursed |

RESOLVED FURTHER THAT Mr. Raj Chandaria during his tenure as Vice Chairman and Managing Director be and is required, unless prevented by ill health or save while on leave, to devote attention and abilities to the business and affairs of the Company and shall use his utmost endeavour to promote the interest of the Company.

RESOLVED FURTHER THAT Mr. Raj Chandaria shall not, during his tenure and without previous consent of the Board, engage or interest himself either directly or indirectly in the business or affairs of any other person, firm, company or in any undertaking of a nature similar to or competing with the Company's business and shall not divulge any trade secret or confidential information concerning the business of the Company.

RESOLVED FURTHER THAT Mr. Raj Chandaria shall not, so long as he functions as the Vice Chairman and Managing Director of the Company become interested or otherwise be concerned, directly or indirectly, or through wife and/or relatives in any selling agency of the Company without prior approval of the Company.

RESOLVED FURTHER THAT if Mr. Raj Chandaria wish to resign/withdraw from the services of the Company an advance notice of six months shall be given, provided that the Board may waive the notice period.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 269 and other applicable provisions, if any of the Companies Act, 1956 (hereinafter referred as "*the Act*") read with Schedule XIII of the Act and pursuant to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval from the Central Government, Mr. Anish Chandaria, Director of the Company be and is hereby appointed as Managing Director of the Company w.e.f. 31st March, 2008 for a period of 5 years, up to 31st March, 2013.

RESOLVED FURTHER THAT substantial powers of the management of the business and affairs of the Company, be and are hereby entrusted unto Mr. Anish Chandaria in his capacity as the Managing Director, subject to the superintendence, control and direction of the Board of Directors which powers shall *inter alia* include :

- To interact with executives/officers and direct them for maximizing profits.
- To engage, retain, employ, authorize and remunerate employees, experts, advisors, consultants or professional advisors as may be considered necessary and expedient.
- To delegate the powers of management of specific affairs of the Company entrusted with the Managing Director and for that purpose execute such power of attorney, affidavits as may be necessary or expedient for the purpose in favour of any officer, on behalf of the Company.
- To manage the day to day affairs of the Company.
- To purchase, sell, take on hire or otherwise deal with the equipments, plant & machinery, vehicles, furniture & fixtures and all such other assets as may be required for the purpose of the business of the Company within an overall financial limit of Rs. 300 lacs in any individual transaction and to incur capital expenditure during any financial year within the limits specified by the Board.
- To negotiate with trade unions or group of employees and to represent the Company in matters relating to employees of the company before courts, tribunals or other statutory authorities including the power to delegate the authority in favour of any officer of the Company.
- To effect and maintain insurance on moveable or immoveable properties of the Company and insurance against loss and liability generally.

- To open and operate any banking or other account and to draw, make, accept, execute, endorse, discount negotiate, retire, pay, satisfy and assign cheques, drafts, bills of exchange, promissory notes, hundis, interest warrants and other negotiable or transferable instruments or securities.
- To borrow moneys with or without security, for the purpose of the business of the Company, subject to the approvals of the Company as required under section 293(1)(d) of the Companies Act, 1956 and approval of the Board of Directors of the Company as required under section 292 of the Companies Act, 1956 and subject further to such maximum limit as the Board may impose from time to time while giving such approval.
- To invest and deal with the funds of the Company (other than in the shares of the other companies covered by section 372A of the Companies Act, 1956) and fixed deposits with the Company's bankers.
- To enter into contracts for the purchase of goods for the Company subject to prior approval of the Board of Directors in terms of Section 297 and 299 of the Companies Act, 1956, wherever necessary.
- To appoint distributors for the sale of the products of the Company subject to prior approval of the Board whenever necessary.
- To enter into and become party to and to sign and execute all deeds, instruments, contracts, receipts and all other documents or writings on behalf of the Company not required to be executed under its Common Seal or not otherwise provided for in the Articles of Association of the Company.
- To become party to and to present for registration and admit execution of and to do every act, matter or thing necessary or proper to enable registration on behalf of the Company of all deeds, instruments, contracts, agreements, receipts and all other documents whatsoever.
- To institute, defend, prosecute, conduct, compound, refer to arbitration and abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested.
- To exercise and perform such powers and duties as the Board of Directors of the Company shall from time to time, determine and subject to any directions and restrictions, from time to time, given and imposed by the Board and further subject to the superintendence, control and direction of the Board, he shall have the general control, management and superintendence of the business of the Company.
- And generally to make all such arrangements and to do all such acts, deeds, matters and things on behalf of the Company as may be usual, necessary or expedient in the conduct and management of business and as are not by the Act or by the Memorandum and Articles of Association of the Company expressly required to be done by the Company in general meeting or by the Board.

RESOLVED FURTHER THAT Mr. Anish Chandaria, Managing Director be and is hereby entitled to receive the following remuneration during the tenure as Vice Chairman and Managing Director of the Company :

- | | |
|--|--------------------------------|
| • Remuneration | : Nil |
| • Perquisites | : Nil |
| • Sitting Fees | : Nil |
| • Expenses to visit India for business purposes/attending Board Meetings/Committee Meetings/General Meetings | : Actual to be paid/reimbursed |

RESOLVED FURTHER THAT Mr. Anish Chandaria during his tenure as Managing Director be and is required, unless prevented by ill health or save while on leave, to devote attention and abilities to the business and affairs of the Company and shall use his utmost endeavour to promote the interest of the Company.

RESOLVED FURTHER THAT Mr. Anish Chandaria shall not, during his tenure and without previous consent of the Board, engage or interest himself either directly or indirectly in the business or affairs of any other person, firm, company or in any undertaking of a nature similar to or competing with the Company's business and shall not divulge any trade secret or confidential information concerning the business of the Company.

RESOLVED FURTHER THAT Mr. Anish Chandaria shall not, so long as he functions as the Managing Director of the Company become interested or otherwise be concerned, directly or indirectly, or through wife and/or relatives in any selling agency of the Company without prior approval of the Company.

RESOLVED FURTHER THAT if Mr. Anish Chandaria wish to resign/withdraw from the services of the Company an advance notice of six months shall be given, provided that the Board may waive the notice period.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. V. H. Pandya who was appointed as an Additional Director of the Company pursuant to the Articles of Association of the Company and the provisions of Section 260 of the Companies Act, 1956 and who holds office up to the date of ensuing the Annual General Meeting and in respect of whom the Company has received a notice from a member signifying his intention to propose Mr. V. H. Pandya, as a candidate for the office of Director of the Company, pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board of Directors

Place : Mumbai
Dated : 29th May, 2008

Jignasha Shah
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement u/s. 173(2) of the Companies Act, 1956 is annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2008 to 27th September, 2008 (both days inclusive).
4. The Dividend, as recommended by the Board, if sanctioned at the ensuing Annual General Meeting will be paid to those members or their mandates whose names stand registered on the Company's Register of Members :
 - i. As Beneficial Owners as at the end of business day on Monday, 15th September, 2008 as per the list to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in demat form.
 - ii. As Members holding shares in Physical Mode as per Register of Members of the Company as on Saturday, 27th September, 2008.

5. i. Those Members who have not encashed their dividend warrants for the Financial Year 2000-2001 to 2006-07 and the interim dividend declared for the Financial Year 2007-08 are requested to return the time barred dividend warrants or forward their claims to the Company.
- ii. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the Financial Year 2000-01 which shall remain unclaimed/unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is due for transfer in October, 2008 and will be transferred to the Investor Education and Protection Fund constituted by the Central Government under Section 205C of the Companies Act, 1956. It may be noted that once the unclaimed dividend is transferred to the Government, as above, no claim shall lie in respect of such amount against the Company/Fund.

6. Shareholders holding shares in electronic mode may please note that the Company will accept and print on the dividend warrants, the bank details as furnished by the respective Depositories as advised by the Securities and Exchange Board of India (SEBI). Any changes in your Bank details may be brought to the notice of the respective Depository Participant immediately.

Shareholders holding shares in physical form may avail the facility of Electronic Clearing Services (ECS) for receiving direct credit of dividend to their accounts with Banks for expeditious credit and to protect from loss, theft and postal delay of dividend warrant. Bank details for the said purpose may be given to the Company's Registrar and Share Transfer Agent alongwith a copy of duly cancelled cheque leaf.

7. Members holding shares in physical form are requested to lodge share transfer, transmission and intimate changes, if any, in their registered address, bank account and mandate details, residential status etc. quoting their folio number(s) to Company's Registrar and Share Transfer Agent.
8. Shareholders seeking any information with regard to accounts are requested to write to the Company Secretary at the Corporate Office of the Company at least 10 days in advance, so as to keep the information ready at the Meeting.
9. Members may avail the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registrar and Share Transfer Agent.
10. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's Registrar and Share Transfer Agent for consolidation into single folio.

11. Brief resume of Directors being re-appointed :

Mr. K. M. Chandaria – Age : 78

Shareholding : Nil

Mr. K. M. Chandaria is a person of Indian origin. He is a NRI and a British citizen. He is a Commerce Graduate by qualification and is associated with the Company ever since its inception. Company is benefited immensely from his industrial experience of over 40 years.

He has been actively associated with the Company since 1966 and continues to be a driving force for the development of the Company. He has also started, promoted and developed businesses in U.K., Europe and Asia. At present he is also involved in several charitable activities in rural development in India.

Other Directorships held :

- i. Hindustan Aegis LPG Ltd.
ii. Eastern India LPG Co. Pvt. Ltd.

Mr. R. P. Chandaria – Age : 85

Shareholding : Nil

He started his career in India by setting up family's industries, sea and land transportation and other businesses. He then became totally involved with his family business in diversifying their interest from trading into industry in Kenya. He was instrumental in expanding industrial interest in other African countries. Apart from his business and industrial activities he has been associated with many social and charitable activities since last 60 years in various countries.

Other Directorships held :

- i. Steelco Gujarat Ltd.

Mr. K. S. Nagpal – Age : 38

Shareholding : Nil

He is a Commerce Graduate and has experience of over a decade in the business of Chemicals, Bulk Drugs, Solvents, different types of Oils etc. and is also into the business of plastic moulding.

Other Directorships held :

- i. MNS Agro Oil & Chem. Pvt. Ltd.
- ii. Sea Lord Containers Ltd.

By order of the Board of Directors

Place : Mumbai

Dated : 29th May, 2008

Jignasha Shah

Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

As a part of long term strategy to lead the business through the next stage of growth, particularly in the Gas and Petroleum distribution business and for widening, deepening and strengthening the management team and in terms of Articles of Association of the Company Mr. R. K. Chandaria was appointed by the Board of Directors at its meeting held on 27th March, 2008, subject to approval of the Members and as well as of the Central Government, as the Joint Managing Director of the Company with effect from 31st March, 2008 for a period of five years, without remuneration. The Board of Directors vide circular resolution dated 9th April, 2008 redesignated Mr. R. K. Chandaria, Vice Chairman of the Board as "Vice Chairman and Managing Director".

Mr. R. K. Chandaria is associated with the Company since 1982 and is a Director of the Company since 1999. He has immensely contributed in the growth of the Company. He is also Director on the Board of few Indian companies.

Mr. R. K. Chandaria is B.Sc. (Economics) and an MBA from Boston; is 48 years in age, dynamic man with international exposure. Furthermore, he represents promoter group having substantial stake in the Company.

Mr. R. K. Chandaria shall carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors.

Mr. R. K. Chandaria is a Canadian citizen and hence an application is being made to the Central Government for approval of his appointment.

Except Mr. K. M. Chandaria and Mr. A. K. Chandaria, no other Director is concerned or interested in the proposed resolution.

ITEM NO. 8

As a part of long term strategy to lead the business through the next stage of growth, particularly in the Gas and Petroleum distribution business and for widening, deepening and strengthening the management team and in terms of Articles of Association of the Company Mr. A. K. Chandaria was appointed by the Board of Directors at its meeting held on 27th March, 2008, subject to approval of the Members and as well as of the Central Government, as a Joint Managing Director of the Company with effect from

31st March, 2008 for a period of five years, without remuneration. The Board of Directors vide circular resolution dated 9th April, 2008 re-designated Mr. A. K. Chandaria, as Managing Director.

Mr. A. K. Chandaria is associated with the Company since 1990 and is a Director of the Company since 2003. He has immensely contributed in the growth of the company. He is also Director on the Board of few Indian companies.

Mr. A. K. Chandaria is B.A. (Economics) and an MBA from Wharton, is 40 years in age, dynamic man with international exposure. Furthermore, he represents promoter group having substantial stake in the Company.

Mr. A. K. Chandaria shall carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors.

Mr. A. K. Chandaria is a British citizen and hence an application is being made to the Central Government for approval of his appointment.

Except Mr. K. M. Chandaria and Mr. R. K. Chandaria, no other Director is concerned or interested in the proposed resolution.

ITEM NO. 9

The Board of Directors of the Company at its meeting held on 29th May, 2008 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 114 of the Article of Association of the Company, Mr. V. H. Pandya as an Additional Director of the Company. In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. V. H. Pandya shall hold office of Director up to the ensuing Annual General Meeting.

The Company has received a notice in writing from a member proposing the candidature of Mr. V. H. Pandya for the office of director along with requisite deposit.

Mr. V. H. Pandya, aged about 77 years has vast experience of about 40 years in the field of banking, finance and export. He had been with Reserve Bank of India for a period of 12 years, with Industrial Development Bank of India for a period of 19 years and with Securities and Exchange Board of India for more than 2 years. Besides, has international experience as Commonwealth Secretariat Consultant with Government of Sierra Leone, UNCTAD/GATT Consultant with Government of Tanzania, Malawi and with World Bank assisted projects in the areas of Export Finance, Insurance, guarantees etc.

Other Directorship held :	IFCI Financial Services Ltd.
	Srei Capital Markets Ltd.
	GIC Asset Management Co. Ltd.
	Libord Infotech Ltd.
	Srei International Finance Ltd.
	Pranav Financial Services P. Ltd.

Committee membership in other companies :	IFCI Financial Services Ltd.
	Srei Capital Markets Ltd.
	GIC Asset Management Co. Ltd.
	Srei International Finance Ltd.

Mr. V. H. Pandya does not hold any shares in the Company.

The Board recommends the resolution for his appointment as a Director of the Company.

Except Mr. V. H. Pandya, none of the Director is concerned or interested in the proposed resolution.

Directors' Report

To the Members of the Company

The Directors have pleasure in presenting the 51st Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL PERFORMANCE

(Rs. in crores)

	2007-08	2006-07
Sales and Other Income	376.45	243.73
Gross Profit (before interest and depreciation)	61.79	33.28
Profit before tax	50.10	27.75
Provision for taxation – Current	5.21	3.65
– Fringe Benefit	0.28	0.20
– Deferred	8.64	0.31
– MAT Credit Entitlement	(3.12)	
Net Profit after tax.....	39.09	23.59
Balance in P & L A/C.....	82.34	65.62
Profit available for distribution.....	121.43	89.21

OPERATING PERFORMANCE

The Company earned gross profit before interest, depreciation and tax of Rs. 61.79 crores during the financial Year under review. Profits before tax stood at Rs. 50.10 crores. Net profit after tax was Rs. 39.09 crores.

LIQUID LOGISTICS DIVISION

The division continued good performance amidst rising volumes of Imports and Exports and increased capacity of Refineries in the adjoining area. The Company is maintaining its site with upgraded technology and continuous improvement programme. The addition of the new site in Trombay (Trombay 2) boosted group capacity in 2007-08 by 46%. Consequently, revenues in the division as a whole rose by 40%. Volumes in all product categories including chemicals, petrochemicals and petroleum were very strong and in addition, key Oil PSU customers such as BPCL and HPCL greatly expanded their use of Aegis's Port Infrastructure & Logistics facilities.

The Company continues to put substantial efforts and resources into promoting Responsible Care. A Kaizen programme has resulted in substantial improvements in the Company's operations and is being rolled out in other sites over time.

The Company is approaching world class productivity levels at its Mumbai operations.

The Company's new terminal at Kochi is now being integrated into the Aegis network through upgradation of the facilities to Aegis standards.

The new initiative of the Company in the area of Operating and Maintenance (O&M) of third party facilities is progressing well although with lower percentage in overall Group revenues.

GAS DIVISION

The LPG division achieved revenue growth of 68 %. While this was related partly to increased international gas prices being passed on to customers and Demerged Undertaking of Hindustan Aegis LPG Ltd. vested into the company; significant volume growth was also achieved in the propane market to industrial customers. In the Gas logistics business for oil PSU customers, a growing throughput during the year resulted in a large jump in service revenues.

The Company's entry into the auto LPG retail business continued to gather pace under the brand "Aegis Autogas". The network is currently being rolled out in 8 states including Maharashtra, Gujarat, Karnataka, Rajasthan, Madhya Pradesh, Andhra Pradesh, Tamil Nadu and Kerala. Continued diversion of domestic cooking gas cylinders into autos remains a problem as this displaces legitimate auto LPG.

DIVIDEND

During the Financial Year under review an interim dividend of 25% was declared and paid.

The Directors are pleased to recommend Final Equity Dividend of 20% i.e. Rs. 2/- per Share (previous year Rs. 2.50 per Share) for the year ended 31st March, 2008, which if approved at the forthcoming Annual General Meeting will be paid in proportion to the amount paid up or credited as paid up to those Equity Shareholders of the Company whose names appear on the Register of Members as on date of Annual General Meeting.

ALLOTMENT OF FURTHER SHARES

The Scheme of Arrangement entered into by the Company for Demerger of the Throughput Activity Undertaking of Hindustan Aegis LPG Ltd., into the Company was approved by the Members and Creditors of and further sanctioned by the Hon'ble High Court, Gujarat by its Order dated 12th February, 2008, with effect from the appointed date i.e. 1st April, 2007.

Accordingly, assets and liabilities of the Demerged Undertaking were transferred to and vested into the Company at book value. In consideration and pursuant to the Scheme of Arrangement new equity shares were issued to the eligible shareholders of Hindustan Aegis LPG Ltd. in the ratio of 1:3 aggregating to 36,00,001 new shares, which are being listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. With this allotment, the Issued, Subscribed and Paid up equity shares stands increased to 19,940,585 equity shares from 16,340,584 equity shares.

OUTLOOK FOR THE COMPANY

The buoyancy in the volumes of both imports and exports, expansion of capacities at various major ports shows excellent potential for growth of the Logistics division. Discussions held with Oil PSUs & other major customers, indicated large requirements for the future. Company is poised and plans to take advantage of this opportunity by building a national network of marine terminals in major and minor Ports by further expanding capacity in Mumbai as well as through acquisition and/or Greenfield projects. The Company has positioned itself as a leading national player in the industry.

The consumption of LPG is likely to grow in India despite the increased availability of natural gas. This is because of the ease of transporting LPG unlike natural gas which requires huge investment in infrastructure such as pipelines. All segments of the LPG business, namely domestic cooking gas, commercial LPG, industrial LPG and auto LPG retailing are expected to see significant growth. The Company is steadily expanding its presence in two of these segments – Industrial LPG and Autogas retailing with plans to set up a 100 strong network of dedicated auto LPG stations well underway.

FINANCE

The Company is in a sound financial position with key ratios indicating sound financials. Low financial gearing coupled with required Net Worth will enable the Company to undertake Greenfield projects. Company continues to have Credit Rating of AA- in respect of Long Term Debt (including secured Non Convertible Debentures/Term Loan) and PI+ for Short Term Debt for Commercial paper, etc.

CONSOLIDATED FINANCIAL STATEMENTS

As required under the Listing Agreements with the Stock Exchange(s) Consolidated Financial Statements of the Company is attached. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

FIXED DEPOSITS

Fixed Deposits received from Shareholders, Employees and Public in general as at the close of the financial year amounted to Rs.454.55 lacs. Deposits of Rs.19.75 lacs which fell due for repayment before the close of the financial year, remained unclaimed by the depositors at the close of the accounting year. There were no overdue deposits other than those unclaimed at the year end.

EMPLOYEE STOCK OPTION SCHEME

Apropos to approval of shareholders in the Extraordinary General Meeting held on October 29, 2007 the Company introduced "Aegis Logistics Ltd. Employee Stock Option Scheme - 2007" for grant of stock options maximum upto 1% of issued and paid up capital i.e. 1,63,406 options.

The options granted have since been waived by the Compensation Committee of Directors on receipt of request from grantee expressing unwillingness to exercise the options. There being no active options existed as on Balance Sheet date under the said scheme, disclosures being not relevant have not been made.

CORPORATE GOVERNANCE

A report on Corporate Governance, together with a certificate of compliance from the Auditors, forms part of this report.

LISTING OF EQUITY SHARES

The Company's Equity Shares are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The Company has paid the Listing Fees for the period of 1st April, 2008 to 31st March, 2009.

The delisting application made to the Delhi Stock Exchange Association Ltd., pursuant to shareholders resolution dated 29th September, 2005 for voluntary delisting in compliance of SEBI Delisting Guidelines, is still pending and hence the listing fees from the year 2007-08 is not paid.

DIRECTORS

Mr. R. K. Chandaria was appointed as Vice Chairman & Managing Director and Mr. A. K. Chandaria was appointed as Managing Director with effect from March 31, 2008.

Mr. V. H. Pandya was appointed as an Additional Director on the Board of the Company w.e.f. 29th May, 2008.

Mr. S. K. Hazra, ceased to be the Director of the Company having put more than 10 years of service. Mr. V. B. Gangar resigned from the directorship of the Company. The Board sincerely acknowledges their efforts and dedication during their tenure.

Mr. K. M. Chandaria, Mr. R. P. Chandaria and Mr. K. S. Nagpal retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

The Auditors of the Company M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of the employees are required to be set out in the Annexure to the Directors Report. However as per the provisions of

Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Members who are interested in obtaining such particulars may write to the Company at its Corporate Office.

HEALTH, SAFETY & ENVIRONMENT (HSE) AND RESPONSIBLE CARE

The Company continues to be the first and the only Independent Gas and Chemical Logistics Company in the country to achieve three coveted Certifications, i.e. ISO 9001, ISO 14001 and OHSAS 18001.

The Company received *Responsible Care* Logo from Indian Chemical Council. It thus achieved another distinction in its HSE awareness by being the first Logistics Company in the country to be awarded the prestigious *Responsible Care* Logo.

The Company's executives attended various workshops, seminars on HSE, some being organized by the Company personnel themselves.

The Company continues to extend support to various Industry forums e.g. Bombay Chamber of Commerce and Industry, Indian Chemical Council etc. in the field of HSE and Infrastructure.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS & FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 :

- (i) Part A & B of the Rules, pertaining to conservation of energy & technology absorption are not applicable to the Company.
- (ii) Foreign Exchange earnings & outgo are provided in Note No. B 13E & B 13 G of Schedule 18 forming part of the Accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to inform the Members that the Audited Accounts for the financial year ended 31st March, 2008 are in full conformity with the requirement of the Companies Act, 1956. The Financial Results are audited by the Statutory Auditors, Messrs Deloitte Haskins & Sells. The Directors further confirm that :

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) the accounting policies are consistently applied and reasonable, prudent judgment and estimates are made 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 profits of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts on a going concern basis.

APPRECIATION

The Board of Directors gratefully acknowledge the assistance, support and co-operation received from the authorities of Mumbai Port Trust, Bankers, Central and State Government Depts., Shareholders, Suppliers, Customers and the Employees.

For and on behalf of the Board

Place : Mumbai
Dated : 29th May, 2008

K. M. Chandaria
Chairman

Report on Corporate Governance

CORPORATE GOVERNANCE

The Company firmly believes in and continues to practice good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavours to improve on these aspects on an ongoing basis. In order to achieve this objective, the Company is driven by the following guiding principles:

- Improving the effectiveness of the Board of Directors in supervising management; and
- Improving the quality of information and communication with our stakeholders.

The Company believes that these two principles will result in a better shareholders value.

BOARD OF DIRECTORS

The Board of Directors of the Company comprises of Chairman, Vice Chairman and Managing Director, Managing Director and Independent Directors. As on 31st March, 2008 the Company had Ten Directors. Mr. S. K. Hazra, ceased to be Director of the company while Mr. R. K. Chandaria and Mr. A. K. Chandaria were appointed as Managing Directors w.e.f. 31st March, 2008. During the year under review 8 Board Meetings were held the dates being 28/05/2007, 31/07/2007, 10/08/2007, 11/09/2007, 29/10/2007, 24/12/2007, 24/01/2008 and 27/03/2008. Details of Directors & their attendance at the Board Meetings and Annual General Meeting are given below:

Sr. No.	Name of the Director	Status	No. of Shares held	No. of other Directorships (Refer Note 1)	No. of Chairmanship/ Membership in Board Committee across all the Companies (Refer Note No.5)		Attendance at	
					Chairman	Member	Board Meetings	Last AGM held on 11/09/2007
1	2	3	4	5	6		7	8
1.	Mr. K. M. Chandaria (Chairman)	NED-NI	—	1	1	1	5	Yes
2.	Mr. R. K. Chandaria** (Vice – Chairman & Managing Director)	ED-NI	—	3	—	1	4	Yes
3.	Mr. S. K. Hazra** (Managing Director)	ED	2550	—	—	—	8	Yes
4.	Mr. A. M. Chandaria	NED-NI	—	—	—	—	1	—
5.	Mr. R. P. Chandaria	NED-I	—	1	—	—	1	—
6.	Mr. A. K. Chandaria** (Managing Director)	ED-NI	—	3	1	1	5	Yes
7.	Mr. V. B. Gangar	NED-I	212	—	—	2	4	—
8.	Mr. D. J. Khimasia	NED-I	—	3	3	2	7	Yes
9.	Mr. R. J. Karavadia	NED-I	1422	—	—	—	8	Yes
10.	Mr. K. S. Nagpal	NED-I	—	1	—	4	8	Yes

- NOTES :
- No. of other Directorships excludes Directorships held in Private Limited Companies.
 - NED-I - Non Executive Director – Independent
 - NED-NI - Non Executive Director – Non Independent
 - ED - Executive Director
 - In accordance with Clause 49, Chairmanship/Membership of only Audit Committee and Shareholders'/Investors' Grievance Committee of all Public Limited Companies has been considered.

** Mr. R. K. Chandaria was appointed as Vice Chairman & Managing Director and Mr. A. K. Chandaria was appointed as Managing Director w.e.f. 31/03/2008 and Mr. S. K. Hazra ceased to be Director of the Company with effect from the close of business hours on 31/03/2008.

Brief Profile/Resume of the Directors seeking Re-appointment is furnished in Notice convening 51st Annual General Meeting.

AUDIT COMMITTEE

Terms of reference :

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Management & the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, changes in accounting policies & practices and major accounting entries involving estimates, compliances with accounting standards and Listing Agreement entered into with the Stock Exchanges and other legal requirements concerning financial statements and related party transactions, if any, and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the quarterly, half yearly and annual financial statements before they are submitted to the Board of Directors.

Minutes of the Audit committee Meetings are circulated to the Members of the Board, discussed and taken note of.

Composition, Name of Members and Chairperson :

Sr. No.	Name of the Director	Status	No. of Meetings attended	Date of Audit Committee Meeting
1.	Mr. D. J. Khimasia (Chairman)	* NED-I	5	28/05/2007 31/07/2007 29/10/2007 24/12/2007 24/01/2008
2.	Mr. K. M. Chandaria	** NED-NI	2	
3.	Mr. V. B. Gangar	NED-I	3	
4.	Mr. K. S. Nagpal***	NED-I	—	

NOTES : * NED-I - Non Executive Director – Independent

** NED-NI – Non Executive Director – Non-Independent

*** Mr. K. S. Nagpal was appointed/included in the Audit Committee as of 27/03/2008

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Non-Executive Director heading the Committee	: Mr. K. M. Chandaria
Compliance Officer	: Ms. Jignasha Shah, Company Secretary
No. of Complaints received during the year	: 76
No. of Complaints remaining un-resolved	: Nil
No. of Pending Share Transfers	: 20 requests for transfer were pending for approval as on 31/03/2008 which were approved during April, 2008.

Complaints/Correspondence are usually dealt expeditiously and as on 31st March, 2008 no complaint is pending.

REMUNERATION TO DIRECTORS

The remuneration of the Managing Director is approved by the Board of Directors and the Shareholders. Hence no separate Remuneration Committee has been constituted. The Managing Director, Mr. S. K. Hazra is paid by way of salary, commission, perquisites etc. based on his contract. Pursuant to the authority granted by the Shareholders, the annual increment for the Managing Director is approved by the Board annually. Mr. S. K. Hazra ceased to be Director of the Company with effect from the close of business hours on 31st March, 2008.

According to the terms of appointment Mr. R. K. Chandaria, Vice Chairman & Managing Director and Mr. A. K. Chandaria, Managing Director are not paid remuneration. Both are relatives of the Chairman.

The sitting fees paid to Non-Executive Directors is increased to Rs. 10,000/- for each Board Meeting attended by them. Those Non-Executive Directors who are Members of other Committees viz. Share Transfer Committee, Audit Committee, Shareholders Grievance Committee are paid sitting fees of Rs. 1,000/- for each such Committee Meeting attended by them.

Details of Remuneration paid/payable to Mr. S. K. Hazra, Managing Director is as follows :

Particulars	Amount (Rs. in lacs)
Salary	34.12
Commission	51.18
Company's Cont. towards P. F. and other funds	9.21
Perquisites in cash or in kind	28.84
Total	123.35

In terms of Shareholders' approval given at the 47th Annual General Meeting (AGM) held on 25th September, 2004 and further in partial modification to the said approval, the Members at the AGM held on 29th September, 2005 approved the revision in the remuneration payable to Mr. Hazra which inter-alia included payment of commission at an increased rate not exceeding 1.20% p.a. of the net profits of the Company calculated as per provisions of Section 349 and 350 and other relevant provisions of the Companies Act, 1956. The Company also contributes to the LIC Group Gratuity Scheme for Mr. Hazra.

Mr. S. K. Hazra ceased to be Director of the Company with effect from the close of business hours on 31st March, 2008.

GENERAL BODY MEETING

Details of last three Annual General Meetings (AGM)

Financial Year	Date	Venue	Time
31/03/2005	29/09/2005	Hotel Galaxy Inn, National Highway No.8, Near Koparli Road, G.I.D.C., Vapi 396 195, Dist. Valsad, Gujarat.	11.30 a.m.
31/03/2006	21/09/2006	Same as above	11.30 a.m.
31/03/2007	11/09/2007	Same as above	11.30 a.m.

One Special Resolution was passed during last three Annual General Meetings.

No Special Resolution was passed at the last Annual General Meeting which falls under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Further, no resolution is proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting.

DISCLOSURES

The Company has complied with the requirements of Stock Exchanges or SEBI or any Statutory Authority related to Capital Markets during the last three years.

There were no materially significant related party transactions with its Promoters, Directors, the Management or relatives that have a potential conflict with the interest of the Company at large. Transactions with related parties as per requirements of Accounting Standard 18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India are disclosed in note B-8 of Schedule 18 to the Accounts in the Annual Report. Throughput Activity Undertaking of Hindustan Aegis LPG Limited, an associate of the Company is demerged and vested into the Company pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court vide its Order dated 12th February, 2008 with the Appointed Date 1st April, 2007, refer note B 11 of Schedule 18 to the Accounts in the Annual Report.

The Board is kept informed about the risk assessment and minimization procedures.

There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges does not arise.

MEANS OF COMMUNICATION

The Quarterly/Half yearly Unaudited Financial Results and Audited Financial Results are published in :

English Editions	Regional (Gujarati) Editions
Financial Express	Daman Ganga Times

As per the requirements of Clause 51 of Listing Agreement, the Quarterly Financial Results, Shareholding Pattern are uploaded on SEBI's website at <http://sebidifar.nic.in>

The Shareholders can post/email their grievances at secretarial@aegisindia.com.

The Results are also displayed on the Company's website at www.aegisindia.com

The presentation made to the financial analysts is displayed on the Company's website.

The Management Discussion and Analysis Report forms part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

51st Annual General Meeting – Date, Time and Venue

Date	Time	Venue
27th September, 2008	11.30 a.m.	Hotel Galaxy Inn, National Highway No. 8, Near Koparli Road, G.I.D.C., Vapi 396 195, Dist. Valsad, Gujarat.

Financial Calendar

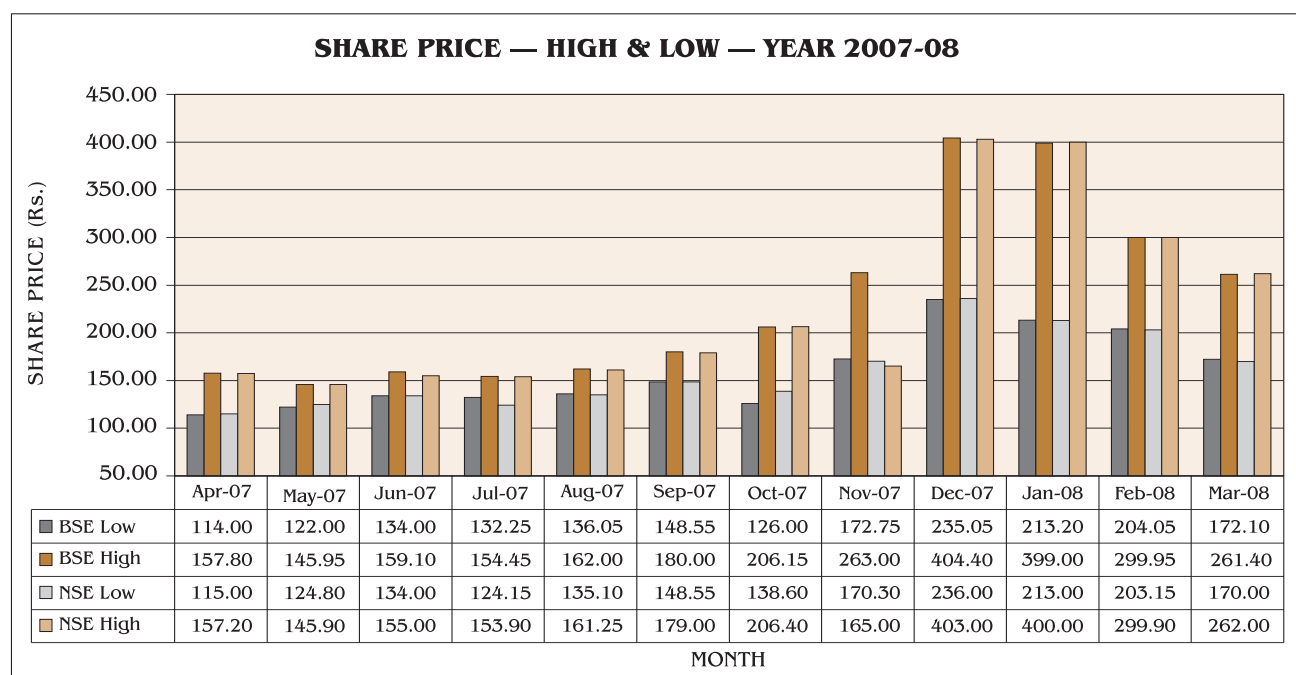
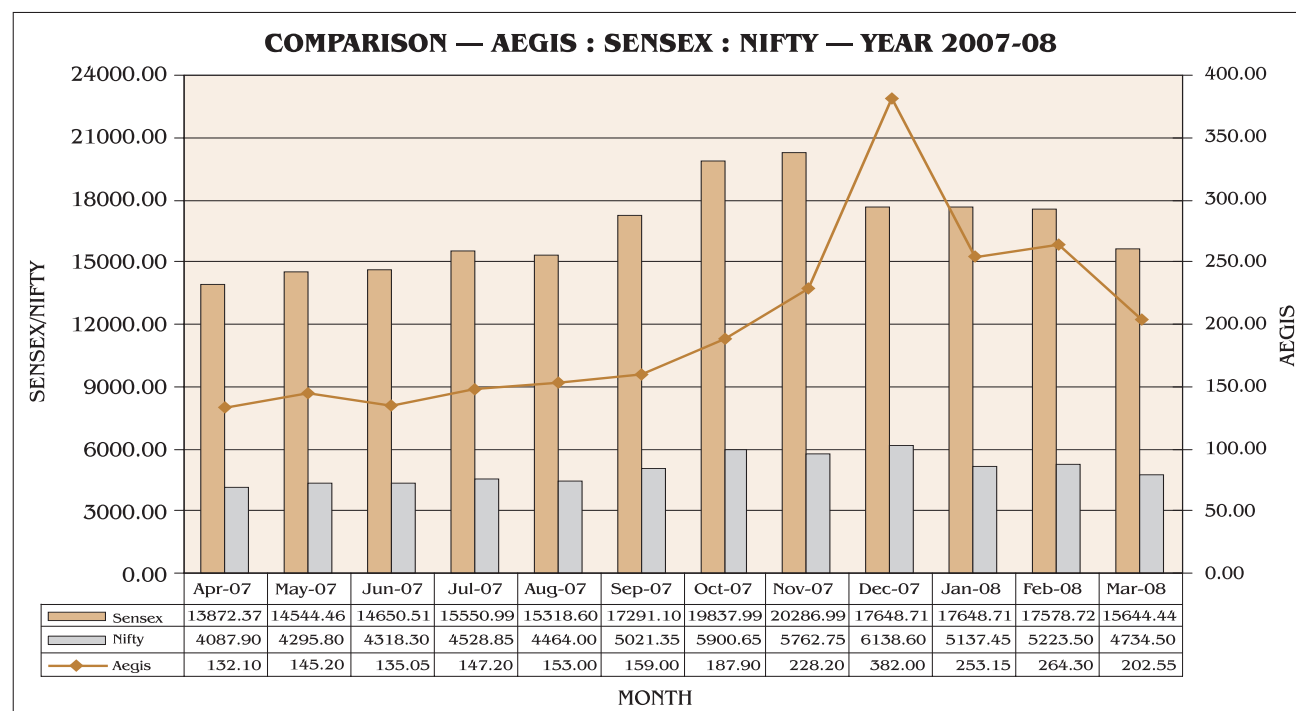
Financial Year	: 1st April, 2008 to 31st March, 2009
1st Quarter Results (April – June, 2008)	: By last week of July, 2008
2nd Quarter Results (July – September, 2008)	: By last week of October, 2008
3rd Quarter Results (October – December, 2008)	: By last week of January, 2009
4th Quarter Results (January – March, 2009)	: By last week of April, 2009
OR	OR
Audited Results for the year ended 31st March, 2009	: By 30th June, 2009
Annual General Meeting for the Financial Year 2008-09	: By September, 2009
Book Closure	: 16th September, 2008 to 27th September, 2008 (Both days inclusive)
Dividend Payment Date	: Before 26th October, 2008

Listing on Stock Exchanges

The Shares of the Company are listed on :

Shares listed at	Stock Code
The Bombay Stock Exchange Ltd.	500003
The National Stock Exchange of India Ltd.	AEGISCHEM

Annual Listing Fees for the year 2008-09 have been paid. The delisting application to Delhi Stock Exchange, pursuant to Shareholders resolution dated 29th September, 2005, for voluntary delisting in compliance of SEBI Delisting Guidelines, is pending and hence the listing fees from the year 2007-08 are not paid.

Market Price Data**Performance in comparison to broad-based indices - BSE Sensex - NSE Nifty****Share Transfer System**

1. The Registrar & Share Transfer Agent, after processing valid Share Transfer Forms, forwards the Transfer Register for the approval of the Share Transfer Committee;
2. The said Committee meets fortnightly and approves the Share Transfers;

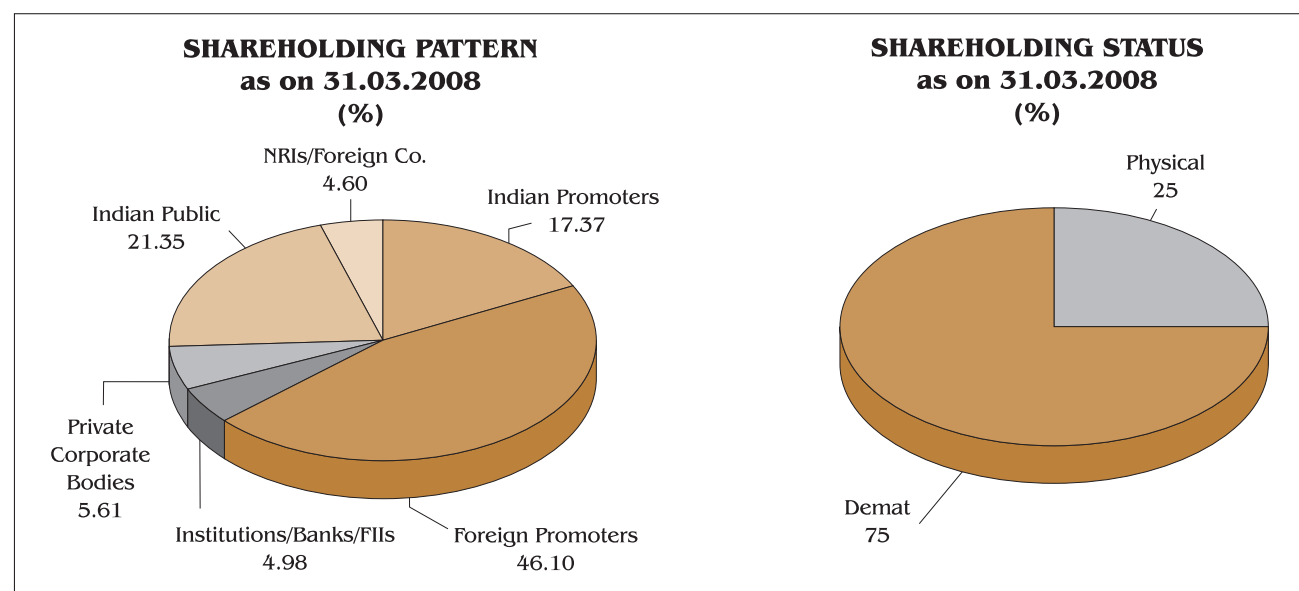
3. The Share Transfer Register duly signed by Committee Members is forwarded to the Registrar;
4. The Registrar immediately thereafter dispatches the Share Certificates duly endorsed to the Transferee;
5. The Company obtains from a Company Secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange(s) and files a copy of the certificate with the Stock Exchange(s).

Distribution of Shareholding as on 31st March, 2008

Range	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	25861	95.945	2566552	12.871
501 — 1000	667	2.474	514004	2.578
1001 — 2000	229	0.850	336546	1.688
2001 — 3000	59	0.219	147146	0.738
3001 — 4000	41	0.152	146260	0.733
4001 — 5000	24	0.089	112911	0.566
5001 — 10000	31	0.115	221758	1.112
10001 — 9999999998	42	0.156	15895408	79.714
TOTAL	26954	100.000	19940585	100.00

Dematerialisation of Shares and Liquidity

The Company's ISIN No. is INE 208C01017. As on 31st March, 2008, 14859727 Equity Shares being 74.52% of the Share Capital of the Company have been dematerialised.



Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

There are no such outstanding instruments.

NON-MANDATORY REQUIREMENTS

1. The Company has Non-Executive Chairman. He is reimbursed travel expenses incurred by him to attend Board Meetings of the Company.
2. The Company has not formulated any formal Whistle Blower Policy and that no personnel has been denied access to Audit Committee.

Registrar & Share Transfer Agent/Plant Locations/Address for Correspondence

Registrar & Share Transfer Agent	Plant Location	Address for Correspondence
Sharepro Services India Private Limited Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099.	Aegis Logistics Limited Plot No. 72, Mahul Village, Trombay, Mumbai – 400 074.	Aegis Logistics Limited 403, Peninsula Chambers, Peninsula Corporate Park, G. K. Marg, Lower Parel (W), Mumbai – 400 013.

DECLARATION

All the Directors & Senior Management Personnel have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

For Aegis Logistics Ltd.

R. K. Chandaria
Vice Chairman & Managing Director

Place : Mumbai

Date : 29th May, 2008

For Aegis Logistics Ltd.

A. K. Chandaria
Managing Director

CERTIFICATE

Auditors' certificate to the Members of Aegis Logistics Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2008, under Clause 49 of the listing agreements with relevant stock exchanges.

We have examined the compliance of conditions of Corporate Governance by Aegis Logistics Limited ("The Company") for the year ended 31st March, 2008, as stipulated in Clause 49 of the Listing Agreements of the said Company with relevant Stock Exchanges (hereinafter referred to as clause 49).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins and Sells
Chartered Accountants

R. Laxminarayan
Partner

Membership No. 33023

Place : Mumbai
Dated : 29th May, 2008.

Auditors' Report

To the Members of Aegis Logistics Limited

1. We have audited the attached Balance Sheet of Aegis Logistics Limited ("The Company") as at 31st March, 2008 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (ii) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

R. Laxminarayan
Partner

Membership No. 33023

Place : Mumbai
Dated : 29th May, 2008.

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2008 of Aegis Logistics Limited.

- (i) The nature of the Company's activities during the year has been such that clauses (xiii) and (xiv) of paragraph 4 of the order are not applicable to the Company for the year.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, the management during the year has conducted a physical verification of certain fixed assets. We are informed that no material discrepancies were noticed by the management on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of its inventories and discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- (iv) According to the information and explanations given to us the Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.

In view of what has been stated above, sub-clauses (b), (c), (d), (f) and (g) of clause (iii) of paragraph 4 of the order are not applicable to the Company for the year.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. Further on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- (vi) According to the information and explanations given to us, there are no contracts or arrangements that need to be entered into a Register in pursuance of Section 301 of the Companies Act, 1956. Hence, we have no comments to offer in respect of clause v (b) of the order.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

We were informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

- (ix) We are informed that maintenance of Cost Records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
- (x) In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed material statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Service Tax, Sales tax, Custom duty and Excise duty were outstanding as at 31st March, 2008 for period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, disputed amount due in respect of the following has not been deposited since the matter is pending before the relevant authority.

Name of the Statute	Nature of Dues	Amount (Rs. In Lacs)	Amounts Paid/ Adjusted (Rs. in Lacs)	Net Balance (Rs. in Lacs)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	141.90	—	141.90	Commissioner of Income Tax

- (xi) The Company has no accumulated losses as at 31st March, 2008 and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions or banks during the year. The Company has not issued debentures.
- (xiii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) The Company has given guarantees amounting to Rs. 4500 lacs for loans taken by a subsidiary from a bank. In our opinion and according to the information and explanations given to us, the terms and conditions, of such guarantees, are not prima facie prejudicial to the interest of the Company.
- (xv) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xviii) The Company has not borrowed any monies through issue of debentures. Hence, the requirement of reporting on creation of security in respect of debentures issued under clause (xix) of the order does not arise.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants

R. Laxminarayan
Partner

Membership No. 33023

Place : Mumbai
Dated : 29th May, 2008.

Balance Sheet as at 31st March, 2008

	Schedule	Rupees in lacs	As at 31st March, 2008 Rupees in lacs	As at 31st March, 2007 Rupees in lacs
I. SOURCES OF FUNDS:				
1. Shareholders' funds:				
(a) Capital	1	1,990.70		1,630.63
(b) Reserves and Surplus	2	13,764.31		10,222.84
			15,755.01	11,853.47
2. Loan funds:				
(a) Secured Loans	3	3,481.35		2,899.97
(b) Unsecured Loans	4	454.55		569.60
			3,935.90	3,469.57
3. Deferred Tax Liability (Net)			2,364.29	756.63
TOTAL			22,055.20	16,079.67
II. APPLICATION OF FUNDS:				
1. Fixed Assets:	5			
(a) Gross Block		20,501.84		9,035.78
(b) Less: Depreciation		7,961.70		2,453.82
(c) Net Block		12,540.14		6,581.96
(d) Capital Work-in-Progress		98.68		13.40
			12,638.82	6,595.36
2. Investments	6		2,122.94	1,650.32
3. Current Assets, Loans and advances:				
(a) Inventories	7	1,162.79		645.60
(b) Sundry Debtors	8	3,876.28		2,479.98
(c) Cash and Bank Balances	9	2,240.93		2,200.38
(d) Loans and Advances	10	5,101.81		6,073.98
		12,381.81		11,399.94
Less: Current Liabilities and Provisions:	11			
(a) Current Liabilities		4,492.26		3,035.68
(b) Provisions		596.11		530.27
		5,088.37		3,565.95
Net Current Assets			7,293.44	7,833.99
TOTAL			22,055.20	16,079.67

Significant Accounting Policies and Notes on accounts

18

Schedules 1 to 11 and 18 annexed hereto form part of these accounts

As per our Attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Dated : 29th May, 2008

Jignasha Shah
Company Secretary

Place : Mumbai
Dated : 29th May, 2008

For and on behalf of the Board of Directors

K. M. Chandaria

Chairman

R. K. Chandaria

Vice Chairman & Managing Director

A. K. Chandaria

Managing Director

D. J. Khimasia

R. J. Karavadia

K. S. Nagpal

} Directors

Profit and Loss Account for the year ended 31st March, 2008

	Schedule	Rupees in lacs	Current Year Rupees in lacs	Previous Year Rupees in lacs
INCOME				
Operating Revenue				
Sales		29,969.49		18,320.03
Service Revenue		7,418.35		5,714.83
			37,387.84	24,034.86
Other Income	12		257.63	338.69
	TOTAL		37,645.47	24,373.55
EXPENDITURE				
Material Costs	13		26,665.24	16,920.49
Operating Expenses	14		1,372.87	1,901.05
Employment Costs	15		1,354.84	842.72
Administrative, Selling & General Expenses	16		2,073.71	1,380.45
Interest and Finance Charges	17		272.65	172.48
Depreciation		898.77		380.77
Less: Transferred to Capital Work in Progress		2.99		—
			895.78	380.77
	TOTAL		32,635.09	21,597.96
Profit before Tax			5,010.38	2,775.59
Provision for Taxation:				
Current Tax		558.15		405.00
(including Wealth tax Rs. 0.92 lacs , Previous Year Rs. 0.73 lacs)				
M.A.T. Credit Entitlement		(311.92)		—
Fringe Benefit Tax		27.50		20.00
Deferred Tax		864.27		31.00
			1,138.00	456.00
(Excess) Provision for tax of earlier years written back			(37.05)	(39.70)
Profit after Tax			3,909.43	2,359.29
Balance in Profit and Loss Account Brought Forward			8,234.37	6,562.29
Amount available for appropriation			12,143.80	8,921.58
APPROPRIATIONS				
Transfer (from) Debenture Redemption Reserve			—	(25.00)
(Excess) Proposed Dividend of previous year written back			—	(0.66)
Transferred to General Reserve			390.95	235.93
Interim Dividend Paid			497.94	—
Corporate Dividend Tax thereon			84.63	—
Proposed Dividend - Final			398.14	407.66
Corporate Dividend Tax thereon			67.66	69.28
Balance Carried to Balance Sheet			10,704.48	8,234.37
	TOTAL		12,143.80	8,921.58
Basic & Diluted Earnings per Equity Share (Face value Rs. 10)			19.61	14.44

(Refer to Note B.9 of Schedule 18)

Significant Accounting Policies and Notes on accounts

18

Schedules 12 to 18 annexed hereto form part of these accounts

As per our Attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

K. M. Chandaria

Chairman

R. K. Chandaria

Vice Chairman & Managing Director

A. K. Chandaria

Managing Director

R. Laxminarayan
PartnerJignasha Shah
Company SecretaryPlace : Mumbai
Dated : 29th May, 2008Place : Mumbai
Dated : 29th May, 2008D. J. Khimasia
R. J. Karavadia
K. S. Nagpal

} Directors

Cash Flow Statement for the year ended 31st March, 2008

	Rupees in lacs	Current Year Rupees in lacs	Previous Year Rupees in lacs
A. Cash Flow from Operating Activities:			
Profit Before Tax		5,010.38	2,775.59
Adjustments for:			
Depreciation	895.78		380.77
Interest Expenses (Net)	272.65		172.48
Dividend Income	(134.13)		(53.36)
Diminution in value of Current Investments	40.14		4.11
Provision for Diminution written back	—		(1.62)
Sundry Balances written back (net)	(22.42)		(8.34)
Loss/(Profit) on sale of Fixed Assets	3.22		(5.89)
(Profit) on sale of Long Term Investments	—		(11.17)
(Profit) on sale of Current Investments	(10.93)		(71.16)
		1,044.31	405.82
Operating Profit Before Working Capital Changes		6,054.69	3,181.41
(Increase) in Trade and Other Receivables	(1,581.35)		(893.19)
(Increase)/Decrease in Inventories	(504.58)		124.79
Increase in Trade and Other Payables	1,401.59		1,203.00
Increase in Leave Encashment	2.00		6.03
Increase in Gratuity	30.92		4.50
		(651.42)	445.13
Cash Generated from Operations		5,403.27	3,626.54
Direct Taxes Paid		(608.42)	(436.42)
Net Cash Flow from Operating Activities	A	4,794.85	3,190.12
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	(707.43)		(437.78)
Sale of Fixed Assets	3.06		127.76
Purchase of Long Term Investments	(530.77)		(1,345.98)
Sale of Long Term Investments	160.00		21.25
Sale of Current Investments	20,902.97		20,126.08
Purchase of Current Investments	(21,014.18)		(18,621.49)
(excluding reinvestment of dividend Rs. 128.38 lacs; Previous year Rs. 48.31 lacs)			
Balance with Scheduled banks of Demerged Undertaking taken over	7.48		—
Balance with Scheduled banks (Overdraft) of Demerged Undertaking taken over	(15.00)		—
Loan to a Company	(20.75)		—
Loan to Subsidiaries	(493.41)		(2,771.55)
Deposit in Escrow account for purchase of shares	—		25.00
Interest Received	373.86		268.50
Dividend Received (excl. reinvestment of dividend Rs. 128.38 lacs; Previous Year Rs. 48.31 lacs)	5.79		0.50
Net Cash used in Investing Activities	B	(1,328.38)	(2,607.71)

Cash Flow Statement for the year ended 31st March, 2008 (Contd.)

	Rupees in lacs	Current Year Rupees in lacs	Previous Year Rupees in lacs
C. Cash Flow from Financing Activities:			
(Decrease)/Increase in Term and Other Borrowings (net)	(1,697.44)		825.19
Receipt of Calls in Arrears on Equity Shares (including Share Premium)	0.35		0.05
Dividend Paid (including tax on Distributed Profit) – Final	(460.00)		(458.24)
Dividend Paid (including tax on Distributed Profit) – Interim	(582.57)		—
Interest Paid	(658.78)		(442.44)
Net Cash used in Financing Activities C		(3,398.44)	(75.44)
Net Increase in Cash and Cash Equivalents A+B+C		68.03	506.97
Cash and Cash Equivalents as at the end of the year:			
— Cash & Balances in Current Accounts with Banks	268.46		572.89
— Deposits with Banks and Interest Accrued thereon	1,657.42		1,284.96
	1,925.88		1,857.85
Less: Cash and Cash Equivalents as at the beginning of the year	1,857.85		1,350.88
Net Increase in Cash and Cash Equivalents		68.03	506.97

- Note: (1) Cash and Cash Equivalents do not include Fixed Deposits with Banks as Margin Money and as Escrow.
- (2) Figures in bracket denote outflow of cash.
- (3) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS - 3) "Cash Flow Statements".

As per our Attached Report of even date

For Deloitte Haskins & Sells
Chartered AccountantsR. Laxminarayan
PartnerPlace : Mumbai
Dated : 29th May, 2008Jignasha Shah
Company SecretaryPlace : Mumbai
Dated : 29th May, 2008

For and on behalf of the Board of Directors

K. M. Chandaria

Chairman

R. K. Chandaria

Vice Chairman & Managing Director

A. K. Chandaria

Managing Director

D. J. Khimasia
R. J. Karavadia
K. S. Nagpal

} Directors

Schedules 1 to 18 Forming Part of Balance Sheet and Profit & Loss Account

SCHEDULE 1: SHARE CAPITAL

Authorised:

4,90,00,000	Equity Shares of Rs. 10 each	4,900.00	4,900.00
1,00,000	13.5% Cumulative Redeemable Preference Shares of Rs. 100 each	100.00	100.00
		5,000.00	5,000.00

Issued:

1,99,40,585	(Previous Year 1,63,40,584) Equity Shares of Rs. 10 each	1,994.06	1,634.06
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Subscribed and Paid up:

1,99,40,585	(Previous Year 1,63,40,584) Equity Shares of Rs. 10 each fully called up	1,994.06	1,634.06
	Less: Calls/allotment monies unpaid	3.36	3.43
	TOTAL	1,990.70	1,630.63

Notes:

Of the above Shares:

- 20,000 Equity Shares of Rs.10 each fully paid up allotted in earlier year have been issued to two non resident companies against their deposits. The said deposits were utilised towards import of capital goods.
- 8,20,000 Equity Shares of Rs. 10 each were allotted in earlier years as fully paid up by way of Bonus Shares by capitalisation of General Reserve.
- 74,900 Equity Shares of Rs. 10 each were allotted on 11th March, 1981 as fully paid up without payment being received in cash pursuant to the scheme of amalgamation sanctioned by order of the High Court of Gujarat dated 16th December, 1980.
- 2,81,000 Equity Warrants have been converted into Equity Shares during the year 1995-96.
- 11,83,400 Equity Shares of Rs. 10 each have been allotted as fully paid up and issued to Shareholders of erstwhile Amit Alcohol and Carbon Dioxide Ltd. on amalgamation without payment being received in cash pursuant to the scheme of amalgamation sanctioned by order of the High Court of Gujarat dated 2nd April, 1997.
- 36,00,001 Equity Shares of Rs. 10 each have been allotted as fully paid up and issued to Shareholders of Hindustan Aegis LPG Limited on demerger of Throughput Activity Undertaking into the company without payment being received in cash pursuant to the scheme of arrangement sanctioned by order of the High Court of Gujarat dated 12th February, 2008.

SCHEDULE 2: RESERVES AND SURPLUS

Capital Reserve		
As per Last Balance Sheet	53.99	53.99
Capital Reserve (Demerger)		
Surplus on account of Demerger of Throughput Undertaking of Hindustan Aegis LPG Limited into the company	1,219.31	—
Less: Diminution in value of investments held in Hindustan Aegis LPG Limited on Demerger of its Undertaking (Refer Note No. B.11 of Schedule 18)	512.54	—
	706.77	—
Securities Premium Account		
As per Last Balance Sheet	1,363.55	1,363.51
Add: Received during the year	0.28	0.04
	1,363.83	1,363.55
Note: Securities Premium on Call/Allotment Monies Unpaid Rs. 7.40 lacs (Previous Year Rs. 7.68 lacs)		
Debenture Redemption Reserve:		
As Per Last Balance Sheet	—	25.00
Less: Transferred to Profit and Loss Account	—	25.00
		—
General Reserve		
As Per Last Balance Sheet	570.93	335.00
Less: Adjustment in respect of Provision for Employee benefit relating to past services. (Refer Note No. B. 10 of Schedule 18)	26.64	—
Add: Transferred from Profit and Loss Account	390.95	235.93
	935.24	570.93
Balance in Profit and Loss Account	10,704.48	8,234.37
TOTAL	13,764.31	10,222.84

Schedules (Contd.)

SCHEDULE 3: SECURED LOANS**Term Loans**

(A) From Financial Institutions:

	As at 31st March, 2008 Rupees in lacs	As at 31st March, 2007 Rupees in lacs
(i) Secured by mortgage of specific immovable properties of the Company situated at Trombay and Vapi ranking paripassu and hypothecation of movable properties of the Company; subject to prior charge in favour of bankers for Working Capital Loans	538.46	1,004.79
(ii) Secured by mortgage of specific immovable office property, furniture & fixtures therein, situated at Mumbai.	125.81	188.48

(B) From Bank:

(i) Secured by mortgage of specific immovable properties of the Company situated at Trombay and Vapi ranking paripassu and hypothecation of movable properties of the Company; subject to prior charge in favour of bankers for Working Capital Loans	1,700.00	1,700.00
(ii) Secured by mortgage of specific immovable properties of the Company situated at Trombay.	1,117.08	—
(iii) Secured by hypothecation of specific Vehicle (Due within one year Rs. Nil ; Previous year Rs. 6.55 lacs)	—	6.70

TOTAL	3,481.35	2,899.97
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SCHEDULE 4: UNSECURED LOANS**Fixed Deposits**(Due within one year **Rs. 156.40 lacs**; Previous Year Rs. 299.40 lacs)

Fixed Deposits	454.55	569.60
TOTAL	454.55	569.60

SCHEDULE 5: FIXED ASSETS

NOTES:

- (1) Gross Block is at cost.
- (2) Buildings include **Rs. 5.58 lacs** for premises in Co-operative Society against which the shares of the face value of Rs. 500 are held under the bye-laws of the society.
- (3) Gross Block of assets includes Freehold Land at Trombay of the value of **Rs. Nil** (Previous Year Rs. 96.87 lacs) given on lease.
- (4) Adjustments represents Fixed Assets of Demerged Undertaking of Hindustan Aegis LPG Limited taken over at book value as per Scheme of Arrangement approved by the Hon'ble High Court of Gujarat (Refer Note No. B. 11 of Schedule 18).

Schedules (Contd.)

SCHEDULE 6: INVESTMENTS**A. Long Term Investments (Fully Paid-up, at Cost):**

	As at 31st March, 2008 Rupees in lacs	As at 31st March, 2007 Rupees in lacs
1. Investment in Government Securities (Unquoted) Government Securities of the Face Value of Rs. 0.38 lacs (Deposited with Government authorities)	0.38	0.38
2. Investment in Subsidiaries		
Equity Shares of Sea Lord Containers Limited (Quoted) 9,37,500 shares of Rs. 10 each.	96.81	96.81
Equity Shares of Eastern India LPG Company Private Limited (Unquoted) 10,000 (Previous Year Nil) shares of Rs. 10 each.	1.00	—
Equity Shares of Konkan Storage Systems (Kochi) Private Limited (Unquoted) 1,00,000 shares of Rs. 10 each.	10.00	10.00
Preference Shares of Sea Lord Containers Limited (Unquoted) 12,00,000 shares of Rs. 100 each.	1,239.17	1,239.17
3. Trade Investment (Unquoted)		
Equity Shares of Hindustan Aegis LPG Limited (Refer Note No. B. 11 of Schedule 18) 1,20,001 (Previous Year Nil) shares of Rs. 10 each.	18.23	—
4. Non-Trade Investments:		
Preference Shares of Tapi Finvest India Private Limited (Unquoted) 24,00,000 (Previous Year Nil) shares of Rs. 10 each.	240.00	—
Equity Shares of Bank of Baroda (Quoted) 1322 (Previous Year Nil) Shares of Rs. 10 each.	3.04	—
TOTAL (A)	1,608.63	1,346.36

B. Current Investments (At Lower of Cost and Fair Value):

Non-Trade Investments (Unquoted):

In Units of Mutual Fund (Fully paid up)	Face Value (Rs.)		
177 (Previous Year Nil) Units of Reliance Liquid Plus Plan – Institutional – Dividend Rein. Plan	1,000	1.77	—
72889 Units of Sundaram Select Mid Cap – Growth Plan	10	10.76	10.76
250000 Units of Franklin India Smaller Companies Fund – Dividend	10	25.00	25.00
200000 Units of HDFC Long Term Equity Fund – Growth Plan	10	20.00	20.00
250000 Units of Prudential ICICI Fusion fund – Dividend Plan	10	25.00	25.00
109595 Units of Sundaram Rural India Fund	10	10.66	10.66
99120 (Previous Year 200000) Units of Templeton India Equity Income Fund	10	10.45	20.00
97800 Units of Fidility India Special Situations Fund	10	10.00	10.00
Nil (Previous Year 31056) Units of Franklin India Flexicap Fund	10	—	5.00
107605 (Previous Year 43339) Units of HDFC Equity Fund	10	41.15	16.22
Nil (Previous Year 58166) Units of Prudential ICICI Emerging Star fund	10	—	11.28

Schedules (Contd.)

SCHEDULE 6: INVESTMENTS (Contd.)

B. Current Investments (At Lower of Cost and Fair Value) (Contd.):

In Units of Mutual Fund (Fully paid up) (Contd.)	Face Value (Rs.)	As at 31st March, 2008 Rupees in lacs	As at 31st March, 2007 Rupees in lacs
Nil (Previous Year 31760) Units of Reliance Equity Opportunity fund	10	—	5.00
1000000 Units of Prudential ICICI Equity & Derivative Fund	10	100.00	100.00
150000 Units of Reliance Long Term Equity fund	10	14.81	14.81
Nil (Previous Year 301074) Units of Bank of Baroda Liquid Fund – Daily Dividend	10	—	30.23
195599 (Previous Year Nil) Units of AIG India Equity Fund – Dividend Retail	10	19.29	—
248 (Previous Year Nil) Units of Reliance Liquid Plus (Weekly Dividend) Retail Plan	1,000	2.48	—
35957 (Previous Year Nil) Units of Reliance Growth Fund (Retail) – Dividend	10	18.22	—
100690 (Previous Year Nil) Units of Reliance Vision Equity Fund – Dividend	10	43.36	—
399474 (Previous Year Nil) Units of Sundaram BNP Paribas Select Focus Fund – Dividend	10	46.53	—
244499 (Previous Year Nil) Units of Reliance Natural Resources Equity Fund – Dividend	10	23.53	—
107181 (Previous Year Nil) Units of DSP Merrill Lynch Top 100 Equity Fund – Dividend	10	24.13	—
122989 (Previous Year Nil) Units of DSP Merrill Lynch T.I.G.E.R Equity Fund – Dividend	10	23.45	—
170408 (Previous Year Nil) Units of JM Emerging Leaders Equity Fund – Dividend	10	20.96	—
104009 (Previous Year Nil) Units of Reliance Regular Savings Equity Fund – Growth	10	22.76	—
TOTAL (B)		514.31	303.96
TOTAL (A+B)		2,122.94	1,650.32

	Cost		Market Value	
	As at 31st March, 2008 (Rs. in Lacs)	As at 31st March, 2007 (Rs. in Lacs)	As at 31st March, 2008 (Rs. in Lacs)	As at 31st March, 2007 (Rs. in Lacs)
Aggregate value of Quoted Investments*	99.85	96.81	3.75	—
Aggregate value of Unquoted Investments	2,023.09	1,553.51	—	—
TOTAL	2,122.94	1,650.32	3.75	—

* Includes listed but not traded investment of Rs. 96.81 lacs for which market value is not available.

Schedules (Contd.)

SCHEDULE 6: INVESTMENTS (Contd.)**B. Current Investments (At Lower of Cost and Fair Value) (Contd.):****Movements during the Year****Purchased and sold**

	Face Value Rs.	Nos.	As at 31st March, 2008 Rupees in lacs	Nos.	As at 31st March, 2007 Rupees in lacs
			Cost (Rs. in lacs)		Cost (Rs. in 'lacs)
HDFC Cash Management Savings Plus Plan dividend	10	53,505,101	5,367.36	—	—
HDFC CMF – Savings Plus Plan – Daily Dividend	10	499,002	50.06	—	—
HDFC CMF Savings Plan Daily Dividend Option	10	7,540,914	802.08	11,874,313	1,263.00
HDFC CMF Call Plan Daily Dividend	—	—	—	8,289,332	864.30
Franklin India Flexi Cap. Fund – Dividend	10	4,844	0.78	—	—
ICICI Prudential Emerging STAR Fund – Dividend	10	6,598	1.45	—	—
Prudential ICICI Instl Liquid Plan – Super Instl Dividend	10	92,612,982	9,262.00	5,007,512	500.75
Kotak FMP - Three Months – Series 17 – Dividend	10	1,020,634	102.00	—	—
Reliance Liquid Plus Fund – Retail Option – Daily Dividend	1000	3,764	38.00	—	—
Reliance Liquid Plus Fund – Retail Option – Weekly Dividend	1000	12,861	129.00	—	—
Reliance Quarterly Interval Fund – Series II – Ins.Div.Plan	10	1,055,146	106.00	—	—
Reliance Liquid Plus Fund – IP – Daily Dividend	1000	81,411	815.00	—	—
Reliance Liquid Plus Fund – Retail – Daily Dividend	1000	2,572	26.00	—	—
Reliance Liquid Fund Cash Plan Daily Dividend	10	—	—	1,797,531	200.26
Reliance Liquid Cash Plan Daily Dividend Option	10	—	—	1,797,406	200.25
Bank of Baroda Liquid Fund – Daily Dividend Plan	10	1,025	0.10	654,995	65.73
SBI Magnum Insta Cash – Daily Dividend	10	18,574,326	3,111.00	1,195,680	200.28
SBI Magnum Intl Income Fund Savings Dividend	10	—	—	1,914,822	192.10
SBI SHF – Liquid Plus – IP – Daily Div.	10	7,824,270	783.00	—	—
Sundaram Money Fund – Dividend	—	—	—	—	—
Reinvest Daily	10	—	—	454,390	45.87
UTI FMP Series II	10	—	—	11,987	1.20
UTI Money Market Fund DD	10	—	—	1,167,777	203.57
LIC Liquid Fund – Dividend Plan	10	—	—	99,322,413	10,903.29
Prudential ICICI Floating Rate Plan C – DD	10	—	—	13,422,609	1,342.53
Prudential ICICI Sweep Cash Option – Daily Dividend	10	—	—	7,121,379	712.14
Prudential ICICI Blended Plan B Dividend	10	—	—	9,945	0.99
Prudential ICICI FMP Series 32 – Three Months Plan	10	—	—	507,095	50.71
Prudential ICICI FMP yearly Series XXV Dividend	10	—	—	6,466	0.65
Templeton India TMA Daily Dividend	1000	—	—	11,261	170.31
CanLiquid Fund – Instl. – Daily Dividend	10	—	—	3,000,924	301.32
DWS Money Plus Fund Regular Plan weekly Dividend	10	—	—	1,017,179	102.27
ING Vysya Liquid Plan – Instl. Daily Div.	10	—	—	6,716,559	672.35
Kotak Liquid Regular Weekly Dividend	10	—	—	1,308,751	131.17
Reliance Liquid Fund Inst. Treasury Plan – Instl Option DD	10	—	—	1,579,319	241.34

Schedules (Contd.)

	Rupees in lacs	As at 31st March, 2008 Rupees in lacs	As at 31st March, 2007 Rupees in lacs
SCHEDULE 7: INVENTORIES			
(At cost or net realisable value whichever is lower)			
Stores and Spare Parts		252.18	296.48
Stock-in-Trade:			
Finished Goods			
— Merchanting Goods		910.61	349.12
TOTAL		1,162.79	645.60
SCHEDULE 8: SUNDRY DEBTORS (UNSECURED)			
Debts Outstanding for a period exceeding six months —			
Considered Good	170.18		166.47
Considered Doubtful	37.55		20.00
	207.73		186.47
Less: Provision for Doubtful Debts	37.55		20.00
		170.18	166.47
Other Debts – Considered Good		3,706.10	2,313.51
TOTAL		3,876.28	2,479.98
SCHEDULE 9: CASH AND BANK BALANCES			
Balances With Scheduled Banks:			
— In Current Accounts		268.46	572.89
— In Deposit Accounts		1,972.47	1,627.49
[Includes Rs. 315.05 lacs, (Previous Year Rs. 342.53 lacs) in Margin Money Account] [Includes Interest accrued Rs. 39.23 lacs, (Previous Year Rs. 10.08 lacs)]			
TOTAL		2,240.93	2,200.38
SCHEDULE 10: LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)			
Loan to a Company		20.75	—
Loan to Subsidiaries		3,726.67	3233.26
Advances Recoverable in cash or in kind or for value to be received		324.73	1,481.42
Deposits with Government Authorities and Others		356.61	1,134.22
Advance Payment of Taxes (Net of Provision for tax)		361.13	225.08
M.A.T. Credit Entitlement		311.92	—
TOTAL		5,101.81	6,073.98
SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities:			
Sundry Creditors-other than micro and small enterprises	2,667.45		1,718.44
Deposit from Dealers	682.50		521.50
Unpaid Dividend*	42.00		25.06
Unpaid Matured Deposits*	19.75		13.95
Interest Accrued on Matured Deposits*	1.96		1.68
Interest accrued but not due on loans	4.00		16.27
Other Liabilities	1,074.60		738.78
		4,492.26	3,035.68
Provisions:			
Proposed Dividend	398.14		407.66
Corporate Dividend Tax	67.66		69.28
Leave Encashment	34.39		28.69
Gratuity	95.92		24.64
		596.11	530.27
TOTAL		5,088.37	3,565.95

* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Schedules (Contd.)

SCHEDULE 12: OTHER INCOME

	Current Year Rupees in lacs	Previous Year Rupees in lacs
Lease Rent	—	113.05
Dividend on Long Term Investments (non-trade)	0.04	0.50
Dividend on Current Investments (non-trade)	134.09	52.86
Provision for Diminution in value of Long Term Investments written back	—	1.62
Sundry Balances written back (net)	22.42	8.34
Profit on sale of Long Term Investments	10.55	11.17
Profit on sale of Current Investments	0.38	71.16
Miscellaneous Receipts	90.15	74.10
Profit on Sale of Fixed Assets (Net)	—	5.89
TOTAL	257.63	338.69

SCHEDULE 13: MATERIAL COSTS**Merchanting Goods**

Opening Stock	349.12	550.43
Add: Purchases	27,226.73	16,719.18
Less: Closing Stock	910.61	349.12
TOTAL	26,665.24	16,920.49

SCHEDULE 14: OPERATING EXPENSES

Stores and Spare parts consumed	193.29	167.03
Power and Fuel	393.80	28.73
Repairs to Machinery	33.31	26.78
Lease Rentals	139.33	144.00
Tankage Charges	168.96	1,128.66
Way Leave Fees	373.22	339.67
Water Charges	33.62	45.31
Packing Materials and Other Charges	37.34	20.87
TOTAL	1,372.87	1,901.05

SCHEDULE 15: EMPLOYMENT COSTS

Salaries, Wages, Bonus and Gratuity	1,228.30	760.51
Contribution to Provident Fund and Other Funds	76.39	55.05
Employees' Welfare Expenses	50.15	27.16
TOTAL	1,354.84	842.72

Schedules (Contd.)

	Rupees in lacs	Current Year Rupees in lacs	Previous Year Rupees in lacs
SCHEDULE 16: ADMINISTRATIVE, SELLING AND GENERAL EXPENSES			
Repairs			
Buildings	3.24		3.16
Others	36.38		56.14
		39.62	59.30
Rent		56.71	48.76
Rates and Taxes		135.34	95.32
Insurance		162.95	96.61
Commission on Sales		427.91	257.10
Printing and Stationery		28.03	22.09
Communication Expenses		62.90	42.46
Travelling, Conveyance and Vehicle Expenses		268.10	151.54
Advertisement		197.22	72.58
Legal and Professional charges		332.28	311.62
Directors' Sitting Fees		3.80	3.25
Donations		124.00	99.00
Provision for Doubtful Debts		17.55	20.00
Loss on Sale of Fixed Assets		3.22	—
Sundry Debit Balance/irrecoverable advances written off		50.00	3.07
Diminution in value of Current Investments		40.14	4.11
Miscellaneous Expenses (including Security services, Books, Subscription, Selling expenses etc.)		123.94	93.64
TOTAL		2,073.71	1,380.45
SCHEDULE 17: INTEREST AND FINANCE CHARGES			
On Debentures		—	2.42
On Fixed Loans		447.94	231.96
On Cash Credit Accounts etc.		1.65	87.98
Other Interest		100.30	44.44
Bank/Finance Charges		96.62	74.18
TOTAL		646.51	440.98
Less: Interest on loans and advances, deposit with banks etc. (including tax deducted at source Rs. 8.44 lacs ; Previous Year Rs. 9.68 lacs) (includes interest on income tax refund Rs. 77.16 lacs ; Previous Year Rs. 3.21 lacs)		373.86	268.50
TOTAL		272.65	172.48

Schedules (Contd.)

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

A. Significant Accounting Policies

A.1. Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

A.2. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialise.

A.3. Fixed Assets

Fixed Assets are carried at cost of acquisition or construction. They are stated at historical costs.

A.4. Investments

Long Term Investments are shown at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline.

Current Investments are carried at lower of cost and fair value, computed category wise.

A.5. Inventories

Inventories are valued at cost or Net Realisable Value whichever is less. Cost is determined by using the First In First Out formula. Cost comprises all costs of purchase, cost of conversion and cost incurred to bring inventories to their present location and condition other than those subsequently recoverable by the company from taxing authorities.

A.6. Timing of Revenue Recognition

In appropriate circumstances, Revenue (Income) is recognised when no significant uncertainty as to measurability or collectability exists.

A.7. Operating Revenue

Sales turnover for the year is net of trade discounts and includes sales value of goods and other recoveries, such as insurance, transport and packing charges but excludes sales tax.

Service revenue is recognized on time proportion basis and excludes service tax.

A.8. Depreciation

(i) Depreciation on Fixed Assets is calculated on original cost of Fixed Assets on straight line method under Section 205(2) (b) of the Companies Act, 1956 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(ii) Depreciation on additions to fixed assets during the year has been provided on pro-rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished has been provided on pro-rata basis.

(iii) Lease hold Land has been amortised over the period of the lease on straight line basis.

A.9. Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Software is amortised on straight line basis over a period of its estimated useful life, however not exceeding 5 years.

A.10. Voluntary Retirement

Compensation paid to employees who have opted for retirement under the Voluntary Retirement Scheme (VRS) of the Company is debited to Profit and Loss Account in the year of payment.

Schedules (Contd.)

A.11 Employee Benefits

Contribution to defined schemes such as Provident Fund, Family Pension Fund, Superannuation Fund (in the case of eligible employees) and Employees' State Insurance Scheme are charged to the Profit and Loss Account as incurred.

Company's liability towards gratuity is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The liability for Compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for as incurred in the year in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

A.12 Foreign Currency Transactions

(a) Transactions in Foreign Currencies are recorded at the original rate of exchange in force at the time of occurrence of transactions.

(b) Monetary items denominated in foreign currencies at the year end are translated at the relevant rates of exchange prevailing at the year end. The translation/settlement differences are recognised in the Profit & Loss Account.

A.13 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its Recoverable Amount. Recoverable Amount is higher of an asset's Net selling price or its Value in Use. Value in Use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net Selling Price is the amount obtainable from the sale of an asset in an arms length transaction between knowledgeable, willing parties, less the cost of disposal.

An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

A.14 Operating Lease Rentals

Lease Rental expenses are accounted on straight line basis over the lease term.

A.15 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

A.16 Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax for the year is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Provision for Fringe Benefits Tax is made in accordance with Chapter XII-H of the Income Tax Act, 1961.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable certainty (virtual certainty in case of unabsorbed depreciation and business loss) of its realization.

A.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Schedules (Contd.)

B. Notes on Balance Sheet and Profit and Loss Account**B.1. Contingent liabilities in respect of:**

	Current Financial Year Rs. in lacs	Previous Financial Year Rs. in lacs
(a) Claims against the Company not acknowledged as debts	12.00	12.00
(b) Income Tax demands disputed in appeal	157.57	19.35
(c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	48.64	93.68

In respect of items mentioned under Paragraphs (a) and (b) above, till the matters are finally decided, the financial effect cannot be ascertained.

- B.2.** Guarantees given to Banks against repayment of loans advanced from time to time to Sea Lord Containers Ltd., a Subsidiary of the Company to the extent of Rs. 45 crores (Previous year Rs. 45 crores). The balance of such loan outstanding as at 31st March, 2008 was Rs. 45 crores (Previous Year Rs. 32 crores)

B.3. Payments to Auditors for the year:

	Current Financial Year Rs. in lacs	Previous Financial Year Rs. in lacs
Auditors' Remuneration & Expenses (including Service Tax)		
(a) As Auditors	10.00	6.70
(b) For Tax Audit	2.00	1.30
(c) As adviser or in any other capacity in respect of :		
(i) Taxation Matters (Representations etc.)	—	10.18
(ii) Any other Manner (Certification Work, Limited Review etc.)	2.65	4.00
(d) Expenses Reimbursed	0.05	0.22
(e) Service Tax	1.81	2.74
TOTAL	16.51	25.14

B.4. Major components of deferred tax are:

	Current Financial Year Rs. in lacs	Previous Financial Year Rs. in lacs
Deferred Tax Liability/(Asset)		
Related to Fixed Assets	2,392.47	777.79
Voluntary Retirement Scheme	—	(5.04)
Provision for Doubtful Debts	(5.97)	(6.80)
Disallowances under section 43 B	(22.21)	(9.32)
Net Deferred Tax Liability	2,364.29	756.63

- B.5.** Advances recoverable in cash or in kind includes Rs. Nil (Previous Year Rs. 1,184.57 lacs) prepaid tankage charges.

- B.6.** (i) Managerial Remuneration Under Section 198 of the Companies Act, 1956, paid/payable to the Managing Director:

	Current Financial Year Rs. in lacs	Previous Financial Year Rs. in lacs
(1) Salary	34.12	29.67
(2) Commission	51.18	33.30
(3) Companies' Cont. towards P.F. and other funds	9.21	8.01
(4) Perquisites in cash or in kind	28.84	11.16
TOTAL	123.35	82.14

Note:

As employee wise break-up of contribution to LIC Group Gratuity Scheme is not ascertainable, the same has not been included in the above figures.

Schedules (Contd.)

(ii) Computation of net profit under section 349 of the Companies Act, 1956 is as under:

	Current Financial Year Rs. in lacs	Previous Financial Year Rs. in lacs
Profit before Taxation	5,010.38	2,775.59
Add:		
Managerial Remuneration	123.35	82.14
Diminution in value of Current Investments	40.14	4.11
Directors' Sitting Fees	3.80	3.25
Depreciation as per books	895.78	380.77
{A}	6,073.45	3,245.86
Less:		
Depreciation as per section 350 of the Companies Act, 1956 and impairment loss	895.78	380.77
Profit on sale of Long Term Investments	10.55	11.17
Profit on sale of Current Investments	0.38	71.16
Provision for Diminution in value of Investments written back	—	1.62
Profit on sale of Fixed Assets (Net)	—	5.89
{B}	906.71	470.61
{A} - {B}	5,166.74	2,775.25
Managing Director's Commission:		
Commission @ 1.20% of above for the year ended March 31, 2008	62.00	33.30
Maximum Commission payable to be limited to an amount equal to 150% of salary.	51.18	44.51

B.7. Segment Reporting - Basis of preparation

The Company has identified two reportable business segments (Primary Segments) viz. Liquid Terminal Division and Gas Terminal Division.

Liquid Terminal Division undertakes storage & terminalling facility of Oil & Chemical products.

Gas Terminal Division relates to imports, storage & distribution of Petroleum products viz. LPG, Propane etc.

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns and the internal business reporting systems.

The accounting policies adopted for the segment reporting are in line with the accounting policies of the company with the following additional policies for the segment reporting:

- Revenue and expenses have been identified to segment on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis have been disclosed as "Other unallocable expenditure (net)".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. It excludes investments, tax related assets and other assets and liabilities which cannot be allocated to a segment on a reasonable basis and hence have been disclosed as "Other unallocable assets/liabilities".
- The Company does not have material earnings emanating outside India. Hence, the company is considered to operate in only the domestic segment.

Schedules (Contd.)

Information about the Company's business segments (Primary Segments) is given below:

	Liquid Terminal Division Rupees in lacs	Gas Terminal Division Rupees in lacs	Total Rupees in lacs
Segment Revenue	5,293.50 4,878.19	32,094.34 19,156.67	37,387.84 24,034.86
Segment Results	2,832.74 2,667.78	3,446.57 998.29	6,279.31 3,666.07
Less: (1) Interest (net)			272.65 172.48
(2) Other unallocable expenditure (net)			996.28 718.00
Profit before Tax			5,010.38 2,775.59
Less: Taxation			1,100.95 416.30
Profit after Tax			3,909.43 2,359.29
Segment Assets	7,977.67 7,252.90	10,821.30 5,287.74	18,798.97 12,540.64
Other unallocable assets			8,344.60 7,104.98
Total Assets			27,143.57 19,645.62
Segment Liabilities	405.80 428.30	3,957.81 2,316.93	4,363.61 2,745.23
Other unallocable liabilities			7,024.95 5,046.92
Total Liabilities			11,388.56 7,792.15
Segment Capital Expenditure	597.54 363.65	10,900.15 —	11,497.69 363.65
Other unallocable Capital Expenditure			73.43 74.13
Total Capital expenditure			11,571.12 437.78
Depreciation	364.30 349.87	489.13 —	853.43 349.87
Other unallocable Depreciation			45.34 30.90
Total Depreciation			898.77 380.77

Note: Figures in *italics* represent previous year.

B.8. **Related Party Disclosures**

As per the Accounting Standard 18, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Hindustan Aegis LPG Limited (HALPG)	Associate Company
2	Sea Lord Containers Limited	Subsidiary Company
3	Konkan Storage Systems (Kochi) Private Limited	Wholly owned Subsidiary Company
4	Eastern India LPG Company Private Limited	Wholly owned Subsidiary Company
5	Mr. S. K. Hazra	Key Management Personnel
6	Dr. (Mrs.) B. Hazra	Relative of Key Management Personnel

Schedules (Contd.)

(b) Transactions during the year with related parties:

(Rs. in lacs)

		Associate Company	Subsidiary Company	Subsidiary Company	Subsidiary Company	Key Management Personnel	Relative of Key Management Personnel
Sr. No.	Nature of transaction	1	2	3	4	5	6
(i)	Lease Rent Received	— (113.05)					
(ii)	Service Revenue Received	— (231.43)					
(iii)	Tankage charges Paid	— (975.11)					
(iv)	Trade Deposits	— (900.00)					
(v)	Sundry Debtors - year end balance	— (270.46)	178.43 (58.05)	5.91 (—)			
(vi)	Prepaid Tankage Charges	— (1,184.57)					
(vii)	Investments						
	Purchased during the year	— (—)	— (1,335.98)	— (10.00)			
	Balance at the year end	— (—)	1,335.98 (1,335.98)	10.00 (10.00)			
(viii)	Loan		2,388.67 (2,008.26)	1,276.11 (1,225.00)	61.89 (—)		
(ix)	Interest Received		220.87 (147.98)				
(x)	Business Support Charges Received		30.17 (51.72)				
(xi)	Storage Revenue Received		24.00 (—)				
(xii)	Sale of Stores & Spares		48.37 (—)				
(xiii)	Miscellaneous Income		4.53 (—)	5.25 (—)			
(xiv)	Guarantees Given to Bank		4,500.00 (4,500.00)				
(xv)	Remuneration					123.35 (82.14)	
(xvi)	Payment of Rent						1.81 (1.62)
(xvii)	Sundry debit balance written off				50.00 (—)		
(xviii)	Other Liabilities - year end balance	44.87 (—)					
(xix)	Effect of demerger of Throughput Undertaking of HALPG into the Company (Refer Note No. B.11)						
	Assets taken over as on appointed date 1st April, 2007	6,946.66 (—)					
	Liabilities taken over as on appointed date 1st April, 2007	5,367.35 (—)					

Note: Figures in brackets represent previous year's amounts

Schedules (Contd.)

- B.9. As required by Accounting Standard 20 on Earnings per Share, basic earnings per share has been calculated by dividing net profit available for equity shareholders by the weighted average number of equity shares outstanding during the year as per details given below:

	Current Financial Year Rs. in lacs	Previous Financial Year Rs. in lacs
Net Profit available for equity shareholders	3,909.43	2,359.29
Weighted average number of shares used in computing earning per equity share	19,940,585	1,63,40,584
Basic & Diluted earning per share (Rs.) : (on nominal value of Rs. 10 per share)	19.61	14.44

Note:

While calculating weighted average number of shares for Basic and Diluted earnings per share, effect of shares issued during the year pursuant to Scheme of Arrangement ("SoA") in the nature of Demerger of Throughput activity Undertaking of Hindustan Aegis LPG Limited into the Company has been considered from the appointed date of the scheme i.e. 1st April, 2007.

B.10. Employee Benefits:

Pursuant to Accounting Standard (AS-15 Revised) on "Employee Benefits", becoming mandatory w.e.f. 1st April, 2007, the company has accounted liability for gratuity and compensated absences as per the above standard. Consequently, additional charge of Rs. 26.64 lacs (net of tax) being the opening liability as on 1st April, 2007 has been adjusted in General Reserve as per the transitional provision contained in the said accounting standard.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity and compensated absences is given below:

(a) Gratuity

A. Assumptions	
Discount Rate Previous	7.50%
Rate of Return on Plan Assets Previous	8.00%
Salary Escalation Previous	5.00%
Discount Rate Current	7.50%
Rate of Return on Plan Assets Current	9.25%
Salary Escalation Current	5.50%
Mortality Table	LIC (1994 – 96) Ultimate
B. Table showing change in Benefit Obligation	For the year (Rs. in lacs)
Liability at the beginning of the Year	166.01
Interest Cost	12.45
Current Service Cost	36.32
Benefit Paid	(4.37)
Actuarial (Gain)/Loss on obligations	11.62
Liability at the end of the year	222.03
C. Table of Fair value of Plan Assets	For the year (Rs. in lacs)
Fair Value of Plan Assets at the beginning of the year	101.00
Expected Return on Plan assets	10.16
Contributions	19.32
Benefit Paid	(4.37)
Actuarial gain/(loss) on Plan Assets	—
Fair Value of Plan Assets at the end of the year	126.11

Schedules (Contd.)

D. Amount Recognised in Balance sheet	For the year (Rs. in lacs)
Present value of Obligations at the beginning of the year	222.03
Fair Value of Plan Assets at the end of the Year	(126.11)
Liability Recognised in Balance Sheet at the end of the year	95.92

E. Amount Recognised in Income Statement	For the year (Rs. in lacs)
Current Service Cost	36.32
Interest Cost	12.45
Expected Return on Plan Asset	(10.16)
Net Actuarial (Gain)/Loss To Be Recognised	11.62
Expenses Recognised in P & L	50.23

F. Balance Sheet Reconciliation	For the year (Rs. in lacs)
Opening Net Liability	65.01
Expenses as above	50.23
Contribution Paid	(19.32)
Amount Recognised in Balance Sheet	95.92

G. Actual Return on Plan Assets	For the year (Rs. in lacs)
Expected Return on Plan Assets	10.16
Actuarial gain/(loss) on Plan Assets	—
Actual Return on Plan Assets	10.16

(b) Compensated Absences:

Assumptions	
Retirement Age	55 Years for Staff & 58 for Workmen
Withdrawal Rate	Age related
Future Salary Rise	5.5%
Rate of Discounting	7.5%
Mortality Table	LIC (1994 – 96) Ultimate

A. Table showing change in Benefit Obligation	For the year (Rs. in lacs)
Liability at the beginning of the Year	28.69
Interest Cost	2.15
Current Service Cost	12.72
Benefit Paid	(18.02)
Actuarial (Gain)/Loss on obligations	8.85
Liability at the end of the year	34.39

B. Amount Recognised in Balance sheet	For the year (Rs. in lacs)
Present value of Obligations at the beginning of the year	34.39
Fair Value of Plan Assets at the end of the Year	—
Liability Recognised in Balance Sheet at the end of the year	34.39

Schedules (Contd.)

C. Amount Recognised in Income Statement	For the year (Rs. in lacs)
Current Service Cost	12.72
Interest Cost	2.15
Expected Return on Plan Asset	—
Net Actuarial (Gain)/Loss to be Recognised	8.85
Expenses Recognised in P & L	23.72

Assumptions:

- (i) The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.
- (ii) Discount rate is based on the prevailing market yields of Indian Government bonds for a term consistent with the estimated term of the post employment benefit obligation.
- (iii) Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on Investments of the Fund during the estimated term of the obligations.

The above information is certified by the actuary and relied upon by the Auditors.

- B.11 The Scheme of Arrangement (SOA) under Section 391 and 394 of the Companies Act 1956 between the Company and Hindustan Aegis LPG Limited ("Demerged Company") and their respective shareholder for the vesting of Throughput Activity Undertaking ("Demerged Undertaking") to and in the company with effect from the appointed date 1st April, 2007 was approved by Hon'ble High Court of Gujarat on 12th Feb, 2008.

Pursuant to the scheme of Demerger:

- (a) The eligible shareholders of the Demerged Company have been issued one equity shares of Rs. 10 each in the Company for every three equity shares of Rs. 10 each held in the Demerged Company as consideration for the demerger.
- (b) All the assets and liabilities pertaining to the Demerged Undertaking have been transferred to and vested in the Company, at book value with effect from 1st April, 2007 the appointed date. Details of Assets and Liabilities are as under:

Particular	Amount (Rs. in lacs)
Fixed Assets (Net of Depreciation)	6,238.09
Investments	404.04
Inventories	12.61
Sundry Debtors	24.01
Cash and Bank Balances	7.48
Loans and Advances	260.43
A	6,946.66
Less:	
Secured Loans	1,430.09
Unsecured Loans	1,633.68
Current Liabilities	1,527.78
Temporary Bank Overdraft	15.00
Other Liabilities	3.70
Deferred Tax Liability	757.10
B	5,367.35
(A - B)	1,579.31

- (c) All transactions and outstanding balances relating to loans, deposits etc., between the Company and the Demerged Undertaking on and from the appointed date have been eliminated.
- (d) The excess/deficit of the difference of the said assets of the Demerged Undertaking and the said liability of the Demerged Undertaking as recorded by the Company over the paid up value of the shares allotted to the shareholders of Demerged Company has been credited to Capital Reserve (Demerger).

Schedules (Contd.)

- (e) The investment in the books of the Company representing 12 lacs equity shares of the Demerged Company has undergone a reorganization consequent to the demerger which has resulted in a reduction in the carrying value of the investment to the extent of Rs. 512.54 lacs. The said reduction has been adjusted in the Capital Reserve as provided for in the SOA.

B.12 Employee Stock Option Plan (ESOP)

The Shareholders of the Company have approved the Employee Stock Option Scheme 2007 in the Extraordinary General Meeting held on 29th October, 2007. As per the Scheme, the Compensation Committee is empowered to determine the number of Options to be granted to each employee including time at which such Grants are to be made at a closing price prior to the date of grant of Option for a maximum of 1,63,406 options. The Compensation Committee at its meeting held on 30th November 2007 granted 15,000 Stock options in terms of the above scheme.

On receipt of a letter from Grantee expressing unwillingness to exercise stock options granted, the Compensation Committee of the Company at its meeting held on 27th March, 2008 accepted the request which has resulted into no active options existing as on the Balance Sheet date. Consequently, the valuation of stock options have not been carried out and the disclosures being not relevant have not been made by the company.

B.13 Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part-II of Schedule-VI to the Companies Act, 1956.

- (A) Quantities and Sales Value of each class of goods dealt with by the Company:

CLASS OF GOODS	Current Financial Year		Previous Financial Year	
	Qty. MT	Sales Value Rupees in lacs	Qty. MT	Sales Value Rupees in lacs
Goods Traded in:				
Liquified Petroleum Gas	80,285	29,969.49	56,783	18,320.03
TOTAL		29,969.49		18,320.03

(B) GOODS TRADED IN

PURCHASE:	Current Financial Year		Previous Financial Year	
	Qty. MT	Value Rupees in lacs	Qty. MT	Value Rupees in lacs
Liquified Petroleum Gas*	81,356	27,226.73	56,281	16,719.18
TOTAL		27,226.73		16,719.18

(C) VALUE AND QUANTITATIVE BREAK-UP IN RESPECT OF OPENING AND CLOSING STOCK OF EACH CLASS OF GOODS TRADED IN:

CLASS OF GOODS	Current Financial Year				Previous Financial Year			
	Opening Stock As at 1st April, 2007		Closing Stock As at 31st March, 2008		Opening Stock As at 1st April, 2006		Closing Stock As at 31st March, 2007	
	Qty. MT	Value Rupees in lacs	Qty. MT	Value Rupees in lacs	Qty. MT	Value Rupees in lacs	Qty. MT	Value Rupees in lacs
GOODS TRADED IN:								
Liquified Petroleum Gas	1,178	349.12	2,249	910.61	1,680	549.45	1,178	349.12
Others		—		—		0.98		—
TOTAL		349.12		910.61		550.43		349.12

* Net of Handling Loss

(D) VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS IN RESPECT OF:

	Current Financial Year Rupees in lacs	Previous Financial Year Rupees in lacs
(i) Merchanting Goods	23,611.53	14,474.39
(ii) Stores & Spares	19.78	68.35

Schedules (Contd.)

(E) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF:

	Current Financial Year Rupees in lacs	Previous Financial Year Rupees in lacs
Professional Charges	—	48.59
Bank/Finance Charges	95.37	63.40
Other Matters	12.47	7.88

(F) VALUE OF STORES AND SPARES CONSUMED:

	Current Financial Year		Previous Financial Year	
	Rupees in lacs	Percentage of Total Consumption	Rupees in lacs	Percentage of Total Consumption
Value of Stores and spares consumed:				
Imported	8.14	4.21	37.91	22.70
Indigenous	185.15	95.79	129.12	77.30
	193.29	100.00	167.03	100.00

(Excludes Spares consumed for repairs etc. and charged to relevant heads of accounts)

(G) EARNINGS IN FOREIGN CURRENCY:

	Current Financial Year Rupees in lacs	Previous Financial Year Rupees in lacs
Service Revenue	112.71	50.41

(H) AMOUNT REMITTED DURING THE YEAR IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS:

	Current Financial Year	Previous Financial Year
Final Dividend		
(i) Number of Non-Resident Shareholders	2	2
(ii) Number of Shares held by them on which Dividend was due	7,303,282	7,303,282
(iii) Year to which Dividend relates	2006-07	2005-06
(iv) Amount remitted (Rs. in lacs)	182.19	182.58
Interim Dividend		
(i) Number of Non-Resident Shareholders	4	—
(ii) Number of Shares held by them on which Dividend was due	10,130,272	—
(iii) Year to which Dividend relates	2007-08	—
(iv) Amount remitted (Rs. in lacs)	253.26	—

B.14. The amount of exchange gain (net of loss) credited to the Profit and Loss Account is **Rs. 76.57 lacs** (Previous Year exchange loss (net of gain) of Rs. 10.38 lacs).

B.15. Sundry Debtors include Rs. Nil (Previous Year Rs. 270.46 lacs), Advances recoverable in cash or in kind include Rs. Nil (Previous Year Rs. 1184.57 lacs) {Maximum balance outstanding during the year Rs. Nil (Previous Year Rs. 1540.67 lacs)} and Trade Deposits include Rs. Nil (Previous Year Rs. 900 lacs) {Maximum balance outstanding during the year Rs. 900 lacs (Previous Year Rs. 900 lacs)} due from Hindustan Aegis LPG Limited a Company under the same management within the meaning of section 370 (1B) of the Companies Act, 1956.

Schedules (Contd.)

- B.16. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the information available with the Company. This has been relied upon by the auditors.

- B.17. The details of derivative instruments and foreign currency exposures are as under:
- Forward contracts outstanding in USD 10.00 lacs (equivalent to Rs. 402.30 lacs) as on 31st March, 2008. (Previous Year USD 10.89 lacs equivalent to Rs. 473.39 lacs)
 - The year end foreign currency exposures not hedged by a derivative instrument or otherwise are for Import of goods amounting to USD 50.69 lacs (Previous Year USD 30.48 lacs) equivalent to Rs. 2,028.17 Lacs (Previous Year Rs. 1,325.01 lacs).

- B.18. Disclosure of Loans/Advances to Subsidiaries, Associate Companies etc. (As required by clause 32 of the listing agreement with Mumbai Stock Exchange):

(Rs. in lacs)

	Subsidiary Companies:	Amount Outstanding	Max. Amount Outstanding
1.	Sea Lord Containers Limited Previous year	2,388.67 2,008.26	2,551.25 2,008.26
2.	Konkan Storage Systems (Kochi) Private Limited Previous year	1,276.11 1,225.00	1,775.04 1,225.00
3.	Eastern India LPG Company Private Limited Previous year	61.89 —	111.89 —

- (a) Loans and advances to employees and investments by such employees in the shares of the Company are excluded from the above disclosure.

- (b) In respect of the above loans there is no repayment schedule and they are repayable on demand.

- (c) In respect of the loan of **Rs. 1,276.11 lacs** (Previous Year Rs. 1,225 lacs) given to Konkan Storage Systems (Kochi) Private Limited, and loan of **Rs. 61.89 lacs** (Previous Year Rs. Nil) given to Eastern India LPG Company Private Limited wholly owned subsidiaries of the Company, no interest is charged.

However, the provisions of Section 372A of the Companies Act, 1956 are not applicable to loans covered under (c) above in view of the loanees being wholly owned subsidiaries of the Company.

- B. 19. The Company has made provision for Minimum Alternate Tax (MAT) during the year. The Company has also recognized MAT credit entitlement as per the provisions of Section 115JB of the Income Tax Act, 1961 in the current year, which can be carried forward for seven years and can be, set off against the tax payable when the Company will fall under the normal tax rate. The convincing evidence of obtaining tax credit is supported by confirmed sales orders, growth in terms of sale and profitability which the Company expects to achieve in the coming years, which will ensure availability of sufficient future taxable income against which the above MAT credit will be adjusted.
- B. 20. The Board of Directors at their meeting held on 27th March, 2008/9th April, 2008 appointed Mr. R. K. Chandaria as Vice Chairman and Managing Director and Mr. A. K. Chandaria as Managing Director w.e.f. 31st March, 2008 for a period of 5 years without remuneration. The aforesaid appointments are subject to approval of the shareholders at the ensuing Annual General Meeting and also by the Central Government.
- B. 21. Figures for the previous year have been regrouped wherever necessary to correspond with figures of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- B. 22. The figures of the current year are after incorporating the accounts from the appointed date viz. 1st April, 2007, of erstwhile Throughput Undertaking of Hindustan Aegis LPG Ltd. on demerger of the said Undertaking into the Company and hence, not comparable with those of the previous year.

Signatures to Schedules 1 to 18

As per our Attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

R. Laxminarayan
Partner

Jignasha Shah
Company Secretary

Place : Mumbai
Dated : 29th May, 2008

Place : Mumbai
Dated : 29th May, 2008

For and on behalf of the Board of Directors

K. M. Chandaria

Chairman

R. K. Chandaria

Vice Chairman & Managing Director

A. K. Chandaria

Managing Director

D. J. Khimasia

R. J. Karavadia

K. S. Nagpal

Directors

Balance Sheet Abstract and Company's General Business Profile (in thousand)

I.	Registration Number	<table border="1"><tr><td>1</td><td>0</td><td>3</td><td>2</td></tr></table>	1	0	3	2	State code	<table border="1"><tr><td>0</td><td>4</td></tr></table>	0	4								
1	0	3	2															
0	4																	
	Balance Sheet Date	<table border="1"><tr><td>3</td><td>1</td></tr></table> Date	3	1	<table border="1"><tr><td>0</td><td>3</td></tr></table> Month	0	3	<table border="1"><tr><td>2</td><td>0</td><td>0</td><td>8</td></tr></table> Year	2	0	0	8						
3	1																	
0	3																	
2	0	0	8															
II.	Capital raised during the year (in thousand)																	
	Public Issue	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Right Issue	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L								
N	I	L																
N	I	L																
	Bonus Issue	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Private Placement	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L								
N	I	L																
N	I	L																
III.	Position of mobilisation and deployment of funds (in thousand)																	
	Sources of Funds																	
	Total Liabilities	<table border="1"><tr><td>2</td><td>2</td><td>0</td><td>5</td><td>5</td><td>2</td><td>0</td></tr></table>	2	2	0	5	5	2	0	Total Assets	<table border="1"><tr><td>2</td><td>2</td><td>0</td><td>5</td><td>5</td><td>2</td><td>0</td></tr></table>	2	2	0	5	5	2	0
2	2	0	5	5	2	0												
2	2	0	5	5	2	0												
	Paid up Capital	<table border="1"><tr><td>1</td><td>9</td><td>9</td><td>0</td><td>7</td><td>0</td></tr></table>	1	9	9	0	7	0	Reserves and Surplus	<table border="1"><tr><td>1</td><td>3</td><td>7</td><td>6</td><td>4</td><td>3</td><td>1</td></tr></table>	1	3	7	6	4	3	1	
1	9	9	0	7	0													
1	3	7	6	4	3	1												
	Secured Loans	<table border="1"><tr><td>3</td><td>4</td><td>8</td><td>1</td><td>3</td><td>5</td></tr></table>	3	4	8	1	3	5	Unsecured Loans	<table border="1"><tr><td>4</td><td>5</td><td>4</td><td>5</td><td>5</td></tr></table>	4	5	4	5	5			
3	4	8	1	3	5													
4	5	4	5	5														
	Deferred Tax Liability	<table border="1"><tr><td>2</td><td>3</td><td>6</td><td>4</td><td>2</td><td>9</td></tr></table>	2	3	6	4	2	9										
2	3	6	4	2	9													
	Application of Funds																	
	Net Fixed Assets	<table border="1"><tr><td>1</td><td>2</td><td>6</td><td>3</td><td>8</td><td>8</td><td>2</td></tr></table>	1	2	6	3	8	8	2	Investments	<table border="1"><tr><td>2</td><td>1</td><td>2</td><td>2</td><td>9</td><td>4</td></tr></table>	2	1	2	2	9	4	
1	2	6	3	8	8	2												
2	1	2	2	9	4													
	Net Current Assets	<table border="1"><tr><td>7</td><td>2</td><td>9</td><td>3</td><td>4</td><td>4</td></tr></table>	7	2	9	3	4	4	Miscellaneous Expenditure	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L					
7	2	9	3	4	4													
N	I	L																
	Accumulated Losses	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L													
N	I	L																
IV.	Performance of the Company (in thousand)																	
	Turnover	<table border="1"><tr><td>3</td><td>7</td><td>6</td><td>4</td><td>5</td><td>4</td><td>7</td></tr></table>	3	7	6	4	5	4	7	Total Expenditure	<table border="1"><tr><td>3</td><td>2</td><td>6</td><td>3</td><td>5</td><td>0</td><td>9</td></tr></table>	3	2	6	3	5	0	9
3	7	6	4	5	4	7												
3	2	6	3	5	0	9												
	Profit before tax	<table border="1"><tr><td>5</td><td>0</td><td>1</td><td>0</td><td>3</td><td>8</td></tr></table>	5	0	1	0	3	8	Profit after Tax	<table border="1"><tr><td>3</td><td>9</td><td>0</td><td>9</td><td>4</td><td>3</td></tr></table>	3	9	0	9	4	3		
5	0	1	0	3	8													
3	9	0	9	4	3													
	Earning per share in Rs.	<table border="1"><tr><td>1</td><td>9</td><td>.</td><td>6</td><td>1</td></tr></table>	1	9	.	6	1	Dividend Rate(%)	<table border="1"><tr><td>2</td><td>5</td><td>%</td></tr></table>	2	5	%						
1	9	.	6	1														
2	5	%																
V.	Generic Names of Principal Products/Services of the Company (As per Monetary Terms)																	
	Item Code No. (ITC Code)	<table border="1"><tr><td>2</td><td>7</td><td>1</td><td>1</td><td>.</td><td>0</td><td>0</td></tr></table>	2	7	1	1	.	0	0									
2	7	1	1	.	0	0												
	Product Description	<table border="1"><tr><td>L</td><td>I</td><td>Q</td><td>U</td><td>I</td><td>F</td><td>I</td><td>E</td><td>D</td></tr></table>	L	I	Q	U	I	F	I	E	D							
L	I	Q	U	I	F	I	E	D										
		<table border="1"><tr><td>P</td><td>E</td><td>T</td><td>R</td><td>O</td><td>L</td><td>E</td><td>U</td><td>M</td><td></td><td>G</td><td>A</td><td>S</td></tr></table>	P	E	T	R	O	L	E	U	M		G	A	S			
P	E	T	R	O	L	E	U	M		G	A	S						

For and on behalf of the Board of Directors

K. M. Chandaria *Chairman*R. K. Chandaria *Vice Chairman & Managing Director*A. K. Chandaria *Managing Director*Jignasha Shah
Company Secretary

D. J. Khimasia	}	<i>Directors</i>
R. J. Karavadia		
K. S. Nagpal		

Place : Mumbai
Dated : 29th May, 2008

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

(Rs. in Lacs)

	Sea Lord Containers Ltd.	Konkan Storage Systems (Kochi) Pvt. Ltd.	Eastern India LPG Co. Pvt. Ltd.
A. The Financial Year of the subsidiary ended on	31st March, 2008	31st March, 2008	31st March, 2008
B. Holding Company's Interest			
(i) Equity Shares			
(a) No. of shares (FV Rs. 10/-) fully paid	937500	100000	100000
(b) % shares held by the holding company	75%	100%	99.99%
(ii) 6% Cumulative Redeemable Preference Shares			
(a) No. of shares (FV Rs. 100/-) fully paid	1200000	NA	NA
(b) % shares held by the holding company	100%	NA	NA
C. Net aggregate amount of Profit/(Loss) of the Subsidiary, so far as they concern members of the Company			
(i) For the Financial Year of Subsidiary			
(a) Dealt with the accounts of the Holding Company	89.25	(50.38)	*NA
(b) Not dealt with the accounts of the Holding Company	NIL	NIL	*NA
(ii) For the Previous Financial Years of Subsidiary since it became the holding company's subsidiary			
(a) Dealt with the accounts of the Holding Company	*NA	(4.61)	*NA
(b) Not dealt with the accounts of the Holding Company	NA	NIL	*NA
D. Changes in the interest of the Holding Company or the subsidiary company between the end of the financial year of the subsidiary company and 31st March, 2008	NA	NA	NA
E. Material changes between the end of the Financial Year of the subsidiary company and 31st March, 2008			
(i) Fixed Assets (Purchased)	NA	NA	NA
(ii) Investments (Net)	NA	NA	NA
(iii) Money lent by subsidiary	NA	NA	NA
(iv) moneys borrowed by the subsidiary company other than for meeting current liabilities	NA	NA	NA

* No profit and loss has been prepared pending commencement of commercial operations

For and on behalf of the Board of Directors

K. M. Chandaria

Chairman

R. K. Chandaria

Vice Chairman & Managing Director

A. K. Chandaria

Managing Director

Jignasha Shah
Company Secretary

D. J. Khimasia

R. J. Karavadia

K. S. Nagpal

 }
Directors

Place : Mumbai

Dated : 29th May, 2008

Auditors' Report

To the Board of Directors of Aegis Logistics Limited on the Consolidated Financial Statements of Aegis Logistics Limited, its Subsidiaries and Associate (Aegis Group).

1. We have audited the attached consolidated Balance Sheet of Aegis Group as at 31st March, 2008 and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of Aegis Logistics Limited and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of all material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries and an associate whose financial statements reflect total assets of Rs. 11,533.51 lacs (Previous year Rs. 8,485.13 lacs) as at 31st March, 2008 and total revenues of Rs. 1,572.77 lacs (Previous year Rs. 3.39 lacs) and cash flows amounting to Rs. 69.88 lacs (Previous year Rs. 31.92 lacs) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of the respective auditors.
4. We report that the consolidated financial statements have been prepared by the Management of Aegis Logistics Limited in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for investments in Associates in Consolidated Financial Statements, as notified under the Companies (Accounting Standard) Rules, 2006 and on the basis of separate audited financial statements of Aegis Logistics Limited, its subsidiaries and associate included in the consolidated financial statements.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements, the other financial information of the components and to the best of our information and according to explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of Aegis Group as at 31st March, 2008;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of Aegis Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of Aegis Group for the year ended on that date.

For Deloitte Haskins and Sells
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai,
Dated : 29th May, 2008

Membership No. 33023

Consolidated Balance Sheet as at 31st March, 2008

	Schedule	Rupees in lacs	As at 31st March, 2008 Rupees in lacs	As at 31st March, 2007 Rupees in lacs
I. SOURCES OF FUNDS:				
1. Shareholders' funds :				
(a) Capital	1	1,990.70		1,630.63
(b) Reserves and Surplus	2	13,504.15		10,028.36
			15,494.85	11,658.99
2. Loan funds :				
(a) Secured Loans	3	9,931.35		6,099.97
(b) Unsecured Loans	4	454.55		569.60
			10,385.90	6,669.57
3. Deferred Tax Liability (Net)			2,364.29	756.63
TOTAL			28,245.04	19,085.19
II. APPLICATION OF FUNDS:				
1. Fixed Assets :	5			
(a) Gross Block		31,803.82		13,363.38
(b) Less: Depreciation		8,299.10		2,476.55
(c) Net Block		23,504.72		10,886.83
(d) Capital Work-in-Progress		193.03		4,571.88
			23,697.75	15,458.71
2. Investments	6		777.48	304.34
3. Current Assets, Loans and advances :				
(a) Inventories	7	1,279.81		645.60
(b) Sundry Debtors	8	4,148.32		2,425.73
(c) Cash and Bank Balances	9	2,346.52		2,236.09
(d) Loans and Advances	10	2,114.77		3,473.11
		9,889.42		8,780.53
Less: Current Liabilities and Provisions :	11			
(a) Current Liabilities		5,515.70		4,920.14
(b) Provisions		603.91		538.25
		6,119.61		5,458.39
Net Current Assets			3,769.81	3,322.14
TOTAL			28,245.04	19,085.19

Significant Accounting Policies and Notes on accounts

18

Schedules 1 to 11 and 18 annexed hereto form part of these accounts

As per our Attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Dated : 29th May, 2008

Jignasha Shah
Company Secretary

Place : Mumbai
Dated : 29th May, 2008

For and on behalf of the Board of Directors

K. M. Chandaria

Chairman

R. K. Chandaria

Vice Chairman & Managing Director

A. K. Chandaria

Managing Director

D. J. Khimasia
R. J. Karavadia
K. S. Nagpal

} Directors

Consolidated Profit and Loss Account for the year ended 31st March, 2008

	Schedule	Rupees in lacs	Current Year Rupees in lacs	Previous Year Rupees in lacs
INCOME				
Operating Revenue				18,320.03
Sales		29,969.49		5,718.22
Service Revenue		8,956.33		
			38,925.82	24,038.25
Share of Profit of Associate			1.52	—
Other Income	12		226.95	286.97
TOTAL			39,154.29	24,325.22
EXPENDITURE				
Material Costs	13		26,665.24	16,920.49
Operating Expenses	14		1,523.11	1,901.63
Employment Costs	15		1,438.80	843.01
Administrative, Selling & General Expenses	16		2,471.57	1,382.07
Interest and Finance Charges	17		893.97	323.64
Depreciation		1,206.87		385.46
Less: Transferred to Capital Work in Progress		4.40		2.37
			1,202.47	383.09
TOTAL			34,195.16	21,753.93
Profit before Tax			4,959.13	2,571.29
Provision for Taxation :				
Current Tax		569.77		405.00
(including Wealth tax Rs. 0.92 lacs , Previous year Rs. 0.73 lacs)				
M.A.T. Credit Entitlement		(311.92)		—
Fringe Benefit Tax		30.31		20.01
Deferred Tax		864.27		31.00
			1,152.43	456.01
(Excess) Provision for Tax of Earlier years written back			(37.05)	(39.70)
Profit after Tax			3,843.75	2,154.98
Minority Interest		22.45		—
Loss relatable to Minority Interest in the previous year recouped (Refer Note No. B.13 of Schedule 18)		22.45		—
			—	—
Profit after Minority Interest			3,843.75	2,154.98
Balance in Profit and Loss Account Brought Forward			8,030.06	6,562.29
Amount Available for Appropriation			11,873.81	8,717.27
APPROPRIATIONS				
Transferred to General Reserve			390.95	235.93
Transfer (from) Debenture Redemption Reserve			—	(25.00)
(Excess) Proposed Dividend of previous year written back			—	(0.66)
Dividend Paid - Interim			497.94	—
Corporate Dividend Tax thereon			84.63	—
Proposed Dividend - Final			398.14	407.66
Corporate Dividend Tax thereon			67.66	69.28
Balance Carried to Balance Sheet			10,434.49	8,030.06
TOTAL			11,873.81	8,717.27
Basic & Diluted Earnings per Equity Share of face value Rs. 10/- each (Refer to Note B.7 of Schedule 18)			19.28	13.19
Significant Accounting Policies and Notes on accounts	18			

Schedules 12 to 18 annexed hereto form part of these accounts

As per our Attached Report of even date

For Deloitte Haskins & Sells
Chartered AccountantsR. Laxminarayan
PartnerJignasha Shah
Company SecretaryPlace : Mumbai
Dated : 29th May, 2008Place : Mumbai
Dated : 29th May, 2008

For and on behalf of the Board of Directors

K. M. Chandaria

Chairman

R. K. Chandaria

Vice Chairman & Managing Director

A. K. Chandaria

Managing Director

D. J. Khimasia

R. J. Karavadia

K. S. Nagpal

Directors

Consolidated Cash Flow Statement for the year ended 31st March, 2008

	Rupees in lacs	Current Year Rupees in lacs	Previous Year Rupees in lacs
A. Cash Flow from Operating Activities:			
Profit Before Tax		4,959.13	2,571.29
Adjustments for:			
Depreciation	1,202.47		383.08
Preliminary Expenses Written off	—		1.07
Interest Expenses (Net)	893.97		323.64
Dividend Income	(134.13)		(53.36)
Diminution in value of current investments	40.14		4.11
Provision for Diminution written back	—		(1.62)
Sundry Balances written back (net)	(22.42)		(8.34)
Share of Profit from Associate	(1.52)		—
Loss/(Profit) on sale of Fixed Assets	3.22		(5.89)
(Profit) on sale of Long Term Investments	(10.93)		(11.17)
(Profit) on sale of Current Investments	—		(71.16)
		1,970.80	560.36
Operating Profit Before Working Capital Changes		6,929.93	3,131.65
(Increase) in Trade and Other Receivables	(1,880.90)		(1,360.30)
(Increase)/Decrease in Inventories	(621.60)		124.79
Increase in Trade and Other Payables	360.79		3,077.21
Increase in Leave Encashment	4.57		8.22
Increase in Gratuity	28.17		10.29
		(2,108.97)	1,860.21
Cash Generated from Operations		4,820.96	4,991.86
Direct Taxes Paid		(676.35)	(436.42)
Net Cash Flow from Operating Activities-	A	4,144.61	4,555.44
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	(3,111.71)		(7,425.51)
Preliminary Expenses	—		(1.07)
Sale of Fixed Assets	3.06		127.76
Purchase of Long Term Investments	(530.77)		(1,345.98)
Sale of Long Term Investments	160.00		21.25
Sale of Current Investments	20,902.98		20,126.09
Purchase of Current Investments	(21,014.18)		(18,621.49)
Cash balance of a subsidiary taken over	0.35		—
Balance with Scheduled banks of Demerged Undertaking taken over	7.48		—
Balance with Sch. banks (overdraft) of Demerged Undertaking taken over	(15.00)		—
Loan to a Company	(20.75)		—
Deposit in Escrow account for purchase of shares	—		25.00
Interest Received (Net)	152.99		120.52
Dividend Received	5.79		0.50
Net Cash used in Investing Activities	B	(3,459.76)	(6,972.93)

C. Cash Flow from Financing Activities:

	Rupees in lacs	Current Year Rupees in lacs	Previous Year Rupees in lacs
Increase in Equity Capital	—		10.00
Increase in Term and Other Borrowings	1,554.51		3,850.19
Receipt of Calls in Arrears on Equity Shares (including Share Premium)	0.35		0.05
Dividend Paid (including tax on Distributed Profit)	(1,042.57)		(458.24)
Interest Paid	(1,059.23)		(445.62)
Net Cash (used in)/from Financing Activities	C	(546.94)	2,956.38
Net Increase in Cash and Cash Equivalents	A+B+C	137.91	538.89
Cash and Cash Equivalents as at the end of the year:			
— Cash & Balances in Current Accounts with Banks		373.30	608.60
— Deposits with Banks and Interest Accrued thereon		1,658.17	1,284.96
Less: Cash and Cash Equivalents as at the beginning of the year		2,031.47	1,893.56
		1,893.56	1,354.67
Net Increase in Cash and Cash Equivalents		137.91	538.89

Notes:

1. Cash and Cash Equivalents do not include Fixed Deposits with Banks as margin money and as Escrow.
2. Figures in bracket denote outflow of cash.
3. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

As per our Attached Report of even date

For Deloitte Haskins & Sells
Chartered AccountantsR. Laxminarayan
PartnerPlace : Mumbai
Dated : 29th May, 2008Jignasha Shah
Company SecretaryPlace : Mumbai
Dated : 29th May, 2008

For and on behalf of the Board of Directors

K. M. Chandaria

Chairman

R. K. Chandaria

Vice Chairman & Managing Director

A. K. Chandaria

Managing Director

D. J. Khimasia

R. J. Karavadia

K. S. Nagpal

} Directors

Schedules 1 TO 18 Forming Part of Balance Sheet and Profit & Loss Account

SCHEDULE 1: SHARE CAPITAL

Authorised:

4,90,00,000	Equity Shares of Rs. 10 each	4,900.00	4,900.00
1,00,000	13.5% Cumulative Redeemable Preference Shares of Rs. 100 each	100.00	100.00
		5,000.00	5,000.00

Issued:

1,99,40,585	(Previous Year 1,63,40,584) Equity Shares of Rs. 10 each	1,994.06	1,634.06
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Subscribed and Paid up:

1,99,40,585	(Previous Year 1,63,40,584) Equity Shares of Rs. 10 each fully called up	1,994.06	1,634.06
	Less: Calls/allotment monies unpaid	3.36	3.43

TOTAL

Notes:

Of the above Shares:

- 20,000 Equity Shares of Rs. 10 each fully paid up allotted in earlier year have been issued to two non resident companies against their deposits. The said deposits were utilised towards import of capital goods.
- 8,20,000 Equity Shares of Rs. 10 each were allotted in earlier years as fully paid up by way of Bonus Shares by capitalisation of General Reserve.
- 74,900 Equity Shares of Rs. 10 each were allotted on 11th March, 1981 as fully paid up without payment being received in cash pursuant to the scheme of amalgamation sanctioned by order of the High Court of Gujarat dated 16th December, 1980.
- 2,81,000 Equity Warrants have been converted into Equity Shares during the year 1995-96.
- 11,83,400 Equity Shares of Rs. 10 each have been allotted as fully paid up and issued to Shareholders of erstwhile Amit Alcohol and Carbon Dioxide Ltd. on amalgamation without payment being received in cash pursuant to the scheme of amalgamation sanctioned by order of the High Court of Gujarat dated 2nd April, 1997.
- 36,00,001 Equity Shares of Rs. 10 each have been allotted as fully paid up and issued to Shareholders of Hindustan Aegis LPG Limited on demerger of Throughput Activity Undertaking into the company without payment being received in cash pursuant to the scheme of arrangement sanctioned by order of the High Court of Gujarat dated 12th February, 2008.

SCHEDULE 2: RESERVES AND SURPLUS

Capital Reserve

As per Last Balance Sheet	54.90	54.90
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Capital Reserve (Demerger)

Transferred on account of Demerger of Throughput Undertaking of Hindustan Aegis LPG Ltd. into the company	1,219.31	—
---	----------	---

Less: Diminution in value of investments held in Hindustan Aegis LPG Limited on account of Demerger (Refer Note B.9 of Schedule 18)

512.54	—
--------	---

706.77	—
--------	---

Securities Premium Account

As per Last Balance Sheet	1,363.55	1,363.51
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Add: Received during the year	0.28	0.04
-------------------------------	------	------

1,363.83	1,363.55
----------	----------

Note: Securities Premium Payable on Call/Allotment Monies

Unpaid Rs. 7.40 lacs (Previous year Rs. 7.68 lacs)

Debenture Redemption Reserve :

As Per Last Balance Sheet	—	25.00
---------------------------	---	-------

Less: Transfer to Profit and Loss Account

—	25.00
---	-------

General Reserve

As Per Last Balance Sheet	579.85	343.92
---------------------------	--------	--------

Less: Adjustment in respect of Provision for Employee benefit relating to past services (Refer Note B.8 of Schedule 18)

26.64	—
-------	---

Add: Transferred from Profit and Loss Account

390.95	235.93
--------	--------

944.16	579.85
--------	--------

Balance in Profit and Loss Account

10,434.49	8,030.06
-----------	----------

TOTAL

13,504.15	10,028.36
-----------	-----------

Schedules (Contd.)

	As at 31st March, 2008 Rupees in lacs	As at 31st March, 2007 Rupees in lacs
SCHEDULE 3: SECURED LOANS		
Term Loans		
(A) From Financial Institutions:		
(i) Secured by mortgage of specific immovable properties of the Company situated at Trombay and Vapi ranking paripassu and hypothecation of movable properties of the Company; subject to prior charge in favour of bankers for working capital loans.	538.46	1,004.79
(ii) Secured by mortgage of specific immovable office property, furniture & fixtures therein, situated at Mumbai.	125.81	188.48
(B) From Bank:		
(i) Secured by mortgage of specific immovable properties of the Group situated at Trombay, Kochi and Vapi ranking paripassu and hypothecation of movable properties of the Group and a corporate guarantee; subject to prior charge in favour of bankers for working capital loans.	9,267.08	4,900.00
(ii) Secured by hypothecation of specific Vehicles	—	6.70
TOTAL	9,931.35	6,099.97
SCHEDULE 4: UNSECURED LOANS		
Fixed Deposits	454.55	569.60
(Due within one year Rs. 156.40 lacs, Previous year Rs. 299.20 lacs)		
TOTAL	454.55	569.60

SCHEDULE 5: FIXED ASSETS

NOTES:

- (1) Gross Block is at cost.
- (2) Buildings include Rs. 5.58 lacs for premises in Co-operative Society against which the shares of the face value of Rs. 500 are held under the bye-laws of the society.
- (3) Gross Block of assets includes Freehold Land at Trombay of the value of **Rs. Nil** (Previous year Rs. 96.87 lacs) given on lease.
- (4) Adjustments 1 represents Fixed Assets of Demerged Undertaking of Hindustan Aegis LPG Limited taken over at book value as per Scheme of Arrangement approved by the Hon'ble High Court of Gujarat (Refer Note No. B.9 of Schedule 18).
- (5) Adjustments 2 represents Fixed Assets as at April 1, 2007 of Eastern India LPG Co. (P) Limited which became subsidiary of the Group during the year.

Schedules (Contd.)

	As at 31st March, 2008 Rupees in lacs	As at 31st March, 2007 Rupees in lacs
SCHEDULE 6: INVESTMENTS		
A. Long Term Investments (Fully Paid-up at Cost):		
In Equity shares of Companies	243.04	—
In Associate	19.75	—
In Government Securities	0.38	0.38
B. Current Investments (At Lower of Cost and Fair Value):		
Non-Trade Investments (Unquoted)		
In Units of Mutual Fund	514.31	303.96
TOTAL	777.48	304.34
SCHEDULE 7: INVENTORIES		
(At Cost or net realisable value whichever is lower)		
Stores and Spare Parts	369.20	296.48
Stock-in-Trade:		
Finished Goods		
— Merchanting Goods	910.61	349.12
TOTAL	1,279.81	645.60
SCHEDULE 8: SUNDRY DEBTORS (UNSECURED)		
Debts Outstanding for a period exceeding six months —		
Considered Good	176.90	166.47
Considered Doubtful	180.27	20.00
	357.17	186.47
Other Debts — Considered Good	3,971.42	2,259.26
— Considered Doubtful	57.28	—
	4,028.70	2,259.26
Less: Provision for Doubtful Debts	237.55	20.00
TOTAL	4,148.32	2,425.73

Schedules (Contd.)

	Rupees in lacs	As at 31st March, 2008 Rupees in lacs	As at 31st March, 2007 Rupees in lacs
SCHEDULE 9: CASH AND BANK BALANCES			
Cash on Hand		0.04	—
Balances With Scheduled Banks:			
— In Current Accounts		373.26	608.60
— In Deposit Accounts		1,973.22	1,627.49
[Includes Rs. 342.53 lacs in Margin Money Account]			
[Includes Interest accrued Rs. 10.09 lacs]			
TOTAL		2,346.52	2,236.09
SCHEDULE 10: LOANS AND ADVANCES			
(UNSECURED AND CONSIDERED GOOD)			
Loan to a Company		20.75	—
Advances Recoverable in cash or in kind or for value to be received		843.90	1,971.35
Deposits with Government Authorities and Others		523.58	1,276.68
Advance Payment of Taxes (Net of Provision for Tax)		414.62	225.08
M.A.T. Credit Entitlement		311.92	—
TOTAL		2,114.77	3,473.11
SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities:			
Sundry Creditors	2,994.40		3,601.88
Deposit from Dealers	682.50		521.50
Unpaid Dividend	42.00		25.06
Unpaid Matured Deposits	19.75		13.95
Interest Accrued on Matured Deposits	1.96		1.68
Interest accrued but not due on loans	4.00		16.27
Balance in current account with Bank (overdraft as per books)	—		0.17
Other Liabilities	1,771.09		739.63
		5,515.70	4,920.14
Provisions:			
Proposed Dividend	398.14		407.66
Corporate Dividend Tax	67.66		69.28
Leave Encashment	36.23		30.88
Gratuity	101.88		30.43
		603.91	538.25
TOTAL		6,119.61	5,458.39

Schedules (Contd.)

	Current Year Rupees in lacs	Previous Year Rupees in lacs
SCHEDULE 12: OTHER INCOME		
Lease Rent	—	113.05
Dividend on Long Term Investments (non-trade)	0.04	0.50
Dividend on Current Investments (non-trade)	134.09	52.86
Provision for Diminution in value of Long Term Investments written back	—	1.62
Sundry Balances written back (Net)	22.42	8.34
Profit on sale of Long Term Investments	10.55	11.17
Profit on sale of Current Investments	0.38	71.16
Miscellaneous Receipts	59.47	22.38
Profit on Sale of Fixed Assets (Net)	—	5.89
TOTAL	226.95	286.97
SCHEDULE 13: MATERIAL COSTS		
Merchanting Goods		
Opening Stock	349.12	550.43
Add : Purchases	27,226.73	16,719.18
Less : Closing Stock	910.61	349.12
TOTAL	26,665.24	16,920.49
SCHEDULE 14: OPERATING EXPENSES		
Stores and Spare parts consumed	228.23	167.03
Power and Fuel	417.57	28.83
Repairs to Machinery	33.81	26.78
Lease Rentals	165.64	144.16
Tankage Charges	168.96	1,128.66
Way Leave Fees	417.44	339.67
Water Charges	39.98	45.63
Packing Materials and Other Charges	51.48	20.87
TOTAL	1,523.11	1,901.63
SCHEDULE 15: EMPLOYMENT COSTS		
Salaries, Wages, Bonus and Gratuity	1,300.67	760.80
Contribution to Provident Fund and Other Funds	81.66	55.05
Employees' Welfare Expenses	56.47	27.16
TOTAL	1,438.80	843.01

Schedules (Contd.)

	Rupees in lacs	Current Year Rupees in lacs	Previous Year Rupees in lacs
SCHEDULE 16: ADMINISTRATIVE, SELLING AND GENERAL EXPENSES			
Repairs			
Buildings	3.24		3.16
Others	40.88		56.14
		44.12	59.30
Rent		57.65	48.76
Rates and Taxes		160.72	95.32
Insurance		179.15	96.68
Commission on Sales		476.26	257.10
Printing and Stationery		29.89	22.09
Communication Expenses		67.41	42.46
Travelling, Conveyance and Vehicle Expenses		299.14	151.66
Advertisement		197.22	72.58
Legal and Professional charges		383.59	311.90
Directors' Sitting Fees		3.85	3.25
Donations		124.00	99.00
Provision for doubtful debts		217.55	20.00
Loss on sale of Fixed Assets		3.22	—
Sundry debit balance/irrecoverable balance written off		50.00	3.07
Diminution in value of current investments		40.14	4.11
Miscellaneous Expenses (including Security services, Books, Subscription, Selling expenses etc.)		137.66	93.72
Preliminary Expenses written off		—	1.07
TOTAL		2,471.57	1,382.07
SCHEDULE 17: INTEREST AND FINANCE CHARGES			
On Debentures		—	2.42
On Fixed Loans		816.24	231.96
On Cash Credit Accounts etc.		1.65	87.98
Other Interest		123.18	47.62
Bank/Finance Charges		106.19	74.18
		1,047.26	444.16
Less: Interest on loans and advances, deposit with banks etc. (including tax deducted at source Rs. 8.51 Lacs , Previous year Rs. 9.68 lacs) (includes interest on income tax refund Rs. 77.16 Lacs , Previous year Rs. 3.21 lacs)		153.29	120.52
TOTAL		893.97	323.64

Schedules (Contd.)

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

A.1.1. Principles of consolidation:

The consolidated financial statements relate to Aegis Logistics Limited ("the Company") and its subsidiaries and an associate, which together constitute the Group. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- (ii) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (iii) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (iv) In case of associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity or the Company exercises significant influence through representation of the Board of Directors of the other Company, investments are accounted for using equity method in accordance with Accounting Standard (AS-23) Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- (v) The difference between the cost of investment in the subsidiaries/associate and the share of net assets at the time of acquisition of shares in the subsidiaries/associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (vi) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries/associate when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company's separate financial statements.
- (vii) As required by Accounting Standard (AS-23) "Accounting for Investments in Associates on Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, the carrying amounts of investment in Associates at the beginning of the year have been restated by applying "Equity Method" of accounting from the date of acquisition of the associates and corresponding adjustments have been made to the retained earnings at the beginning of the year after eliminating unrealised profits, if any.

- A.1.2. The list of the subsidiaries and an associate of the Company which are included in the consolidation and the Group's holding therein are as under:

Name of Subsidiary	Country of Incorporation	Percentage Holding-Share
1. Sea Lord Containers Limited	India	75%
2. Konkan Storage Systems (Kochi) Private Limited	India	100%
3. Eastern India LPG Co. (P) Limited	India	100%

Name of Associate

Hindustan Aegis LPG Limited	India	10%
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Hindustan Aegis LPG Limited (HALPG) a Company under the same management is classified as an associate as per Accounting Standard (AS-23) Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountant of India (ICAI) on the basis of significant influence through representation of the Company in the Board of HALPG.

A.2. Significant Accounting Policies

A.2.1. Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

A.2.2. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialise.

Schedules (Contd.)

A.2.3. **Fixed Assets**

Fixed Assets are carried at cost of acquisition or construction. They are stated at historical costs.

A.2.4. **Investments**

Long Term Investments are shown at cost. However, when there is a decline, other than temporary, in the value of long-term investment, the carrying amount is reduced to recognise the decline.

Current Investments are carried at lower of cost and fair value, computed category wise.

A.2.5. **Inventories**

Inventories are valued at cost or Net Realisable Value whichever is less. Cost is determined by using the First In First out formula. Cost comprises all costs of purchase, cost of conversion and cost incurred to bring inventories to their present location and condition other than those subsequently recoverable by the company from tax authorities.

A.2.6. **Timing of Revenue Recognition**

In appropriate circumstances, Revenue (Income) is recognised when no significant uncertainty as to measurability or collectability exists.

A.2.7. **Operating Revenue**

Sales turnover for the year is net of trade discounts and include sales value of goods and other recoveries, such as insurance, transport and packing charges but excludes sales tax.

Service revenue is recognized on time proportion basis and excludes service tax.

A2.8. **Depreciation**

(i) Depreciation on Fixed Assets is calculated on original cost of Fixed Assets on straight-line method under Section 205(2)(b) of the Companies Act, 1956 at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(ii) Depreciation on additions to fixed assets during the year has been provided on pro-rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished has been provided on pro-rata basis.

(iii) Lease hold Land has been amortised over the period of the lease on straight-line basis.

A.2.9. **Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Software is amortised on straight-line basis over a period of its estimated useful life, however not exceeding 5 years.

A.2.10. **Voluntary Retirement**

Compensation paid to employees who have opted for retirement under the Voluntary Retirement Scheme (VRS) of the Company is debited to Profit and Loss Account in the year of payment.

A.2.11. **Employee Benefits**

Contribution to defined schemes such as Provident Fund, Family Pension Fund, Superannuation Fund (in the case of eligible employees) and Employees' State Insurance Scheme are charged to the Profit and Loss Account as incurred.

Company's liability towards gratuity is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for as incurred in the year in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

A.2.12. **Foreign Currency Transactions**

(a) Transactions in Foreign Currencies are recorded at the original rate of exchange in force at the time of occurrence of transactions.

(b) Monetary items denominated in foreign currencies at the year-end are translated at the relevant rates of exchange prevailing at the year-end. The translation/settlement differences are recognised in the Profit & Loss Account.

A.2.13. Impairment of Assets

An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

Lease Rental expenses are accounted on straight-line basis over the lease term.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable certainty (virtual certainty in case of unabsorbed depreciation and business loss) of its realization.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

	Current Financial Year Rs. in lacs	Previous Financial Year Rs. in lacs
B.1. Contingent liabilities in respect of:		
(a) Claims against the Company not acknowledged as debts	12.00	12.00
(b) Income Tax demands disputed in appeal	157.57	19.35
(c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	146.10	741.09
In respect of items mentioned under Paragraphs (a) and (b) above, till the matters are finally decided, the financial effect cannot be ascertained.		
B.2. Guarantees given to Banks against repayment of loans advanced from time to time to Sea Lord Containers Ltd., a Subsidiary of the Company to the extent of Rs. 45 crores (Previous year Rs. 45 crores). The balance of such loan outstanding as at 31st March, 2008 was Rs. 45 crores (Previous Year Rs. 32 crores)		
	Current Financial Year Rs. in lacs	Previous Financial Year Rs. in lacs
B.3. Major components of deferred tax are:		
Deferred Tax Liability/(Asset)		
Related to Fixed Assets	2,392.47	777.79
Voluntary Retirement Scheme	—	(5.04)
Provision for Doubtful Debts	(5.97)	(6.80)
Disallowances under section 43 B	(22.21)	(9.32)
Net Deferred Tax Liability	2,364.29	756.63

Schedules (Contd.)

B.4. In respect of Sea Lord Containers Limited, Capital, Expenditure incurred during the construction of Liquid Terminal Project as under:

Particulars	As at 31st March 2008 (Rs. in lacs)	As at 31st March 2007 (Rs. in lacs)
Salaries	180.04	155.27
Contribution to P.F. & Other funds	9.57	8.29
Staff Welfare Expenses	6.74	5.34
Lease Rent & Way Leave	294.30	263.12
Rates & Taxes	97.03	80.18
Power & Lighting	13.08	7.16
Insurance	22.82	21.84
Travelling, Conveyance Expenses	23.17	18.76
Professional & Bus Support fees	112.10	97.40
Advertisement Expenses	1.63	1.54
Vehicle Expenses	3.60	2.05
Stationery, printing, telephone etc.	14.09	12.80
Audit Fees	3.19	3.19
Depreciation	33.36	32.48
Scrap Sales	(5.96)	(5.96)
General Charges (net)	30.83	29.24
Interest & Bank charges	411.25	282.70
Loss on sale of assets/investments	5.76	5.76
Less: Capitalised during the year	(1,256.60)	—
TOTAL	—	1,021.16

B.5. **Segment Reporting – Basis of preparation**

The Group has identified two reportable business segments (Primary Segments) viz. Liquid Terminal Division and Gas Terminal Division.

Liquid Terminal Division undertakes storage & terminalling facility of Oil & Chemical products.

Gas Terminal Division relates to imports, storage & distribution of Petroleum products viz. LPG, Propane etc.

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns and the internal business reporting systems.

The accounting policies adopted for the segment reporting are in line with the accounting policies of the company with the following additional policies for the segment reporting:

- Revenue and expenses have been identified to segment on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis have been disclosed as "Other unallocable expenditure (net)."
- Segment assets and segment liabilities represent assets and liabilities in respective segments. It excludes investments, tax related assets and other assets and liabilities which cannot be allocated to a segment on a reasonable basis and hence have been disclosed as "Other unallocable assets/liabilities."
- The Group does not have material earnings emanating outside India. Hence, the group is considered to operate in only the domestic segment.

Schedules (Contd.)

Information about the Group's business segments (Primary Segments) is given below:

	Liquid Terminal Division Rupees in lacs	Gas Terminal Division Rupees in lacs	Total Rupees in lacs
Segment Revenue	6,831.48	32,094.34	38,925.82
	4,881.58	19,156.67	24,038.25
Segment Results	3,402.81	3,446.57	6,849.38
	2,666.36	998.29	3,664.65
Less: (1) Interest (net)			893.97
			323.64
(2) Other unallocable expenditure (net)			996.28
			769.72
Profit before Tax			4,959.13
			2,571.29
Less: Taxation			1,115.38
			416.31
Profit after Tax			3,843.75
			2,154.98
Segment Assets	20,133.24	10,821.30	30,954.54
	16,730.10	5,287.74	22,017.84
Other unallocable Assets			3,410.11
			2,525.74
Total Assets			34,364.65
			24,543.58
Segment Liabilities	1,387.02	3,957.81	5,344.83
	2,320.74	2,316.93	4,637.67
Other unallocable Liabilities			13,524.97
			8,246.92
Total Liabilities			18,869.80
			12,884.59
Segment Capital Expenditure	3,107.79	10,900.15	14,007.94
	7,555.47	—	7,555.47
Other unallocable Capital Expenditure			73.43
			1,122.23
Total Capital Expenditure			14,081.37
			8,677.70
Depreciation	668.00	489.13	1,157.13
	354.56	—	354.56
Other unallocable Depreciation			45.34
			28.53
Total Depreciation			1,202.47
			383.09

B.6. Related Party Disclosures

As per the Accounting Standard 18, issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Hindustan Aegis LPG Limited (HALPG)	Associate Company
2	Mr. S. K. Hazra	Key Management Personnel
3	Dr. (Mrs.) B. Hazra	Relative of Key Management Personnel

Schedules (Contd.)

(b) Transactions during the year with related parties:

(Rs. in lacs)

Sr. No.	Nature of transaction	Associate Company 1	Key Management Personnel 2	Relative of Key Management Personnel 3
(i)	Lease Rent Received	— (113.05)		
(ii)	Service Revenue Received	— (231.43)		
(iii)	Tankage charges Paid	— (975.11)		
(iv)	Trade Deposits	— (900.00)		
(v)	Sundry Debtors	— (270.46)		
(vi)	Prepaid Tankage Charges	— (1,184.57)		
(vii)	Remuneration		123.35 (82.14)	
(viii)	Payment of Rent			1.81 (1.62)
(ix)	Effect of demerger of Throughput Undertaking of HALPG into the Company (Refer Note no. B.9) Assets taken over as on appointed date 1st April, 2007	6,946.66 (—)		
	Liabilities taken over as on appointed date 1st April, 2007	5,367.35 (—)		

Note: Figures in brackets represent previous year's amounts.

- B.7. As required by Accounting Standard 20 on Earnings per Share issued by the Institute of Chartered Accountants of India (ICAI), basic earnings per share has been calculated by dividing net profit available for equity shareholders by the weighted average number of equity shares outstanding during the year as per details given below:

	Current Financial Year Rupees in lacs	Previous Financial Year Rupees in lacs
Net Profit available for equity shareholders	3,843.75	2,154.98
Weighted average number of shares used in computing earning per equity share	19,940,585	16,340,584
Basic & Diluted earnings per share (Rs.) (on nominal value of Rs.10 per share)	19.28	13.19

Note:

While calculating weighted average number of shares for Basic and Diluted earnings per share, effect of shares issued during the year pursuant to Scheme of Arrangement ("SoA") in the nature of Demerger of Throughput activity Undertaking of Hindustan Aegis LPG Limited into the Company has been considered from the appointed date of the scheme i.e. 1st April, 2007.

B.8. **Employee Benefits:**

Pursuant to Accounting Standard (AS-15 Revised) on "Employee Benefits" issued by the Institute of Chartered Accountants of India becoming mandatory w.e.f. 1st April 2007, the company has accounted liability for gratuity and compensated absences as per the above standard. Consequently, additional charge of Rs. 26.64 lacs (net of tax) being the opening liability as on 1st April, 2007 has been adjusted in General Reserve as per the transitional provision contained in the said accounting standard.

Schedules (Contd.)

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity and compensated absences is given below:

(a) Gratuity

A.	Assumptions	
	Discount Rate Previous	7.50%
	Rate of Return on Plan Assets Previous Year	8.00%
	Salary Escalation Previous	5.00%
	Discount Rate Current	7.50%
	Rate of Return on Plan Assets Current	9.25%
	Salary Escalation Current	5.50%
	Mortality Table	LIC (1994-96) Ultimate

B.	Table showing change in Benefit Obligation	For the year (Rs. in lacs)
	Liability at the beginning of the Year	171.81
	Interest Cost	12.88
	Current Service Cost	38.06
	Benefit Paid	(5.15)
	Actuarial (Gain)/Loss on obligations	10.39
	Liability at the end of the year	227.99

C.	Table of Fair value of Plan Assets	For the year (Rs. in lacs)
	Fair Value of Plan Assets at the beginning of the year	101.00
	Expected Return on Plan assets	10.16
	Contributions	19.32
	Benefit Paid	(4.37)
	Actuarial gain/(loss) on Plan Assets	—
	Fair Value of Plan Assets at the end of the year	126.11

D.	Amount Recognised in Balance sheet	For the year (Rs. in lacs)
	Present value of Obligations at the beginning of the year	227.99
	Fair Value of Plan Assets at the end of the Year	(126.11)
	Liability Recognised in Balance Sheet at the end of the year	101.88

E.	Amount Recognised in Income Statement	For the year (Rs. in lacs)
	Current Service Cost	38.06
	Interest Cost	12.88
	Expected Return on Plan Asset	(10.16)
	Net Actuarial (Gain)/Loss To Be Recognised	10.39
	Expenses Recognised in P & L	51.17

F.	Balance Sheet Reconciliation	For the year (Rs. in lacs)
	Opening Net Liability	70.03
	Expenses as above	51.17
	Contribution Paid	(19.32)
	Amount Recognised in Balance Sheet	101.88

G.	Actual Return on Plan Assets	For the year (Rs. in lacs)
	Expected Return on Plan Assets	10.16
	Actuarial gain/(loss) on Plan Assets	—
	Actual Return on Plan Assets	10.16

Schedules (Contd.)

(b) Compensated Absences

Assumptions	
Retirement Age	55 Years for Staff & 58 for Workmen
Withdrawal Rate	Age related
Future Salary Rise	5.5%
Rate of Discounting	7.5%
Mortality Table	LIC (1994 – 96) Ultimate

A.	Table showing change in Benefit Obligation	For the year (Rs. in lacs)
	Liability at the beginning of the Year	30.88
	Interest Cost	2.31
	Current Service Cost	14.29
	Benefit Paid	(19.32)
	Actuarial (Gain)/Loss on obligations	8.07
	Liability at the end of the year	36.23

B.	Amount Recognised in Balance sheet	For the year (Rs. in lacs)
	Present value of Obligations at the beginning of the year	36.23
	Fair Value of Plan Assets at the end of the Year	—
	Liability Recognised in Balance Sheet at the end of the year	36.23

C.	Amount Recognised in Income Statement	For the year (Rs. in lacs)
	Current Service Cost	14.29
	Interest Cost	2.31
	Expected Return on Plan Asset	—
	Net Actuarial (Gain)/Loss To Be Recognised	8.07
	Expenses Recognised in P & L	24.67

Assumptions:

- The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government bonds for a term consistent with the estimated term of the post employment benefit obligation.
- Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on Investments of the Fund during the estimated term of the obligations.

The above information is certified by the actuary and relied upon by the Auditors.

- B.9. (i) The Scheme of Arrangement (SOA) under Section 391 and 394 of the Companies Act, 1956 between the Company and Hindustan Aegis LPG Limited ("Demerged Company") and their respective shareholder for the vesting of Throughput Activity Undertaking ("Demerged Undertaking") to and in the company with effect from the appointed date 1st April, 2007 was approved by Hon'ble High Court of Gujarat on 12th February, 2008.

Pursuant to the scheme of Demerger:

- The eligible shareholders of the Demerged Company have been issued one equity shares of Rs. 10 each in the Company for every three equity shares of Rs. 10 each held in the Demerged Company as consideration for the demerger.
- All the assets and liabilities pertaining to the Demerged Undertaking have been transferred to and vested in the Company, at book value with effect from 1st April, 2007 the appointed date.

Schedules (Contd.)

Details of Assets and Liabilities are as under:

Particulars	Amount (Rs. in lacs)
Fixed Assets (Net of Depreciation)	6,238.09
Investments	404.04
Inventories	12.61
Sundry Debtors	24.01
Cash and Bank Balances	7.48
Loans and Advances	260.43
	A
	6,946.66
Less	
Secured Loans	1,430.09
Unsecured Loans	1,633.68
Current Liabilities	1,527.78
Temporary Bank Overdraft	15.00
Other Liabilities	3.70
Deferred Tax Liability	757.10
	B
	5,367.35
	(A - B)
	1,579.31

- (c) All transactions and outstanding balances relating to loans, deposits etc., between the Company and the Demerged Undertaking on and from the appointed date have been eliminated.
- (d) The excess/deficit of the difference the said assets of the Demerged Undertaking and the said liability of the Demerged Undertaking as recorded by the Company over the paid up value of the shares allotted to the shareholders of Demerged Company has been credited to Capital Reserve (Demerger).
- (e) The investment in the books of the Company representing 12 lacs equity shares of the Demerged Company has undergone a reorganization consequent to the demerger which has resulted in a reduction in the carrying value of the investment to the extent of Rs. 512.54 lacs. The said reduction has been adjusted in the Capital Reserve as provided for in the SOA.

(ii) Employee Stock Option Plan (ESOP)

The Shareholders of the Company have approved the Employee Stock Option Scheme 2007 in the Extraordinary General Meeting held on 29th October, 2007. As per the Scheme, the Compensation Committee is empowered to determine the number of Options to be granted to each employee including time at which such Grants are to be made at a closing price prior to the date of grant of Option for a maximum of 1,63,406 options. The Compensation Committee at its meeting held on 30th November 2007 granted 15,000 Stock options in terms of the above scheme.

On receipt of a letter from the Grantee expressing unwillingness to exercise stock options granted, the Compensation Committee of the Company at its meeting held on 27th March, 2008 accepted the request which has resulted into no active stock options existing as on the Balance Sheet date. Consequently the valuation of stock options have not been carried out and the disclosures being not relevant, have not been made by the Company.

In absence of active Stock Options as on 31st March, 2008, the Company has not made the disclosures on ESOP. Hence valuation of Stock Options and its effect on Earning Per Share, being irrelevant, have not been carried out.

B.10. The amount of exchange gain (net of loss) credited to the Profit and Loss Account is **Rs. 76.57 lacs** (Previous Year exchange loss (net of gain) of Rs. 10.38 lacs).

B.11. The details of derivative instruments and foreign currency exposures are as under:

- (a) Forward contracts outstanding in **USD 10.00 lacs** (equivalent to **Rs. 402.30 lacs**) as on 31st March, 2008 Previous year USD 10.89 lacs (equivalent to Rs. 473.39 lacs).
- (b) The year end foreign currency exposures not hedged by a derivative instrument or otherwise are for Import of goods amounting to **USD 50.69 lacs** equivalent to **Rs. 2028.17 lacs**. (Previous year USD 30.48 lacs equivalent to Rs. 1325.01 lacs and Euro 0.07 lacs equivalent to Rs. 4.27 lacs).

Schedules (Contd.)

B.12. The following is the detail of Investment in associate made by the Group:

Name of the Associate	Original Cost of Investment (Rs. in Lacs)	Amount of Goodwill/ Capital Reserve (Rs. in Lacs)	Accumulated Profit/Loss (Rs. in Lacs)	Carrying Amount of Investment at the year end (Rs. in Lacs)
Hindustan Aegis LPG Limited	18.23	—	1.52	19.75
Previous Year	—	—	—	—

B.13. During the year, the share of profit attributable to Minority Interest is adjusted against the share of minority interest in the losses of the earlier years which was absorbed by the Company in the earlier year against its own interest.

The accumulated losses applicable to minority exceeded the minority interest in the equity of the subsidiary viz. Sea Lord Containers Limited. Hence, the Group has absorbed such excess losses against its own interest in the said subsidiary after carrying out the adjustment relating to profit for the year mentioned in the above paragraph in accordance with the Accounting Standard (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. Consequently, there is no minority interest that gets reflected in this Consolidated Financial Statement.

B.14. The Company has made provision for Minimum Alternate Tax (MAT) during the year. The Company has also recognized MAT credit entitlement as per the provisions of Section 115JB of the Income Tax Act, 1961 in the current year, which can be carried forward for seven years and can be, set off against the tax payable when the Company will fall under the normal tax rate. The convincing evidence of obtaining tax credit is supported by confirmed sales orders, growth in terms of sale and profitability which the Company expects to achieve in the coming years, which will ensure availability of sufficient future taxable income against which the above MAT credit will be adjusted.

B.15. Figures for the previous year have been regrouped wherever necessary to correspond with figures of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

B. 16. The figures of the current year are after incorporating the accounts from the appointed date viz 1st April, 2007, of erstwhile Throughput Undertaking of Hindustan Aegis LPG Limited on demerger of the said Undertaking into the Group and hence, not comparable with those of the previous year.

Signatures to Schedules 1 To 18

As per our Attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

R. Laxminarayan
Partner

Jignasha Shah
Company Secretary

Place : Mumbai
Dated : 29th May, 2008

Place : Mumbai
Dated : 29th May, 2008

For and on behalf of the Board of Directors

K. M. Chandaria

Chairman

R. K. Chandaria

Vice Chairman & Managing Director

A. K. Chandaria

Managing Director

D. J. Khimasia

R. J. Karavadia

K. S. Nagpal

} Directors

Financial details of the Subsidiary Companies for the year ended 31st March, 2008*

(Rs. in Lacs)

Sr. No.	Particulars	Sea Lord Containers Ltd.	Konkan Storage Systems (Kochi) Pvt. Ltd.	Eastern India LPG Co. Pvt. Ltd.
1.	Capital	1325.00	10.00	1.00
2.	Reserves	1.21	0.00	0.00
3.	Profit & Loss Account	(1140.97)	(54.99)	0.00
4.	Total Assets	7558.96	3851.73	122.81
5.	Total Liabilities	7373.72	3896.72	121.81
6.	Investments	0.00	0.00	0.00
7.	Turnover	968.13	593.85	0.00
8.	Profit Before Tax	102.58	(49.28)	0.00
9.	Provision for Tax (including Deferred Tax)	13.33	1.10	0.00
10.	Profit After Tax	89.25	(50.38)	0.00
11.	Proposed Dividend	Nil	Nil	Nil

★ Pursuant to exemption received from the Government of India, Ministry of Corporate Affairs under section 212(8) of the Companies Act, 1956 relating to the subsidiary companies

The annual accounts of the subsidiaries and the related detailed information will be made available to any member of the company and subsidiary company investors seeking such information at any point of time and are also available for inspection by any member of the company/subsidiary at the Corporate Office of the company. The annual accounts of the said subsidiaries will also be available for inspection at the head office of the respective subsidiary company



AEGIS LOGISTICS LIMITED
*Regd. Office: 502, Skylon, G.I.D.C., Char Rasta,
Vapi – 396 195, Dist. Valsad, Gujarat.*

L. F. No.:

Client I.D. No.:

No. of Shares held

ATTENDANCE SLIP

I hereby record my presence at the 51st Annual General Meeting of the Company held at Hotel Galaxy, National Highway No. 8, Near Koparali Road, G.I.D.C., Vapi – 396 195 at 11.30 a.m. on Saturday, 27th September, 2008.

Full name of the Shareholder/Proxy

Signature

Note : Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.



AEGIS LOGISTICS LIMITED
*Regd. Office: 502, Skylon, G.I.D.C., Char Rasta,
Vapi – 396 195, Dist. Valsad, Gujarat.*

L. F. No.:

Client I.D. No.:

No. of Shares held

FORM OF PROXY

I/We
of in the district of
being a member/members of AEGIS LOGISTICS LIMITED
hereby appoint of
in the district of or failing him
of in the district of as my/our
proxy to attend and vote for me/us and on my/our behalf at the 51st Annual General Meeting of the Company to be held on Saturday, 27th September, 2008 at 11.30 a.m. and at any adjournment thereof.

Signed this day of 2008

Signed by the said

Affix
Re. 1
Revenue
Stamp
here

Note: The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.