



HINDUSTAN AEGIS LPG LIMITED



HINDUSTAN AEGIS LPG LIMITED

Board of Directors

Chairman

Kapoorchand M. Chandaria

Directors

Raj K. Chandaria
Anish K. Chandaria
Dineshchandra J. Khimasia
Kanwaljit S. Nagpal

Auditors

Deloitte Haskins & Sells
Chartered Accountants, Mumbai

Bankers

Dena Bank
IDBI Bank Ltd.
Axis Bank Ltd.

Registered Office

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

Corporate Office

1202, 12th Floor, Tower B,
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel (West),
Mumbai - 400 013.

Tel: 022-6666 3666
Fax: 022-6666 3777

HINDUSTAN AEGIS LPG LIMITED

DIRECTORS REPORT

The Directors present their 21st Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2015.

Financial Results

	Current Year (2014-15)	(Rs. in Lacs) Previous Year (2013-14)
Revenue from operations	278915.44	386754.10
Profit before Finance Cost	725.01	740.81
Finance Cost	79.44	167.82
Profit Before Tax	645.57	572.99
Tax	105.57	71.06
Profit After Tax	540.00	501.93

Operating Performance

During the year 2014-15, the operating revenue decreased to Rs. 278915.44 lacs from Rs. 386754.10 lacs in previous year on account of lower prices. Profit after tax for the year ended 31st March, 2015 was Rs. 540 lacs as compared to profit of Rs. 501.93 lacs in previous year.

Outlook for the Company

The Government initiatives to free LPG pricing with implementation of Direct Benefit Transfer mechanism will lead to improvement in business of the Company.

Dividend

The Directors do not recommend Dividend for the year.

Finance

The Company continues to enjoy Rating **“One”** under LPG (Regulations & Supply and Distribution) Order 1993 for Parallel Marketing by CARE.

Fixed Deposits

No fixed deposits have been accepted by the Company.

Directors

Pursuant to section 152 of the Companies Act, 2013, Mr. Kapoorchand M. Chandaria (DIN - 00280405), Chairman/Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Disclosure from Independent Directors

Mr. Dineshchandra J. Khimasia (DIN - 00011970) and Mr. Kanwaljit S. Nagpal (DIN - 00012201) were appointed as Independent Directors on the Board of the Company to hold office for a period of five (5) consecutive years i.e. upto 31st March, 2019.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

Auditors

As per the provisions of sections 139, 141 of the Companies Act, 2013 and rules made thereunder, the Company had, in its Annual General Meeting held on 28th July, 2014, approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, (ICAI Firm Registration No. 117366W/ W-100018) to hold office till the conclusion of the fifth consecutive Annual General Meeting, subject to ratification by the members at every Annual General Meeting. In compliance with the same, the Directors do hereby place for ratification, the re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, until the conclusion of the next Annual General Meeting.

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

Particulars required to be furnished pursuant to section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 in the Report of Board of Directors:

- (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 the Notes forming part of the Accounts.

Particulars of Employees

The particulars of Employees as required under the provisions of section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules, 2014 as amended is not given as no employee is in receipt of remuneration as required by section 197(12) of the Companies Act, 2013.

Directors' Responsibilities

The Directors would like to inform the Members that the Audited Accounts for the financial year ended 31st March, 2015 are in full conformity with the requirement of the Companies Act, 2013.

The Directors further confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts on a going concern basis;
- e. The Directors, had laid down adequate internal financial controls to be followed by the company and that such internal financial controls including with reference to Financial Statements are adequate and were operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Development and Implementation of Risk Management Policy

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

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

Internal Control Systems and their Adequacy

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

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

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

Significant and material orders

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

Composition of Audit Committee

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

1. Mr. Anish K. Chandaria (Chairman)
2. Mr. Raj K. Chandaria
3. Mr. Dineshchandra J. Khimasia
4. Mr. Kanwaljit S. Nagpal

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

Extract of the Annual Return as provided under sub-Section (3) of section 92

Extract of the annual return as provided under section 92(3) as prescribed in Form MGT-9 is given in **Annexure 'A'** to the Directors' Report.

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

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

1. Mr. Dineshchandra J. Khimasia (Chairman)
2. Mr. Kanwaljit S. Nagpal
3. Mr. Kapoorchand M. Chandaria

The N&R Committee is authorised to identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the laid down criteria, recommend to the Board their appointment and renewal and shall carry out evaluation of every Director's performance. The Committee formulates criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board a policy, relating to the remuneration for the directors and other employees.

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

- a) the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;
- b) the Executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the Applicable Law;

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

Particulars of loans, guarantees or investments

The Company has not given any Loans, Guarantees and Investments and hence the details required under section 186 of the Companies Act, 2013 is not provided.

Disclosure of Particulars of Contracts/Arrangements with Related Parties

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

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

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee on a quarterly basis.

Material Changes and Commitments, if any, affecting the Financial Position of the Company

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

Number of Meetings of the Board of Directors

During the year ended 31st March, 2015, 5 Board Meetings were held on the following dates:

1. 29th May, 2014
2. 30th July, 2014
3. 16th October, 2014
4. 14th November, 2014
5. 30th January, 2015

The intervening gap between any two meetings was within the period prescribed under Companies Act, 2013.

Vigil Mechanism for Directors and Employees

The Company, pursuant to section 177 of Companies Act, 2013 read along with the rules made thereunder, established vigil mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The scope of the policy is that it covers any

Alleged Wrongful Conduct and other matters or activity on account of which the interest of the Company is affected and is formally reported by Whistle Blower(s). The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any.

Secretarial Audit Report

Pursuant to the provisions of section 134(3) and section 204 of Companies Act, 2013 read along with the rules made thereunder, the Board of Directors of the Company appointed Mr. Prasen Naithani of P. Naithani & Associates, Company Secretaries in Practice, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended 31st March, 2015 forms part of this Report and is annexed herewith as **'Annexure B'**.

Response to secretarial auditors remarks/observations, if any.

In response to secretarial auditor's remarks made in the Secretarial Audit Report annexed herewith as **'Annexure B'**, we have to inform you that the Company is in the process of identifying a suitable candidate with relevant experience for the role of Woman Director and Key Managerial Personnel. However, regular compliances required under the provisions of the Companies Act, 1956/2013 are ensured by hiring the services of professional Company Secretary in practice along with the Company secretarial team of its ultimate holding Company Aegis Logistics Limited.

Disclosure of composition of the Corporate Social Responsibility Committee

Pursuant to the provisions of section 135 of Companies Act, 2013 read along with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted Corporate Social Responsibility (CSR) Committee comprising of the following three Non-Executive Directors, out of which one is Independent Director:

1. Mr. Kapoorchand M. Chandaria (Chairman)
2. Mr. Raj K. Chandaria
3. Mr. Kanwaljit S. Nagpal

Since the Average Net Profit of the Company for last three financial years is negative, the Company has not contributed any amount towards CSR.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and other Committees. A detailed discussion was done considering the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the director being evaluated). The performance evaluation of the Chairman, Non Independent Directors and the Board as a whole was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Appreciation

Your Directors place on the record their appreciation of the contribution made by the employees at all levels who, through their competence, diligence, solidarity, co-operation and support, have enabled the Company to achieve the desired results during the year.

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

For and on behalf of the Board of Directors

Sd/-

Raj K. Chandaria
Director

DIN: 00037518

Sd/-

Anish K. Chandaria
Director

DIN: 00296538

Place : Mumbai

Dated : 28th May, 2015

Annexure A to the Directors Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2015

I. REGISTRATION AND OTHER DETAILS

1	CIN	U23203GJ1994PLC021375
2	Name of the company	HINDUSTAN AEGIS LPG LIMITED
3	Registration Date	23/02/1994
4	Category / Sub-Category of the Company	Company limited by shares
5	Address of the Registered office	502, 5th floor, Skylon, GIDC, Char Rasta, Vapi - 396195, Dist. Valsad, Gujarat State, India
5	Corporate & Administrative Office	1202, 12th Floor, Tower B, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai-400 013 Tel : 022-6666 3666 Fax : 022-6666 3777 Email : aegis@aegisindia.com
8	Whether listed company	Yes / No
9	Name, Address and Contact details of Registrar and Transfer Agent, if any	The Company has an in-house share transfer system.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sales – Traded good - Liquefied Petroleum Gas		
	Wholesale of solid, liquid and gaseous fuels and related products	46610	99.93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Aegis Gas (LPG) Private Limited Unit No. 1202, 12th Floor, Tower B, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai – 400 013	U23209MH2001PTC134329	Holding Company	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A.	Promoter									
1	Indian									
	Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
	Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
	State Govt	0	0	0	0.00	0	0	0	0.00	0.00
	Bodies Corp.	0	978000	978000	100.00	0	978000	978000	100.00	0.00
	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total A(1)	0	978000	978000	100.00	0	978000	978000	100.00	0.00
2	Foreign									
	NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total A(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoter= (A)=(A)(1)+(A)(2)	0	978000	978000	100.00	0	978000	978000	100.00	0.00
B.	Public Shareholding									
1	Institutions									
a	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
c	Central / State Government	0	0	0	0.00	0	0	0	0.00	0.00
d	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
g	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h	Foreign Portfolio Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2	Non-Institutions									
a	Bodies Corp.									
i	Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b	Individuals									
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c	Others									
	OCB/Non Domestic Company	0	0	0	0.00	0	0	0	0.00	0.00
	Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Any Other - Trust	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Company	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00

	Grand Total (A+B+C)	0	978000	978000	100.00	0	978000	978000	100.00	0.00
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(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Aegis Gas LPG Private Limited	978000	100.00	0.00	978000	100.00	0.00	0.00
	Total	978000	100.00	0.00	978000	100.00	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			Aegis Gas LPG Private Limited		Aegis Gas LPG Private Limited	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	01/04/2014	978000	100.00	978000	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons (*) for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)		There is no change in the shareholding during the year		There is no change in the shareholding during the year	
	At the end of the year	31/03/2015	978000	100.00	978000	100.00

(iv)

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31/03/2015 :

Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	01/04/2014	The Company is a 100% subsidiary of Aegis Gas LPG Private Limited.		The Company is a 100% subsidiary of Aegis Gas LPG Private Limited.	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons (*) for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)					
	At the end of the year (or on the date of separation, if separated during the year	31/03/2015				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	01-04-2014	0	0	0	0
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)		0	0	0	0
	At the end of the year	31/03/2015	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Sr. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i	Principal Amount	0	0	0	0
ii	Interest due but not paid	0	0	0	0
iii	Interest accrued but not due	0	0	0	0
	Total (i+ii+iii)	0	0	0	0
	Change in Indebtedness during the financial year				
	· Addition	0	16378	0	16378
	· Reduction	0	-12960	0	-12960
	Net Change	0	3418	0	3418
	Indebtedness at the end of the financial year				
i	Principal Amount	0	3418	0	3418
ii	Interest due but not paid	0	0	0	0
iii	Interest accrued but not due	0	0	0	0
	Total (i+ii+iii)	0	3418	0	3418

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

There are no Managing Director, Whole-time Directors and/or Manager in the Company

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				
		Kapoorchand M. Chandaria	Raj K. Chandaria	Anish K. Chandaria	Dineshchandra J. Khimasia	Kanwaljit S. Nagpal
		NED-NI-C	NED-NI	NED-NI	NED-I	NED-I
1	Independent Directors					
	Fee for attending board / committee meetings	0	0	0	6,000	6,000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	6,000	6,000
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	2,000	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	2,000	0	0	0	0
	Total Managerial Remuneration - Total (B) = (1) + (2)	2,000	0	0	6,000	6,000
	Overall Ceiling as per the Act	Sitting fees upto Rs.1,00,000 per meeting as per the Act.				

NED-NI-C: Non-Executive Director - Non Independent - Chairman

NED-NI: Non-Executive Director - Non Independent

NED-I: Non-Executive Director - Independent

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM

There is no Key Managerial Personnel in the Company

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Sr. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty					
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

There have been no penalties levied on the Company. The Company is generally in compliance of provisions of all applicable laws.

Annexure-B to the Director's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
HINDUSTAN AEGIS LPG LTD.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Aegis LPG Ltd.** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Hindustan Aegis LPG Ltd.** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company ("the Company") for the financial year ended on 31st March, 2015, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder are not applicable, as company being unlisted
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable, as securities of the company are not in Demat mode.
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable
- 5) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as company being unlisted.
- 6) Bombay Shops & Establishment Act, 1948
- 7) Customs Act, 1962
- 8) Central Excise Act, 1944
- 9) Maharashtra Value Added Tax, 2002
- 10) Income Tax Act, 1961

I have also examined compliance with the applicable clause of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent mentioned below:

- 1) Non Appointment of Woman Director as required under Section 149 of the Companies Act, 2013 & Rules thereunder.
- 2) Non Appointment of Key Managerial Personnel as required under Section 203 of the Companies Act, 2013 & Rules thereunder.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' (if any) views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no instances of:

- (i) Public/Right/Preferential Issue of Shares / Debentures/Sweat Equity, etc.
- (ii) Redemption / Buy-Back of Securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / Amalgamation / Reconstruction, etc.
- (v) Foreign technical collaborations

For P. Naithani & Associates
Company Secretaries

Sd/

Prasen Naithani
FCS No.: 3830
CP No.: 3389

Place: Mumbai
Date: 28th May, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDUSTAN AEGIS LPG LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Hindustan Aegis LPG Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any on long-term contracts (including derivative contracts) for which a provision is required for material foreseeable losses under the applicable law or accounting standards.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/

A. Siddharth
Partner
(Membership No. 31467)

Mumbai, 28th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of HINDUSTAN AEGIS LPG LIMITED ("the Company") for the year ended 31st March, 2015)

- (i) In respect of fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of inventories:
 - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. There were no inventories at the beginning of the year and as at the year end.
 - 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 were 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 has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and accordingly, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and for the sale of goods. There has been no purchase of fixed assets and sale of services during the year. During the course of our audit we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- (v) According to information and explanations given to us, the Company has not accepted any deposits, and accordingly, the provisions of clause (v) of paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government under Section 148 of the Companies Act, 2013 are not applicable to the Company.
- (vii) According to the information and explanation given to us and the records of the Company examined by us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - b) According to the records of the Company, there are no dues of Income Tax, Sales tax, Wealth tax, Service Tax, Custom duty, Excise duty and Cess, which have not been deposited on account of any dispute.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder and accordingly, the provisions of clause (vii) of paragraph 3 of the Order are not applicable to the Company.
- (viii) The accumulated losses of the Company at the end of the financial year have exceeded fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) The Company has no dues to banks, financial institutions and debenture holders and accordingly, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions and accordingly, the provisions of clause (x) of paragraph 3 of the Order are not applicable to the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans obtained by the Company were applied for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/

A. Siddharth
Partner
(Membership No. 31467)

Mumbai, 28th May, 2015

HINDUSTAN AEGIS LPG LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
		Rupees in lacs	Rupees in lacs	Rupees in lacs	Rupees in lacs
<u>I. EQUITY AND LIABILITIES</u>					
(1) SHAREHOLDERS' FUNDS					
(a) Share Capital	2	3,997.80		3,997.80	
(b) Reserves & surplus	3	(5,984.75)		(6,524.75)	
			(1,986.95)		(2,526.95)
(2) NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	3,418.04		-	
(b) Long-term provisions	5	-		1.43	
			3,418.04		1.43
(3) CURRENT LIABILITIES					
(a) Trade payables	6	10,994.59		22,848.31	
(b) Other current liabilities	7	2.77		4.17	
(c) Short-term provisions	8	18.19		105.39	
			11,015.55		22,957.87
TOTAL			12,446.64		20,432.35
<u>II. ASSETS</u>					
(1) NON-CURRENT ASSETS					
(a) Fixed assets					
Tangible assets	9	0.13		0.13	
		0.13		0.13	
(b) Long-term loans and advances	10	1,315.34		3,007.53	
			1,315.47		3,007.66
(2) CURRENT ASSETS					
(a) Trade receivables	11	10,867.19		17,229.38	
(b) Cash and Cash equivalents	12	70.12		63.38	
(c) Short-term loans and advances	13	-		2.66	
(d) Other Current assets	14	193.86		129.27	
			11,131.17		17,424.69
TOTAL			12,446.64		20,432.35

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
A. Siddharth
Mumbai,
Dated : 28th May, 2015

For and on behalf of the Board of Directors

R.K.Chandaria (DIN: 00037518)
Dinesh J. Khimasia (DIN: 00011970)
Kanwaljit S. Nagpal (DIN: 00012201)

Sd/-
Director

Dated : 28th May, 2015

HINDUSTAN AEGIS LPG LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	Current Year	Previous Year
		Rupees in lacs	Rupees in lacs
I. Revenue from operations	15	2,78,915.44	3,86,754.10
II. Other income	16	206.65	523.95
III. Total Revenue (I + II)		2,79,122.09	3,87,278.05
IV. Expenses:			
Purchases of Stock-in-Trade	17	2,78,087.29	3,85,875.36
Employee benefits expense	18	12.89	10.50
Finance costs	19	79.44	167.82
Other expenses	20	296.90	651.38
Total expenses		2,78,476.52	3,86,705.06
V. Profit before tax (III-IV)		645.57	572.99
VI. Tax expense:			
(1) Current tax			
- For the year		129.50	115.00
- For earlier year (including in respect of MAT credit)		38.74	71.06
(2) M.A.T. Credit Entitlement		(62.67)	(115.00)
		105.57	71.06
VII. Profit for the year (V-VI)		540.00	501.93
VIII. Earnings per equity share in Rupees (Face Value of Rs. 10/-each) Basic and Diluted (Rs.)	21	55.21	51.32

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. Siddharth
Mumbai,
Dated : 28th May,2015

For and on behalf of the Board of Directors

R.K.Chandaria (DIN: 00037518)
Dinesh J. Khimasia (DIN: 00011970)
Kanwaljit S. Nagpal (DIN: 00012201)

Sd/-
Director

Dated : 28th May,2015

HINDUSTAN AEGIS LPG LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Current Year		Previous Year
	Rupees in lacs	Rupees in lacs	Rupees in lacs
A. Cash Flow from Operating Activities:			
Profit Before Tax		645.57	572.99
Adjustments for:			
Interest Expenses	79.44		175.82
Interest Income	(206.05)		(185.27)
Dividend Income	(0.20)		(8.80)
		(126.81)	(18.25)
Operating Profit Before Working Capital Changes in:		518.76	554.74
Decrease in Trade receivables and Loans and Advances	6,364.85		3,085.26
(Decrease) / Increase in Trade and Other payables	(11,855.09)		460.89
Increase in Provisions (Current and Non-Current)	0.21		0.49
		(5,490.03)	3,546.64
Cash Flow from Operations		(4,971.27)	4,101.38
Direct Taxes Refund / (Paid)		1,497.75	(17.63)
Net Cash Flow from Operating Activities - A		(3,473.52)	4,083.75
B. Cash Flow from Investing Activities:			
Sale of Current Investments	-		7,128.18
Purchase of Current Investments	-		(7,128.18)
Deposit with Banks	(7.89)		1,444.80
Dividend Received	0.20		8.80
Interest Received	141.46		186.67
Net Cash from Investing Activities - B		133.77	1,640.27

HINDUSTAN AEGIS LPG LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

		Current Year	Previous Year
		Rupees in lacs	Rupees in lacs
			Rupees in lacs
C. Cash Flow from Financing Activities:			
(Decrease) in Short Term Borrowings		-	(11,998.35)
Increase / (Decrease) in Long Term Borrowings		3,418.04	(1,985.88)
Interest and Finance Charges paid		(79.44)	(199.05)
Net Cash (used in) Financing Activities	- C	3,338.60	(14,183.28)
Net (Decrease) in Cash and Cash Equivalents -	A+B+C	(1.15)	(8,459.26)
Cash and Cash Equivalents as at the end of the year:			
- Cash & Balances in Current Accounts with Banks		14.54	15.69
- Deposits with Banks		-	-
		14.54	15.69
Less: Cash and Cash Equivalents as at the beginning of the year		15.69	8,474.95
Net (Decrease) / Increase in Cash and Cash Equivalents		(1.15)	(8,459.26)
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet (Refer Note 12)		70.12	63.38
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		(55.58)	(47.69)
Cash and cash equivalents at the end of the year		14.54	15.69

Notes: (1) Cash and Cash Equivalents do not include Fixed Deposits with Banks kept as Margin Money and as Escrow Account.

(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".

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

A. Siddharth

Mumbai,

Dated : 28th May, 2015

For and on behalf of the Board of Directors

R.K.Chandaria (DIN: 00037518)

Dinesh J. Khimasia (DIN: 00011970)

Kanwaljit S. Nagpal (DIN: 00012201)

Sd/-

Director

Dated : 28th May, 2015

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

1A Corporate information:

Hindustan Aegis LPG Limited ("the Company") incorporated in 2001 and it is a wholly owned subsidiary of Aegis Gas LPG Private Limited. It trades in Liquefied Petroleum Gas (LPG) i.e. buying and selling LPG.

1B Significant Accounting Policies:

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

1.2 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. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

1.3 TANGIBLE FIXED ASSETS:

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

1.4 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 Statement of Profit and Loss in the year in which an asset is identified as impaired.

1.5 DEPRECIATION ON FIXED ASSETS:

Depreciation on Tangible Fixed Assets is provided on original cost of Fixed Assets on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 or the rates determined based on the useful lives of the assets as estimated by the management, whichever are higher.

Depreciation on additions to fixed assets during the year is provided on prorata basis from the date of such additions. Depreciation on assets sold, discarded or demolished is provided on pro-rata basis.

1.6 INVESTMENTS:

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

1.7 INVENTORIES

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

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

1.8 TIMING OF REVENUE RECOGNITION

Revenue (Income) is recognized when no significant uncertainty as to measurability or collectability exists.

1.9 DIVIDEND AND INTEREST INCOME

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rates. Dividend income is recognized when the right to receive the dividend is established.

1.10 EMPLOYEE BENEFITS

Employee benefits include salary, wages, performance bonus, employee state insurance, and contribution to provident fund, family pension fund, superannuation fund, gratuity and compensated absences to eligible employees.

Short term employee benefits like salary, wages, performance bonus etc. are recognized and charged to Statement of Profit and Loss when the employee renders the services.

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 Statement of Profit and Loss as incurred.

Company's liability towards gratuity is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and is fully provided for in the Statement of Profit and Loss on the basis of aforesaid valuation. 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 in the Statement of Profit and Loss 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.

The actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

1.11 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Statement of Profit and Loss.

Forward exchange contracts entered into to hedge the foreign currency risk and outstanding as on balance sheet date are translated at year end exchange rates. The premium or discount arising at the inception of such forward exchange contracts are amortized as income or expense over the life of the contract.

Gains/Losses on settlement of transactions arising on cancellation/renewal of forward exchange contracts are recognized as income or expense.

1.12 HEDGE ACCOUNTING

The Company uses foreign currency forward contracts and currency option contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as fair value hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit & Loss. The hedged item is recorded at fair value and any gain or loss is recorded in the Statement of Profit & Loss and is offset by the gain or loss from the change in the fair value of the derivative.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Notes to the financial statements for the year ended 31st March, 2015

1.13 OPERATING LEASE RENTALS

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

1.14 BORROWING COST

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

1.15 TAXES ON INCOME

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – Accounting for Taxes on Income. Income Tax comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the revenue authorities, using applicable tax rates and laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

1.16 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.

1.17 CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	As at 31st March, 2015 Numbers	As at 31st March, 2014 Numbers	As at 31st March, 2015 Rupees in lacs	As at 31st March, 2014 Rupees in lacs
2 Share capital:				
2.1 Authorized:				
Equity Shares of Rs. 10 each	50,00,000	50,00,000	500.00	500.00
8% Non-Cumulative Redeemable Preference Shares of Rs. 100 each	45,00,000	45,00,000	4,500.00	4,500.00
TOTAL			5,000.00	5,000.00
2.2 Issued, Subscribed and Fully Paid-up:				
Equity Shares of Rs. 10 each	9,78,000	9,78,000	97.80	97.80
A	9,78,000	9,78,000	97.80	97.80
8% Non-Cumulative Redeemable Preference Shares of Rs. 100 each	39,00,000	39,00,000	3,900.00	3,900.00
B	39,00,000	39,00,000	3,900.00	3,900.00
TOTAL (A + B)			3,997.80	3,997.80

2.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	Number of shares		Share Capital Rupees in lacs	
	Current Year	Previous Year	Current Year	Previous Year
Equity Shares				
Shares Outstanding as at the beginning of the year	9,78,000	9,78,000	97.80	97.80
Shares Outstanding as at the end of the year	9,78,000	9,78,000	97.80	97.80
Preference Shares				
Shares Outstanding as at the beginning of the year	39,00,000	39,00,000	3,900	3,900
Shares Outstanding as at the end of the year	39,00,000	39,00,000	3,900	3,900

2.4 Rights, Preferences and Restrictions attached to Equity Shares:

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The Equity Shares are not repayable except in the case of a buyback, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share in the paid-up capital of the company.

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

2.5 Rights, Preferences and Restrictions attached to Preference Shares:

- Preference Shares are non-cumulative and are to be redeemed within a period of twenty years from the date of issue i.e. in respect of 29,00,000 shares on or before 28th March, 2032 and in respect of 10,00,000 shares on or before 25th June 2032
- With respect to dividend, Preference Shares carry a preferential right over Equity Shares to be paid a fixed amount of dividend at a coupon rate of 8%.
- Every preference share holder has a right to attend the General Meeting and to vote only on resolutions placed before the company which directly affect the rights attached to his preference shares.
- In the event of liquidation of the company before the redemption of Preference Shares, the holders of the Preference Shares will have a priority over equity shares in the payment of dividend and repayment of capital.

2.6 Shares held by Holding Company and Ultimate Holding Company

Entire Equity Share Capital is held by Aegis Gas LPG Private Limited, the Holding Company and its nominees.
Entire Preference Share Capital is held by Aegis Logistics Limited, the ultimate Holding Company.

2.7 List of shareholders who hold more than 5% of shares in the company:

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Numbers	%	Numbers	%
Equity Shares:				
Aegis Gas LPG Private Limited and its nominees	9,78,000	100%	9,78,000	100%
	9,78,000	100%	9,78,000	100%
Preference Shares:				
Aegis Logistics Limited	39,00,000	100%	39,00,000	100%
	39,00,000	100%	39,00,000	100%

2.8 Particulars of movements in equity shares for the period of five years immediately preceding the Balance Sheet date are as under:

	As at 31st March, 2015	As at 31st March, 2014
Aggregate number of equity shares bought back	2,22,001	2,22,001

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	As at 31st March, 2015	As at 31st March, 2014
	Rupees in lacs	Rupees in lacs
3 Reserves and surplus:		
3.1 Capital Redemption Reserve		
Opening Balance	422.20	422.20
Closing Balance	422.20	422.20
3.2 General Reserve		
Opening Balance	114.38	114.38
Closing Balance	114.38	114.38
3.3 Balance in Statement of Profit and Loss		
Opening Balance - Deficit	(7,061.33)	(7,563.26)
Add: Profit after Tax for the year	540.00	501.93
Closing Balance	(6,521.33)	(7,061.33)
TOTAL	(5,984.75)	(6,524.75)

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	As at 31st March, 2015 Rupees in lacs	As at 31st March, 2014 Rupees in lacs
4 Long-term Borrowings:		
(From Related Parties)		
Loan from Ultimate Holding Company (Unsecured - Refer Note 25)	3,418.04	-
(Interest free loan repayable after 5 years from the date of disbursement i.e. July 30, 2012)		
Total	3,418.04	-
5 Long-term provisions:		
Provision for Compensated Absences	-	1.43
Total	-	1.43
6 Trade payables		
Outstanding dues to Micro and small Enterprises*	10,994.59	22,848.31
Others		-
Total	10,994.59	22,848.31
* Dues to Aegis Group International Pte Limited, a fellow subsidiary (Refer Note no. 25)	10986.46	22,805.65
7 Other current liabilities:		
Other Liabilities - Statutory Dues	2.77	4.17
Total	2.77	4.17
8 Short-term provisions:		
Provision for Compensated Absences	1.66	0.02
Provision for Gratuity (Refer Note no. 26)	0.03	-
Provision for Tax (Net of Advance Tax)	16.50	105.37
Total	18.19	105.39

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

9 Fixed Assets

	Gross Block (At cost)				Accumulated Depreciation		Net Block	
	As at 1st April, 2014	Additions	Deletions	As at 31st March, 2015	As at 1st April, 2014	For the year On Disposals	As at 31st March, 2015	As At 31st March, 2014
Vehicles	2.59	-	-	2.59	2.46	-	0.13	0.13
	(2.59)	-	-	(2.59)	(2.46)	-	(2.46)	
TOTAL	2.59	-	-	2.59	2.46	-	0.13	0.13
	(2.59)	-	-	(2.59)	(2.46)	-	(2.46)	

(Figures in brackets represent those of the previous year)

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	As at 31st March, 2015 Rupees in lacs	As at 31st March, 2014 Rupees in lacs
10 Long-term loans and advances: (Unsecured and considered good)		
Deposits with Government Authorities	5.38	5.38
Advance Tax (Net of Provision)	1,126.71	2,844.31
MAT Credit Entitlement	183.25	157.84
Total	1,315.34	3,007.53

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	As at 31st March, 2015	As at 31st March, 2014
	Rupees in lacs	Rupees in lacs
11 Trade receivables (Unsecured considered good)		
Outstanding for a period exceeding six months from the date they are due for payment:	866.77	328.77
Others	10,000.42	16,900.61
Total	10,867.19	17,229.38
12 Cash and Cash equivalents:		
Balances with banks		
- (i) In current accounts	14.54	15.69
- (ii) In deposit accounts (Refer Notes below)	55.58	47.69
Total	70.12	63.38
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow statement are	14.54	15.69
- Deposits placed with the bank as security against borrowings / Currency Futures	55.58	47.69
13 Short-term loans and advances:		
(Unsecured and considered good)		
Prepaid Expenses	-	2.54
Prepaid Contribution for Gratuity	-	0.12
Total	-	2.66
14 Other current assets		
(Unsecured and considered good)		
Interest Accrued on		
- Income Tax Refund Due	193.86	129.27
Total	193.86	129.27

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

		Current Year Rupees in lacs	Previous Year Rupees in lacs
15	Revenue from operations		
	Sales - Traded Goods		
	- Liquefied Petroleum Gas	2,78,915.44	3,86,754.10
	Total	2,78,915.44	3,86,754.10
16	Other income:		
	Dividend on Current Investments	0.20	8.80
	Interest on fixed deposits with banks	-	56.03
	Interest on Income Tax Refund	206.05	129.24
	Liability no longer required written back (Refer Note No. 25)	-	329.88
	Miscellaneous income	0.40	-
	Total	206.65	523.95
17	Purchases of Stock-in-Trade		
	Liquefied Petroleum Gas	2,78,087.29	3,85,875.36
	Total	2,78,087.29	3,85,875.36
18	Employee benefits expense:		
	Salaries and Wages	11.88	9.59
	Contribution to Provident and Other Funds	0.84	0.76
	Staff Welfare Expenses	0.17	0.15
	Total	12.89	10.50
19	Finance costs:		
	Interest Expense	23.06	76.28
	Other borrowing costs	56.38	91.54
	Total	79.44	167.82

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

		Current Year Rupees in lacs	Previous Year Rupees in lacs
20	Other expenses		
	Rates and Taxes	0.57	0.31
	Amortization of Premium paid on Currency Option Contracts	275.15	636.61
	Insurance	0.06	0.17
	Printing and Stationery	0.16	0.14
	Communication Expenses	0.73	0.51
	Travelling, Conveyance and Vehicle Expenses	0.38	0.22
	Legal and Professional charges	19.35	13.09
	Directors' Sitting Fees	-	0.20
	Miscellaneous Expenses	0.50	0.13
	Total	296.90	651.38
21	Earnings per share:		
	The Numerators and denominators used to calculate Earnings per Share:		
	Particulars		
	Nominal Value of Equity Share (Rs.)	Rs. 10/-	10/-
	Net Profit available for equity shareholders (Rs. In lacs) - (A)	Rs. 540.00	501.93
	Weighted Average number of shares outstanding during the year - (B)	Nos. 9,78,000	9,78,000
	Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)	Rs. 55.21	51.32

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Current Year Rupees in lacs	Previous Year Rupees in lacs
22 Payments to Auditors for the year*		
(a) As Auditors	5.50	4.50
(b) For Tax Audit	1.00	1.00
(c) For Other services - Limited Review and Certification Work	1.80	2.27
(d) Service Tax on above	1.12	0.96
Total	9.42	8.73

*Excludes payment of **Rs. 1.12 lacs** (Previous Year Rs.0.56 lacs) for Taxation matters to an affiliated firm covered by a networking arrangement which is registered with the Institute of Chartered Accountants of India.

23 Segment Reporting - Basis of preparation

(i) Segment information for Primary reporting (by business segment)

The Company has only one reportable business segment i.e. trading in Liquified Petroleum Gas (LPG). Hence information for primary business segment is not given. Since the Company does not have more than one business segment, no separate disclosure for segment information is required to be made as per Accounting Standard (AS - 17) "Segment Reporting".

(ii) Segment information for Secondary segment reporting (by geographical segment)

There is no reportable secondary segment.

24 In terms of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company is required to have a whole-time key managerial personnel. During the year the company did not employ a key managerial personnel.

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

25 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 and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Aegis Logistics Limited	Ultimate Holding Company
2	Aegis Gas (LPG) Private Limited	Holding Company
3	Aegis Group International Pte Limited	Fellow Subsidiary Company

(b) Transactions during the year with related parties:

(Rs. in lacs)

Sr. No.	Nature of transaction	Ultimate Holding Company 1	Holding Company 2	Fellow Subsidiary Company 3	Total 4
(i)	Loan Taken	13,889.29	-	-	13,889.29
		-	-	-	-
(ii)	Loan Repaid	10471.25	-	-	10471.25
		(630.13)	(1355.75)	-	(1,985.88)
(iii)	Liability no longer required written back	-	-	-	-
		-	-	(329.88)	(329.88)
(iv)	Purchase of Goods	-	-	2,78,088.05	2,78,088.05
		-	-	(3,85,875.36)	(3,85,875.36)
(v)	Interest Expense	-	-	23.06	23.06
		-	-	(62.88)	(62.88)
(vi)	Preference Shares held	3,900.00	-	-	3,900.00
		(3,900.00)	-	-	(3,900.00)
(vii)	Balance as at the year-end				
	- Amount Payable	3,418.04	-	10,986.46	14,404.50
		(-)	(-)	(22,805.65)	(22,805.65)
	- Guarantees given to Banks and Suppliers on behalf of the Company	13,500.00	-	-	13,500.00
		(13,500.00)	-	-	(13,500.00)

Notes:

1 The ultimate holding company has given guarantees to Banks on behalf of the Company against repayment of working capital facilities advanced from time to time to the extent of Rs. 13500 lacs (previous year, Rs. 13500 lacs). The amount of such facilities availed against guarantee through bank guarantee/ borrowings as at year end is Rs. 200 lacs (previous year Rs. 450 lacs)

2 Figures in brackets represent previous year's amounts.

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

26 Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity (funded) is given below:

Particulars	Current Year	Previous Year
Components of employer expense		
Current service cost	0.19	0.18
Interest cost	0.35	0.26
Expected return on plan assets	(0.38)	(0.30)
Actuarial losses / (gains)	0.07	0.01
Total expense recognized in the Statement of Profit and Loss	0.23	0.15
Actual contribution and benefit payments for year		
Actual contributions	0.12	0.10
Net asset / (liability) recognized in the Balance Sheet		
Present value of defined benefit obligation	4.28	3.67
Fair value of plan assets	(4.25)	(3.79)
Net asset / (liability) recognized in the Balance Sheet	(0.03)	0.12
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	3.67	3.22
Current service cost	0.19	0.18
Interest cost	0.35	0.26
Benefit Paid	-	-
Actuarial (gains) / losses	0.07	0.01
Present value of DBO at the end of the year	4.28	3.67
Change in fair value of assets during the year		
Plan assets at beginning of the year	3.79	3.39
Expected return on plan assets	0.38	0.30
Actual company contributions	0.12	0.10
Benefit Paid	-	-
Actuarial gain / (loss) on Plan Assets	(0.04)	-
Plan assets at the end of the year	4.25	3.79
Actual return on plan assets	0.34	0.30
Actuarial assumptions		
Discount rate	7.95%	9.00%
Expected return on plan assets	8.75%	8.75%
Salary escalation	5%	6.75%
Mortality tables	Indian Assured Lives Mortality(2006- 08) Ult Table	Indian Assured Lives Mortality(2006- 08) Ult Table

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

Experience adjustments

Gratuity	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of DBO	4.28	3.67	3.22	2.72	2.12
Fair value of plan assets	4.26	3.79	3.39	2.99	2.76
Funded status [Surplus / (Deficit)]	(0.02)	0.12	0.17	0.27	0.64
Experience gain / (loss) adjustments on plan liabilities	0.10	(0.02)	(0.10)	(0.28)	0.40
Experience gain / (loss) adjustments on plan assets	(0.04)	-	-	-	-

	Current Year	Previous Year
Actuarial assumptions for long-term compensated absences		
Discount rate	7.95%	9.00%
Salary escalation	5%	6.75%

Notes:

- (i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- (ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) In absence of specific details of plan assets from LIC, the details of plan assets have not been furnished.
- (iv) In absence of specific details of the Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after 31st March, 2015, the same has not been furnished.
- (v) Employee Benefits Expenses Include:
 - a) Employees' Compensated absences **Rs. 0.40 lacs** (Previous Year Rs 0.48 lacs).
 - b) Contribution to Provident Fund **Rs. 0.40 lacs** (Previous Year Rs. 0.36 lacs).

HINDUSTAN AEGIS LPG LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Current Year	Previous Year
	Rupees in lacs	Rupees in lacs
27		
VALUE OF IMPORTS CALCULATED ON C.I.F. BASES IN RESPECT OF :		
Trading Goods - Liquefied Petroleum Gas	2,78,087.29	3,85,875.36
28		
EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :		
Interest	23.06	76.28

29 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.

30 **Derivative Financial Instruments:**

The Company has entered into the following derivative instruments:

The Company uses derivative instruments to hedge its risks associated with foreign currency fluctuations. The use of derivative instruments is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such derivative instruments consistent with the Company's Risk Management Policy. The Company does not use derivative instruments for speculative purposes.

Outstanding Short Term Derivative Contracts entered into by the Company on account of payables:

As at	US Dollar Equivalent (in lacs)	INR Equivalent (in lacs)
31.03.2015	42.54	2,701.50
31.03.2014	100.58	6,026.75

31 Previous year's figures are regrouped / reclassified wherever necessary to correspond to the current year's classification / disclosure.

For and on behalf of the Board of Directors

R.K.Chandaria (DIN: 00037518)
Dinesh J. Khimasia (DIN: 00011970)
Kanwaljit S. Nagpal (DIN: 00012201)

Sd/-
Director

Dated : 28th May,2015