



AEGIS LOGISTICS LIMITED

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August 5, 2016

The Secretary,
Market Operations Department,
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
MUMBAI – 400 023.

Capital Market Operations
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Fl., Plot No.C/1,
G Block, Bandra-Kurla Complex,
Bandra (E),
MUMBAI – 400 051.

Scrip Code: 500003

Scrip Code: AEGISCHEM

Dear Sir,

Sub: Chairman's Speech at the 59th Annual General Meeting (AGM)

We enclose herewith the Chairman's speech delivered at the 59th Annual General Meeting (AGM) of the Members of the Company held on Friday, 5th August, 2016, at Fortune Park Galaxy, National Highway No. 8, G.I.D.C., Vapi - 396 195, Gujarat.

Thanking you.

Yours faithfully,
For AEGIS LOGISTICS LTD.

MONICA GANDHI
COMPANY SECRETARY

Encl. : a/a



CHAIRMAN'S SPEECH

"Building an Unrivalled Network of Liquid and Gas Terminals"

59th Annual General Meeting

Friday, August 5, 2016

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*Aegis Logistics Limited
1202, 12th Floor, Tower B, Peninsula Business Park,
Garpatrao Kadam Marg, Lower Parel (W),
Mumbai 400 013*

Dear Members of Aegis Logistics Limited,

Ladies and Gentlemen,

It gives me immense pleasure in welcoming you to the 59th Annual General Meeting of Aegis Logistics Limited. On behalf of the Board of Directors and my colleagues at Aegis, I thank you all for your kind presence here today. The Notice of the Annual General Meeting, the Directors' Report and the Audited Accounts for the year ended 31st March, 2016 are already with you and with your permission, I take them as read.

It's my pleasure to share with you the highlights of the progress made by Aegis Group since we met twelve months back.

MACRO ECONOMIC OUTLOOK

During FY15-16, the Indian economy grew at a respectable rate, despite the challenges of a subdued monsoon. The revival of economic growth and a return to market pricing of fuels resulted in an improvement in business sentiment in the oil and gas sector. However, the rapid decline in international oil prices brought about some uncertainty in the fourth quarter in all petroleum and petrochemical products resulting in lower imports during that period. With a more stable oil price, both imports and exports of bulk liquids have subsequently stabilized. The demand for LPG continued to show robust growth and the Group benefitted from the capital investments in new LPG capacity made in the previous financial year at Pipavav and from operational improvements at the Mumbai LPG terminal. This resulted in an excellent performance in our gas terminalling business.

BUSINESS PERFORMANCE AND MAJOR MILESTONES

The Company had a good performance in FY16 with Profit After Tax increasing from Rs. 112.31 Cr. to Rs.126.14 Cr. and Earnings per Share rising to Rs3.39 in FY16 on consolidated basis. The Company is in a strong financial position with Net Cash and Cash equivalents in excess of Rs. 81 Cr and a very low debt to equity ratio at 0.22 on 31 March 2016. The Board was pleased to increase the dividend from Rs. 7.50 per share of Rs.10/- each in FY 15 to a record Rs. 0.90 per share of Re.1/- each in FY16 by declaring three interim dividends of 30% each during the year. Therefore no final dividend is proposed for FY 2015-16.

GROUP STRATEGY & GOALS

Consistent with our vision of being the leading provider of logistics and supply chain services to India's oil gas and chemical industry, the Group strategy is clear. We will build an unrivalled network of liquid and LPG tank terminals at key ports around the coastline of India, with an emphasis on safety, environmental standards and high customer service. I would like to highlight some specific initiatives that we will be pursuing during FY -16-17 to continue implementing this strategy

- The Company has been allotted 20 acres of land at Kandla Port on a 30 year lease to build a new terminal. The company has commenced construction of a 100,000 KL Liquids terminal at Kandla, which is expected to be commissioned in the first half of 2017.*

- *Over the coming year, the company is expanding its Liquid Terminal at Haldia Dock complex to 85,590 KL and installing specialized tankage. This expansion will be commissioned in FY 2016-17*
- *The Company will continue to participate in tenders for additional leased land at various ports.*
- *During the year, the Company commenced the construction of an LPG terminal at Haldia Dock complex with a capital cost of Rs 250 crores with a storage capacity of 25,000 MT. This project is expected to be commissioned in 2017*
- *During FY16, the Group completed the expansion of its Pipavav LP gas terminal to a rated storage capacity of 8,400 MT.*
- *This year and over the coming two to three years will see the largest investment by your Company ever with a view to building an unrivalled national network of terminals servicing the oil, gas and chemicals industry. With this expansion, Aegis will retain its leadership position in both liquid and gas terminals.*
- *The Group continues to make steady progress in expanding its autogas retailing footprint and packed LPG cylinder distribution.*

COMMITMENT TO WORLD CLASS STANDARDS

The Group is committed to continuous improvement and to high Health, Safety and Environmental standards. The Company is proud to have been awarded and re-certified for the ISO 14001:2004, OHSAS 18001:2007 as well as ISO 9001:2008 standards for its flagship terminals at Mumbai port.

CORPORATE SOCIAL RESPONSIBILITY

For a number of years, the Company has been an active participant in corporate social responsibility. Acting through Anarde Foundation, the company is actively promoting financial inclusion, clean drinking water and low cost housing initiatives.

Lastly, I wish to thank the Board of Directors for their immense support. I am also grateful to the Central and State Governments where Aegis operates, the Port Trust and other Port authorities, all our stakeholders, investors, bankers, financial institutions, suppliers and customers for their consistent and resolute support and confidence in us. I also wish to acknowledge the contribution of the employees who have been our strength in the progress of the Company.

*Raj K. Chandaria
Vice Chairman & Managing Director*

5th August, 2016