

Directors' Report

To the Members of the Company

The Directors have pleasure in presenting the 61st Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March 2018.

Financial Performance

(Rs. In Lakhs)

	Group Consolidated		Company Standalone	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operation	479,095.87	393,028.97	50,175.94	38,859.33
Profit before Finance cost (as mentioned below), Depreciation and Tax *	27,644.95	21,326.83	13,588.02	12,068.55
Finance Cost [including Interest (Net), Hedging Cost & Foreign Exchange Loss (Gain)]	1,732.29	2,032.50	889.10	607.52
Depreciation and amortisation expense	3,431.10	2,381.07	1,783.99	1,125.39
Profit before tax	22,481.56	16,913.26	10,914.93	10,335.64
Provision for taxation – Current Tax	5,359.34	4,500.60	2,500.00	3,034.86
– For earlier years	(168.92)	9.20	(168.93)	9.20
– Deferred	(4,089.26)	(893.33)	(1,508.19)	660.96
Profit for the year	21,380.40	13,296.79	10,092.05	6,630.62
Attributable to:				
Owners of the Company	19,780.85	11,922.97	–	–
Non Controlling Interest	1,599.55	1,373.82	–	–
Retained Earnings at the beginning of the year	49,348.47	44,303.42	43,040.45	39,210.76
Profit for the Year (attributable to owners)	19,780.85	11,922.97	10,092.05	6,630.62
Dilution of partial interest in Hindustan Aegis LPG Limited	1,173.32	–	–	–
Payment of Dividend on equity shares – 1 st Interim	(1,670.00)	(1,169.00)	(1,670.00)	(1,169.00)
Payment of distribution tax on equity shares	(217.58)	(222.51)	(183.34)	(222.51)
Payment of Dividend on equity shares – 2 nd Interim	–	(1,169.00)	–	(1,169.00)
Payment of distribution tax on equity shares	–	(115.42)	–	(115.42)
Payment of Dividend on equity shares – 3 rd Interim	–	–	–	–
Payment of distribution tax on equity shares	–	–	–	–
Payment of Dividend on equity shares – Final	(1,169.00)	–	(1,169.00)	–
Payment of distribution tax on equity shares	(32.60)	–	(32.59)	–
Dividend on cumulative preference shares including arrears	–	–	–	–
Payment of distribution tax on preference shares	–	(15.47)	–	–
Transfer to General Reserves	–	–	–	–
Transfer to Capital Redemption Reserves	–	(3,800.00)	–	–
Transfer to Debenture Redemption Reserves	–	(386.53)	–	(125)
Retained Earnings at the end of the year	67,213.46	49,348.46	50,077.57	43,040.45

* Normalised EBITDA

Operating Performance

Company Standalone

Revenue from operations increased by 29.12% at Rs. 50,175.94 lakhs (previous year Rs. 38,859.53 lakhs). The Gross Profit [before net interest, depreciation, tax, hedging cost & foreign exchange loss (gain)], PBIDT increased by 12.59 % to Rs. 13,588.02 lakhs (previous year Rs. 12,068.55 lakhs). Profit before Tax was higher at Rs. 10,914.93 lakhs (previous year Rs. 10,335.64 lakhs) an increase by 5.6% and Profit after Tax increased by 52.20 % to Rs. 10,092.05 lakhs (previous year Rs. 6,630.62 lakhs).

Group Consolidated

The Operating performance of the Group has shown improvement. The Revenue for the year increased by 21.90% to Rs. 479,095.87 lakhs (previous year Rs. 393,028.97) on account of higher volumes. The Profit before Tax for the year rose to Rs. 22,481.56 lakhs (previous year Rs. 16,913.26 lakhs) an increase of 32.92% on year on year basis. The Profit after Tax for the year rose by 60.79% to Rs. 21,380.40 lakhs (previous year Rs. 13,296.79 lakhs).

Liquid Segment

Revenues of the group for Liquid Division is Rs. 16,828.03 lakhs (previous year Rs. 15,388 lakhs). Normalised EBITDA was Rs. 10,282.65 lakhs compared to Rs. 9,069.86 lakhs in previous year. The revenues and margins were stable.

Gas Segment

The revenue for Gas Division during the year was Rs. 462,268 lakhs (previous year Rs. 377,641 lakhs) on account of higher volumes. The normalized EBITDA increased to Rs. 20,334.02 lakhs as compared to Rs. 15,684.53 lakhs in previous year, mainly due to improved margins and higher throughput volumes.

Outlook for the Group

The oil, gas and chemical logistics business continues to show good potential as India's import and exports of oil products and chemicals increase in line with the growth of the Indian economy. As the Government of India continues to encourage the use of LPG in lieu of other dirtier fuels such as kerosene and coal, the demand for LPG continues to increase and with it, the demand for import terminalling capacity. In this context, the outlook for the group remains positive.

Dividend

The company continues to evaluate and manage its dividend policy to build long term shareholder value. The Directors recommended interim dividend of Re. 0.50 per share of Re. 1/- each i.e. 50% during the financial year ended 31st March, 2018. Further, the Board of Directors of the Company at its meeting held on 30th May, 2018 has recommended the Final Dividend of 75% i.e. Re. 0.75 per share of Re. 1/- each, which is subject to the approval of members at the ensuing Annual General Meeting.

The Board of Directors of the Company has approved the Dividend Distribution Policy in accordance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is uploaded on the Company's website at http://www.aegisindia.com/Corporate_Governances.aspx.

New Projects and Expansion

The Company through its subsidiary company Hindustan Aegis LPG Limited has during the year commissioned a fully refrigerated LPG terminal at Haldia Dock Complex, West Bengal, with a static storage capacity of 25,000 MT and throughput capacity of 2,500,000 MT per annum. This is the largest LPG terminal in the Aegis portfolio.

In light of increased demand for LPG in the region, the Company through its subsidiary Aegis Gas (LPG) Private Limited has expanded its LPG storage capacity at Pipavav from 8,100 MT to 18,300 MT, an increase of 10,200 MT.

In order to increase its throughput capacity and less road movement of LPG at its Mumbai Port, the Company has completed its project of debottlenecking of Mumbai LPG terminal by connecting it by pipeline to the Uran-Chakan cross country LPG pipeline during the year.

Post expansion of liquids terminal by adding 25,000 KL of storage capacity at Haldia during the year, the Company is further expanding its liquid terminal by adding another 35,000 KL, which is expected to be commissioned in FY 2018-19.

The future growth is expected from the Company's new liquid terminal recently commissioned at Kandla port with a capacity of 100,000 KL.

The Company has announced implementation of its liquid terminal at the new Mangalore port with the capacity of 25,000 KL, which will complement the existing liquid terminals and will provide a competitive edge to the company.

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

Credit Rating

The credit rating agency, CARE Ratings Limited (CARE) has continued to assign a short term credit rating of CARE 'A1+' (A One Plus) and long term rating to CARE 'AA' (Double A).

India Ratings & Research (Ind-Ra) has continued to assign the short term credit rating of IND 'A1+' (A One Plus) and Long-Term Issuer Rating of 'IND AA' (Double AA). The Outlook is Stable.

Consolidated Financial Statements

In compliance with the directions by Ministry of Corporate Affairs, Govt. of India (MCA), the Consolidated Financial Statements of Aegis Group as provided in this Annual Report are prepared in accordance with the Indian Accounting Standard (IND-AS 110) "CONSOLIDATED FINANCIAL STATEMENTS". The Consolidated Financial Statements include Financial Statements of its Subsidiary Companies.

For information of members, a separate statement containing salient features of the financial details of the Company's subsidiaries for the year ended 31st March, 2018 in Form AOC-1 is included along with the financial statement in this Annual Report. The Annual Accounts of these subsidiaries will be made available to the holding and subsidiary companies' Members seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any Member at Head/Corporate Office of the Company and that of the subsidiary companies concerned and the same shall be displayed on the website of the Company www.aegisindia.com.

The Annual Report of the Company, the quarterly/half yearly and the annual results and the press releases of the Company are also placed on the Company's website www.aegisindia.com.

Subsidiary Companies

The Company has nine subsidiaries (out of which, six are wholly owned subsidiaries) as on 31st March, 2018 having business akin and germane to the business of holding Company, whose details are given in the Annual Report and there has been no change in the nature of business of its subsidiaries, except as stated below during the year. The operating & financial Performance of the subsidiary Companies are as provided below:

Sea Lord Containers Limited

During the year under review, the Company's Bulk Liquid terminal continued operations at full capacity.

The Company recorded a Turnover of Rs.5,323.37 Lakhs (Previous year Rs. 4,883.06 Lakhs), increase of 9.01 % on YoY basis on account of product mix. Net Profit after Tax was recorded at Rs. 4,127.07 Lakhs (Previous year Rs. 3,592.09 Lakhs), an increase of 14.89 %.

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

During the year under review, the revenue for the year has increased to Rs. 14,634.15 Lakhs as against Rs. 11,540.69 lakhs of the previous year on account of increased volumes. Profit after tax increased to Rs.5,516.49 Lakhs as compared to Rs. 904.27 Lakhs in previous year on account of LPG terminalling.

During the year under review, the subsidiary has expanded its LPG storage capacity in Pipavav from 8,100 MT to 18,300 MT, an increase of 10,200 MT. It has also redeemed all its outstanding Non – Convertible debentures which were listed on National Stock Exchange of India Ltd.

Hindustan Aegis LPG Limited

During the year under review, the operating revenue was Rs. 2,828.26 Lakhs (Previous Year Rs. 4,282.71 Lakhs). Profit for the year ended 31st March, 2018 was Rs. 1,164.73 Lakhs as compared to loss of Rs. 275.71 Lakhs in previous year.

During the year, Itochu Petroleum Co. (Singapore) Pte. Ltd., a Singapore based company, subscribed to 19.7% stake in the equity capital of the subsidiary company through Preferential Issue. The Company has during the year commenced terminalling of LPG and bottling plant at Haldia. The LPG terminal was successfully commissioned in Q3 FY 2018 and is operating well.

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

During the year under review, the Income was Rs. 703.28 Lakhs as against Rs. 666.40 Lakhs in the previous year. The company made a net profit of Rs. 41.19 Lakhs as against Rs. 2.35 Lakhs in the previous year on account of improved utilisation of capacity.

Aegis Group International Pte. Limited

The revenue for the year increased to Rs. 405,888.74 Lakhs as against Rs. 336,531.78 Lakhs of the previous year on account of higher volumes. Profit after tax for the year ended 31st March, 2018 was Rs. 2,469.66 Lakhs as compared to profit of Rs. 2,342.30 Lakhs in previous year.

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

The revenue for the year was Rs. 517.16 Lakhs as against Rs. 1,569.22 Lakhs of the previous year. Loss for the year ended 31st March, 2018 was Rs. 8.99 Lakhs as compared to loss of Rs. 4.01 Lakhs in the previous year.

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

The Company incurred normal expenditure of Rs. 0.22 Lakhs during the year (Previous year Rs. 0.22 Lakhs). The Company has not commenced any commercial operations as yet.

Aegis Terminal (Pipavav) Limited (wholly owned subsidiary)

The Company incurred normal expenditure of Rs. 0.22 Lakhs during the year (Previous year Rs. 0.22 Lakhs). The Company has not commenced any commercial operations as yet.

Eastern India LPG Company Private Limited (wholly owned subsidiary)

The Company incurred normal expenditure of Rs. 4.80 Lakhs during the year (previous year Rs. 4.35 Lakhs). The Company has not commenced any commercial operations as yet.

Fixed Deposits

During the year under review, the Company has not invited any fresh fixed deposits nor renewed any existing fixed deposits from its shareholders and general public. The total amount of fixed deposits matured and remaining unclaimed with the Company as on 31st March, 2018 was Rs. 2.10 lakhs. There were no overdue deposits other than those unclaimed at the year end. There is no default in payment of interest and repayment of matured deposits & interest thereon by the Company. Unclaimed matured deposits amounting to Rs.0.25 lakhs that have been unclaimed for past seven years have been transferred to Investor Education and Protection Fund (IEPF) in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

Corporate Governance

A report on Corporate Governance, in terms of Regulation 34(3) read with 'Schedule V' of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") together with a certificate of compliance from the Practicing Company Secretary, forms part of this Annual Report.

Management Discussion and Analysis

In compliance with Regulation 34, read with 'Schedule V' of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Management Discussion and Analysis, which also includes further details on the state of affairs of the Company, forms part of this Annual Report.

Listing of Company's Securities

Equity Shares

The Company's Equity Shares continue to remain listed with the BSE Ltd. and National Stock Exchange of India Ltd. and the stipulated Listing Fees for the financial year 2018-19 have been paid to both the Stock Exchanges.

Non-convertible Debentures

The Company's Redeemable Non-Convertible Debentures are listed on the Wholesale Debt Market Segment of National Stock Exchange of India Ltd. and the stipulated Listing Fees for the financial year 2018-19 have been paid.

Directors & Key Management Personnel

Pursuant to section 152 of the Companies Act, 2013, Mr. Anil Kumar Chandaria (DIN – 00055797), Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

During the year, Ms. Poonam Kumar left for heavenly abode on 23rd November, 2017. The Board placed on record their sincere appreciation for her association as a Director with the Company.

Ms. Tanvir Koreishi (DIN - 08099172) was appointed as a Women Director (Category : Independent) w.e.f. 30th March, 2018 for period of 5 (Five) years subject to approval of members at the ensuing Annual General Meeting. Ms. Tanvir Koreishi is a Post Graduate in Mass Communication and has specialization in Advertising, Marketing and Public Relations. She has almost four decades work experience in the field of Corporate Communication and Affairs and worked in Senior Management positions in various Corporates. She is presently providing Management Consultancy services to the Corporates.

The terms of Mr. Raj K. Chandaria (DIN - 00037518) and Mr. Anish K. Chandaria (DIN - 00296538) as Managing Directors expired on 31st March, 2018. The Nomination and Remuneration Committee recommended and the Board of Directors approved at their respective meetings held on 2nd February, 2018, their re-appointment as Managing Directors of the Company for further period of 5 (Five) years subject to the approval of the shareholders at the ensuing Annual General Meeting and the Central Government.

The terms of Mr. Kanwaljit S. Nagpal (DIN – 00012201) and Mr. Rahul D. Asthana (DIN – 00234247) as Independent Directors are about to expire on 31st March, 2019 and 28th May, 2019 respectively. The Board at its meeting held on 30th May, 2018 recommended reappointment of both the Independent Directors for another term of 5 (Five) years with effect from 1st April, 2019 and 29th May, 2019 respectively subject to the approval of shareholders at the ensuing Annual General Meeting. The Directors meet the criteria of independence as per the provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure) regulations, 2015.

Your Directors recommend the appointment/ re-appointment of the Directors/ Managing Directors for their respective terms as mentioned above at the ensuing Annual General Meeting.

Disclosure from Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Director of the Company under Section 149(6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149(6) read with Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Auditors

As per the provisions of sections 139, 141 of the Companies Act, 2013 and rules made thereunder (hereinafter referred to as “The Act”), the Company at its Annual General Meeting (“AGM”) held on 10th August, 2017 (“60th AGM”) approved the appointment of M/s. P. D. Kunte & Co., Chartered Accountants, (Firm Registration No.: 105479W) as statutory auditors for a period of 5 years commencing from the conclusion of 60th AGM till the conclusion of the 65th AGM.

In accordance with the Companies (Amendment) Act, 2017, Ministry of Corporate as per the notification dated 7th May, 2018 have done away with the provision relating to ratification of statutory auditors by members at every Annual General Meeting.

Occupational Health, Safety & Environment

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

The company carries out a monthly review of health, safety and environment compliance for all sites and carries out regular mock drills and emergency preparedness tests. The company carried out various competitions like slogans, posters, ‘spotting the hazards’ to create awareness of safety amongst all levels of employees, contract workmen and also transporters. The Company from time to time carries out internal audits to implement & strengthen gaps thus identified. To control VOC Emission Company has installed Internal Floating Roof on Closed roof tanks and installed Vapour absorption chillers on loading points.

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

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

Particulars of Employees

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act, and the Rules framed thereunder is enclosed as **Annexure - 'B'** to the Board's Report.

The information in respect of employees of the Company required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 forms part of this Annual Report. However, in terms of Section 136 of the Companies Act 2013, the Annual Reports are being sent to the Members and others entitled thereto, excluding such information. The said information is available for inspection at the registered office of the Company during working hours. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Directors' Responsibility Statement

The Directors would like to inform the Members that the Audited Accounts for the financial year ended 31st March 2018 are in full conformity with the requirement of the Companies Act, 2013. The Financial Accounts are audited by the Statutory Auditors, M/s P. D. Kunte & Co. 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 of the company for that year;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts on a going concern basis;
- e. The Directors, had laid down adequate internal financial controls to be followed by the company and that such internal financial controls including with reference to Financial Statements are adequate and were operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Control Systems and their Adequacy

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to Messrs 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 total three members out of which two are Non-Executive Independent Directors, and one is an Executive Director:

1. Mr. Kanwaljit S. Nagpal (Chairman)
2. Mr. Anish K. Chandaria
3. Mr. Jaideep D. Khimasia

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

Vigil Mechanism for Directors and Employees

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

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

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

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

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

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

1. Mr. Kanwaljit S. Nagpal (Chairman)
2. Mr. Rahul D. Asthana
3. Mr. Raj Kishore Singh

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

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

- a) the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;
- b) the Executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the Applicable Law;
- c) remuneration of the Executives are aligned with the Company's business strategies, values, key priorities and goals.

Disclosure of composition of the Corporate Social Responsibility Committee

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

Particulars of Loans, Guarantees or Investments

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

Disclosure of particulars of contracts/arrangements with related parties

All transactions entered into with the related parties are in compliance with the provisions of the Companies Act, 2013 and on the arm's length basis.

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

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

Development and implementation of Risk Management Policy

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

1. Mr. Raj K. Chandaria (Chairman)
2. Mr. Kanwaljit S. Nagpal
3. Mr. Rajiv Chohan

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

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

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

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

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

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

Number of meetings of the Board of Directors

During the year ended 31st March, 2018, 5 Board Meetings were held on the following dates :

1. 30/05/2017
2. 06/06/2017
3. 05/09/2017
4. 08/12/2017
5. 02/02/2018

The detailed composition of the Board of Directors along with the number of Board Meetings and various committees has been provided in the Corporate Governance Report.

The Company has complied with the applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors issued by The Institute of Company Secretaries of India and approved by Central Government under section 118(10) of the Companies Act, 2013.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The policy on prevention of sexual harassment at workplace aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour.

During the year ended 31st March 2018, there were nil complaints recorded pertaining to sexual harassment.

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, 2018 forms part of this Report and is annexed herewith as **Annexure - 'E'**.

The Board was in process of identifying a suitable woman candidate with relevant experience for the role of director of the Company which lead to a few days of delay in appointment of a woman independent director.

Business Responsibility Report

The Company is amongst top 500 listed entities based on the market capitalization, “Business Responsibility Report” describing the initiatives taken by the Company from an environmental, social and governance perspective in compliance with Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, forms part of this Annual Report and is annexed herewith as **Annexure - ‘F’**.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) SEBI LODR, 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, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

Raj K. Chandaria
Chairman & Managing Director
DIN: 00037518

Anish K. Chandaria
Vice Chairman & Managing Director
DIN: 00296538

Place : Mumbai
Dated : 30th May, 2018