

May 20, 2014

## CARE ASSIGN RATINGS TO THE SHORT-TERM BANK FACILITIES OF AEGIS GAS (LPG) PVT LTD

### Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Short-term Bank Facilities#	15	<b>CARE A1+ (SO)</b> <b>[A One Plus (Structured Obligation)]</b>	Assigned
Short-term Bank Facilities##	10	<b>In-Principle CARE A1+ (SO)</b> <b>[In Principle A One Plus (Structured Obligation)]</b>	Assigned
<b>Total Facilities</b>	<b>25</b>		

#Backed by an unconditional and irrevocable corporate guarantee provided by the Aegis Logistics Ltd [ALL, rated CARE AA- / A1+]

##Backed by an unconditional and irrevocable corporate guarantee **to be** provided by the Aegis Logistics Ltd [ALL, rated CARE AA- / A1+]

### Rating Rationale

The ratings factor in credit enhancement in the form of an unconditional and irrevocable guarantee provided by the parent Aegis Logistics Limited (ALL).

The ratings of ALL derives strength from its leading position in the liquid and gas logistics business, experienced management, strategic location of its facilities in the heart of the Indian petrochemical belt on the Western coast of India, healthy diversification of its income profile, comfortable capital structure and debt coverage indicators. The ratings however, continue to be constrained by project risk and increasing threat of competition from emerging capacities at nearby ports. The ability of the company to improve its profitability margin by managing the currency volatility in its trading business (in its subsidiary Hindustan Aegis LPG Ltd-HALL) and further improve its capital structure is the key rating sensitivity. Furthermore, the ability of the company to optimally utilize the expanded capacity remains a rating sensitivity.

### Background

Aegis Gas (LPG) Pvt Ltd was incorporated on December 26, 2001 as Shell Gas (LPG) India Pvt Ltd. Pursuant to the takeover of the company by Aegis Logistics Ltd (100% subsidiary) on April 1, 2010 the name of the company was changed to its current name. The company is an importer and marketer of branded packed LPG with presence in the commercial sector in and around 42 cities in Gujarat, Maharashtra, Karnataka, A.P, Tamil Nadu and Rajasthan. The company has its own import terminal at Pipavav with storage capacity of 2,700 MT per annum and cylinder filling plants at Kheda in Gujarat, Dharwad and Udipi in Karnataka. AGLPL also has third party filling plants located at Murbad, Nasik, Pune, Kolhapur in Maharashtra, Bangalore, Trichy, Hyderabad, Gulabpura. The company has two main businesses - Gas Distribution to commercial sector and gas logistics. Gas Distribution business involves importing and supplying LPG in packed cylinders through its own filling plant and third party filling plants. Gas logistics provides 3PL services to bulk importers including unloading of products from ship, transfer through jetty line, storage of product in LPG terminal and distribution to the destination points as advised by the customers.

During FY13 (refers to the period April 1 to March 31),AGLPL earned a PAT of Rs.2.02 crore on a total operating income of Rs.110.05 crore.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**Profile of the Group**

ALL, formerly known as Aegis Chemical Industries Limited (ACIL), was incorporated in June 1956. It is promoted by London based NRI, Mr K M Chandaria and family. ALL along with its subsidiaries provides total logistic solutions for oil, gas, chemicals and petrochemical industries. The services provided range from storing, moving to distributing oil, gas, chemicals and petroleum products to the end user. It provides storage terminals facilities for bulk chemicals and POL (Petroleum, Oil and Lube) products through its storage terminals located at Trombay near Mumbai, Haldia and Kochi. As on July 31, 2013 the group had four liquid terminals having a total storage capacity of 3.39 lakh KL. Furthermore, it also had a storage capacity of 0.23 lakh MT along with other infrastructural facilities required for import, storage and distribution of LPG and propane. The group also has 94 auto-gasstations and a network of 54 dealers for the packed cylinder business.

On consolidated basis, ALL achieved a total operating income of Rs.4,200.29 crore and a PAT of Rs.35.15 crore in FY13 as compared to a total operating income of Rs.4,554.77 crore and PAT of Rs.22.38 crore in FY12. During 9MFY14, ALL achieved a total operating income of Rs.3,939.90 crore and a PAT of Rs.54.88 crore.

For the detailed rationale of Aegis Logistics Ltd., please refer our website [www.careratings.com](http://www.careratings.com).

**Analyst Contact**

Name: Arunava Paul

Tel: 022-6754 3667

Email: [arunava.paul@careratings.com](mailto:arunava.paul@careratings.com)

*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

**Disclaimer:** CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

**CONTACT****Head Office Mumbai****Mr. D.R. Dogra**

Managing Director  
 Mobile: +91-98204 16002  
 E-mail: dr.dogra@carerating.com

**Ms. Meenal Sikchi**

Vice President - Bank Loan & Instrument Rating  
 Mobile: +91-9819009839  
 E-mail: meenal.sikchi@carerating.com

**Mr. Rajesh Mokashi**

Dy. Managing Director  
 Mobile: +91-98204 16001  
 E-mail: rajesh.mokashi@careratings.com

**Mr. Ankur Sachdeva**

Vice President - Bank Loan & Financial Services  
 Mobile: +91-9819698985  
 E-mail: ankur.sachdeva@careratings.com

**CREDIT ANALYSIS & RESEARCH LIMITED**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022  
 Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

*Other Office:*

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069  
 Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

**AHMEDABAD****Mr. Mehul Pandya**

32, Titanium, Prahaladnagar Corporate Road,  
 Satellite, Ahmedabad - 380 015  
 Cell: +91-98242 56265  
 Tel: +91-79-4026 5656  
 E-mail: mehul.pandya@careratings.com

**BENGALURU****Mr. Dinesh Sharma**

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,  
 No. 30, M.G. Road, Bangalore - 560 001.  
 Cell: +91-99000 41975  
 Tel: +91-80-4115 0445, 4165 4529  
 E-mail: dinesh.sharma@careratings.com

**CHANDIGARH****Mr. Sajan Goyal**

2nd Floor, S.C.O. 196-197, Sector 34-A,  
 Chandigarh - 160 022.  
 Cell: +91 99888 05650  
 Tel: +91-172-5171 100 / 09  
 Email: sajan.goyal@careratings.com

**CHENNAI****Mr. V Pradeep Kumar**

Unit No. O-509/C, Spencer Plaza, 5th Floor,  
 No. 769, Anna Salai, Chennai - 600 002.  
 Cell: +91 98407 54521  
 Tel: +91-44-2849 7812 / 0811  
 Email: pradeep.kumar@careratings.com

**HYDERABAD****Mr. Saikat Roy**

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,  
 Hyderabad - 500 029.  
 Tel: +91-40-4010 2030  
 E-mail: saikat.roy@careratings.com

**JAIPUR****Mr. Rahul Jain**

304, Pashupati Akshat Heights, Plot No. D-91,  
 Madho Singh Road, Near Collectorate Circle,  
 Bani Park, Jaipur - 302 016.  
 Cell: +91 - 93149 21496  
 Tel: +91-141-402 0213 / 14  
 E-mail: rahul.jain@careratings.com

**KOLKATA****Ms. Priti Agarwal**

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)  
 10A, Shakespeare Sarani, Kolkata - 700 071.  
 Cell: +91-98319 67110  
 Tel: +91-33- 4018 1600  
 E-mail: priti.agarwal@careratings.com

**NEW DELHI****Ms. Swati Agrawal**

13th Floor, E-1 Block, Videocon Tower,  
 Jhandewalan Extension, New Delhi - 110 055.  
 Cell: +91-98117 45677  
 Tel: +91-11-4533 3200  
 E-mail: swati.agrawal@careratings.com

**PUNE****Mr. Rahul Patni**

9th Floor, Pride Kumar Senate,  
 Plot No. 970, Bhamburda, Senapati Bapat Road,  
 Shivaji Nagar, Pune - 411 015.  
 Cell: +91-78754 33355  
 Tel: +91-20- 4000 9000  
 E-mail: rahul.patni@careratings.com

**CIN - L67190MH1993PLC071691**