



# **EXPO GAS CONTAINERS LIMITED.**

Report  junction.com

**19th Annual Report  
2000-2001**

**EXPO GAS CONTAINERS LIMITED**

**EXPO GAS CONTAINERS LIMITED**

**BOARD OF DIRECTORS**

SHAUKATALI S. MEWAWALA  
(Chairman & Managing Director)  
BHAGWAN N. BHARADWAJ  
DIVYABHASH C. ANJARIA  
MAHESH H. BHUTA  
INDRAKUMAR PAHARIA  
SADRUDDIN JIWANI

**AUDITORS**

KETAN N. SHAH & CO.  
Chartered Accountants  
R-36, Guru Ashish Building  
Zaveri Bazar, Mumbai-400 002.

**BANKERS**

UNION BANK OF INDIA  
Mumbai

**REGISTERED OFFICE**

EXPO HOUSE,  
150, SHERIFF DEVJI STREET,  
MUMBAI-400 003.

**WORKS**

A/10, MIDC, MURBAD,  
DIST. THANE-421 401.

**REGISTRARS & TRANSFER AGENTS**

ADROIT CORPORATE SERVICES P. LTD.  
19, JEFFERBHOY IND. ESTATE  
1ST FLOOR, MAKWANA ROAD,  
MAROL NAKA, ANDHERI (E)  
MUMBAI - 400 059.

**EXPO GAS CONTAINERS LIMITED****NOTICE**

NOTICE IS HEREBY given that the Nineteenth Annual General Meeting of the Shareholders of the company will be held at Xavier Institute of Management, 2nd floor, St. Xavier's College Campus, Mumbai - 400 001 at 10.00 a.m. on Saturday, 30th March, 2002 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 30th September, 2001 and the Balance Sheet as on that date and the Reports of Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Indrakumar Paharia, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass the following resolution as a Special Resolution.

"RESOLVED THAT the Equity Shares of the Company be delisted from The Stock Exchange, Hyderabad, after complying with all the formalities required for the purpose including any intimation to the concerned shareholders, if any as may be required by the concerned Stock Exchange."

"FURTHER RESOLVED that the Board of Directors be and is hereby authorised to take all the steps and to do all the acts, deeds and things in connection with the delisting of securities from the Stock Exchange, Hyderabad, and to give any affidavit, indemnity bond or to sign any documents, papers for the purpose of delisting."

By the Order of the Board

**S. S. MEWAWALA**

Chairman & Managing Director

Place: Mumbai.

Date: 29.01.2002.

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.
2. The relevant explanatory statement pursuant to section 173(2) of Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Book will remain closed from 16th March, 2002 to 30th March, 2002 (Both days inclusive).
4. Members are requested to hand over the enclosed Attendance slip duly signed in accordance with their specimen signatures registered with the Company for admission to the meeting.
5. Members are requested to bring the copies of Annual Reports to the Meeting.

By the Order of the Board

**S. S. MEWAWALA**

Chairman & Managing Director

Place: Mumbai.

Date: 29.01.2002.

**ANNEXTURE TO THE NOTICE****EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE  
COMPANIES ACT, 1956****Item No 4**

The Board of Directors at their meeting held on 29th January, 2002 had decided to delist the Equity Shares of the company from the Stock Exchange, Hyderabad, with immediate effect subject to the approval of the shareholders. On the approval being given by the shareholders of the company at their Annual General meeting, an application shall be made to the Stock Exchange for delisting of our securities. The Directors feel that the present trading of our securities in Hyderabad does not warrant listing. Moreover the company has been facing financial crisis for the last few years and therefore the Directors have decided to limit the listing of the securities only with the Regional Stock Exchange, Mumbai. As per the agreement, the shares are to be listed in the Mumbai Stock Exchange. The Board therefore, proposes to follow the procedures laid down by the SEBI and various Stock Exchanges in regard to voluntary de-listing of securities with the Board. Therefore, the Board commends this resolution for your approval.

None of the Directors is interested in this Resolution.

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By the Order of the Board

**S. S. MEWAWALA**  
Chairman & Managing Director

Place: Mumbai

Date: 29-01-2002

**EXPO GAS CONTAINERS LIMITED****DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting their Nineteenth Annual Report and Audited Accounts for the year ended 30th September, 2001.

**FINANCIAL RESULTS**

	(Rs. in Lacs)	
	For the Year ended 30.9.01	For the Year ended 30.9.00
Sales	2794.49	3659.02
Other Income	24.91	27.36
Loss before Taxation	160.12	111.95
Loss after Tax	156.95	111.95
Transfer to General Reserve	0.00	0.00
Balance carried forward	139.38	296.33

**CURRENT YEAR & FUTURE PERCEPTIONS**

The company has been finding it difficult to procure orders and the orders already procured do not give return, as was the case earlier. The competition has been such that the new entrance have eroded the already reducing profits to almost Nil as the well established and known companies are finding it difficult to even break even. The Industry as a whole and the economy of the country have been facing difficult times and there is no sign of any recovery at present. In spite of the difficulties the Company has been getting orders and to keep the manufacturing activities afloat, the Company has to accept order even at a lower profit margins. Since global recession has affected all the countries, India too has had its effect, and it is hoped in the coming year, the global economic scenario would change to better and we can expect some improvement.

**DIVIDENDS:**

In view of the loss during the year your Board of Directors has not recommended any dividend.

**CORPORATE GOVERNANCE:**

1) The Company has implemented various processes in the furtherance of Corporate Governance through meetings of the Board of Directors.

a) **Audit Committee:**

2) The Company has an Audit Committee functioning from 29th October, 2001. The Audit Committee has now specially focused on the requirements under Clause 49 of the Listing Agreement and also Section 229 A of the Companies Act, 1956 as amended.

3) As noted by the auditors the Company does not

have a separate Audit Department but the same has been looked after by the Accounts Department as an additional job content. The Directors feel that as soon as the Company stabilises the production and marketing functions, the audit requirement would be looked into and till then, the same would be left to the Accounts Department. The Audit Committee comprised Two Non Executive and One Executive Director.

- 1) Mr. Bhagwan N. Bharadwaj - Chairman
- 2) Mr. Mahesh H. Bhuta - Member
- 3) Mr. Shaukatali S. Mewawala - Member

4) The Committee met two times during the year to review the audit observation and adequacy of corrective actions taken. The Committee also met the Company's Statutory Auditors to ascertain their views on the adequacy of internal control system of the Company.

5) The Company has adopted the "Expo code of conduct". All the Officers of the Company have pledged compliance with the Code of Conduct which prescribes the manner in which the Employees will conduct the Company's business.

b) **Share Transfer and Grievance Committee:**

The Company has a Share Transfer Committee for taking care all transfer/transmission procedures and for the issue of split or duplicate shares. Now the same Committee is also looking into the Grievance of the shareholders and the complaints received from the shareholders and also from the SEBI and other Stock Exchanges. The Company has received two complaints so far and have attended to all the complaints and the bifurcation of the complaints are as under.

	Nos.		
	Received	Attended	Balance
a). Share Transfer/Transmission.	2.	2	—
b). Duplicate Shares	—	—	—
c). Others (Follow SEBI format)	—	—	—

**DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

The Directors states that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) They have selected such accounting policies and applied them consistently and made judgements and

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estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year covered under this Report and of the Loss of the Company for the year.

c) They have taken proper and sufficient care of 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 annual accounts are prepared on a going concern basis.

**FIXED DEPOSITS:**

The Company has not accepted any deposit from the public, hence the question of outstanding deposits does not arise.

**DIRECTORS:**

During the year under review Mr. Indrakumar Paharia Director of the Company retires by rotation at the Nineteenth Annual General Meeting and being eligible offers himself for re-appointment Mr. Sadruddin Jiwani, has retired by rotation.

**AUDITORS:**

Mr. Ketan N. Shah, Chartered Accountants, Mumbai retired as the auditors of the Company at the conclusion of the Annual General Meeting and being eligible offers himself for re-appointment. The qualifications noted by the Auditors is self-explanatory and require no further explanation to the notes to the accounts.

**ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, with respect to conservation of energy, technology absorption and foreign exchange, earnings/outgo is given hereto and forms a part of this report.

**FORM - A**

Form for disclosure of particulars with respect to Conservation of Energy.

	Current Year 2001	Previous Year 2000
A. Power & Fuel Consumption		
1. Electricity		
a) Purchase Unit (KWH in lacs)	9.32	10.09

Total Amount (Rs in lacs)	48.38	55.14
Rate/Unit	5.19	5.46

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

As prescribed under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is not applicable, as there is no technology absorption, adaptation and innovation, research and development made by your Company. However it has been the endeavor of the Company to continuously upgrade & standardised its products.

**FOREIGN EXCHANGE EARNING AND OUTGO:**

	Rs.in Lacs
i) CIF Value of Imports.	21.62
ii) Expenditure in foreign currency.	2.67
iii) Foreign Exchange earned.	56.80

**PARTICULARS OF EMPLOYEES:**

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956. The Report and Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary of the Company.

**PERSONNEL:**

The relations between the management and employees of the Company have been cordial throughout the year and your Directors have pleasure in placing on record the appreciation of the services rendered by the employees at different quarters of the Company.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record with gratitude the Co-operation given during the period by the Bankers, Creditors, Members and Employees at all levels.

Place: Mumbai.

Date: 29/01/2002. For and on behalf of the Board

**SHAUKATALI. S. MEWAWALA**

Chairman & Managing Director

**EXPO GAS CONTAINERS LIMITED****AUDITORS REPORT**

To,  
The Shareholders of  
**Expo Gas Containers Limited**

We have audited the annexed Balance Sheet of Expo Gas Containers Limited as at 30th September 2001 and the annexed Profit and Loss Account of the Company for the year ended on that date in accordance with the provisions of Section 227 of the Companies Act, 1956 and report that:

1. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far, as appears from our examination of those books.
3. The said Balance Sheet and Profit and Loss Account are in agreement with the books of account.
4. In our opinion Balance Sheet as on 30th September, 2001 and Profit & Loss A/c for the year on that Date complies in all material respect with the accounting standards listed in Section 211 (3C) of the Companies Act, 1956 to the extent applicable to the company.
5. In our opinion and based on information and explanation given to us none of the Directors are disqualified as on September 30, 2001 from being appointed as Directors in terms of clause (g) of sub-section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and the Profit and Loss Accounts read together with the notes thereon and subject to Note (1) (ii) (a & b) of Schedule 'S' regarding Accounting policy for sale and Note (10) of Schedule 'S' regarding no provision for liability on earned leave, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view,

- i. in the case of the Balance Sheet, of the state of the company's affairs as at 30th September, 2001
- ii. In the case of the Profit and Loss account, of the loss for the year ended on that date.

As required by the manufacturing and other companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate and the information and explanations given to us during the course of Audit we state as under:

1. The Company maintains records to show the quantitative details and the situation of its fixed assets. The management at reasonable intervals has physically verified the fixed assets, and no serious discrepancy was noticed on such verification of the company and the nature of its business.
2. The fixed assets have not been revalued during the year of Audit.
3. The management has physically verified the Stocks of raw materials, Work in progress at factory, Work in progress at site, stores and spares and finished goods and in our opinion the frequency of verification is reasonable.
4. As informed and information available to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No significant discrepancy has been noticed on physical verification of stocks as compared to books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles and are on the same basis as in the previous year.



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7. The company has not accepted any loans from companies, firms and other parties listed in the register maintained under section 301 and from the Companies as defined under section 370 (1-B) of the Companies Act, 1956
8. The Company has not granted any loans secured or unsecured to the Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956 and to the Companies as defined under section 370 (1-B) of the Companies Act, 1956.
9. The Company has not given any loans or advances in the nature of loans to any of its parties.
10. In our opinion and according to the information and explanations given to us there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business, with regards to purchases of stores, raw materials, plant and machinery, equipment and other assets and with regard to sale of goods.
11. As explained to us, there are no transaction of purchase of goods and materials and sale of goods, materials and services made in pursuance to contracts or arrangements entered in the register maintained under section 301 and aggregating during the year to RS. 50,000/- or more in respect of each party.
12. As explained to us there were no unserviceable or damaged stock and raw material.
13. According to the information and explanations given to us the Company has not accepted any deposit from the public.
14. In our opinion the Company is maintaining reasonable records for the sale and disposal of realisable scrap.
15. The Company has no internal audit system commensurate with the size and nature of its business.
16. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
17. According to records of the Company the Provident Fund dues have been regularly deposited with appropriate authorities.
18. According to the information and explanation given to us there are no undisputed amounts payable in respect of income tax, wealth tax, customs duty and excise duty outstanding as at 30.09.2001 for a period of more than six months from the date they became payable.
19. According to the information and explanation given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practices.
20. The Company is not a sick industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985

**For KETAN N. SHAH & CO.**  
**Chartered Accountants**

**(K. N. SHAH)**  
**Partner**

**PLACE: MUMBAI**  
**DATE: 29.01.2002**



**EXPO GAS CONTAINERS LIMITED****BALANCE SHEET AS AT 30th SEPTEMBER, 2001**

		(Figures in Rupees)	
		For the Year Ended 30th Sept. 2001	For the Year Ended 30th Sept. 2000
<b>I</b>	<b><u>SOURCES OF FUNDS :</u></b>		
<b>1</b>	<b><u>SHAREHOLDERS' FUNDS</u></b>		
(a)	Share Capital <b>A</b>	<b>77,864,000.00</b>	50,124,000.00
(b)	Reserves & Surplus <b>B</b>	<b>81,294,173.03</b>	98,114,532.65
		<b>159,158,173.03</b>	148,238,532.65
<b>2</b>	<b><u>LOAN FUNDS</u></b>		
(a)	Secured <b>C</b>	<b>179,563,400.82</b>	185,146,295.43
(b)	Unsecured <b>D</b>	<b>19,405,003.82</b>	49,436,856.57
		<b>198,968,404.64</b>	234,583,152.00
	<b>TOTAL FUNDS EMPLOYED</b>	<b>358,126,577.67</b>	382,821,684.65
<b>II</b>	<b><u>APPLICATION OF FUNDS</u></b>		
<b>1</b>	<b><u>FIXED ASSETS</u></b> <b>E</b>		
(a)	Gross Block	<b>204,688,999.18</b>	204,568,514.15
(b)	Less: Depreciation	<b>69,202,563.06</b>	58,680,073.92
(c)	Net Block	<b>135,486,436.12</b>	145,888,440.23
<b>2</b>	<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>		
(a)	Inventories <b>F</b>	<b>103,687,379.00</b>	105,043,844.23
(b)	Sundry Debtors <b>G</b>	<b>42,610,491.20</b>	104,718,251.94
(c)	Cash and Bank Balances <b>H</b>	<b>11,711,810.18</b>	7,115,308.11
(d)	Loans and Advances <b>I</b>	<b>41,214,057.45</b>	61,733,548.37
		<b>199,223,737.83</b>	278,610,952.65
<b>3</b>	<b><u>CURRENT LIABILITIES AND PROVISIONS</u></b>		
	Sundry Creditors <b>J</b>	<b>22,297,283.80</b>	49,791,213.20
	<b>NET CURRENT ASSETS</b>	<b>176,926,454.03</b>	228,819,739.45
<b>4</b>	<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
	(To the extent not written off or adjusted.)		
	Preliminary Expenses	<b>1,260,468.97</b>	1,606,308.97
	Deferred Revenue Expenses.	<b>44,453,218.55</b>	6,507,196.00
	<b>TOTAL ASSETS(NET)</b>	<b>358,126,577.67</b>	382,821,684.65
	Notes Forming Part of the Accounts <b>S</b>		
As per our report attached			
<b>KETAN N. SHAH &amp; CO.</b>		<b>SHAUKATALI S. MEWAWALA</b>	<b>B N. BHARADWAJ</b>
(Chartered Accountants)		(Chairman & Managing Director)	(Director)
(K.N.SHAH)			
Partner			
Place : Mumbai		Place : Mumbai	
Date : 29.01.2002		Date : 29.01.2002	

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## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER 2001.

		Schedule	(Figures in Rupees)	
			For the Year Ended 30th Sept. 2001	For the Year Ended 30th Sept. 2000
<b>1</b>	<b>INCOME :</b>			
(a)	Sales	K	279,449,176.88	365,902,024.32
(b)	Other Income	L	2,491,364.00	2,736,485.40
			<u>281,940,540.88</u>	<u>368,638,509.72</u>
	Increase/(Decrease) in Stocks	M	625,000.00	(127,230.00)
			<u>282,565,540.88</u>	<u>368,511,279.72</u>
<b>2</b>	<b>EXPENDITURE :</b>			
(a)	Raw Material Consumed	N	89,325,146.67	105,785,331.37
(b)	Manufacturing Expenses	O	122,257,034.77	158,736,381.36
(c)	Employees Costs	P	26,768,357.62	30,801,481.23
(d)	Other Expenses	Q	21,455,909.21	33,021,390.81
			<u>259,806,448.27</u>	<u>328,344,584.77</u>
			<u>22,759,092.61</u>	<u>40,166,694.95</u>
(e)	Financial Expenses	R	29,784,607.55	41,808,729.21
			<u>(7,025,514.94)</u>	<u>(1,642,034.26)</u>
(f)	Depreciation		9,766,009.68	10,331,667.93
	Less : Transferred from Revaluation Reserve		778,771.64	778,771.64
			<u>8,987,238.04</u>	<u>9,552,896.29</u>
<b>3</b>	<b>PROFIT BEFORE TAX</b>		<u>(16,012,752.98)</u>	<u>(11,194,930.55)</u>
<b>4</b>	<b>PROVISION FOR TAX</b>		0.00	0.00
<b>5</b>	<b>PROFIT AFTER TAX</b>		<u>(16,012,752.98)</u>	<u>(11,194,930.55)</u>
<b>6</b>	<b>PRIOR PERIOD ADJUSTMENT.</b>		0.00	822,209.13
<b>7</b>	<b>Excess / (Short) provision for tax of earlier year</b>		<u>(317,005.00)</u>	<u>5,000,000.00</u>
<b>8</b>	<b>PROFIT B/F FROM PREVIOUS YEAR</b>		<u>29,633,843.81</u>	<u>46,650,983.49</u>
<b>9</b>	<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>13,938,095.83</u>	<u>29,633,843.81</u>
<b>10</b>	<b>PRELIMINARY EXPENSES W/OFF</b>		<u>345,840.00</u>	<u>345,840.00</u>
<b>11</b>	<b>TRANSFER FROM SHARE PREMIUM</b>		<u>345,840.00</u>	<u>345,840.00</u>
<b>12</b>	<b>BALANCE CARRIED FORWARD</b>		<u>13,938,095.83</u>	<u>29,633,843.81</u>
	<b>TOTAL</b>		<u>13,938,095.83</u>	<u>29,633,843.81</u>
	Notes Forming Part of the Accounts	S		

As per our report attached

**KETAN N. SHAH & CO.**  
(Chartered Accountants)

(K.N.SHAH)  
Partner

Place : Mumbai  
Date : 29.01.2002

**SHAUKATALI S. MEWAWALA**  
(Chairman & Managing Director)

Place : Mumbai  
Date : 29.01.2002

**B N. BHARADWAJ**  
(Director)