



EXPO GAS CONTAINERS LIMITED

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22nd ANNUAL REPORT
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22nd Annual Report 2003-2004

BOARD OF DIRECTORS

Shri. Shaukatali S. Mewawala	- Chairman & Managing Director
Shri. Indrakumar Paharia	- Director (upto 31 st December 2003)
Shri. Bhagwan N. Bhardwaj	- Non-executive Director
Shri. Mahesh H. Bhuta	- Director (upto 15 th February 2005)
Shri. Ali Mohammed Kalyan	- Non-executive Director
Shri. Syed Abbas Ali	- Non-executive Director (w.e.f 15.02.2005)

STATUTORY AUDITORS

M/s. Ketan N. Shah & Co.,
Chartered Accountants
R-36, Guru Ashish Building,
Zaveri Bazar, Mumbai-400 002.

BANKERS

Union Bank of India
Khand Bazar, Mumbai.

REGISTERED OFFICE :

Expo House,
150, Sheriff Devji Street,
Mumbai - 400 003
Tel No: - 23432106/07/08
Fax No: - 23401635
E-Mail: - egcl@expogas.com

WORKS :

A/10, MIDC, Murbad,
Dist.. Thane - 421401.

REGISTRARS AND SHARE TRANSFER AGENTS

Adroit Corporate Services Private Limited.
19, Jaferbhoy Industrial Estate
1st Floor, Makwana Road,
Marol Naka, Andheri (East),
Mumbai - 400 059.
Tel No : - 28594442,28594428
Fax : - 28503748

NOTICE

Notice is hereby given that the Twenty-second Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 31st March 2005 at 10.00 a.m. at the Registered Office of the Company at Expo House, 150, Sheriff Devji Street, Mumbai-400 003 to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September 2004 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Ali Mohammed Kalyan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if though fit to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED THAT Shri. Syed Abbas Ali, who was appointed as an Additional Director of the Company in accordance with Article 112 of Articles of Association of the Company and under Section 260 of the Companies Act, 1956, and who holds Office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, from a Member proposing his candidature for the office of a Director under the provisions of Section 257 of the Companies Act, 1956, along with a deposit of Rs. 500/- and who is eligible for appointment to the Office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Book will remain closed from Monday the 28th March 2005 to Thursday the 31st March 2005 (Both days inclusive).
3. Members are requested
 - (i) To bring their copy of Annual Report and Attendance Slip duly filled up and signed at the meeting.
 - (ii) To quote their folio / identification number in all correspondence with the Company or its Registrar and Share Transfer Agents.
 - (iii) Members holding the shares in physical form are requested to notify immediately for change of their address to the Company or its Registrar and Share Transfer Agents

AND

In the case their shares are held in dematerialized Form, then information should be passed on directly to their respective Depository Participants and not to the Company or its Share Transfer Agents.

22nd Annual Report 2003-2004

4. Information required to be furnished under the Listing Agreement.

As required under the Listing Agreement with the Stock Exchanges, the particulars of Director(s) who is/are re-appointed, is given below :-

Name of Director	Shri. AliMohammed Kalyan
Date of Birth	20.11.1930
Date of Appointment	31.12.2003
Directorship held in other Public Companies	Nil
Chairmanship / Membership of Committee across Public Companies.	Expo Gas Containers Limited

By Order of the Board

For **Expo Gas Containers Limited**

Place: Mumbai
Dated: February 25, 2005.

(S. S. Mewawala)
Managing Director

EXPLANATORY STATEMENT
(Pursuant to Section 173 of the Companies Act, 1956)

ITEM NO :- 4

In accordance with Article 112 of the Articles of Association and Section 260 of the Companies Act, 1956, Shri. Syed Abbas Ali, was appointed as an Additional Director of the Company with effect from 15th February 2005. Since Shri. Syed Abbas Ali was appointed as an additional Director he holds office till the ensuing Annual General Meeting and is eligible for re-appointment.

In terms of Section 257 of the Companies Act, 1956, the Company has received a Notice in writing along with a deposit of Rs. 500/- from a shareholder, proposing his candidature for the Office of Director of the Company.

The proposed resolution under Item No. 4 is for the aforesaid purpose and is commended to the Shareholders for their approval.

None of the Directors of the Company, except Shri. Syed Abbas Ali is, in any way, regarded as concerned or interested in the said resolution.

By Order of the Board

For **Expo Gas Containers Limited**

Place: Mumbai
Dated: February 25, 2005.

(S. S. Mewawala)
Managing Director

DIRECTORS' REPORT

To,

The Members

Your Directors presents herewith their Twenty-second Annual Report together with audited statement of accounts for the year ended 30th September 2004.

FINANCIAL RESULTS

(Amount in Rupees)

Particulars	As on 30.9.2004	As on 30.9.2003
Profit / (Loss) before Depreciation and Interest	(64574736)	(7,33,04,350)
Add: - Interest	7360070	1,19,64,149
Add: - Depreciation	7082145	73,07,858
Net Profit / (Loss) before Tax	(79016951)	(9,25,76,357)
Less : - Tax		
- Current		-
- Deferred Tax Liabilities / (Assets)	(48265676)	21,27,807
Net Profit after Tax	(30751275)	(9,47,04,163)
Prior period adjustment	-	1,21,55,036
Excess / (short) provision for tax of earlier year written back	-	10,39,007
Investment Allowance Reserves utilized	-	-
Profit brought forward	(64251141)	1,61,97,998
Balance Carried to Balance Sheet	(95002416)	(6,53,12,122)

CURRENT YEAR & FUTURE PERCEPTIONS

During the year under review, the turnover of the Company is Rs. 11,53,62,057/- as compared to Rs. 21,02,00,822/- in the previous year depicting a fall of 45% over the previous year. The Gross Loss before Interest & Depreciation is Rs. 6,45,74,736/-. Depreciation stood at Rs. 70,82,145/-.

The Company has closed down the Cylinder business till the market improves and this has resulted in drop in business activities, which has in turn, led to drop in turnover. Further, the Company received orders from Indian Oil Corporation, Panipat Refinery for Rs. 45.00 Crores (approx.) . It was unwise to book any further business in view of such a large order, but on account of various reasons like unavailability of Bank Guarantee, increase in steel prices etc. this business became unviable and during mid April, 2004 it was decided to withdraw from the project as it was quite difficult and continuing with the business would have incurred much heavier losses.

The performance and profitability of the Company was affected due to withdrawal from the Indian Oil Corporation, Panipat Refinery project. Steel prices in the market was very volatile and hence it was decided that for the year 2003-04 priority should be given to complete al the orders in hand and minimize the losses and all marketing efforts should be taken up thereafter.

The Company is looking for certain possible avenues for export of Cylinders in Gulf Countries and also diversifying its activities into procurement of site projects from Public Sector Undertakings including turnkey projects.

DIVIDEND

In view of loss during the year under review, your Directors do not recommend any dividend for the financial year ended 30th September 2004.

22nd Annual Report 2003-2004**DEPOSITS**

The Company has not accepted any deposit or unsecured loans from the public within the meaning of Section 58A of the Companies Act, 1956 read with The Companies (Acceptance of deposit) Rules, 1974.

DIRECTORS

Shri. Alimohammed Kalyan, Director of the Company retires by rotation at the Twenty-second Annual General Meeting and being eligible, offers himself for re-appointment.

Shri. I. K. Paharia, Director of the Company, resigned from the Directorship with effect from 31.12.2003 and Shri. Mahesh Bhuta, Director of the Company, resigned from the Directorship with effect from 15.02.2005. The Board wishes to place on record their appreciation of the services rendered by them during his tenure as a Director of the Company.

Shri. Syed Abbas Ali, has been appointed as an Additional Director of the Company with effect from 15.02.2005 and holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from a Member signifying his intention to propose the candidature of Mr. Syed Abbas Ali for the Directorship of the Company. Your Directors recommends his appointment for the said post.

AUDITORS

M/s. Ketan N. Shah, Chartered Accountants, Mumbai, Auditors of the Company retires at the ensuing Annual General Meeting of the Company and being eligible offers themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that the proposed appointment if made, will be in accordance with the limits specified under section 224(1B) of the Companies Act, 1956.

As regards the appointment of Internal Auditors, the Company is in the process of appointing a suitable person. The other reservations of Auditors are self-explanatory in the notes referred to by them.

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.

Power and Fuel Consumption	Current year 30.9.2004	Previous Year 30.9.2003
1) Electricity		
Purchase Unit (KWH)	3.72	3.31
Total Amount (Rupees in lacs)	17.41	25.78
Rate per Unit (Rupees)	4.61	7.79
2) Coal	N.A.	N.A.
3) Furnace Oil	N.A.	N.A.
4) Internal Generation	N.A.	N.A.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Energy conservation is not only a national priority but also a key value driver for your Company. Employees are also encouraged to give suggestion that will result in energy saving.

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 made by your Company. However, it has been the endeavor of the Company to continuously upgrade & standardize its products.

FOREIGN EXCHANGE EARNING AND OUTGO

Rs.in Lacs

i) CIF Value of Imports	NIL
ii) Expenditure in foreign currency	6.67
iii) Foreign Exchange earned	7.75

PARTICULARS OF EMPLOYEES

No employee was in employment of the Company throughout the Financial Year or part of the Financial Year on a remuneration, which in aggregate, exceeded the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section titled "Report on Corporate Governance for the year 2003-2004" has been annexed in this Annual Report.

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

The Directors state that :-

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation by way of notes to accounts relating to material departures;
- The selected accounting policies were applied consistently and the judgements and estimates made by them are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 30th September, 2004 and of the loss for the year ended on that date;
- The proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Industrial Relations continued to be harmonious throughout the year under review.

ACKNOWLEDGEMENT

Your Directors express their gratitude for the continued support of the financial institutions, Bankers, Government Authorities and Shareholders. Your Directors also place on record their deep sense of appreciation for the commitment exhibited by the Company's employees.

For and on behalf of the Board
For Expo Gas Containers Limited

Place : Mumbai
Dated : February 25, 2005

(S. S. Mewawala)
Chairman & Managing Director

22nd Annual Report 2003-2004

REPORT ON CORPORATE GOVERNANCE**Company's Philosophy on Corporate Governance**

With the changing-times the Economy at large is becoming conscious of the need of Corporate Governance. The concept of disclosures, transparency, accountability, responsibility and fairness to the stakeholders has become must. It is with this belief that Expo Gas Containers Limited (EGCL) is making substantial disclosures to enhance long-term value to stakeholders.

Composition and Category of Directors

The Board is headed by Mr. S. S. Mewawala, Chairman and Managing Director and is composed of eminent person with considerable professional experience in their respective fields. The present strength of the Board is four of which One Director is executive Director and others are non-executive Directors. The composition and strength of the Board meets with the requirements of the Clause 49 of the Listing Agreement.

None of the non-executive Directors has any pecuniary relationship or transactions with the Company.

During the year under review seven Board Meetings were held on 30th October 2003, 31st December 2003, 31st January 2004, 30th April 2004, 14th May 2004, 31st July 2004 and 3rd September 2004 to deliberate on various matters. The Composition of the Board of Directors and their attendance at the Board Meeting during the year and at the last annual general meeting as also the number of Directorship in Indian Public Limited Companies are as follows: -

Name of Director	No. of Board Meeting attended	Attendance at Last Annual General Meeting	Category of Director	Other Directorships in Public Co.	No. of Chairmanship / Membership of Board Committee	
					Chairman	Member
Mr. S. S. Mewawala	07	Yes	CMD / P	No	N.A.	1
Mr. Bhagwandas Bharadwaj	07	No	NED / I	No	3	N.A.
Mr. Mahesh Bhuta **	None	No	NED / I	No	N.A.	1
Mr. Ali Mohammed Kalyan	07	No	NED / I	No	N.A.	1
Mr. Indra Kumar Paharia **	—	—	NED / I	No	N.A.	N.A.
Mr. Syed Abbas Ali *	—	—	NED / I	No	N.A.	N.A.

Note :-

1. CMD / P – Chairman and Managing Director and Promoter.
2. NED / I – Non-executive and Independent Director.

* Mr. Syed Abbas Ali appointed as an additional director with effect from 15.02.2005

** During the year Mr. Indrakumar Paharia has resigned from the Directorship of the Company with effect from 31st December 2003 and Mr. Mahesh Bhuta has resigned from the Directorship of the Company with effect from 15.02.2005.

Committees of the Board

The Board of Directors has constituted three Committees of the Directors with adequate delegation of powers to discharge urgent business of the Company. These Committees are Audit Committee, Shareholders'/ Investors' Grievance Committee and Remuneration Committee. The Committee meets as often as required. The details of the Audit Committee, Investor's Grievance Committee and Remuneration Committee are as follows :-

1. Audit Committee**i.) Terms of Reference**

The terms of reference of the Audit Committee, covers the areas specified in Clause 49 of the listing agreement of the Stock Exchange and the applicable provisions of the Companies Act, 1956 as amended till date.

The Audit Committee reviews :-

1. Company's financial reporting process.
2. Disclosure norms.
3. Accounting policies and practices.
4. Quarterly, half-yearly and yearly financial statements.
5. Qualification in the draft Audit Report.
6. Matters required to be included in the Director's Responsibility Statement.

It also recommends appointment of statutory auditors, fixes audit fees, and reviews internal control systems and scope of observations of the auditors.

The Minutes of the Audit Committee Meetings are circulated to the Board, who take note and discusses them.

ii.) Composition

The Audit Committee comprises of three Directors viz. Shri. Ali Mohammed Kalyan, Shri. Bhagwan Bhardwaj and Mr. Mahesh Bhuta. The Committee met three times during the year to deliberate on various matters as per terms of reference and attendance of the Members at the Meeting was as under :-

Name of the Member	Status	No. of Meetings attended
Mr. Bhagwan N. Bhardwaj	Chairman	3
Mr. Ali Mohammed Kalyan	Member	3
Mr. Mahesh Bhuta	Member	3

Notes :-

The Accounts Manager and Statutory Auditors are also invited to clarify queries raised at the Committee Meeting and also to apprise the Committee Members about the recent developments and Courts Judgments pronounced pertaining to Income Tax Act and other related matters.

2. Remuneration Committee

Though, the constitution of the Remuneration Committee is not mandatory since it is a part of the non-mandatory requirement of the Corporate Governance Code, the Company has constituted the Remuneration Committee comprising of Shri. B. N. Bharadwaj, Shri. Mahesh Bhuta and Shri. Ali Mohammed Kalyan.

Shri. B. N. Bharadwaj is the Chairman of the Committee.

The Committee shall decide on Company's policy on specific remuneration packages for Executive Directors. The remuneration, if any, of non-executive directors shall be decided by the Board of Directors.

i.) Remuneration Policy

Remuneration of employee broadly consists of base remuneration, perquisites, bonus etc. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the Employee, responsibilities entrusted to and handled by him, individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the organization and reward merits.

22nd Annual Report 2003-2004

ii.) **Remuneration of Directors****Details of Remuneration paid to the Directors for the year 2003-2004**

(Amount in Rs.)

Name of Director	Category	Sitting fees for Board & Committee meetings	Salaries & Perquisites
Shri. S. S. Mewawala	Executive	1000	409380
Shri. B.N. Bharadwaj	Non-Executive	1000	—
Shri. Mahesh Bhuta**	Non-Executive	—	—
Shri. Indra Kumar Paharia**	Executive	—	101800
Shri. Ali Mohammed Kalyan	Non-Executive	1000	—
Shri. Syed Abbas Ali *	Non- Executive	—	—

Note :-

1. The Company does not pay any severance fee and no stock option is available to the Directors.

* Mr. Syed Abbas Ali appointed as an additional director with effect from 15.02.2005

** During the year Mr. Indrakumar Paharia has resigned from the Directorship of the Company with effect from 31st December 2003 and Mr. Mahesh Bhuta has resigned from the Directorship of the Company with effect from 15.02.2005.

3. Share Transfer & Investors Grievance Committee.**i.) Terms of Reference**

The Committee oversees the performance of Adroit Corporate Services Private Limited, the Registrar and Share Transfer Agent of the Company and recommends measures to improve the level of investor related services. The Committee keeps a close watch on all complaints / grievances of the Shareholders.

One Investor's Grievance was pending as on 30th September 2004, which has subsequently been resolved satisfactorily.

ii.) Composition

The Committee presently comprises of two non-executive Directors viz. Shri. Bhagwan Bharadwaj and Mr. Mahesh Bhuta.

The minutes of the Shareholders/Investors Grievance Committee meetings are circulated to the Board, and are discussed and taken note of by the Board.