



EXPO GAS CONTAINERS LIMITED

Report  junction.com

24th ANNUAL REPORT
2005-2006

Expo Gas Containers Limited**Board of Directors**

Shri. Shaukatali S. Mewawala	-	Chairman & Managing Director
Shri. Bhagwan N. Bhardwaj	-	Non-executive Director
Shri. Ali Mohammed Kalyan	-	Non-executive Director
Shri. Syed Abbas Ali	-	Non-executive Director

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

Expo Gas Containers Limited**NOTICE**

Notice is hereby given that the Twenty-fourth Annual General Meeting of the Shareholders of the Company will be held on Friday, the 30 March 2007 at 11.00 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 2006 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 Auditors and to fix their remuneration.

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 26th March 2007 to Friday the 30th March 2007 (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 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.

By Order of the Board
For Expo Gas Containers Limited

Place : Mumbai
Dated : 26.02.2007

(S. S. Mewawala)
Managing Director

Expo Gas Containers Limited**DIRECTORS' REPORT**

To,
The Members

Your Directors presents herewith their Twenty-fourth Annual Report together with audited statement of accounts for the year ended 30th September 2006.

FINANCIAL RESULTS*(Amount in Rupees)*

Particulars	As on 30.9.2006	As on 30.9.2005
Profit / (Loss) before Depreciation and Interest	(20,172,951)	10,714,985
Add: - Interest	878,936	1,028,855
Add: - Depreciation	7,766,113	6,977,678
Net Profit / (Loss) before Tax	28,818,000	2,708,451
Less: - Tax		
- Current Year		
- Deferred Tax Liabilities / (Assets)	(52,708,957)	(8,624,893)
Net Profit after Tax	23,890,957	11,333,344
Prior period adjustment	5,167,133	-
Excess / (short) provision for tax of earlier year written back	(3,305,147)	-
Investment Allowance Reserves utilized	-	-
Profit brought forward	(83,669,073)	(95,002,416)
Balance Carried to Balance Sheet	(57,916,130)	(83,669,072)

CURRENT YEAR & FUTURE PERCEPTIONS

During the year under review, turnover of the Company is Rs. 89,352,100/- as compared to Rs. 92,713,088/- of previous year. The turnover is lower by 3.63 % & hence the Company has incurred a net loss during the year.

The Cylinder business of the Company still remains closed but we have been able to utilize the space for fabrication of structurals. We feel that there will be more opportunities as we develop the same.

After the episode of Panipat Refinery, Engineers India Ltd. had put us on holiday list as well as Indian Oil Corporation was not giving us business to our required level.

As far as Engineers India Ltd. is concerned although holiday listing was for five years, but we made representation to the highest authorities and the holiday period has been reduced and we are now on the active business list. We have started getting all enquiries and we have got a small business from Bongaingaon Refinery. We are actively quoting for business through EIL.

Similarly, we have also made representation to Indian Oil Corporation Ltd. to review and consider putting us into active business list, which is under consideration by the highest authorities in Indian Oil Corporation Ltd. and we hope a favourable reply before March end.

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The Engineering Sector is booking and the amount of business is not a problem. We are on active list of all major contractors as well as Consultants and we hope to do a substantial business in the coming years.

DIVIDEND

In view of accumulated losses during the year under review, your Directors do not recommend any dividend for the financial year ended 30th September 2006.

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

There are no changes in the Directors of the Company.

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

*Expo Gas Containers Limited***FORM – A**

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

Power and Fuel Consumption	Current year 30.9.2006	Previous Year 30.9.2005
1) <u>Electricity</u>		
Purchase Unit (KWH)	7.20	2.07
Total Amount (Rupees in lacs)	15.13	16.92
Rate per Unit (Rupees)	2.10	8.16
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	1.67
iii) Foreign Exchange earned	82.03

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 2005-2006" has been annexed in this Annual Report.

*Expo Gas Containers Limited***DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT 1956**

The Directors state that: -

- a) 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;
- b) The selected accounting policies were applied consistently and the judgments 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, 2006 and of the loss for the year ended on that date;
- c) 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;
- d) 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 26, 2007.

(S. S. Mewawala)
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

With the introduction of Clause 49 the concept of transparency for the investors at large is complied. Here at Expo the management is thriving to adopt all the latest amendment & bring the transparency, accountability, responsibility and fairness to the 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 Directors and others are non-executive & Independent 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 Eight Board Meetings were held on 3rd October 2005, 29th October 2005, 15th December 2005, 31st January 2006, 20th February 2006, 28th March 2006, 29th April 2006 and 29th July 2006 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 in other Company	
					Chairman	Member
Mr. S. S. Mewawala	08	Yes	CMD / P	No	N.A.	N.A.
Mr. Bhagwandas Bhardwaj	08	No	NED / I	No	N.A.	N.A.
Mr. Ali Mohammed Kalyan	08	Yes	NED/I	No	N.A.	N.A.
Mr. Syed Abbas Ali	05	Yes	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.

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,

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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 all the matters which was specified in the last report of the corporate Governance inclusive of all mandatory items. The thrive at the Company is to have more transparency in the unaudited as well as the audited results. The committee's scope is increased looking into the objective of the Company. The Committee's strength & say is increased all the time.

ii) Composition

The Audit Committee comprises of three Directors viz. Shri. Bhagwan N. Bhardwaj, Shri. Ali Mohammed Kalyan and Shri. Syed Abbas Ali. The Committee met five 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	4
Mr. Ali Mohammed Kalyan	Member	4
Mr. Syed Abbas Ali	Member	4

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 re- constituted the Remuneration Committee comprising of Shri. B. N. Bharadwaj (Chairman), Shri. Ali Mohammed Kalyan and Shri. Syed Abbas Ali, (Members).

The Committee shall decide on Company's policy on specific remuneration packages for Executive Directors. The members in the General Meeting shall decide the remuneration of non-executive, if any.

Expo Gas Containers Limited**i) Remuneration Policy**

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and reward merits. The Company keeps on reviewing its policy in this regard.

ii) Remuneration of Directors**Details of Remuneration paid to the Directors for the year 2005-2006****(Amount in Rs.)**

Name of Director	Category	Sitting fees for Board & Committee meetings	Salaries & Perquisites
Shri. S. S. Mewawala	Executive	—	1,95,000
Shri. B.N. Bharadwaj	Non-Executive & Independent	—	—
Shri. Ali Mohammed Kalyan	Non-Executive & Independent	—	—
Shri. Syed Abbas Ali	Non- Executive & Independent	—	—

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.

Sr. No.	Nature of Complaints received during the year (01.10.05 to 30.09.06)	No. of Complaints	
		Received	Resolved
1	Non-receipt of Share Certificate duly transferred / transmitted	Nil	Nil
2	Non-receipt of dividend warrants	Nil	Nil
3	Non-receipt of Demat Confirmation	Nil	Nil
4	Non-receipt of Annual Report	1	1
5	Non-receipt of Duplicate Share Certificate	Nil	Nil
6	Grievance Received through SEBI / Stock Exchanges	Nil	Nil

There is no Investor's Grievance pending as on 30th September 2006.