



EXPO GAS CONTAINERS LIMITED

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25th ANNUAL REPORT
2006-2008

Expo Gas Containers Limited**Board of Directors**

Shri. Shaukatali S. Mewawala	-	Chairman & Managing Director
Shri. Bhagwan N. Bhardwaj	-	Non-executive Director
Shri. Syed Abbas Ali	-	Non-executive Director
Shri. Vazirali G. Lokhandwalla	-	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: - 40339600
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 Fifth Annual General Meeting of the Shareholders of the Company will be held on Friday, the 12th September 2008 at 9.30 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 31st March 2008 and Profit & Loss Account for the 18 months period 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.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.

"RESOLVED THAT in accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Vazirali G. Lokhandwalla holds office only up to the date of this meeting, and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- under section 257 of the said Act from a member signifying his intention to propose Mr. Vazirali G. Lokhandwalla as a candidate for the office of director be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

4. To consider, and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 & other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, approval of the Company be and is hereby accorded to the reappointment of Mr. Shaukatali S. Mewawala as Managing Director of the Company for a period of five years w. e. f. 1.4.2007 on such remuneration as may be determined by the Board of Directors from time to time within the limits specified below:

- A. SALARY: Rs. 1,00,000/- per month.
- B. PERQUISITES:

In addition to salary he will be entitled to perquisites such as furnished accommodation/house rent allowance, reimbursement of gas, electricity, water, furnishing, medical expenses, club fees, personal accident/medical insurance premium, leave travel concession for self and family etc. in accordance

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with the rules specified by the company from time to time, provided that the value of such perquisites shall be restricted to Rs. 9.60 Lacs p.a.

1. for the purpose of calculating the above ceiling perquisites shall be evaluated as per income tax rules, wherever applicable, otherwise at actual.
2. for the purpose of calculating the above ceiling, the following shall not be included:
 - i) Provision for use of company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
 - ii) Company's contribution to provident fund and superannuation fund not exceeding 25% of the salary, if any;
 - iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per gratuity rules and
 - iv) Encashment of leave at the end of the tenure as per the rules of the company.
- C. The total remuneration including perquisites and contribution towards provident fund and superannuation fund payable to the managing director shall not exceed 5% of the profits calculated in accordance with sections 198 and 309 of the Companies Act, 1956.
- D. The Board of directors may, in their discretion pay to Mr. Shaukatali S. Mewawala, Managing Director, lower remuneration than the maximum remuneration hereinabove stipulated and revise the same from time to time within the limits stipulated by this resolution.
- E. In the event of absence or inadequacy of net profit in any financial year, the remuneration payable to the Managing Director shall be governed by the provisions of Schedule XIII of the Companies Act, 1956 and will be adjusted appropriately.
- F. Subject to the control and superintendent of the Board of Directors, Mr. Shaukatali S. Mewawala, Managing Director shall perform such duties and functions, as may be delegated to him from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as the board may consider necessary or expedient to give effect to this resolution."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 81 and 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and the Guidelines issued by the Securities and Exchange Board of India (SEBI) for Preferential Allotment of Convertible warrants into Equity Shares (including any amendment to or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of

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 Association of the Company and subject to the permission(s), sanction(s) and approvals of the SEBI, Reserve Bank of India (RBI), Bombay Stock Exchange Limited and such other authorities as may be required from time to time and subject to such conditions, modifications and alterations as may be prescribed by any one of them while granting such permission(s), sanction(s) and approval(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution at its sole discretion, consent of the Company be and is hereby accorded to the Board to offer, issue and allot on preferential basis upto 45,00,000 (Forty five Lacs) Convertible Warrants of Rs. 10/- (Rupees Ten only) each convertible at the option of the holder into one Equity share of Rs. 10/- each (or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company) at a price of Rs. 10/- for cash at a premium of Rs. 4.70 (the pricing which is determined in accordance with the SEBI Guidelines as applicable) aggregating Rs. 14.70 (Rupees Fourteen and Seventy Paise only) and on which 10% is payable on application of convertible warrants and the rest of the amount payable at the time of conversion of warrants into equity shares in one or more tranches within 18 months from the date of issue, at such time or times, in such manner, form and numbers as may be prescribed while granting permission(s), sanction(s) and approval(s) by the aforesaid authorities and/or which the Board may at its absolute discretion consider proper, desirable and expedient by way of Preferential allotment(s) to the promoters of the Company, whether such allottees are shareholders of the Company or not, as mentioned herein below:

Sr. No.	Name of Promoter	No. of Warrants proposed to be allotted
1.	Shaukatall S. Mewawala	22,50,000
2.	Hasanain S. Mewawala	22,50,000

and also to seek listing of such securities on the stock exchange(s) in consultation with Advisor(s) appointed for the said purpose, as may be deemed appropriate, "and proper by the Board."

"RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Convertible Warrants shall be made within 15 days from the date of passing of this resolution subject however, to the applicable statutory regulatory provisions and the SEBI Guidelines".

"RESOLVED FURTHER THAT the "Relevant Date" under SEBI Guidelines for the purpose of determining the issue price of resultant shares shall be 13th August 2008, 30 days prior to the date of passing this resolution."

"RESOLVED FURTHER THAT the equity shares on conversion of warrants referred to hereinabove shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Warrants of the Company including entitlement for dividend."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such actions and to give all such directions, or to do all such acts, deeds, matters and things as may be necessary or

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desirable and to settle any question or difficulty that may arise in this regard for the purpose of giving effect to the above Resolution."

By Order of the Board
For Expo Gas Containers Limited

Place : Mumbai
Dated : 13.08.2008

(S. S. Mewawala)
Managing Director

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 8th September 2008 to Friday the 12th September 2008 (Both days inclusive).
3. The Explanatory statement pursuant to Section 173 (2) of the Companies Act 1956 in respect of Item No: 1 to 5 of the Notice are annexed.
4. 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.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 3 :**

Mr. Vazirali G. Lokhandwalla was appointed as an Additional Director w. e. f. 11.07.2008 . As per Section 260 of the Companies Act, 1956 he holds office only upto the date of Annual General Meeting. Hence this resolution.

None of the Directors except Mr. Vazirali G. Lokhandwalla is concerned or interested in the above resolution.

Item No. 4 :

Your Directors informed that at the meeting of the Board of Directors held on 29.10.2007, Shri. Shaunkatali S. Mewawala is reappointed as a Managing Director pursuant to Section 269 of the Companies Act, 1956 read with Article 145 of the Article of Association of the Company, for a period of five years commencing from 01.04.2007 at a remuneration, perquisite & benefits as set out below. Hence the Board recommends this resolution for the approval of the shareholders.

A. **SALARY:** Rs. 1,00,000/- per month.

B. **PERQUISITES:**

In addition to salary he will be entitled to perquisites such as furnished accommodation/house rent allowance, reimbursement of gas, electricity, water, furnishing, medical expenses, club fees, personal accident/medical insurance premium, leave travel concession for self and family etc. in accordance with the rules specified by the company from time to time, provided that the value of such perquisites shall be restricted to Rs. 9.60 Lacs p.a.

1. for the purpose of calculating the above ceiling perquisites shall be evaluated as per income tax rules, wherever applicable, otherwise at actual.
2. for the purpose of calculating the above ceiling, the following shall not be included:
 - i) Provision for use of company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
 - ii) Company's contribution to provident fund and superannuation fund not exceeding 25% of the salary, if any;
 - iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per gratuity rules and
 - iv) Encashment of leave at the end of the tenure as per the rules of the company.

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- C. The total remuneration including perquisites and contribution towards provident fund and superannuation fund payable to the managing director shall not exceed 5% of the profits calculated in accordance with Section 198 and 309 of the Companies Act, 1956.
- D. The Board of directors may, in their discretion pay to Mr. Shaukatali S. Mewawala, Managing Director, lower remuneration than the maximum remuneration hereinabove stipulated and revise the same from time to time within the limits stipulated by this resolution.
- E. In the event of absence or inadequacy of net profit in any financial year, the remuneration payable to the Managing Director shall be governed by the provisions of Schedule XIII of the Companies Act, 1956 and will be adjusted appropriately.
- F. Subject to the control and superintendent of the Board of Directors, Mr. Shaukatali S. Mewawala, Managing Director shall perform such duties and functions, as may be delegated to him from time to time.

None of the Directors except Mr. Shaukatali S. Mewawala is interested or concerned in the above resolution.

Item No. 5 :

The Company plans to make Preferential Issue of 45,00,000 Convertible Warrants of Rs. 10/- each for cash at a premium of Rs. 4.70 per warrant aggregating to Rs. 14.70 convertible at the option of the holder into one Equity share of Rs. 10/- each (or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company). The details of the same are as under:

(a) Relevant date and the price at which allotment is proposed	Relevant date in accordance with the SEBI guidelines for issue of Convertible warrants on preferential basis is 13/08/2008. It is proposed to issue and allot the Warrants of Rs. 10/- each for cash at a premium of Rs.4.70 per warrants convertible at the option of the holder into one Equity share of Rs. 10/- each (or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company) which is in accordance with SEBI preferential allotment guidelines, as applicable.
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(b)	Number of Convertible warrants proposed to be allotted on preferential allotment basis pursuant to Special Resolution passed under Section 81(1A) of the Companies Act, 1956.	45,00,000 Convertible Warrants of Rs. 10/- each for cash at a premium of Rs. 4.70 per warrant aggregating to Rs. 14.70 per warrant.
(c)	Objects of the Issue	To augment the financial resources of the Company.
(d)	Intention of the Promoters/ Directors/Key Management Personnel to subscribe to the offer and terms of payment.	The Promoter group entities comprising of an entity whether Directors/Key management personnel or not, intend to subscribe to the tune of 45,00,000 Convertible Warrants of Rs.10/- each for cash at a premium of Rs. 4.70 per warrant. 10% payable on Convertible Warrants at the time of application. Rest of the amount at the time of conversion of warrants into equity shares which will be within 18 months from the date of Issue.
(e)	Proposed time within which the allotment shall be complete	The Warrants are proposed to be allotted within 15 days of the passing of the Special Resolution approving their respective allotment. Provided that where the allotment is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.
(f)	Lock in period	The Convertible warrants proposed to be allotted on preferential issue basis shall be locked in as per the SEBI Guidelines for Preferential Issues.
(g)	Consequential changes, if any, in the Board of Directors	The proposed preferential allotment shall not result into any changes in the Board of Directors.

(h) Identity, No. of Convertible Warrants proposed to be allotted, total number of shares to be held post-preferential allotment, Percentage of Post Preferential equity capital held by each of the allottees:

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Sr. No.	Name of the Applicant/ Category (Promoter Group)	No. of Convertible Warrants proposed to be allotted	Number of Equity Shares proposed to be held on conversion	% of expanded Equity Share Capital on conversion of warrants
1.	Shaukatali S. Mewawala	22,50,000	22,50,000	18.31
2.	Hasanain S. Mewawala	22,50,000	22,50,000	18.31
	Sub Total (A)	45,00,000	45,00,000	36.62

(i) Holding of the allottee prior to the allotment & post allotment

Sr. No.	Name of Promoter	Prior holding (no. of Equity shares)	Post holding (no. of Equity shares)
1.	Shaukatali S. Mewawala	3,25,851	25,75,851
2.	Hasanain S. Mewawala	15,578	22,65,578

(j) Consequential changes in the shareholding pattern/voting rights

Sr. No.	Category	Pre-allotment in terms of shares		Post allotment in terms of shares	
		No.	%	No.	%
A.	Promoters & persons acting in concert	1660979	21.33	6160979	50.14
	Total (A)	1660979	21.33	6160979	50.14
B.	Mutual Funds/ Foreign Institutional Investors	400	0.01	400	0.00
	Total (B)	400	0.01	400	0.00
C.	Public				
	(a) NRIs/OCBs	536461	6.89	536461	4.37
	(b) Others	5588560	71.77	5588560	45.49
	Total (C)	6125021	78.66	6125021	49.86
	Total (A+B+C)	7786400	100.00	12286400	100.00