Expo

Expo Gas Containers Limited



28th ANNUAL REPORT

2010-2011

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Some Of Our Valued Customers	

Board of Directors

Shri. Shaukatali S. Mewawala	-	Chairman & Managing Director
Shri. Bhagwan N. Bhardwaj	-	Non-executive Director
Shri. Vazirali G. Lokhandwala	-	Non-executive Director
Shri. Syed Abbas Ali	-	Non-executive Director
Shri. Hasanain S. Mewawala	-	Non-executive Director
Shri Sajjadhussein M. Nathani	-	Non-executive Director

Statutory Auditors

M/s Ketan N. Shah & Co.,
Chartered Accountants
503, Sai Leela Commercial Complex,
S. V. Road, Opp. Moksh Plaza,
Borivli (W), Mumbai – 400 092.

Bankers

The Saraswat Co-operative Bank Ltd.
SME, Vile Parle (East) Branch,
Bholanath CHS Ltd., Ground and First Floor,
Subhash Road, Vile Parle (East),
Mumbai – 400 057.

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

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 21st September 2011 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 31st March 2011 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 Mr. Vazirali G. Lokhandwala who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint Auditors and to fix their remuneration.

By Order of the Board
For Expo Gas Containers Limited

Place : Mumbai
Dated : 27.07.2011

Sd/-
(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 19th September 2011 to Wednesday the 21st September 2011 (Both days inclusive) for the purpose of Annual General Meeting.

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.

Details of Directors retiring by rotation and seeking reappointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement

Name of the Director	Mr. Vazirali G. Lokhandwala
Date of Birth	13.09.1957
Date of Appointment	11.07.2008
Qualification	B. Com
Directorship held in Indian Public Companies as on 31.03.2011	NIL
Committee positions held in Indian Public Companies as on 31.03.2011	NIL
Number of Shares held in the Company	NIL

By Order of the Board
For Expo Gas Containers Limited

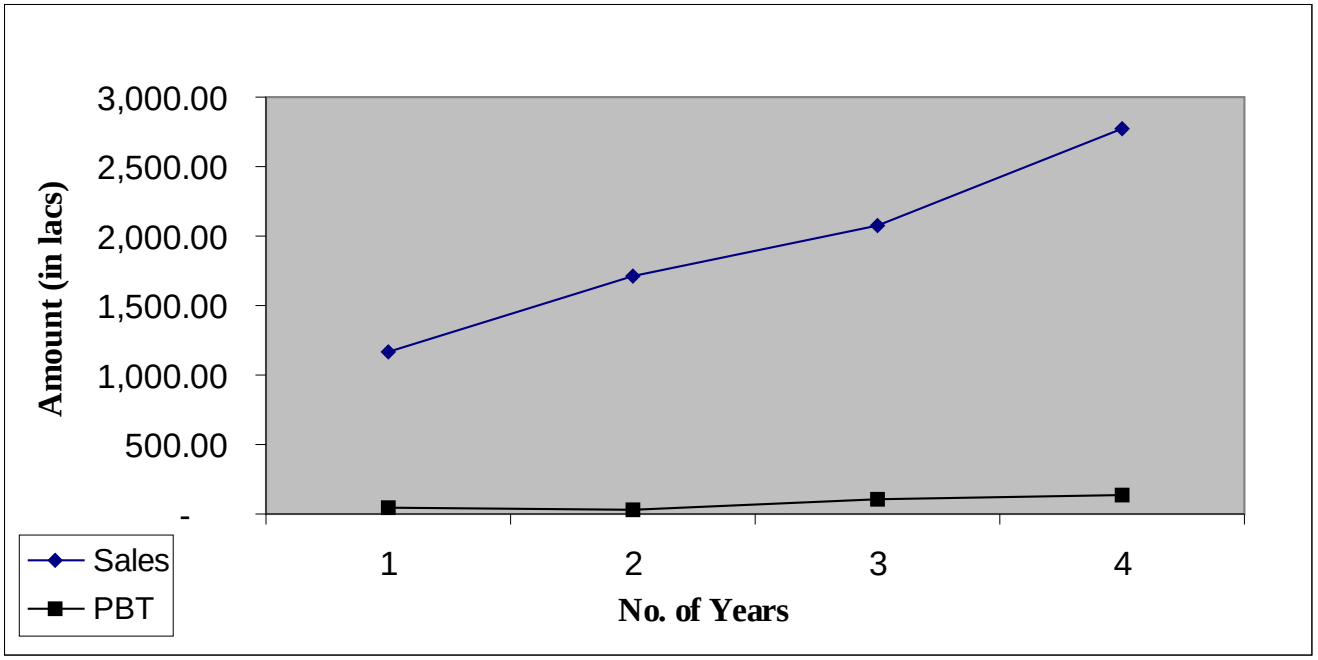
Place : Mumbai
Dated : 27.07.2011

Sd/-
(S. S. Mewawala)
Managing Director

FINANCIAL HIGHLIGHTS

(Rs in lacs)

PARTICULARS	2006-08 (18 months)	2008-09	2009-10	2010-11
Sales	1,166.79	1,719.33	2,077.32	2,765.89
EBIDTA	132.32	74.17	350.80	468.54
EBIDTA (%)	11.34	4.31	16.89	16.94
PBT	42.33	24.49	104.59	140.26
PBT (%)	3.63	1.42	5.04	5.07
PAT	(64.41)	37.53	48.87	228.46
PAT (%)	(5.52)	2.18	2.35	8.26
Debt	2,204.10	1,024.53	1,366.16	2,003.26
Net Worth	421.69	571.73	958.09	1,186.55
Debt / Equity Ratio	5.23	1.79	1.43	1.69



DIRECTORS' REPORT

To,
The Members

Your Directors present herewith Twenty Eighth Annual Report together with audited statement of accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

Rs in Lacs

Particulars	As on 31.03.2011	As on 31.03.2010
Profit before Depreciation and Interest	468.53	350.79
Less: - Interest	253.72	179.47
Less: - Depreciation	74.56	66.73
Net Profit before Tax	**140.26**	**104.59**
Less: - Tax		
- Current tax	27.81	16.16
- Earlier Year Tax	(6.52)	-
- Deferred Tax Liabilities / (Assets)	(109.49)	39.57
Net Profit after Tax	**228.46**	**48.86**
Profit brought forward	51.30	2.43
Balance Carried to Balance Sheet	**279.76**	**51.30**

CURRENT YEAR

During the year under review, your Company achieved turnover of Rs. 27.72 Crores against Rs. 20.84 Crores in the previous year. This is about 33% growth. The profits before extra ordinary income also increased from about Rs. 104.59 Lacs to Rs. 140.26 Lacs. During the year, your company successfully executed extra large sized jobs for MRPL and BCPL.

OPPORTUNITY AND FUTURE OUTLOOK

Indian economy is expected to grow during current financial year at slower but still healthy rate of 7.5 to 8%. The inflation is running at a high level, due to several factors including high commodity prices, supply side constraints in the economy and rapid increase in consumption. The RBI has been raising interest rates to control the demand. However this has not been successful. The cost of funds is rising and this may slow down the investments by industrial sector resulting in lower growth rate of economy.

The recent uncertainties and developments globally including expected slow down in US and Europe is also a cause of concern. The possibility of adverse effect on Asian economies including on China can further slow down growth in India. However, it may result in reduction in prices of crude oil and commodities. This can help in reduction in inflation in India, which can create possibilities of lowering of interest rates.

Improved infrastructure sector will play an important role in removal of many constraints in growth of all the three segments of the economy viz. agriculture, industry and services in the years to come. Your company is supplying equipment to several projects coming up in hydrocarbon, power, refining and petrochemical, fertilizer and process industry. It is expected that new investments in these sectors will continue to grow and your company will benefit from the same.

The Company is also working actively with reputed Companies like L&T, Samsung, Toyo Engineering, BPCL, HPCL etc. We are confident that your Company will be able to show healthy growth in the current year and have substantial order book position at the end of current financial year. At present, the Company has healthy order position of over Rs. 40 crores.

The Company is also exploring and pursuing orders for site construction activities as well as overseas business.

DIVIDEND

To conserve the resourses your Directors do not recommend any dividend for the year ended 31st March 2011.

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

Mr. Vazirali G. Lokhandwala retires by rotation and being eligible offer himself for reappointment. Except this there are no other changes in the Directors of the Company.

AUDITORS

M/s. Ketan N. Shah & Co., 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 observation of Auditors are self-explanatory in the notes referred to by them.

CONVERSION OF WARRANT

The Company had allotted 45,00,000/- Convertible Warrants to be converted at the option of the holder into one equity share of Rs. 10/- each in accordance with the SEBI Guidelines and approval of shareholders in the Extra-ordinary General Meeting held on 2nd March, 2009. Further, the shareholders of the Company at their meeting held on 11th June, 2009 reduced the face value of the equity shares from Rs. 10/- per share to Rs. 4/- per share and the same was sanctioned by the Hon'ble Bombay High Court vide its order dated August 11, 2009. On May 18, 2010 considering the

reduction in face value of the equity shares from Rs. 10/- to Rs. 4/- and exemption granted to the Acquirer from Takeover Regulations of SEBI, the Company converted the above 45,00,000 warrants of Rs. 10/- each into 1,12,50,000 Equity Shares of Rs. 4/- each. The Company made the application to the BSE on May 26, 2010 for listing of 1,12,50,000 equity shares of Rs. 4/- each issued to the promoter group company. However, at the meeting of the BSE Committee held on April 28, 2011 the Committee rejected the above listing application vide letter No. DCS/PREF/SI/PREF/201/2011-12. The Company has made re-application to SEBI.

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 31.03.2011	Previous Period 31.03.2010
1)	**Electricity**		
	Purchase Unit (KWH)	4.28	2.86
	Total Amount (Rupees in lacs)	27.58	18.12
	Rate per Unit (Rupees)	6.44	6.34
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	*113.18*
ii) Expenditure in foreign currency	*0.88*
iii) Foreign Exchange earned	*NIL*

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 ended 31.03.2011 has been annexed in this Annual Report.

DIRECTORS' RESPONSIBILTY 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 31st March 2011 and of the profit 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 : - 27.07.2011

Sd/-
(S. S. Mewawala)
Chairman & Managing Director