



EXPO GAS CONTAINERS LIMITED

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23rd ANNUAL REPORT
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23rd Annual Report 2004-2005

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

Adrolt Corporate Services Private Limited.

19, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka, Andheri (East),
Mumbai - 400 059.
Tel No. :- 28594442, 28590942
Fax :- 28503748

NOTICE

Notice is hereby given that the Twenty-Third Annual General Meeting of the Shareholders of the Company will be held on Friday, the 31st March 2006 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 2005 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. Bhagwan N. Bhardwaj, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 27th March 2006 to Friday the 31st March 2006 (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.

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

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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. Bhagwan N. Bhardwaj
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 28, 2006

(S. S. Mewawala)
Managing Director

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Expo Gas Containers Limited

DIRECTORS' REPORT

To,

The Members

Your Directors presents herewith their Twenty-third Annual Report together with audited statement of accounts for the year ended 30th September 2005.

FINANCIAL RESULTS

(Amount in Rupees)

Particulars	As on 30.9.2005	As on 30.9.2004
Profit / (Loss) before Depreciation and Interest	10714985	(64574736)
Add: - Interest	1028855	7360070
Add: - Depreciation	6977678	7082145
Net Profit / (Loss) before Tax	2708451	(79016951)
Less :- Tax		
- Current		
- Deferred Tax Liabilities / (Assets)	(8624893)	(48265676)
Net Profit after Tax	11333344	(30751275)
Prior period adjustment	-	-
Excess / (short) provision for tax of earlier year written back	-	-
Investment Allowance Reserves utilized	-	-
Profit brought forward	(95002416)	(64251141)
Balance Carried to Balance Sheet	(83669072)	(95002416)

CURRENT YEAR & FUTURE PERCEPTIONS

During the year under review, turnover of the Company is Rs. 9,27,13,088/- as compared to Rs. 11,53,62,057/- of previous year. The turn over is lower by 19.63 %. However, there is a net profit on account of no interest charges.

The Company has closed down the cylinder business, but it appears that it will be wise to permanently close down the cylinder activities and use this space for other activities of the Company, which can ultimately prove to be beneficial. Currently, competition is still very intense in the Cylinder industry and people are still willing to supply at loss as they do not have alternate activities.

After problems with the Panipat Refinery, the Company looked to alternative business and we are happy to inform that we got orders from private sector like supply and erection of equipments for India Gypsum Ltd. We were also able to export pressure vessels to M/s. Gulf Farabi Company and also received order from M/s. Indo Rama Synthetics Ltd. The Company proposes to expand business more in the private sector.

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 2005.

23rd Annual Report 2004-2005**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. Bhagwan Bhardwaj, Director of the Company retires by rotation at the Twenty-third Annual General Meeting and being eligible, offers himself for re-appointment.

There are no other 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

FORM - A

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

Power and Fuel Consumption	Current year 30.9.2005	Previous Year 30.9.2004
1) <u>Electricity</u>		
Purchase Unit (KWH)	2.07	3.72
Total Amount (Rupees in lacs)	16.92	17.41
Rate per Unit (Rupees)	8.16	4.61
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	0.99
iii) Foreign Exchange earned	270.22

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 2004-2005" 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 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, 2005 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 28, 2006

(S. S. Mewawala)
Chairman & Managing Director

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

With the latest amendment in clause 49 of the Listing Agreement & the need of changing times it is becoming necessary to observe the norms 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 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 ten Board Meetings were held on 30th October 2004, 17th December 2004, 23rd December 2004, 29th January 2005, 31st January 2005, 15th February 2005, 25th February 2005, 29th April 2005, 29th July 2005 and 30th July 2005 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 Public Ltd. Company	
					Chairman	Member
Mr. S. S. Mewawala	10	Yes	CMD / P	No	N.A.	N.A.
Mr. Bhagwandas Bhardwaj	10	No	NED / I	No	N.A.	N.A.
Mr. Ali Mohammed Kalyan	10	No	NED/I	No	N.A.	N.A.
Mr. Syed Abbas Ali *	04	Yes	NED/ I	No	N.A.	N.A.

* Appointed as an additional Director on 15.02.2005

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, 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. The appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees as well as payment to statutory auditors for any other services rendered by them.
3. Disclosure norms.
4. Accounting policies and practices.
5. Quarterly, half-yearly and yearly financial statements.
6. Qualification in the draft Audit Report.
7. Matters required to be included in the Director's Responsibility Statement.
8. The reasons for substantial defaults in the payment to the depositors, Debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
9. To review the functioning of the Whistle Blower mechanism if it is in existence.

The Audit Committee shall mandatorily review the following information :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

ii) Composition

The Audit Committee comprises of three Directors viz. Shri. Bhagwan N. Bhardwaj, Shri. Ali Mohammed Kalyan and Mr. Syed Abbas Ali. The Committee was reframed on 15.12.2005 to meet with the requirement of the revised norms of Clause 49 of the Listing Agreement. 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	5
Mr. Ali Mohammed Kalyan	Member	5
Mr. Syed Abbas Ali	Member	3

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 remuneration, if any, of non-executive directors shall be decided by the members in the General Meeting.

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.

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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.

ii) Remuneration of Directors**Details of Remuneration paid to the Directors for the year 2004-2005**

(Amount in Rs.)

Name of Director	Category	Sitting fees for Board & Committee meetings	Salaries & Perquisites
Shri. S. S. Mewawala	Executive	—	195000
Shri. B.N. Bharadwaj	Non-Executive	—	—
Shri. Ali Mohammed Kalyan	Non-Executive	—	—
Shri. Syed Abbas Ali *	Non- Executive	—	—

* Appointed as an additional Director on 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.

Sr. No.	Nature of Complaints received during the year (01.10.04 to 30.09.05)	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	01	01
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 2005.

ii) Composition

The Committee now reframed comprises of three non-executive Directors viz. Shri. Bhagwan Bharadwaj (Chairman), Ali Mohammed Kalyan and Mr. Syed Abbas Ali. The minutes of the Shareholders/Investors Grievance Committee meetings are circulated to the Board, and are discussed and taken note of by the Board.