

SOLID CONTAINERS LIMITED



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**ANNUAL
REPORT
1999-2000**

SOLID CONTAINERS LIMITED

BOARD OF DIRECTORS :

Shri Subhash Chandra - Chairman

Shri Ashok Kumar Goel

Shri Cyrus Bagwadia - Executive Director

Shri Alope Sengupta - Nominee - IDBI

Shri Motisingh Chauhan

Shri R. Chandrasekhar

REGISTERED OFFICE :

Tiecicon House,
Dr. E. Moses Road,
Mumbai - 400 011.

WORKS :

Vadavali, P.O. Mohone,
Dist. : Thane - 421 102.

AUDITORS :

M/s. M.G. Bhandari & Co.
Chartered Accountants

BANKERS :

Canara Bank
Dr. A. B. Road, Worli,
Mumbai - 400 018.

SOLID CONTAINERS LIMITED**NOTICE**

NOTICE is hereby given that the thirty-fifth Annual General Meeting of **SOLID CONTAINERS LIMITED** will be held at Tiecicon House, Dr. E. Moses Road, Mumbai - 400 011, the Registered Office of the company on Friday, 17th November, 2000 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended on 31st March, 2000 and Balance Sheet as on that date, and the reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Shri Ashok Kumar Goel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri R. Chandrasekhar, who retires by rotation and being eligible, offers himself for re-appointment.
4. **To consider, and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:**

"**RESOLVED** that pursuant to the provisions of section 224A of the Companies Act, 1956, M/s. M. G. Bhandari & Co., Chartered Accountants, Mumbai be and are hereby appointed as auditors of the company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and Board of Directors be and is hereby authorised to fix their remuneration."

SPECIAL BUSINESS :

5. **To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

"**RESOLVED** that pursuant to the provisions of Sections 269, 316 (2) and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), and further, subject to the approval of the Central Government and all other appropriate authorities, consent of the company be, and is hereby, accorded to the appointment of Shri Cyrus Bagwadia as the Executive Director of the company for a period of 3 years with effect from 22nd January, 2000, on such terms and conditions as set out in the agreement to be entered into between the company and Shri Cyrus Bagwadia with liberty to the Board from time to time to alter, vary or modify the said terms and conditions, in such manner as may be agreed upon between the Board and Shri Cyrus Bagwadia, but within the limits specified in that behalf in Schedule XIII to the Companies Act, 1956 and amendment thereof or otherwise as may be permissible by law for the time being in force".

RESOLVED further that the Board of Directors be, and is hereby, authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose to giving effect to this Resolution."

**BY ORDER OF THE BOARD
FOR SOLID CONTAINERS LIMITED**

Place : Mumbai.

Date : 25th October, 2000

**CYRUS BAGWADIA
EXECUTIVE DIRECTOR**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 :-

Shri Cyrus Bagwadia was appointed as the Executive Director of the company in the Annual General Meeting of the company held on 29th August, 1997, for a period of 3 years w.e.f. 22nd January, 1997. The term of Shri Cyrus Bagwadia was to expire on 21st January, 2000. The Board of Directors of the company has re-appointed him as Executive Director of the company for a period of three years with effect from 22nd January, 2000.

Shri Cyrus Bagwadia is Managing Director of M/S Essel Packaging Limited.

The appointment of Shri Cyrus Bagwadia as Executive Director shall be pursuant to the provisions of Sections 269, 316(2) and Schedule XIII of the Companies Act, 1956.

Clause (e) of Part I of Schedule XIII specifies that the person to be appointed as a Executive Director should be resident in India, failing which the approval of the Central Government shall be required for the proposed appointment. Since Shri Cyrus Bagwadia is a Non-Resident Indian, the company will have to obtain the approval of the Central Government for the proposed appointment.

PROPOSED TERMS AND CONDITIONS OF APPOINTMENT OF SHRI CYRUS BAGWADIA AS EXECUTIVE DIRECTOR:-**Remuneration :**

Since Shri Cyrus Bagwadia is the Managing Director of M/S Essel Packaging Limited, he shall not draw any remuneration from Solid Containers Limited.

Duties & Responsibilities:

Shri Cyrus Bagwadia shall function under the overall supervision of the Board of Directors. Both parties will be entitled to terminate the appointment by giving to the other not less than three months notice in writing.

The Board of Directors recommends the passing of the resolution.

None of the directors, except Shri Cyrus Bagwadia, is in any way concerned or interested in the said resolution.

**BY ORDER OF THE BOARD
FOR SOLID CONTAINERS LIMITED**

Place : Mumbai.

Date : 25th October, 2000

**CYRUS BAGWADIA
EXECUTIVE DIRECTOR**

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Shareholders seeking any information with regard to accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
3. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.

SOLID CONTAINERS LIMITED**DIRECTORS' REPORT**

To,

THE MEMBERS,

Your Directors have pleasure in presenting the thirty-fifth Annual Report of the company together with the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS:

	Year ended 31.03.2000	(Rs. in Lacs) Year ended 31.03.1999
Sales	9	411
Loss before Depreciation & Extra-ordinary Items	266	332
Depreciation	97	98
Extra-ordinary Items	116	80
Loss for the year	479	510
Share Capital	1070	1070
Reserve excluding Revaluation Reserve	(909)	(432)

The unrelenting losses has eroded net worth of the company significantly. The company is potentially sick company within the meaning of Section 23 of The Sick Industrial Companies (Special Provision) Act, 1985.

DIVIDEND :

Your Directors regret their inability to recommend dividend in view of loss incurred during the year.

OPERATIONS REVIEW:

In the year 1999-2000, the paper industry remained excruciating. There was no improvement in the paper market in India and overseas market. The globalisation of the economy has further worsened the condition in India. Size of Indian paper industries is very small and scattered all over the country. Technology is old and archaic. Size and technology rendered Indian paper industry un-competitive in the global paper market.

More over basic infrastructure and facilitates are very uneconomical. There is lot of bitter pollution control norms applicable to paper industries in the country. Availability of qualitative raw material is also arduous. The basic raw material is wood which itself is not available easily in the country. Alternative is to recycle the old paper. Qualitative old paper is not available in the country since the consumption of paper as well as quality is very poor comparatively to developed countries. The industry is bound to import raw material, pulp and paper from the American and European markets. Even though it is a low value raw material but logistical cost is very high. Erratic and uneconomical cost of power and water supply are also making their contribution to keep the industry in bleak.

There has been mushroom growth of small paper industries inspite of persistent severe recession. This rustic and unorganised small industries play spoil-sport in the market and lead unethical market practices.

The company had petitioned for various relief to the Government of Maharashtra under the Bombay Relief Undertaking Act, 1958. In spite of our vigorous follow-up with the Government of Maharashtra, it did not budge.

The Operations will be restarted only when there is a possibility of getting a positive contribution. There is no point in operating the plants and adding further to our losses.

Under the prevailing uneconomical market condition, your company has decided to keep the operations under suspension and cut the fixed expenses. An understanding has been reached between labour union and the company. And the entire workforce has disjoined the company during the year. The company has paid Rs. 116 lakh as Separation Compensation to the workers and staff.

DIRECTORS :

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the company, Shri. Ashok Kumar Goel and Shri R. Chandrasekhar directors retire by rotation and being eligible, offer themselves for reappointment.

The Board of Directors has re-appointed Shri Cyrus Bagwadia as Executive Director of the company for three years with effect from January 22, 2000.

AUDITORS :

M/s. M. G. Bhandari & Co., Chartered Accountants, retires and being eligible, offer themselves for reappointment as auditors. The reappointment shall be in accordance of Section 224A of the Companies Act, 1956.

AUDITORS' REPORT :

The qualification and observations made by the auditors in their report are self-explanatory.

PARTICULARS OF EMPLOYEES :

Particulars of Employees under Section 217 (2A) of the Companies Act, 1956, and Companies (Particulars of Employees) Rules, 1975. None of the employees of the Company were in receipt of remuneration more than Rs. 6,00,000/- if employed throughout the financial year or Rs. 50,000/- per month if employed for a part of the financial year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO :

The requirement of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, were not applicable since there was no operation during the year.

ACKNOWLEDGEMENTS :

The Board of Directors express their gratitude to bankers, financial institutions and shareholders of the company for their continuous support. The Board wishes to place on record its deep appreciation of the support extended by the employees of the company.

**BY ORDER OF THE BOARD
FOR SOLID CONTAINERS LIMITED**

Place : Mumbai
Date : 25th October, 2000

**CYRUS BAGWADIA
EXECUTIVE DIRECTOR**