



# **SOLID CONTAINERS LIMITED**

**Annual Report  
2008 - 2009**

## CORPORATE INFORMATION

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### BOARD OF DIRECTORS

Ashok Kumar Goel  
R. Chandrasekhar  
J. M. Fernandes  
Mohender Garg (appointed w.e.f. 29th April, 2008)

### MANAGER (under section 269 of the Companies Act, 1956)

Suresh Kumar Suri (appointed w.e.f. 29th April, 2008)

### COMPANY SECRETARY

Sanjay Basantani

### AUDITORS

M/s MGB & Co.  
Chartered Accountants

### BANKERS

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

### REGISTERED OFFICE

2006, Fossberry Road,  
Near ICI Limited, Reay Road (E),  
Mumbai - 400 033

### WORKS

Vadavali, PO Mohone,  
District Thane - 421 102

### REGISTRAR & SHARE TRANSFER AGENTS

M/s. Sharepro Services (India) Pvt. Ltd.  
13AB, Samhita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange Lane,  
off Andheri Kurla Road, Sakinaka,  
Andheri (E), Mumbai-400 072  
Tel.: 022 - 2851 1872, 6772 0300



**SOLID CONTAINERS LIMITED**

## NOTICE

NOTICE is hereby given that the forty-fourth Annual General Meeting of SOLID CONTAINERS LIMITED will be held on Monday, 14th September, 2009 at 11.00 a.m. at 2006, Fossberry Road, Near ICI Limited, Reay Road (E), Mumbai-400 033, Company's Registered Office, to transact the following business :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2009 and Balance Sheet as on that date, and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Joseph M. Fernandes, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration.

### **SPECIAL BUSINESS:**

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 163 and other applicable provisions, if any, of the Companies Act, 1956, the Register of Members, Index of Members and other related returns or documents or any one or more of them be kept at the office of Sharepro Services (India) Private Limited, Company's Registrar and Transfer Agents at 13AB, Samhita Warehousing Complex, Second floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 and at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400 021."

By Order of the Board of Directors  
**FOR SOLID CONTAINERS LIMITED**

Place : Mumbai  
Date : 10th August, 2009

**ASHOK KUMAR GOEL**  
**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 AT THE MEETING 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 SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.
2. Members desirous of asking any questions at the Annual General Meeting (AGM) are requested to send their questions to the Company at an early date so that the same can be replied suitably.
3. Members are requested to kindly carry their copy of Annual Report to the Meeting.

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## EXPLANATORY STATEMENT OF MATERIAL FACTS PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

## Item No. 4

As per the Companies Act, 1956, ("the Act") Register and Index of Members, Register and Index of Debenture holders, if any, etc. are required to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated, with the approval of the Members to be accorded by a Special Resolution.

M/s. Sharepro Services (India) Private Limited, Mumbai ("Sharepro") is Registrar and Share Transfer Agent of the Company. Sharepro has changed their Registered office from Satam Estate, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099 to 13AB, Samhita Warehousing Complex, Second floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400072. The Members will also be attended by Sharepro at their Investor Relations Centre at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021.

Since the approval of the Members is required under Section 163 of the Companies Act, 1956, for change in place at which the Register and Index of Members etc. are kept, the Board has hereby sought the consent of the Members for the passing of the said resolution.

None of the Directors is concerned or interested in the said resolution.

The Board of Directors recommends the resolution as set out in the Notice for your approval.

By Order of the Board of Directors  
FOR SOLID CONTAINERS LIMITED

Place : Mumbai  
Date : 10th August, 2009

ASHOK KUMAR GOEL  
DIRECTOR

## ADDITIONAL INFORMATION ON DIRECTOR BEING RE-APPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.

<b>Name of Director:</b> (Retiring by rotation)	Mr. Joseph M. Fernandes
<b>Age</b>	82 years
<b>Experience</b>	Rich experience of working with Reserve Bank of India for 15 years in early stages of his career. Thereafter, he was associated with Industrial Development Bank of India (IDBI) for around 20 years. During his tenure with IDBI, he had a wide exposure of various Industrial projects all over India. Mr. Fernandes had also served on the Board of Essel Propack Limited as a Director for a period of more than a decade.
<b>Qualifications</b>	B.Sc. and CAIIB.
<b>List of Public Companies in which outside Directorship held</b>	1. Intrex India Limited 2. Packaging India Private Limited (100% subsidiary of Public Company)
<b>Chairman / Member of the Committees of the Board of other Companies.</b>	Chairman of Audit Committee and Member of Remuneration Committee of Packaging India Private Limited (100% Subsidiary of Public Company)
<b>Shareholding in the Company (No. of shares)</b>	NIL



## DIRECTORS' REPORT

To,

**THE MEMBERS,  
SOLID CONTAINERS LIMITED**

Your Directors have pleasure in presenting the forty fourth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2009.

### SUMMARY OF FINANCIAL RESULTS:

(Rs. in Lacs)

	Year Ended 31.03.2009	Year Ended 31.03.2008
Sales	NIL	NIL
Loss before depreciation & Extra-ordinary items	204	186
Depreciation	13	18
Extra-ordinary items	-	421
Loss for the year	217	625

### DIVIDEND:

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

### OPERATIONS REVIEW:

There has been no change in the status of the Company's operations. The operations continued to be suspended and unviable. There has been no further development and hence the Company was unable to re-commence its operations.

### DIRECTORS:

Mr. J.M. Fernandes, Director, retires by rotation and being eligible, offers himself for re-appointment.

The brief resume of Mr. J.M. Fernandes, Director, as required by Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the notice convening the forty-fourth Annual General Meeting of the Company.

### AUDITORS:

M/s. MGB & Co., Chartered Accountants, the retiring Auditors being eligible, offer themselves for reappointment as Statutory Auditors of the Company. The reappointment is in accordance of Section 224(1B) of the Companies Act, 1956.

### RESPONSE TO THE AUDITORS' REPORT:

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

The Auditors in their report have qualified that the Company is no longer a going concern and has not made adjustments to accounts relating to recoverability of assets and liabilities as might be necessary when the Company is no longer a going concern. In this regard, it may be noted that the operations of the Company continue to stay in suspended and there are no plans which have been finalized for reviving the Company. In view of these facts, the Company is not in a position to make any adjustments in its accounts for recoverability of assets and restatement of liabilities.

The Auditors have stated in their report that the fixed assets records were not produced for verification and no physical verification of the assets was done during the year. Your Company

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has suspended its operations since September 1998 and has been suffering losses. In view of the suspended operations and closure of the unit, physical verification of assets is not possible.

The Auditors have also pointed out that the Company did not have Internal Audit system during the year. Considering the fact that the operations had been suspended since September 1998 and the Company has been suffering losses, the Company did not have Internal Audit System during the year.

**INFORMATION OF EMPLOYEES REMUNERATION:**

None of the Employees were in receipt of remuneration in excess of the limit specified under Section 217 (2A) of the Companies Act, 1956, and Companies (Particulars of Employees) Rules, 1975.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, Directors confirm that:

- 1) In the preparation of the annual accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departure.
- 2) Appropriate Accounting Policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and the profit and loss of the Company for that period. However, Auditors have qualified their report by stating that the Company is no longer a going concern and has not made adjustments to accounts relating to recoverability of assets and liabilities as might be necessary when the Company is no longer a going concern. The qualification has been explained aforesaid in this report.
- 3) 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.
- 4) The annual accounts have been prepared on a going concern basis.

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

Information as required under 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.

**CORPORATE GOVERNANCE:**

A separate report on Corporate Governance alongwith the Auditors' Certificate on its compliance form a part of this Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report is provided in a separate section and forms a part of this Report.

**ACKNOWLEDGEMENTS:**

The Board of Directors expresses their gratitude to the Members of the Company for their continuous support.

For and on behalf of the Board of Directors  
**FOR SOLID CONTAINERS LIMITED**

Place : Mumbai  
Date : 10th August, 2009

**ASHOK KUMAR GOEL**  
**DIRECTOR**



## MANAGEMENT DISCUSSION AND ANALYSIS

The operations of your Company have been suspended since September 1998 and there have been no further development regarding re-commencement of operations. Therefore, your Directors are not able to communicate anything substantive through this report.

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS, OPPORTUNITIES AND THREATS

The Paper Industry is an important industrial sector having a bearing on the socio-economic development of the Country. The Indian Paper Industry is highly fragmented and capital intensive. Inadequate availability and ever increasing cost of raw materials, high energy consumption and costs, fragmented industry structure, unattractive investment scenario are the major issues, the Indian Paper Industry has to be content with. There has been a steady shift in paper consumption patterns consequent to change in the economic scenario in the Country. Improved standard of living and increased urbanization have stimulated the shift in demand from low quality paper to higher grades.

2. The operations of the Company have been suspended since September 1998 and hence information on Segment wise or Product wise performance, Outlook, Risk & concerns, financial performance with respect to operational performance is not provided.

### 3. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

Presently there are only two employees and the operations of the Company have been suspended. Hence, there was no material development in Human resources / Industrial relations during the year.

## CORPORATE GOVERNANCE REPORT

### BOARD'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes in following the principles of full transparency, disclosure of material facts and accountability in dealing with its stakeholders.

### BOARD OF DIRECTORS

The Board has four Non-Executive Directors. Out of these, two members are Independent Directors (Out of which Mr. Mohender Garg has been appointed as a Director with effect from April 29, 2008).

The Board of Directors of the Company have approved and laid down a Code of Conduct applicable to all the Board Members and the Employees of the Company. The declaration of Mr. Suresh Kumar Suri, Manager under section 269 of the Companies Act, 1956, to this effect forms part of this report.

### BOARD PROCEDURES

During the year under review, the Board of Directors met four times on April 29, 2008, July 21, 2008, October 27, 2008 and January 29, 2009.

The composition and attendance of the Directors at the Board meetings and last Annual General Meeting held during the year, Committee membership and number of outside Directorships held by each Director as on March 31, 2009, is given below :-

Name of the Director	Category of Director	Board Meetings held	Board Meetings Attended	Last AGM Attended	No. of Committee Memberships held (excluding private Cos.) @		No. of outside Directorships held (excluding private Cos.) \$
					Chairman	Member	
Ashok Kumar Goel	NED	4	4	No	NIL	2	7
R. Chandrasekhar *	NED	4	4	Yes	NIL	3	1
J. M. Fernandes *	NED, ID	4	4	Yes	3	NIL	2
Mohender Garg **	NED, ID	4	4	No	NIL	1	1

NED : Non-Executive Director

ID : Independent Director

\* Committee Member and on the Board of one Private Company which is a subsidiary of Public Company.

\*\* Appointed as a Director with effect from April 29, 2008.

@ Only Audit Committee and Investor Grievance Committee are considered.

\$ Excludes foreign directorships.




**SOLID CONTAINERS LIMITED**
**Committees of the Board**
**1) Audit Committee**

Audit Committee has been reconstituted with effect from April 29, 2008. Composition of the Audit Committee before and after reconstitution :

Before Reconstitution	After Reconstitution
Mr. J. M. Fernandes (Chairman)	Mr. J. M. Fernandes (Chairman)
Mr. Ashok Kumar Goel	Mr. Mohender Garg
Mr. R. Chandrasekhar	Mr. R. Chandrasekhar

All the Members of the Committee are Non-Executive Directors. Mr. J. M. Fernandes and Mr. Mohender Garg are Non-Executive Independent Directors.

The Company Secretary acts as Secretary of the Committee. Mr. R. Chandrasekhar has expert knowledge of Finance & Accounts. The role, powers and functions of the Audit Committee are as per Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

During the year under review, the Committee Meetings were held on April 29, 2008, July 21, 2008, October 27, 2008 and January 29, 2009.

The attendance record of the Members of the Audit Committee during the year is as under:-

Members	Meetings attended
J. M. Fernandes	4
Ashok Kumar Goel *	1
R. Chandrasekhar	4
Mohender Garg **	3

\* Ceased to be Member of the Audit Committee with effect from April 29, 2008.

\*\* Appointed as Member of the Audit Committee with effect from April 29, 2008.

**2) Investors' Grievance Committee**

Investors' Grievance Committee comprises of -

Members : Mr. J. M. Fernandes (Chairman),  
Mr. R. Chandrasekhar

Compliance Officer : Mr. Sanjay Basantani (Company Secretary)

The Committee deals in matters relating to :

1. Approve Share transfers/transmissions/transpositions and deletion of name from the Share Certificates.
2. Issue of duplicate Share Certificates.
3. Redressal of the shareholders grievances.

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During the year under review, Committee Meeting was held on February 20, 2009.

The attendance record of the Members of the Investors' Grievance Committee is given below :-

Members	Meetings attended
J.M. Fernandes	1
R. Chandrasekhar	1

During the year, no complaints were received and hence there were no complaints pending as on March 31, 2009.

### 3) Remuneration Committee (Constituted with effect from April 29, 2008)

The Committee comprises of three Non-Executive Directors:

- ❖ Mr. J.M. Fernandes (Chairman)
- ❖ Mr. Mohender Garg
- ❖ Mr. R. Chandrasekhar

Terms of Reference :

The Committee was constituted to decide the terms of remuneration of Mr. S. K. Suri as Manager under section 269 of the Companies Act, 1956. The Committee met on April 29, 2008 in this regard and was attended by all the members of the Committee.

## DISCLOSURES

- 1) Materially significant Related Party transactions:  
The transactions between the Related Parties are disclosed in the Schedule No. 12 of the Annual Accounts in compliance with the Accounting Standard relating to "Related Party Disclosures". There is no materially significant Related Party transaction that may have potential conflict with the interest of the Company at large.
- 2) As there are only two employees of the Company and operations remain suspended, the Company has not adopted 'Whistle Blower Policy', a non mandatory requirement as per clause 49 of the Listing Agreement.
- 3) There were no cases of penalties or strictures imposed by any Stock Exchange or SEBI or any other statutory authority for any violation related to the capital market during the last three years. Except that the trading in the securities of the Company has been suspended by the Bombay Stock Exchange Limited.
- 4) Shareholding of all the Directors in the Company is NIL. The Company has no stock option plan for Directors or Employees of the Company. During the year, no remuneration was paid to Directors except sitting fees to Non-Executive Independent Directors. During the year under review, Mr. J M Fernandes and Mr. Mohender Garg, Non Executive Independent Directors of the Company were paid sitting fees of Rs.10,000 and Rs. 8,000 respectively.
- 5) CEO/CFO Certification:  
A Certificate duly signed by Director and Manager under section 269 of the Companies Act, 1956, was placed at the Board meeting of the Company held on August 10, 2009