



# **SOLID CONTAINERS LIMITED**

**Annual Report**  
**2012 - 2013**

## **CORPORATE INFORMATION**

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### **BOARD OF DIRECTORS**

Ashok Goel

R. Chandrasekhar (Resigned w.e.f. 31.01.2013)

J. M. Fernandes

Mohender Garg

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

Suresh Kumar Suri

### **COMPANY SECRETARY**

Anjali Singh (appointed w.e.f. 13.05.2013)

### **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, P. O. Mohone,

District : Thane - 421 102

### **REGISTRAR & SHARE TRANSFER AGENTS**

M/s. Sharepro Services (India) Pvt. Ltd.

13AB, Samhita Warehousing Complex,

2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,

Off Andheri Kurla Road, Sakinaka,

Andheri (E), Mumbai - 400 072

Tel. 6772 0300

## **NOTICE**

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NOTICE is hereby given that the Forty-Eighth Annual General Meeting of SOLID CONTAINERS LIMITED will be held on Thursday, September 26, 2013 at 12.00 noon at Company's Registered Office at 2006, Fossberry Road, Near ICI Limited, Reay Road (E), Mumbai - 400 033, to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Statement of Profit & Loss for the financial year ended 31<sup>st</sup> March, 2013 and the Balance Sheet as on that date and the Report of the Directors' and the Auditor's thereon.
2. To appoint a Director in place of Mr. Mohender Garg, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration.

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

Place : Mumbai

Date : May 29, 2013

**ASHOK 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 / proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience at the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2013 to September 26, 2013 (both days inclusive).
4. Members desirous of asking any questions at the Annual General Meeting are requested to send their questions to the Company at an early date so that the same can be replied suitably.
5. Members are requested to kindly carry their copy of Annual Report to the Meeting.

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

Place : Mumbai

Date : May 29, 2013

**ASHOK 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. Mohender Garg
<b>Appointed / Re - appointed</b>	Re - appointed
<b>Age</b>	50
<b>Experience</b>	Mr. Mohender Garg has a rich experience in the Industry and also serves on the Board of other companies.
<b>Qualifications</b>	Bachelor of Commerce
<b>List of Public Companies in which outside Directorship held (as on 31.03.2013)</b>	Aqualand India Limited
<b>Chairman / Member of the Committees of the Board of other Companies</b>	Nil
<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 Eighth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2013.

**SUMMARY OF FINANCIAL RESULTS:**

(Rs. in Lacs)

	Year Ended 31.03.2013	Year Ended 31.03.2012
Sales	NIL	NIL
(Loss) before depreciation	(210)	(195)
Depreciation	(13)	(13)
(Loss) before Tax	(223)	(208)
(Loss) after Tax	(223)	(208)

**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. R Chandrasekhar has resigned from the directorship of the Company w.e.f January 31, 2013. The Board places on record its gratitude for the services rendered by Mr. R Chandrasekhar during his tenure as member of the Board.

Mr. Mohender Garg, Director, retires by rotation and being eligible, offers himself for re-appointment.

A brief resume of Mr. Mohender Garg, Director, as required by Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the notice convening the forty-eighth 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(IB) 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 your Company is no longer a going concern. In this regard, it may be noted that the operations of your Company continue to stay suspended and any steps for revival will be taken as soon as the economy and future of paper industry improves. 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 fixed assets records were not produced for verification and no physical verification of the assets was done during the year. Your Company has suspended its operations since September 1998 and had 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 your Company has been suffering losses, your Company did not have Internal Audit System during the year.

**INFORMATION ON 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, Director's 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, 2013 and the profit or 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 ADAPTATION & INNOVATION AND RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS / OUTGO AS PER 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**

A) Conservation of Energy	NIL
B) Technology Absorption:	
Research and Development	NIL
Technology absorption, adaptation and innovation	NIL
C) Foreign exchange earnings and outgo	NIL
D) Exports / exports plan	NIL
E) Total Foreign exchange used and earned	NIL

**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 : May 29, 2013

SURESH KUMAR SURI      ASHOK GOEL  
MANAGER                      DIRECTOR

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

The Pulp and Paper Industry is broadly classified into Newsprint, printing & writing and Industrial Paper.

The Indian Paper Industry has been highly fragmented, labour & capital intensive. Raw material procurement is one of the biggest challenges for the paper industry. Performance of paper industry in India has been constrained due to high cost of production characterized by inadequate availability and high cost of raw materials, energy cost and concentration of mills in particular areas.

The demand for paper is closely linked to the growth of GDP. The growth in Indian paper industry has mirrored the growth in GDP.

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.

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

Place : Mumbai  
Date : May 29, 2013

SURESH KUMAR SURI      ASHOK GOEL  
MANAGER                      DIRECTOR

## 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 three Non-Executive Directors. The Board has a Non-Executive Promoter Chairman and two other Directors. Out of these, two members are Independent Directors. Hence, the Company complies with the listing agreement norms for Independent Directors.

### BOARD PROCEDURES

During the year under review, the Board of Directors met six times on May 15, 2012, August 10, 2012, August 30, 2012, November 8, 2012, January 31, 2013 and March 14, 2013.

The composition and attendance of the Directors at the Board meetings and Annual General Meeting held during the year, Committee membership and number of outside Directorships held by each Director as on March 31, 2013, is given below :-

Name of the Director	Category of Director	Board Meetings		Last AGM Attended	No. of Committee Memberships held @		No. of outside Directorships held \$
		Held	Attended		Chairman	Member	
Ashok Goel	NED	6	6	No	NIL	1	4
R. Chandrasekhar*#	NED	6	4	Yes	-	-	-
J.M. Fernandes *	NED, ID	6	6	Yes	2	1	1
Mohender Garg	NED, ID	6	6	No	NIL	1	1

NED : Non-Executive Director      ID : Independent Director

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

@ Only Audit Committee and Investor Grievance Committee are considered.

\$ Excludes directorships in Private Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956.

# Resigned w.e.f. January 31, 2013.



**Committees of the Board**

**1) Audit Committee**

Audit Committee has been reconstituted with effect from April 15, 2013. Composition of the Audit Committee before and after reconstitution:

<b>Before Reconstitution</b>	<b>After Reconstitution</b>
Mr. J.M. Fernandes (Chairman)	Mr. J.M. Fernandes (Chairman)
Mr. Mohender Garg	Mr. Ashok Goel
Mr. R. Chandrasekhar	Mr. Mohender Garg

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 a Secretary to the Committee. Mr. J.M. Fernandes has expert knowledge of Finance & Accounts.

Terms of Reference:

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 with the Stock Exchanges.

During the year under review, five Committee Meetings were held on May 15, 2012, August 10, 2012, August 30, 2012, November 8, 2012 and January 31, 2013.

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

<b>Members</b>	<b>Meetings attended</b>
J. M. Fernandes	5
R. Chandrasekhar	4
Mohender Garg	5

**2) Investors' Grievance Committee**

Investor grievance committee has been reconstituted with effect from April 15, 2013. Composition of the Investors' Grievance Committee before and after reconstitution:

<b>Before Reconstitution</b>	<b>After Reconstitution</b>
Mr. J. M. Fernandes (Chairman)	Mr. J. M. Fernandes (Chairman)
Mr. R. Chandrasekhar	Mr. Ashok Goel

All the members of the committee are Non - Executive Directors.

Compliance Officer : Ms. Anjali Singh - Company Secretary.

The Committee, inter alia, deals in matters relating to:

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

During the year under review, three Committee Meetings were held on May 14, 2012, August 10, 2012 and November 8, 2012.

The attendance of the Members of the Investor Grievance Committee during the year is as under:-

Members	Meetings attended
J. M. Fernandes	3
R. Chandrasekhar	3

During the year, no complaints were received from the investors and hence there were no pending complaints as on March 31, 2013.

## 2) Remuneration Committee

Remuneration committee has been reconstituted with effect from April 15, 2013. Remuneration committee before and after constitution:

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

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.

No Remuneration Committee meeting was held during the year under review.

The Non Executive Independent Directors are paid sitting fees of Rs. 1000 for attending each meeting of the Board of Directors and committees thereof. During the year, no remuneration was paid to Directors, except sitting fees which has been paid only to the 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. 14,000 and Rs. 11,000 respectively.

The Remuneration paid to the Manager under Section 269 of the Companies Act, 1956, for year ended March 31, 2013, is as under:-

Name	Position	Gross Remuneration Paid (Rs.)	Stock Options Granted	Service Contract	Notice Period
Mr. Suresh Kumar Suri	Manager	Rs. 5,84,017#	NIL	Re-appointed for the period of 3 years w.e.f. 29.04.2011	1 month

# Break up of remuneration paid / payable is as under:

(in Rupees)

Sr.No.	Particulars	2012-2013
1.	Salaries, Allowances and Perquisites*	5,59,177
2.	Contribution to Provident and other funds	24,840
	Total	<b>5,84,017</b>

\* Excludes Leave encashment and Gratuity which is based on actuarial valuation provided on an overall basis.

## DISCLOSURES

### 1) Materially significant Related Party transactions.

The transactions between the Related Parties are disclosed in the Note No. 22 of notes forming part of the financial statements 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.