

SOLID CONTAINERS LIMITED

Annual Report
2013 - 2014

CORPORATE INFORMATION

BOARD OF DIRECTORS
Ashok Goel
J. M. Fernandes
Mohender Garg
Reshma Rao (appointed w.e.f. September 05, 2014)

MANAGER (under Section 203 of the Companies Act, 2013)
Suresh Kumar Suri

CHIEF FINANCIAL OFFICER
Francis Miranda

COMPANY SECRETARY
Anjali Singh

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,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai - 400 072
Tel. 6772 0300

SOLID CONTAINERS LIMITED

NOTICE

Regd.Off.: 2006, Fossberry Road, Near ICI limited, Reay Road (E), Mumbai - 400 033
Corporate Identity Number: L28100MH1964PLC013064

NOTICE is hereby given that the Forty-Ninth Annual General Meeting of the Members of **SOLID CONTAINERS LIMITED** will be held on **Tuesday, September 30, 2014 at 11.00 a.m.** 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 31st March, 2014 and the Balance Sheet as on that date and the Report of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. Ashok Goel (holding DIN 00025350),who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 2013, and the Rules made thereunder, M/s. MGB & Co. LLP, Chartered Accountants (Registration No.101169W), be and are hereby appointed as the Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the Fifty Second Annual General Meeting of the Company, subject to ratification by the members annually, at a remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. 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 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Mohender Garg (holding DIN: 00426642), Director of the Company, whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

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 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. J. M. Fernandes (holding DIN: 00147539), Director of the Company, whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of

the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

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

   "**RESOLVED THAT** pursuant to section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) Ms. Reshma Rao (holding DIN: 06966747) who was appointed as an Additional Director by the Board of Directors of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the conclusion of this Annual General Meeting and being eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature as a Director of the Company, be and is hereby appointed as a Woman Director of the Company, liable to retire by rotation."

7. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to Section 2(53), 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, if required, the Company hereby accords its approval for re-appointment of Mr. Suresh Kumar Suri as a Manager of the Company for a period of 3 (three) years with effect from April 29, 2014 on such terms and at such remuneration as set out in the explanatory statement annexed to this Notice convening this meeting, with the liberty and power to the Board of Directors (hereinafter referred to as "the Board" which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said re-appointment, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

   RESOLVED FURTHER THAT Mr Suresh Kumar Suri be and is hereby granted substantial powers of management and be responsible for the overall management and control of whole of the affairs of the Company under the supervision, superintendence, control and direction of the Board of Directors and that he shall continue to handle the responsibility as General Manager - Works.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

8. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

   "**RESOLVED THAT** in supersession of the Resolution passed by the members at the Annual General Meeting of the Company held on September 30, 2010 in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, ("the Act"), (including any statutory modification (s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Memorandum and Articles of Association of the Company, subject to such other approvals as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the "Board" which term shall be deemed to include any Committee thereof) to borrow, for and behalf of the Company from time to time, any sum

or sums of monies and on such terms and conditions and with or without security as and when required by the Company and as the Board of Directors of the Company may deem fit, which together with the monies already borrowed by the Company (except temporary loans obtained from time to time by the Company from its bankers in the ordinary course of its business) shall not exceed a sum of Rs. 33 crore (Rupees Thirty Three Crores) such amount being over and above the aggregate of the paid capital of the Company and its free reserves, that is to say, reserves not set part of for any specific purpose, as the Board of Directors may from time to time deem necessary.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings and do all such acts, deeds and things we as may be required to give effect to this Resolution."

By Order of the Board of Directors
FOR SOLID CONTAINERS LIMITED

Place : Mumbai
Date : September 05, 2014

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 AND THE 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. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
2. The statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The relevant details of Directors seeking re-appointment under item no. 2 and 7 and appointment under items nos. 4, 5 and 6 above as required under clause 49 of the Listing agreement entered into with the Stock Exchange is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 26, 2014 to Tuesday, September 30, 2014 (both days inclusive).
5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturday between 10.00 a.m. to 5.00 p.m. up to the date of declaration of the result of the 49th Annual General Meeting of the Company.
6. 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.
7. 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 : September 05, 2014

ASHOK GOEL
DIRECTOR

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:-

Item No. 4

Mr. Mohender Garg is on the Board of the Company since April 2008. He is presently an Independent Director on the Board, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Garg being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Mr. Garg as a candidate for the office of Independent Director of the Company.

Concurring with the recommendation of the Nomination and Remuneration Committee, the Board is of the opinion that, Mr. Garg fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Mr.Garg as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday upto the date of the 49th Annual General Meeting of the Company. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise. In terms of Section 149(13) of the Companies Act, 2013, Mr. Garg shall not be liable to retire by rotation.

The detailed profile of Mr. Garg, including nature of his expertise and other disclosure as required in Clause 49 of Listing Agreement with the stock exchange is annexed to the Notice forming part of the Annual report.

None of the Directors, key managerial personnel and /or their relatives, except Mr. Garg is concerned or interested in the Resolution.

Item No. 5

Mr. J M Fernandes is on the Board of the Company since March 2006. He is presently an Independent Director on the Board, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Fernandes being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Mr. Fernandes as a candidate for the office of Independent Director of the Company.

Concurring with the recommendation of the Nomination and Remuneration Committee, the Board is of the opinion that, Mr. Fernandes fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Mr Fernandes as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday upto the date of the 49th Annual General Meeting of the Company. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise. In terms of Section 149(13) of the Companies Act, 2013, Mr. Fernandes shall not be liable to retire by rotation.

The detailed profile of Mr. J.M. Fernandes, including nature of his expertise and other disclosure as required in Clause 49 of Listing Agreement with the stock exchange is annexed to the Notice forming part of the Annual report.

None of the Directors, key managerial personnel and /or their relatives, except Mr. Fernandes is concerned or interested in the Resolution.

Item No.6

As per the provisions of Section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Listing Agreement with the Stock Exchange, every listed Company as well as every other public Company having paid up share capital of Rs 100 crores or more or turnover of Rs. 300 crores or more is required to appoint atleast one Woman Director on the Board of the Company.

Accordingly, the Board of Directors of the Company at its meeting held September 05, 2014, appointed Ms Reshma Rao (holding DIN 06966747) as an Additional Director of the Company pursuant to the provisions of Section 161 of the Act who holds office of Director only upto the conclusion of this Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms Reshma Rao for the office of Director of the Company, liable to retire by rotation.

She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The detailed profile of Ms Reshma Rao, including nature of her expertise and other disclosure as required in Clause 49 of Listing Agreement with the stock exchange is provided in the Notice.

None of the Directors, key managerial personnel and/or their relatives, except Ms Reshma Rao is concerned or interested in this resolution.

Item No. 7

The Members at the Annual General Meeting held on September 29, 2011 had appointed Mr. Suresh Kumar Suri, Manager under Section 269 of the Companies Act, 1956 ('the Act'), for a period of 3 (three) years i.e., April 29, 2011 to April 28, 2014. The Board of Directors of your Company, in its meeting held on April 15, 2014, subject to the approval of members and such other approvals as may be required, has re-appointed Mr.Suresh Kumar Suri as Manager under Section 203 of the Companies Act, 2013 for a period of 3 (three) years with effect from April 29, 2014.

Your Company would therefore require to pass a Special Resolution in this regard.

The material terms and conditions (including remuneration and minimum remuneration) of Mr. Suresh Kumar Suri's re-appointment are as follows:

1. Salary:

   A basic salary of Rs.17,900/- per month with merit based annual increments as may be recommended by the Nomination and Remuneration Committee and decided by the Board.

2. Ex Gratia not exceeding Rs.30,000/- per annum or as may be revised from time to time as may be recommended by the Nomination and Remuneration Committee and decided by the Board.

3. Perquisites;

   i. House Rent allowance not exceeding Rs.8,950/- per month as may be recommended by the Nomination and Remuneration Committee and decided by the Board.

   ii. Reimbursement of actual electricity bills.

iii. Reimbursement of actual Medical Expenses incurred for self and family.

iv. Leave Travel concession: Once in a year, subject to a ceiling of Rs. 30,000/-.

v. Benefit of sick leave in accordance with the Rules of the Company.

vi. Special Allowance of Rs. 6,002/- per month or as may be recommended by the Nomination and Remuneration Committee and decided by the Board.

4. Mr. Suresh Kumar Suri shall also be eligible to the following:

i. Benefit of the Company's Provident Fund Scheme and the Superannuation/Annuity Fund Scheme together with the benefit of any Retirement Fund or Scheme, which the Company may introduce in future.

ii. Gratuity in accordance with the Rules of the Company.

iii. Earned or Privilege Leave - In accordance with the Rules of the Company.

iv. Use of telephone and/or mobile for the Company's business at Mr. Suri's residence, provided that the cost of personal long distance calls, if any, shall be reimbursed by him to the Company;

v. Use of a Motor Car for the Company's business (as also for his personal use) or, alternately, the Company shall bear and pay all running operation and maintenance expenses for use of his own car.

Apart from the aforesaid remuneration, Mr. Suresh Kumar Suri will be entitled to the reimbursement of entertainment, traveling, hotel and other expenses actually incurred for the official purposes of the Company.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rule, perquisites and allowances shall be evaluated at actual cost incurred by the Company in providing such perquisites and allowances.

Minimum Remuneration:

Where in any financial year during the tenure of Mr. Suresh Kumar Suri, the Company incurs a loss or its profits are inadequate, the Company shall continue to pay Mr. Suresh Kumar Suri the above remuneration as Minimum Remuneration within the limits as specified under Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof) as minimum remuneration with the approval of Central Government, if required.

Since the Company has incurred loss during the financial year, the Company shall pay Mr. Suresh Kumar Suri the above remuneration as Minimum Remuneration.

Other Terms:

1. The Manager shall not, without the prior approval of the Board, directly or indirectly engage in any other business, occupation or employment similar to or competing with, the Company's business.
2. The Manager shall not divulge or disclose to any person, or make use whatever, of any confidential information or knowledge as to the Company's business affairs or trade secrets.
3. The appointment may be terminated by either party giving to the other 1(one) month notice in writing.

The Board of Directors recommends the Special resolution for your approval.

None of the Directors, key managerial personnel and/or their relatives, except Ms Suresh Kumar Suri is concerned or interested in this resolution.

Additional information for the Shareholders as required under Schedule XIII of the Companies Act, 1956/Schedule V of the Companies Act, 2013 and to the extent applicable to the Company is given as under: (Re: Item no. 7 of the Notice):-

I. **General Information:**

(1) **Nature of industry:** Paper Industry.

(2) **Date or expected date of commencement of commercial production:** Already commenced the commercial production but the production operations were suspended since September 1998.

(3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.

(4) **Financial performance based on given indicators:** Operations of the Company have been suspended since September 1998 and the Company has been suffering losses. The Company has suffered a Net loss of Rs. 2,37,30,563 for the year ended March 31, 2014 as against Rs. 2,23,17,600/- for the year ended March 31, 2013.

(5) **Foreign investments or collaborators, if any:** NIL.

II. **Information about the appointee:**

(1) **Background details:**

Name	: Mr. Suresh Kumar Suri
Father's name	: Late Shri Parmanand N. Suri
Nationality	: Indian
Date of Birth	: August 14, 1946
Date of re-appointment	: April 15, 2014 (As Manager under section 2(53), 196, 197, 203 of the Companies Act, 2013)
Expertise in specific Functional Area	: 43 years experience in the Paper and Pulp Industry
Directorships held in other Company	: Nil

(2) **Past remuneration:** Mr. Suresh Kumar Suri has drawn remuneration of Rs. 5,69,173/- per annum for the financial year 2013-2014. (Details as provided in Corporate Governance Report)

(3) **Recognition or awards:** Not Applicable

(4) **Job profile and his suitability:**

Job Profile: Responsible for the overall management and control of the whole of the affairs of the Company with substantial powers of management under the supervision, superintendence, control and direction of the Board of Directors. He will also continue to handle the responsibility as General Manager - Works.

Suitability: Mr. Suri has been associated with the Company since 1984. Subsequently, during 1997-98, he was given responsibility as General Manager - Works of the Company. He has around 43 years of experience in Paper and Pulp Industry.

(5) Remuneration proposed: As per the resolution and Explanatory Statement to item no.7 annexed to this notice.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Mr. Suri would also continue to handle responsibility as General Manager-Works

and his re-appointment as Manager under section 2(53), 196, 197, 203 of the Act is on the same terms of remuneration, the remuneration of Mr. Suri seems to be justified.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: There is no such pecuniary relationship except that Mr. Suri has been associated with the Company since May 1984 and as General Manager - Works since 1997-98 and the remuneration paid / payable to Mr. Suresh Kumar Suri.

III. Other information:

(1) **Reasons of loss or inadequate profits:** The operations of the Company have been suspended since September 1998 and hence the Company has been suffering losses.

(2) **Steps taken or proposed to be taken for improvement:** The Management will explore the opportunities available for revival of the Company and will take the suitable and appropriate steps towards the same.

(3) **Expected increase in productivity and profits in measurable terms:** Not Applicable, since the operations of the Company have been suspended since September 1998.

By Order of the Board of Directors
FOR SOLID CONTAINERS LIMITED

Place : Mumbai
Date : September 05, 2014

ASHOK GOEL
DIRECTOR