



SOLID CONTAINERS LIMITED

Annual Report
2009 - 2010

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ashok Kumar Goel
R. Chandrasekhar
J. M. Fernandes
Mohender Garg

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

Suresh Kumar Suri

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, 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.: 022- 2851 1872, 6772 0300



NOTICE

NOTICE is hereby given that the Forty-fifth Annual General Meeting of SOLID CONTAINERS LIMITED will be held on Thursday, 30th September, 2010 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, 2010 and the Balance Sheet as on that date, and the Report of the Director's and the Auditor's thereon.
2. To appoint a Director in place of Mr. R. Chandrasekhar, 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 an Ordinary Resolution :

"RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow sum or sums of moneys for and on behalf of the Company from time to time, as and when required by the Company, provided that the money or moneys so borrowed together with the moneys already borrowed by the Company (apart from 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. 30,00,00,000 (Rupees Thirty Crores Only) such amount being over and above the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board of Directors may from time to time deem necessary and the existing borrowings made by the Company, be and is hereby confirmed and ratified."

By Order of the Board of Directors
FOR SOLID CONTAINERS LIMITED

Place : Mumbai

Date : 23 August, 2010

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 / 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 Friday, 24th September, 2010 to Thursday, 30th September, 2010 (both days inclusive).
4. 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.
5. Members are requested to kindly carry their copy of Annual Report to the Meeting.

EXPLANATORY STATEMENT OF MATERIAL FACTS PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 4**

As per Section 293(1)(d) of the Companies Act, 1956, approval of the Members is required by the Company to borrow money, where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital and free reserves of the Company.

The Members of the Company at the Annual General Meeting held on September 30, 1994 authorised the Board of Directors to borrow upto Rs. 20 Crores notwithstanding that the money or moneys to be borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

During the year, the existing lender demanded repayment of loan alongwith interest. The Company borrowed loan to that extent from another lender to repay the same. Further taking into account the existing sums borrowed by the Company and the future requirements of short term funds for meeting the administrative and overhead costs and costs towards regulatory compliances, approval of Members is sought for borrowing/s (apart from temporary loans, if any obtained from time to time by the Company from its bankers in the ordinary course of its business) as may be made by the Company from time to time, such that the same does not exceed limit of Rs. 30,00,00,000 (Rupees Thirty Crores only), such amount being over and above the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and the existing borrowings made by the Company, be confirmed and ratified.

The Directors recommend the Ordinary resolution for approval of the Members.

None of the Directors of the Company is concerned or interested in the Resolution.

By Order of the Board of Directors
FOR SOLID CONTAINERS LIMITED

Place : Mumbai
Date : 23 August, 2010

ASHOK KUMAR GOEL
DIRECTOR

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

Name of Director: (Retiring by rotation)	Mr. Chandrasekhar Rajagopalan
Appointed / Re - appointed	Re - appointed
Age	49 years
Experience	Mr. Chandrasekhar has a vast and varied experience of over 25 years in the manufacturing industry. He also has a rich experience in the corporate world. He is well verse in managing diverse portfolios and functions such as Production, Marketing, Audit, Finance, Projects, Strategy and Corporate Planning and Organizational Restructuring.
Qualifications	He is a Commerce Graduate and qualified Chartered Accountant, Company Secretary and Cost & Works Accountant.
List of Public Companies in which outside Directorship held	Packaging India Private Limited (100% subsidiary of Public Company)
Chairman / Member of the Committees of the Board of other Companies	Member of Audit Committee of Packaging India Private Limited (100% Subsidiary of Public Company)
Shareholding in the Company (No. of shares)	NIL

DIRECTORS' REPORT

To,

**THE MEMBERS,
SOLID CONTAINERS LIMITED**

Your Directors have pleasure in presenting the Forty-fifth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2010.

SUMMARY OF FINANCIAL RESULTS:

(Rs. in Lacs)

	Year Ended 31.03.2010	Year Ended 31.03.2009
Sales	NIL	NIL
Profit/(Loss) before depreciation	(218)	(204)
Depreciation	(13)	(13)
Profit/(Loss) before Tax	(231)	(217)
Profit/(Loss) after tax	(233)	(217)

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

The brief resume of Mr. R. Chandrasekhar, Director, as required by Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the notice convening the Forty-fifth Annual General Meeting of the Company.

AUDITORS:

M/s. MGB & Co., Chartered Accountants, the retiring Auditors being eligible, offer themselves for re-appointment as Statutory Auditors of the Company. The re-appointment 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 fixed 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 the Company has been suffering losses, the 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, 2010 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 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:

The operations of the Company continue to be suspended and therefore there were no energy conservation measures/additional investments and proposal implemented for reduction of consumption of energy, no efforts made in Technology absorption, adaptation and innovation, Research & development, no Foreign Exchange earnings and outgo or exports.

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
Exports/exports plans	Nil
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 : 23 August, 2010

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 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 accounts for about 2% of the world's production of paper and paperboards.

The Indian Paper Industry is highly fragmented and 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 characterised by inadequate availability and high costs 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 and the industry has grown on average about 6-7% over the past few years. The global recessionary pressures have affected the paper industry in India. The Indian paper mills faced the challenge of sluggish demand scenario due to slowdown in the economy in latter half of 2008 and early 2009. On account of sustained demand from diverse sectors the industry is expected to witness continued demand.

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. The Board has a Non-Executive Promoter Chairman and three 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 five times on April 29, 2009, July 24, 2009, August 10, 2009, October 30, 2009 and January 28, 2010.

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, 2010, is given below :-

Name of the Director	Category of Director	Board Meetings held	Board Meetings Attended	Last AGM Attended	No. of Committee Memberships held @		No. of outside Directorships held \$
					Chairman	Member	
Ashok Kumar Goel	NED	5	5	No	NIL	1	7
R. Chandrasekhar *	NED	5	5	Yes	NIL	3	1
J. M. Fernandes *	NED, ID	5	4	Yes	2	1	2
Mohender Garg	NED, ID	5	5	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.

@ 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.

Committees of the Board

1) Audit Committee

Composition:

The Committee comprises of three Non-Executive Directors :

- ❖ Mr. J.M. Fernandes (Chairman)
- ❖ Mr. Mohender Garg
- ❖ 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 a Secretary of the Committee. Mr. R. Chandrasekhar 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, Committee met five times held on April 29, 2009, July 24, 2009, August 10, 2009, October 30, 2009 and January 28, 2010.

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

Members	Meetings attended
J. M. Fernandes	4
R. Chandrasekhar	5
Mohender Garg	5

2) Investors' Grievance Committee

Composition:

Investors' Grievance Committee comprises of -

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

Compliance Officer : Mr. Sanjay Basantani (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.

No Committee Meeting was held during the year under review as there was no request for transfer / transmissions or other related matters during the year.

During the year, no complaints were received from the investors and hence there were no pending complaints as on March 31, 2010.

3) Remuneration Committee

Composition:

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.

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

During the year, no remuneration was paid to Directors except sitting fees paid to Non Executive Independent Directors. During the year under review, Mr. J. M. Fernandes and Mr. Mohender Garg, Non Executive Directors of the Company were paid sitting fees of Rs.8,000 and Rs. 10,000 respectively.

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) The Board of Directors of the Company have approved and laid down a Code of Conduct applicable for 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.
- 3) 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.
- 4) 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.
- 5) Shareholding of all the Directors in the Company is NIL. The Company has no stock option plan for Directors or Employees of the Company.
- 6) 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 23rd August, 2010.

MEANS OF COMMUNICATION

The quarterly and annual results of the Company are published in Free Press Journal and Navshakti.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Annual Report.