



SOLID CONTAINERS LIMITED

**Annual Report
2010 - 2011**

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.: 6772 0300

NOTICE

NOTICE is hereby given that the forty-sixth Annual General Meeting of SOLID CONTAINERS LIMITED will be held on Thursday, September 29, 2011 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 Profit & Loss Account for the year ended 31st March, 2011 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. Ashok Kumar Goel, 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 :

Re-appointment of Mr. Suresh Kumar Suri as Manager under the Companies Act, 1956.

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 387, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), and such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Suresh Kumar Suri as Manager of the Company pursuant to Section 269 of the Act for a period of 3 (three) years w.e.f. April 29, 2011 on terms and conditions including remuneration as set out in the Explanatory Statement annexed herewith, with power to the Board of Directors or any Committee thereof to alter and vary the terms and conditions so as not to exceed the limits specified in Schedule XIII to the Act or any amendments thereto or otherwise as may be permissible by law for the time being in force.

RESOLVED THAT Mr. S. K. 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 of Directors be and is hereby authorized to take such steps as it may, in its discretion, deem necessary proper or expedient to give effect to this Resolution."

By Order of the Board of Directors
FOR SOLID CONTAINERS LIMITED

Place : Mumbai

ASHOK KUMAR GOEL

Date : August 30, 2011

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 Monday, September 26, 2011 to Thursday, September 29, 2011 (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 PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

The Members at the Annual General Meeting of the Company held on September 29, 2008 had appointed Mr. S. K. Suri, General Manager - Works as Manager under Section 269 of the Companies Act, 1956 ('the Act'), for a period of 3 years i.e. from April 29, 2008 to April 28, 2011. The Board of Directors of your Company, therefore, in its meeting held on April 25, 2011, subject to approval of Members and other approvals as may be required, has re-appointed Mr. S K Suri as Manager under Section 269 of the Act for a period of three years with effect from April 29, 2011.

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

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

1. Salary:
 - (a) A Basic Salary of Rs.14,784/- per month with merit based annual increments as may be decided by the Board or any Committee thereof.
 - (b) Dearness Allowance of Rs.2,464/- per month with merit based annual increments as may be decided by the Board or any Committee thereof.
 - (c) Personal Allowance of Rs.3,000/- per month with merit based annual increments as may be decided by the Board or any Committee thereof.
2. Ex Gratia not exceeding Rs.30,000/- per annum or as may be revised from time to time by Board or any Committee thereof.
3. Perquisites:
 - i. House Rent allowance not exceeding 20% of his Basic Salary.
 - ii. Reimbursement of actual electricity bills.
 - iii. Reimbursement of actual Medical Expenses incurred for self and family (i.e. wife, dependent children and dependent parents);
 - iv. Leave Travel concession: Once in a year, subject to a ceiling of Rs. 30,000 or as may be revised by the Board or Committee thereof.
 - v. Benefit of sick leave in accordance with the Rules of the Company.
4. Mr. S. K. Suri shall also be eligible for 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 with driver 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 plus the remuneration of a driver for use of his own car.

Apart from the aforesaid remuneration, Mr. S.K. Suri will be entitled to the reimbursement of entertainment, traveling, hotel and other expenses actually incurred for 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. S.K. Suri, the Company incurs a loss or its profits are inadequate, the Company shall continue to pay Mr. S.K. 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 recommend the Special resolution for your approval.

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

**Additional information for the Shareholders as required under Schedule XIII of the Companies Act, 1956 and to the extent applicable to the Company is given as under:
(Re: Item no. 4 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. 1,94,45,773 for the year ended March 31, 2011 as against Rs. 2,32,58,590 for the year ended March 31, 2010.

(5) **Export performance and net foreign exchange collaborations:** Not Applicable.

(6) **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 29, 2011 (As Manager under section 269 of the Companies Act, 1956)
Expertise in specific Functional Area	:	40 years experience in the Paper and Pulp Industry
Directorships held in other Company	:	Nil

(2) **Past remuneration:** Mr. S.K. Suri has drawn remuneration of Rs. 5,59,961 per annum for the financial year 2010-2011 (Details are 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 40 years of experience in Pulp and Paper Industry.

(5) **Remuneration proposed:** As per the resolution and Explanatory Statement to item no.4 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) :** Considering that Mr. Suri would continue to handle responsibility as General Manager – Works and his re-appointment as Manager under section 269 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. S K 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

ASHOK KUMAR GOEL

Date : August 30, 2011

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. Ashok Kumar Goel
Appointed / Re - appointed	Re - appointed
Age	49 years
Experience	Mr. Ashok Kumar Goel has been associated with the Company as a Director since 1983. Mr. Goel is an experienced businessman who also oversees the management of the Essel Group's Companies; viz., Essel Propack Limited, EsselWorld and Water Kingdom. He has led the turnaround of an engineering tools company in the Essel Group and achieved manufacturing efficiencies. In July 2005, the renowned publication The 'Smart Manager', after in-depth research spread over three years, rated Mr. Ashok Kumar Goel as "one of the 25 truly world class managers from India".
Qualifications	B. Com.
List of Public Companies in which outside Directorship held (as on 31.03.2011)	Essel Propack Limited (Vice Chairman & Managing Director), Essel Infraprojects Limited, India SME Asset Reconstruction Company Limited, ITZ Cash Card Limited, ITZ Online Financial Services Private Limited (formerly ITZ Online Payments Limited), Agrani Telecom Limited and Indian Association For Amusement Parks And Industries Limited
Chairman / Member of the Committees of the Board of other Companies	Member of Investor Grievance Committee of Essel Propack Limited
Shareholding in the Company (No. of shares)	49780 equity shares of Rs. 10 each.

DIRECTORS' REPORT

To,

**THE MEMBERS,
SOLID CONTAINERS LIMITED**

Your Directors have pleasure in presenting the Forty sixth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

SUMMARY OF FINANCIAL RESULTS:

(Rs. in Lacs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Sales	NIL	NIL
Profit / (Loss) before depreciation	(181)	(218)
Depreciation	(13)	(13)
Profit / (Loss) before Tax	(194)	(231)
Profit / (Loss) after Tax	(194)	(233)

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

The brief resume of Mr. Ashok Kumar Goel, Director, as required by Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the notice convening the forty-sixth 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 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 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 judgements 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, 2011 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 plans	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 : August 30, 2011

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 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. Overall demand for paper is estimated to have increased by around 6% during the year 2010 – 2011.

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.