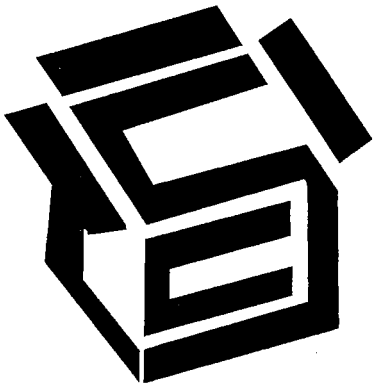


SOLID CONTAINERS LIMITED

Annual Report
2011 - 2012

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-seventh Annual General Meeting of SOLID CONTAINERS LIMITED will be held on Friday, September 28, 2012 at 10.30 a.m. at Company's Registered Office 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, 2012 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. J.M. Fernandes, 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

Mumbai, 30 August 2012

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 Tuesday, September 25, 2012 to Friday, September 28, 2012 (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.

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. J. M. Fernandes
Appointed / Re-appointed	Re-appointed
Age	85 years
Experience	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 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.
Qualifications	B.Sc. and CAIIB.
List of Public Companies in which outside Directorship held (as on 31.03.2012)	Packaging India Private Limited.
Chairman / Member of the Committees of the Board of other Companies	Member of Audit Committee & Remuneration Committee of Packaging India Private Limited
Shareholding in the Company (No. of shares)	NIL

DIRECTORS' REPORT

To,

THE MEMBERS,
SOLID CONTAINERS LIMITED

Your Directors have pleasure in presenting the Forty seventh Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

SUMMARY OF FINANCIAL RESULTS:

(Rs. in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
Sales	**NIL**	NIL
(Loss) before depreciation	**(195)**	(181)
Depreciation	**(13)**	(13)
(Loss) before Tax	**(208)**	(194)
(Loss) after Tax	**(208)**	(194)

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-seventh 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, your 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 your 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, 2012 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

SURESH KUMAR SURI — **MANAGER**

ASHOK KUMAR GOEL — **DIRECTOR**

Mumbai, 30 August 2012

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.

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

SURESH KUMAR SURI — **MANAGER**

ASHOK KUMAR GOEL — **DIRECTOR**

Mumbai, 30 August 2012

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 25, 2011, August 10, 2011, August 30, 2011, November 4, 2011 and February 13, 2012.

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, 2012, 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	5
R. Chandrasekhar *	NED	5	5	Yes	NIL	3	2
J.M. Fernandes *	NED, ID	5	5	Yes	2	1	1
Mohender Garg	NED, ID	5	5	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.

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, five Committee Meetings were held on April 25, 2011, August 10, 2011, August 30, 2011, November 4, 2011 and February 13, 2012.

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

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

2) Investors' Grievance Committee

Composition:

The Committee comprises of two Non- Executive Directors, namely,

- 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.

During the year under review, two Committee Meetings were held on April 25, 2011 and August 10, 2011.

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

Members	Meetings attended
J. M. Fernandes	2
R. Chandrasekhar	2

During the year, no complaints were received from the investors and hence there were no pending complaints as on March 31, 2012.

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.

During the year under review, one Committee Meeting was held on April 25, 2011.

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 has been paid 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. 13,000 and Rs. 11,000 respectively

The Remuneration paid to the Manager under Section 269 of the Companies Act, 1956, for year ended March 31, 2012, is as under:-

Name	Position	Gross Remuneration Paid (Rs.)	Stock Options Granted	Service Contract	Notice Period
Mr. Suresh Kumar Suri	Manager	Rs. 5,65,513 #	NIL	Re-appointed for another 3 years w.e.f. 29/04/2011	1 month

Break up of remuneration paid / payable is as under:

(in Rs.)

Sr.No.	Particulars	2011-2012
1.	Salaries, Allowances and Perquisites*	5,40,673
2.	Contribution to Provident and other funds	24,840
	Total	**5,65,513**

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