



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 ASHOK KUMAR GOEL
MANAGER 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 CommitteeComposition:

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.

Annual Report 2011-2012

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.

DISCLOSURES
1) Materially significant Related Party transactions.

The transactions between the Related Parties are disclosed in the Note No. 22 of Note 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.

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 except that Mr. Ashok Kumar Goel is holding 49780 equity shares. 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 August 30, 2012.

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.

SHAREHOLDERS' INFORMATION

1.	Annual General Meeting (Day, Date, Time & Venue)	Friday, September 28, 2012 at 10.30 a.m. at 2006, Fossberry Road, Near ICI Ltd., Reay Road, Mumbai - 400 033.
2.	Financial Year	April to March
3.	Book Closure Dates	From, Tuesday September 25, 2012 to Friday September 28, 2012 (both days inclusive)
4.	Dividend payment date	Not applicable.
5.	Registered Office	2006, Fossberry Road, Near ICI Ltd., Reay Road (E), Mumbai-400 033.

6.	Listing of Shares on Stock	The shares of the Company are listed on Bombay Stock Exchange Limited (BSE). BSE has revoked the suspension in trading of equity shares of the company with effect from April 22, 2010. The shares can be traded in physical mode. Prescribed listing fees have been paid to BSE.										
7.	<p>Market price date: (High / Low during each month during the year 2011-2012)</p> <table border="1" data-bbox="284 528 1043 663"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="3">BSE</th> </tr> <tr> <th>High</th> <th>Low</th> <th>BSE Sensex</th> </tr> </thead> <tbody> <tr> <td>February 2012</td> <td>4.59</td> <td>4.18</td> <td>17,752.68</td> </tr> </tbody> </table> <p><i>Note: Since there was no transaction in the Company's Share on BSE during the period from April 2011 to January 2012 and March 2012, market price for that period is not available. Hence market price only for the month of February 2012 is given.</i></p>	Month	BSE			High	Low	BSE Sensex	February 2012	4.59	4.18	17,752.68
Month	BSE											
	High	Low	BSE Sensex									
February 2012	4.59	4.18	17,752.68									
8.	Stock Exchange	Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.										
9.	Stock Code	502460										
10.	Registrar and Share Transfer Agent	<p>M/s. Sharepro Services (India) Pvt. Ltd. Unit : SOLID CONTAINERS LIMITED Samhita Ware Housing Complex, Plot No. 13 A B, Gala No. 53, Sakinaka Telephone Exchange Lane, Off Andheri - Kurla Road, Sakinaka, Mumbai -400 072. Tel. : (022) 6772 0300 Fax : (022) 28591568 E-mail: sharepro@shareproservices.com</p>										
11.	Compliance Officer	Sanjay Basantani Company Secretary										
12.	Share Transfer System	Physical shares sent for transfer are duly transferred within the specified period, if documents are in order.										
13.	Details of General Meetings of Shareholders											
	Date	AGM / EGM	Location	Time								
	29/09/2011	AGM	Registered Office	11.00 a.m.								
	30/09/2010	AGM	Registered Office	11.00 a.m.								
	14/09/2009	AGM	Registered Office	11.00 a.m.								

**Special Resolution passed in the previous three Annual General Meetings (AGMs):**

- AGM held on September 14, 2009:
Special resolution under section 163 of the Companies Act, 1956 for change of office address of Sharepro Services (India) Pvt. Ltd Company's Registrar and Transfer Agents where the Register of Members, Index of Members and other related returns or documents or any one or more of them are kept.
- AGM held on September 29, 2011:
Special resolution under section 269 of the Companies Act, 1956 for re-appointment of Mr. Suresh Kumar Suri as manager of the company for a period of 3 (three) years w.e.f. April 29, 2011.
- During the year ended March 31 2012, no special resolution was passed by the company's shareholders through Postal Ballot.

14. Shareholding Pattern as on 31st March, 2012				
Particulars		No. of Shares	Percentage	
Promoter		1528966	56.63	
FIIs		NIL	NIL	
NRIs		NIL	NIL	
Mutual Funds, FIs, Banks and Insurance Companies		541600	20.06	
Bodies Corporate		318400	11.79	
Resident Indians		311034	11.52	
Total		2700000	100.00	
15. Distribution schedule as on 31st March, 2011				
Distribution	No. of Shareholders	% to total holders	No. of Shares	% to total shares
Less than 500	643	81.599	117604	4.356
500 – 1000	80	10.152	60100	2.226
1001 – 2000	32	4.061	48400	1.793
2001 – 3000	10	1.269	25350	0.939
3001 – 4000	3	0.381	9350	0.346
4001 – 5000	3	81.599	12950	0.480
5001 – 10000	2	10.152	15150	0.561
Above 10001	15	4.061	2411096	89.300
TOTAL	788	1.269	2700000	100.00

16.	Dematerialisation of shares & liquidity	The shares of the Company are not dematerialised. The Company made an application to Depository for dematerialisation of Equity Shares of the Company but approval was not granted as the capital base of the Company did not fulfill their admission criteria.
17.	Outstanding GDRs / ADRs / Warrants or any Convertible Instruments and their likely impact on equity	As on date there are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR during the year under review.
18.	Plant Location	Vadavali, P.O. Mohone, District Thane-421102.
19.	Address for Correspondence	Solid Containers Limited, 2006, Fossberry Road, Near ICI Ltd., Reay Road (E), Mumbai-400 033.

For and on behalf of the Board of Directors

FOR SOLID CONTAINERS LIMITED

SURESH KUMAR SURI ASHOK KUMAR GOEL
MANAGER DIRECTOR

Mumbai, 30 August 2012

DECLARATION

It is hereby declared that all the Board Members and Employees of the Company have affirmed adherence to and compliance with the 'Code of Conduct' adopted by the Company.

FOR SOLID CONTAINERS LIMITED

SURESH KUMAR SURI
MANAGER

Mumbai, 30 August 2012

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Solid Containers Limited

We have examined the compliance of conditions of Corporate Governance by Solid Containers Limited, for the year ended 31 March, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Sanjay Kothari
Partner
Membership No. 048215

Mumbai, 30 August 2012

AUDITOR'S REPORT

To,
The Members of **SOLID CONTAINERS LIMITED**

1. We have audited the attached Balance Sheet of **Solid Containers Limited** ("the Company") as at 31 March 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (the 'Order') issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 ("the Act") and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to Paragraph (3) above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books;
 - iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Act;
 - v) On the basis of written representations received from the Directors, and taken on record by the Board, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon, give the information required by the Act in the manner so required, but in view of *Note 18 regarding substantial operating losses due to closure of commercial operations of the company and in the absence of any rehabilitation measures, the Company is no longer a going concern. The Company has not made adjustment to accounts relating to recoverability of recorded asset amounts and in respect of liabilities as might be necessary for compilation, where the Company is no longer a going concern. The effect on the Loss for the year and Net Worth of the company is unascertained. Considering the impact of above, the accounts does not give a true and fair view in conformity with the accounting principles generally accepted in India.*
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
 - (ii) In the case of Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W
Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 30 August 2012



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT TO THE MEMBERS OF SOLID CONTAINERS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012.

- (i) (a) As explained to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets *but the same have not been produced for verification as reported to be untraceable.*
 - (b) *The fixed assets are not physically verified during the year.*
 - (c) The Company has not disposed off substantial part of fixed assets during the year.
- (ii) Due to closure of commercial operations, the Company is not having any inventory during the year and hence, clauses (ii) a, (ii) b, (ii) c of the Order regarding inventories are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. However, there are no purchases of inventory, fixed assets and sale of goods and services during the year. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems in respect of the aforesaid areas.
- (v) According to the information and explanations given to us, there are no contracts or arrangements the particulars of which are required to be entered into the register in pursuance of Section 301 of the Act.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year.
- (vii) *As informed to us, the Company did not have internal audit system during the year.*
- (viii) In view of closure of manufacturing activities, the report on the maintenance of cost records as prescribed by the Central Government under section 209 (1)(d) of the Act is not required.
- (ix) According to information and explanation given to us and on the basis of examination of records of the Company;
 - (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax/ value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable except *delays in few cases*. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2012 for a period of more than six months from the date they became payable.
 - (b) There are no disputed dues on account of income tax, wealth tax, custom duty, sales tax/ value added tax, service tax and cess. Dues on account of disputed excise duty which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount in Rupees	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	* 1,434,197	FY 1983-84 to FY 1985-86	Commissioner of Central Excise (Appeals), Mumbai
		7,276,028	FY 1994-95 to FY 1997-98	Commissioner of Central Excise (Appeals), Thane
		237,741	FY 1994-95 to FY 1995-96	Assistant Commissioner of Central Excise, Kalyan
		55,046	FY 1994-95	Superintendent of Central Excise, Kalyan
		58,549	FY 1994-95	Assistant Commissioner of Central Excise, Dadar

* Subsequently demand notice received for Rs. 7,95,283/-

- (x) According to the records of the company and in our opinion, *the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. Further, the Company has incurred cash losses during the financial year ended 31 March 2012 and in the immediately preceding financial year.*
- (xi) The company has not taken loans from financial institutions or banks and has not issued debentures. Therefore para 4(xi) of the order is not applicable.
- (xii) According to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) The Company is not dealing or trading in securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- (xvi) According to the information and explanations given to us, the Company has not raised any term loan during the year.
- (xvii) According to the information and explanations given to us and examination of the Balance Sheet of the company and related information made available to us, we report that no short term funds have been used for long term investments except for Loss incurred during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issues during the year.
- (xxi) Based on the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **MGB & Co**
Chartered Accountants
Firm Registration Number 101169W

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 30 August 2012

BALANCE SHEET AS AT 31 MARCH 2012

	NOTES	2012 (Rs.)	2011 (Rs.)
EQUITY & LIABILITIES			
Shareholders' Funds :			
Share Capital	3	167,000,000	167,000,000
Reserves and Surplus	4	(411,106,188)	(390,348,441)
		<u>(244,106,188)</u>	<u>(223,348,441)</u>
Non-current liabilities			
Long-term provisions	5	35,042	36,011
		<u>35,042</u>	<u>36,011</u>
Current liabilities			
Short-term borrowings	6	244,239,677	238,984,297
Other current liabilities	7	38,686,859	24,436,088
Short-term provisions	5	331,349	321,465
		<u>283,257,885</u>	<u>263,741,850</u>
Total		<u>39,186,739</u>	<u>40,429,420</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	33,387,778	34,677,510
Long-term loans and advances	9	4,039,951	3,739,951
		<u>37,427,729</u>	<u>38,417,461</u>
Current assets			
Cash and bank balances	10	144,973	422,503
Short-term loans and advances	9	1,614,037	1,589,456
		<u>1,759,010</u>	<u>2,011,959</u>
Total		<u>39,186,739</u>	<u>40,429,420</u>
Notes forming part of the financial statements	1-26		

For **MGB & Co.**

Chartered Accountants

Firm Registration Number 101169W

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 30 August 2012

For and on behalf of the Board

ASHOK KUMAR GOEL Director

R. CHANDRASEKHAR Director

SURESH KUMAR SURI Manager

SANJAY BASANTANI Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

	NOTES	2012 (Rs.)	2011 (Rs.)
INCOME			
Other Income	11	300,000	300,000
Total		300,000	3,00,000
EXPENDITURE			
Employee benefit expenses	12	1,830,574	1,513,922
Other expenses	13	2,123,700	2,399,384
Finance costs	14	15,813,741	14,542,734
Depreciation and amortisation expenses		1,289,732	1,289,732
Total		21,057,747	19,745,772
Loss before tax		(20,757,747)	(19,445,772)
Tax Expenses			
Current tax - Current year		-	-
- Earlier year		-	-
Deferred tax		-	-
Loss for the year		(20,757,747)	(19,445,772)
Earnings per share (Face value of Rs. 10 each)			
Basic and diluted earnings / (loss) per share (Rs.)		(13.24)	(12.76)
Weighted average no. of shares used in computing		2,700,000	2,700,000
Earning per share - basic and diluted			

Notes forming part of the financial statements 1-26

As per our attached report of even date

For **MGB & Co.**

Chartered Accountants

Firm Registration Number 101169W

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 30 August 2012

For and on behalf of the Board

ASHOK KUMAR GOEL Director

R. CHANDRASEKHAR Director

SURESH KUMAR SURI Manager

SANJAY BASANTANI Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENT

1. Corporate Information

Solid Containers Limited is a Company incorporated under the Companies Act, 1956. Operations of the Company have been suspended since September 1998 and the Company has been suffering losses.

2. Significant Accounting Policies:**(i) Basis of preparation**

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention (except revaluation of the land) on an accrual basis and comply in all material aspects with accounting standards under section 211(3C), Companies (Accounting Standards) Rules, 2006, the provisions of Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

(ii) Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

(iii) Tangible Fixed Assets

Fixed Assets are stated at original cost of acquisition / installation net off less accumulated depreciation except land which is carried at cost including lease premium. The cost of fixed assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets including financial expenses incurred during pre-operative and trial runs period.

(iv) Depreciation

Depreciation is provided as per the Straight Line Method at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956.

(v) Impairment of Tangible Assets

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and value in use determined by the present value of estimated future cash flows. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired.

(v) Inventories

- a) Inventories are valued at lower of cost or estimated net realizable value.

b) The basis of determining cost of inventories are as follows:

- i) Stock of Raw materials, Stores and Spares : Cost on FIFO basis
- ii) Finished goods/ Goods in process : Includes an appropriate share of manufacturing, other overheads and depreciation

c) Excise duty is added in the Closing Inventory of Finished Goods.

(vi) Retirement Benefits

- a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) Post employment and other long term benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Statement of Profit and Loss.

(vii) Accounting for Taxes on Income

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

(viii) Operating Leases

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on accrual basis in accordance with the respective lease agreements.

(ix) Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

(x) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes forming part of the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.



NOTES FORMING PART OF THE FINANCIAL STATEMENT

(Amount in Rupees)

NOTES '3' SHARE CAPITAL :

		2012	2011
Authorised			
4,600,000	(4,600,000) Equity Share of Rs.10/-each	46,000,000	46,000,000
25,000	(25,000) Redeemable Cumulative Preference Shares of Rs. 100/- each	2,500,000	2,500,000
15,000	(15,000) Unclassified Shares of Rs.100/- each	1,500,000	1,500,000
8,000,000	(8,000,000) 12% Redeemable Cumulative Preference shares of Rs. 10/- each.	80,000,000	80,000,000
6,000,000	(6,000,000) 9% Redeemable Cumulative Preference shares of Rs. 10/- each.	60,000,000	60,000,000
Total		190,000,000	190,000,000
Issued, Subscribed and Paid-up			
2,700,000	(2,700,000) Equity Shares of Rs. 10/- each fully paid up	27,000,000	27,000,000
8,000,000	(8,000,000) 12% Redeemable Cumulative Preference shares of Rs. 10/- each fully paid-up.	80,000,000	80,000,000
6,000,000	(6,000,000) 9% Redeemable Cumulative Preference shares of Rs. 10/- each fully paid-up.	60,000,000	60,000,000
Total		167,000,000	167,000,000

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year.

	2012		2011	
	Number of equity shares	Amount in Rupees	Number of equity shares	Amount in Rupees
At the beginning of the year	27,000,000	27,000,000	2,700,000	27,000,000
Movements during the year	-	-	-	-
Outstanding at the end of the year	27,000,000	27,000,000	2,700,000	27,000,000

b. Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting year.

	2012		2011	
	Number of equity shares	Amount in Rupees	Number of equity shares	Amount in Rupees
At the beginning of the year	14,000,000	14,000,000	14,000,000	14,000,000
Movements during the year	-	-	-	-
Outstanding at the end of the year	14,000,000	14,000,000	14,000,000	14,000,000

c. Terms / right attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. All issued shares rank pari-passu and have same voting rights per share. The company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Terms / right attached to Redeemable Cumulative Preference Shares

- (i) 8,000,000 (8,000,000) 12% Redeemable Cumulative Preference shares of Rs. 10/- each fully paid up (alloted on 19 August 1999) are redeemable at any time after the expiry of three years from the date of allotment with prior approval of the financial institutions or even before three years from the date of allotment provided that the Company settles its dues with the financial institutions. These shares are yet to be redeemed by the company.
- (ii) 6,000,000 (6,000,000) 9% Redeemable Cumulative Preference shares of Rs. 10/- each fully paid up (alloted on 12 September 2002) are redeemable at any time after the expiry of three years from the date of allotment with prior approval of the financial institutions or even before three years from the date of allotment provided that the Company settles its dues with the financial institutions. These shares are yet to be redeemed by the company

e. Details of shareholders holding more than 5% shares in company

	2012		2011	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Mrs. Kaveeta Goel	1,057,146	39.15	1,057,146	39.15
Mr. Vaibhav Goel	370,735	13.73	370,735	13.73
Dhoot Industrial Finance Limited	273,950	10.10	272,700	10.10
Life Insurance Corporation of India Limited	240,000	8.89	240,000	8.89
New India Assurance Company Limited	180,000	6.67	180,000	6.67

NOTES FORMING PART OF THE FINANCIAL STATEMENT
(Amount in Rupees)
NOTES '4' RESERVES AND SURPLUS :

	2012	2011
(a) Capital Reserve - As per last Balance Sheet	926,071	926,071
	926,071	926,071
(b) Securities Premium - As per last Balance Sheet	45,000,000	45,000,000
	45,000,000	45,000,000
(c) Capital Redemption Reserve - As per last Balance Sheet	1,000,000	1,000,000
	1,000,000	1,000,000
(d) Revaluation Reserve - As per last Balance Sheet	16,086,822	16,086,822
	16,086,822	16,086,822
(e) Surplus / (deficit) in the statement of profit and loss As per last Balance Sheet	(453,361,334)	(433,915,562)
Profit / (loss) for the year	(20,757,747)	(19,445,772)
	(474,119,081)	(453,361,334)
Total	(411,106,188)	(390,348,441)

NOTE - 5 PROVISIONS

	Long - term		Short - term	
	2012	2011	2012	2011
Provision for employee benefits				
Provision for Retirement Benefits	35,042	36,011	331,349	321,465
Total	35,042	36,011	331,349	321,465

NOTE - 6 SHORT - TERM BORROWINGS

	2012	2011
(a) From Government of Maharashtra (Unsecured Loan)	1,364,649	1,364,649
(b) Inter-corporate Loans (Unsecured Loan)	242,875,028	237,619,648
Total	244,239,677	238,984,297

- (i) Loan from Government of Maharashtra of Rs. 1,364,649 (Rs.1,364,649) carries interest @ 12.50% p.a.
- (ii) Inter-corporate Loans of Rs. 9,769,656 (Rs. 4,512,784) carries interest @ 9% p.a.
- (iii) Inter-corporate Loans of Rs. 233,105,372 (Rs.233,106,864) carries interest @ 6% p.a.

NOTE - 7 OTHER CURRENT LIABILITIES

	2012	2011
Interest accrued and due #	34,815,487	19,004,541
Statutory liabilities	99,421	1,459,247
Creditors/provision for expenses	3,712,829	3,972,300
Other payables	59,122	-
Total	38,686,859	24,436,088

includes Interest of Rs. 34,815,487 (Rs. 19,004,541) which is overdue

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE '8' : FIXED ASSETS

(Amount in Rupees)

Description of Assets	Gross Block		Depreciation				Net Block		
	As at 01-04-2011	Additions (Deductions)	As at 31-03-2012	upto 31-03-2011	For the year	Deductions	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
Tangible Assets									
Land	16,171,502	-	16,171,502	-	-	-	-	16,171,502	16,171,502
Plant and Machinery	993,984	-	993,984	944,284	-	-	944,284	49,700	49,700
Factory Building	38,354,239	-	38,354,239	19,984,740	1,281,032	-	21,265,772	17,088,467	18,369,499
Furniture and Fixtures	922,879	-	922,879	885,952	-	-	885,952	36,927	36,927
Office Equipments	183,603	-	183,603	151,561	8,700	-	160,261	23,342	32,042
Computers	356,806	-	356,806	338,966	-	-	338,966	17,840	17,840
Total	56,983,013	-	56,983,013	22,305,503	1,289,732	-	23,595,235	33,387,778	34,677,510
Previous year	56,983,013	-	56,983,013	21,015,771	1,289,732	-	22,305,503	34,677,510	

Note:- The company had written up the value of freehold factory land as on 01 April, 1991 by Rs. 16,086,822/- as per the valuation report dated 27 December 1991 of M/s. Budhbhatti & Associates (Chartered Engineers). The revaluation amount was taken as Revaluation Reserve under the Reserves and Surplus.

NOTES FORMING PART OF THE FINANCIAL STATEMENT
(Amount in Rupees)
NOTE - 9 LOANS AND ADVANCES

(Unsecured and considered good, unless otherwise stated)

	Long - term		Short - term	
	2012	2011	2012	2011
Security deposits	48,688	48,688	-	-
Other advances	1,931,847	1,931,847	-	-
Balances with Govt authorities				
- Direct taxes (net of provisions)	1,604,242	1,574,242	-	-
- Indirect taxes	2,059,416	1,759,416	-	-
Prepaid expenses	-	-	9,795	15,214
Total	5,644,193	5,314,193	9,795	15,214

NOTE - 10 CASH AND BANK BALANCES
Cash and cash equivalents

	2012	2011
Balances with banks:		
in Current account	5,356	284,010
Cash on hand	139,617	138,493
Total	144,973	422,503

NOTE - 11 OTHER INCOME

	2012	2011
Rent received	300,000	300,000
Total	300,000	300,000

NOTE - 12 EMPLOYEE BENEFITS EXPENSES

	2012	2011
Managerial Remuneration	565,513	559,961
Salaries, wages and allowances	1,224,582	918,683
Gratuity	15,789	19,463
Contribution to provident and other funds	396	396
Staff welfare expenses	24,294	15,419
Total	1,830,574	953,961

NOTE - 13 OTHER EXPENSES

	2012	2011
Security charges	806,270	733,754
Repairs to others	46,843	42,648
Insurance	41,159	40,860
Rent	18,600	18,600
Rates and Taxes	308,878	324,877
Travelling and Conveyance expenses	32,288	32,430
Payment to auditors (refer note below)	37,503	45,224
Legal and Professional Fees	664,298	889,592
Printing and Stationery	27,009	28,680
Directors' sitting fees	24,000	24,000
Communication expenses	10,146	13,571
Miscellaneous expenses	106,706	205,148
Total	2,123,700	2,399,384

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Payment to auditors

(Amount in Rupees)

	2012	2011
-Audit Fee	27,575	27,575
-Tax audit fee	-	-
-Certification and other matters	8,273	15,994
- Reimbursement of expenses	1,655	1,655
Total	37,503	45,224

NOTE - 14 FINANCE COST

	2012	2011
Interest expenses- Others	15,810,946	14,541,333
Bank Charges	2,795	1,401
Total	15,813,741	14,542,734

15. The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2012.

16. CONTINGENT LIABILITIES NOT PROVIDED FOR:

(Amount in Rs.)

Particulars	2012	2011
Disputed Indirect Taxes	10,646,353	10,646,353
Dividend on preference share capital	180,672,329	165,672,329
Claims not acknowledged as debts	4,077,416	4,294,604

17. TAXATION

In view of losses incurred during the year, as per the provisions of the Income Tax Act, 1961, provision for current tax is not required to be made. Further, the amount of deferred tax assets is not being accounted in view of uncertainty as to absorption of losses in the foreseeable future based on the current level of operation of the company.

18. The Company has closed its commercial operations since 25 September 1998. The net worth of the Company is fully eroded due to accumulated losses and the Company has become a Sick Industrial Company within the meaning of Section 3(1)(O) of the Sick Industrial Companies (Special Provision) Act, 1985 and therefore, application had been made to the Board for Industrial and Financial Reconstruction (BIFR) according to the provisions of the said Act to consider the proposal for the rehabilitation of the Company. The Board for Industrial and Financial Reconstruction had rejected the application. The Company had also become a Sick Industrial Company u/s 2(46AA) of the Companies Act, 1956.

In view of the above and in absence of suitable rehabilitation measures, the Company is no longer a going concern. However, the Company has not made any adjustment to accounts relating to recoverability of recorded asset amounts and in respect of liabilities as might be necessary for compilation, where the Company is no longer a going concern. The effect on the loss for the year and net worth of the Company is not ascertained.

19. (i) In the opinion of the Board of Directors, the current assets and loans and advances are at least of the value stated, if realized in the ordinary course of business and necessary provision for all known liabilities has been made except stated otherwise.

(ii) Certain debit and credit balances are subject to confirmation, reconciliation and adjustments.

20. Operating Lease

- (i) a) The Company has taken residential / commercial premises under cancelable operating leases. These lease agreements are normally renewed on expiry.
b) The rental expenses in respect of operating leases are Rs.18,600 (Rs.18,600).
- (ii) a) The Company has given on lease the commercial premises under cancelable operating lease.
b) Sub-lease payments received (or receivable) recognized in the Statement of Profit and Loss for the year is Rs. 300,000 (Rs. 300,000).

21. Employee Benefits

As per Accounting Standard – 15 "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

The employees' gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

- I. Expenses recognised during the year ended 31 March 2012 (under the head "Employee benefit expenses ")

(Amount in Rupees)

	2012		2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	16,810	23,943	16,619	23,313
Interest cost	22,947	5,651	21,390	5,040
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss	(23,968)	(36,468)	(18,546)	(20,711)
Net Cost	15,789	(6,874)	19,463	7,642

- II. Net Asset / Liability recognised in the Balance Sheet as at 31 March 2012

(Amount in Rupees)

	2012		2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair value of plan assets	-	-	-	-
Present value of obligation	302,627	63,764	286,838	70,638
Amount recognized in Balance Sheet	302,627	63,764	286,838	70,638

III. Reconciliation of opening and closing balances of Defined Benefit obligation

(Amount in Rupees)

	2012		2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation as at the beginning	286,838	70,638	267,375	62,996
Current service cost	16,810	23,943	16,619	23,313
Interest cost	22,947	5,651	21,390	5,040
Actuarial (gain) / loss on obligation	(23,968)	(36,468)	(18,546)	(20,711)
Benefit paid	-	-	-	-
Defined Benefit obligation as at the closing	302,627	63,764	286,838	70,638

IV. Actuarial assumptions

(Amount in Rupees)

	2012		2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8%	8%	8%	8%
Expected rate of return on plan assets (per annum)	-	-	-	-
Rate of escalation in salary (per annum)	1%	1%	1%	1%

Notes:

- (a) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.
- (b) "Contribution to provident and other funds" is recognized as an expense in Note 12 of the Statement of Profit and Loss.

22. Related Party Disclosure

Related parties with whom transactions have taken place during the year and balances outstanding at the year end.

a) Other related party where the director / their relative have significant influence

Ayeppee Lamitubes Limited

b) Directors of the Company

Non-Executive Directors:

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

Transactions with Related Party

a) Transactions during the year ended 31 March 2012

(Amount in Rupees)

	2012	2011
Interest Expense		
Ayeppee Lamitubes Limited	720,586	254,352
Rent Income		
Ayeppee Lamitubes Limited	300,000	300,000
Loan taken		
Ayeppee Lamitubes Limited	5,598,931	4,491,702
Repayment of Loan taken		
Ayeppee Lamitubes Limited	270,000	270,000

b) Balances outstanding as at 31 March, 2012

(Amount in Rupees)

	2012	2011
Unsecured Loan		
Ayeppee Lamitubes Limited	9,769,656	4,512,784
Interest Payable		
Ayeppee Lamitubes Limited	954,185	233,599

23. Managerial Remuneration

The Company has made payment to Manager within the limit of Schedule XIII of Companies Act, 1956. Details of Remuneration paid / payable to the Manager are as stated below:

(Amount in Rupees)

	2012	2011
Salaries, Allowances and Perquisites *	540,673	535,121
Contribution to Provident Fund	24,840	24,840
Total	565,513	559,961

* Excludes leave encashment and gratuity which is based on actuarial valuation provided on an overall basis.

24. Other additional information pursuant to Revised Schedule VI to the Companies Act, 1956 are either nil or not applicable.
25. The Company does not have any manufacturing activity during the financial year. Accordingly, Accounting Standard-17 "Segment Reporting" is not applicable.
26. **Prior year Comparatives**

Schedule VI to the Companies Act, 1956 is revised and has become effective from 1 April 2011. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W
Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 30 August 2012

For and on behalf of the Board
ASHOK KUMAR GOEL Director
R. CHANDRASEKHAR Director
SURESH KUMAR SURI Manager
SANJAY BASANTANI Company Secretary

Balance Sheet Abstract and Company's General Business Profile**I. Registration Details**

Registration No.	13064	State Code.	11
Balance Sheet Date	31.03.2012		

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Sources of Funds		Application of Funds	
Paid up Capital	167,000	Net Fixed Assets	37,428
Reserves and Surplus	(411,106)	Current Assets	1,759
Secured Loans	Nil		
Non Current Liabilities	35		
Current Liabilities	283,258		
Total Liabilities	39,187	Total Assets	39,187

I. Performance of Company (Amount in Rs. Thousands)

Turnover	300
Total Expenditure	21,057
Loss	20,757
Loss per share (Rs.)	13.24
Dividend rate %	Nil

II. Generic Names of Three Principal Products of Company (as per monetary terms)

Product Description	Item Code No. (ITC Code)
Paper Board	4805.19
Kraft Paper	4804.19
Duplex Board	4805.30

For and on behalf of the Board

ASHOK KUMAR GOEL	Director
R. CHANDRASEKHAR	Director
SURESH KUMAR SURI	Manager
SANJAY BASANTANI	Company Secretary

Mumbai, 30 August 2012

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2012**

(Amount in Rupees)

	2012	2011
A. Cash Flow from Operating Activities		
(Loss) before tax	(20,757,747)	(19,445,773)
Adjustments for :		
Depreciation/Amortisation expenses	1,289,732	1,289,732
Interest expenses	15,810,946	14,541,333
Operating Loss before Working Capital Changes	(3,657,069)	(3,614,708)
Adjustments for :		
Trade and other receivables	(294,581)	7,203
Trade and other payables	(1,553,260)	1,269,771
Cash from (used in) Operating Activities	(5,503,910)	(2,337,734)
Taxes (paid)	(30,000)	(30,000)
Net Cash used in Operating Activities	(5,533,910)	(2,367,734)
B. Cash Flow from Investing Activities		
Net Cash from Investing Activities	-	-
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	5,525,380	2,875,739
Repayment of Borrowings	(270,000)	(270,000)
Interest paid	-	(287)
Net Cash from Financing Activities	5,255,380	2,605,452
Net Changes in Cash & Cash Equivalents (A+B+C)	(277,530)	237,718
Cash and Cash Equivalents - Opening Balance	422,503	184,785
Cash and Cash Equivalents - Closing Balance	144,973	422,503
Notes:		
1 Cash and Cash Equivalents		
Cash on hand	139,617	138,493
Balances with Scheduled Banks :		
-in current account	5,356	284,010
Total	144,973	422,503
2 Previous year's figures have been regrouped/recast wherever necessary.		

As per our attached report of even date

For **MGB & Co.**

Chartered Accountants

Firm Registration Number 101169W

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 30 August 2012

For and on behalf of the Board

ASHOK KUMAR GOEL Director**R. CHANDRASEKHAR** Director**SURESH KUMAR SURI** Manager**SANJAY BASANTANI** Company Secretary

ATTENDANCE SLIP
SOLID CONTAINERS LIMITED

Regd. Office : 2006, Fossberry Road, Near ICI Ltd., Reay Road (E), Mumbai-400 033. TEL : 2375 9846
Please complete this attendance slip and hand it over at the entrance of the meeting hall.

1. Name & Address of shareholder(s) : L.F. No. :
No. of Equity
Shares held :
2. Name of Proxy :
(to be filled in, if the proxy attends instead of the member)

I/we hereby record my/our presence at the Annual General Meeting of the Company at 2006, Fossberry Road, Near ICI Ltd., Reay Road (E), Mumbai-400 033, **on Friday, September 28, 2012 at 10.30 a.m.**

Signature of Shareholder or proxy
(to be signed at the time of
handing over this slip)

NOTES :

1. Shareholders/proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.
2. Shareholders who come to attend the meeting are requested to carry their copy of the Annual Report with them.
3. Shareholders are requested to advise, indicating their Folio Nos., the change in their addresses, if any, to Solid Containers Ltd, 2006, Fossberry Road, Near ICI Ltd., Reay Road (E), Mumbai-400 033

FORM OF PROXY

SOLID CONTAINERS LIMITED

Regd. Office : 2006, Fossberry Road, Near ICI Ltd., Reay Road (E), Mumbai-400 033
TEL : 2375 9846

(Regd. Folio No. & Name of the Shareholder/Joint Holders and Addresses as registered with the Company in BLOCK LETTERS to be furnished below)

I/We of
being a member/members of SOLID CONTAINERS LIMITED hereby appoint
..... of or failing
him/her..... of as my/our
proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 2006, Fossberry Road, Near ICI Ltd., Reay Road (E), Mumbai-400 033, **on Friday, September 28, 2012 at 10.30 a.m.** and at any adjournment thereof.

Name & Address Shareholder(s) :

Signed this day of.....2012

Folio No.....

No. of Shares held.....

Signature of the Shareholder

Affix One Rupee Revenue Stamp

Note : The Proxy form duly completed and stamped must be lodged with the Registered Office of the company not less than 48 hours before the scheduled time for commencement of the aforesaid Meeting.

BOOK-POST

If undelivered please return to :

SOLID CONTAINERS LIMITED

2006, Fossberry Road, Near ICI Limited,
Reay Road, Mumbai - 400 033.

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