



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

Date : August 30, 2011

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 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.

CORPORATE GOVERNANCE REPORT

BOARD'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes in following the principles of full transparency, disclosure of material facts and accountability in dealing with its stakeholders.

BOARD OF DIRECTORS

The Board has four Non-Executive Directors. The Board has a Non-Executive Promoter Chairman and three other Directors. Out of these, two members are Independent Directors. Hence, the Company complies with the listing agreement norms for Independent Directors.

BOARD PROCEDURES

During the year under review, the Board of Directors met five times on April 29, 2010, July 30, 2010, August 23, 2010, November 2, 2010 and February 14, 2011.

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, 2011, is given below :-

Name of the Director	Category of Director	Board Meetings held	Board Meetings Attended	Last AGM Attended	No. of Committee Memberships held @		No. of outside Directorships held \$
					Chairman	Member	
Ashok Kumar Goel	NED	5	5	No	NIL	1	7
R. Chandrasekhar *	NED	5	5	Yes	NIL	3	1
J.M. Fernandes *	NED, ID	5	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 29, 2010, July 30, 2010, August 23, 2010, November 2, 2010 and February 14, 2011.

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, four Committee Meetings were held on June 22, 2010, July 30, 2010, November 2, 2010 and January 25, 2011.

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

Members	Meetings attended
J. M. Fernandes	4
R. Chandrasekhar	4

During the year, no complaints were received from the investors and hence there were no pending complaints as on March 31, 2011.

3) Remuneration Committee

Composition:

The Committee comprises of three Non-Executive Directors:

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

Terms of Reference:

The Committee was constituted to decide the terms of remuneration of Mr. S. K. Suri as Manager under section 269 of the Companies Act, 1956.

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

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. 14,000 and Rs. 10,000 respectively.

The Remuneration paid to the Manager under Section 269 of the Companies Act, 1956, for year ended March 31, 2011, is as under:-

Name	Position	Gross Remuneration Paid (Rs.)	Stock Options Granted	Service Contract	Notice Period
Mr. Suresh Kumar Suri	Manager	Rs.5,59,961#	NIL	Earlier term of appointment for 3 years i.e. from 29/04/2008 to 28/04/2011. Re-appointed for another 3 years w.e.f. 29/04/2011 subject to approval of members in this 46th Annual General Meeting	1 month

Break up of remuneration paid /payable is as under:

(in Rs.)

Sr.No.	Particulars	2010 - 2011
1.	Salaries, Allowances and Perquisites*	5,35,121
2.	Contribution to Provident and other funds	24,840
	Total	5,59,961

* 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 Note No. 9 of the Annual Accounts in compliance with the Accounting Standard relating to "Related Party Disclosures". There is no materially significant Related Party transaction that may have potential conflict with the interest of the Company at large.
- 2) The Board of Directors of the Company have approved and laid down a Code of Conduct applicable for all the Board members and the Employees of the Company. The declaration of Mr. Suresh Kumar Suri, Manager under section 269 of the Companies Act, 1956, to this effect forms part of this report.
- 3) As there are only two Employees of the Company and operations remain suspended, the Company has not adopted "WHISTLE BLOWER POLICY" – a non-mandatory requirement as per clause 49 of the Listing agreement.
- 4) There were no cases of penalties or strictures imposed by any Stock Exchange or SEBI or any other statutory authority for any violation related to the capital market during the last three years.
- 5) Shareholding of all the Directors in the Company is NIL 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, 2011

MEANS OF COMMUNICATION

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

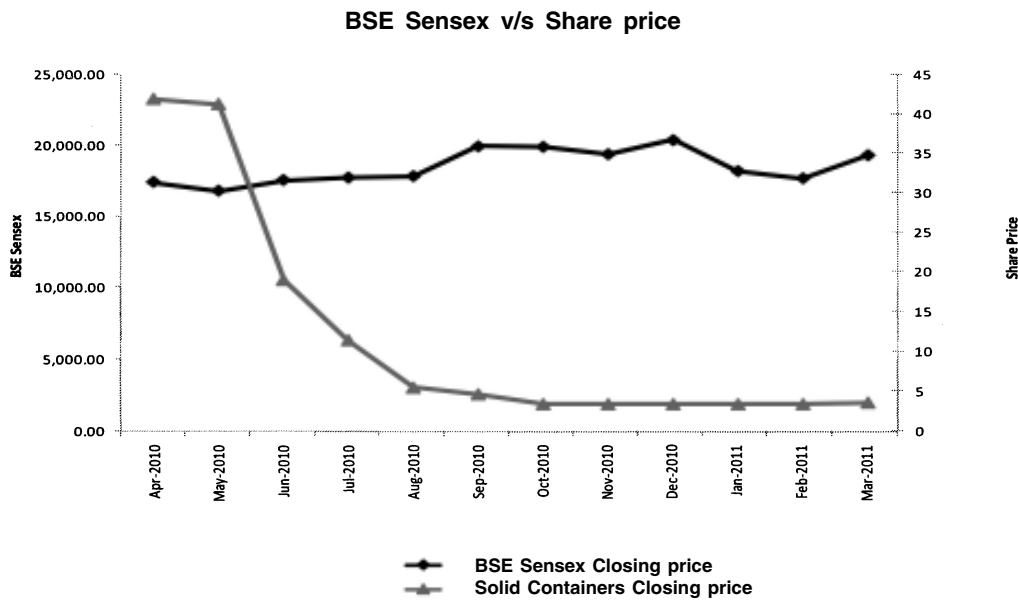
The Management Discussion and Analysis Report forms part of the Annual Report.

SHAREHOLDERS' INFORMATION

1. Annual General Meeting (Day, Date, Time & Venue)	Thursday, September 29, 2011, at 11.00 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 Monday, September 26, 2011 to Thursday, September 29, 2011 (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. Market price date: (High / Low during each month during the year 2010 - 2011)

Month	BSE	
	High	Low
April 2010	42.00	35.00
May 2010	43.50	41.35
June 2010	39.30	16.75
July 2010	22.35	11.80
August 2010	11.25	5.59
September 2010	5.57	5.04
October 2010	4.79	3.62
March 2011	3.99	3.99

8. Stock Performance of Solid Container's Share Price in comparison to BSE Sensex.


Note: Since there was no transaction in the Company's Share on BSE during the period from November 2010 to February 2011, the last traded price of October 2010 has been taken as closing price from November 2010 to February 2011

9. Stock Exchange

Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.

10. Stock Code

502460

11. Registrar and Share Transfer Agent	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		
12. Compliance Officer	Sanjay Basantani Company Secretary		
13. Share Transfer System	Physical shares sent for transfer are duly transferred within the specified period, if documents are in order.		
14. Details of General Meetings of Shareholders			
Date	AGM / EGM	Location	Time
30/09/2010	AGM	Registered Office	11.00 a.m.
14/09/2009	AGM	Registered Office	11.00 a.m.
29/09/2008	AGM	Registered Office	11.00 a.m.
<p>Special Resolution passed in the previous three Annual General Meetings (AGMs):</p> <ul style="list-style-type: none"> • 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, 2008: Special Resolution passed for approving appointment and terms of remuneration of Mr. Suresh Kumar Suri, General Manager-Works, as Manager under section 269 of the Companies Act, 1956 for a period of 3 years w.e.f April 29, 2008. During the year ended March 31, 2011, no Special Resolution was passed by the Company's shareholders through Postal Ballot. 			
15. Shareholding Pattern as on 31st March, 2011			
Particulars	No. of Shares	Percentage	
Promoter	1528966	56.63	
FII's	NIL	NIL	
NRIs	NIL	NIL	
Mutual Funds, FIs, Banks and Insurance Companies	541600	20.06	
Bodies Corporate	308400	11.42	
Resident Indians	321034	11.89	
Total	2700000	100.00	

16. Distribution schedule as on 31st March, 2011				
Distribution	No. of Shareholders	% to total holders	No. of Shares	% to total shares
Less than 500	646	81.57	118904	4.40
500 – 1000	81	10.22	60750	2.25
1001 – 2000	34	4.29	52650	1.95
2001 – 3000	11	1.39	27450	1.02
3001 – 4000	2	0.25	6150	0.23
4001 – 5000	4	0.51	18450	0.68
5001 – 10000	1	0.13	19600	0.26
Above 10001	13	1.64	2408746	89.21
TOTAL	792	100.00	2700000	100.00
17. 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.			
18. 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.			
19. Plant Location	Vadavali, P.O. Mohone, District Thane-421102.			
20. 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

Place : Mumbai
Date : August 30, 2011

ASHOK KUMAR GOEL
DIRECTOR

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

Place : Mumbai
Date : August 30, 2011

SURESH KUMAR SURI
MANAGER

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, 2011, 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 No. 101169W

Sanjay Kothari
Partner
Membership No. 48215

Place : Mumbai
Date : August 30, 2011

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 2011, and also the Profit and Loss Account 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 (Auditor's Report) Order, 2003 issued by the 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 Profit and Loss Account 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 Profit and Loss Account and the 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 as at 31 March 2011 and taken on record by the Board, we report that none of the directors is disqualified as at 31 March 2011 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 with the significant accounting policies and notes to accounts as per Schedule 12 thereon, give the information required by the Act in the manner so required, *but in view of Note No. 5 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 2011;
- (ii) In the case of the Profit and Loss Account, 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 No. 101169W

Sanjay Kothari
Partner
Membership No. 48215

Place : Mumbai
Date : August 30, 2011

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 2011.

- (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. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (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 companies Act. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems 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 or 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 explanation given to us, there are no contracts or arrangements, the particulars of which are required to be entered into the register in pursuance to 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 an 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 a few delays. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2011 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 the 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
		7,576,028	FY 1994-95 to FY 1997-98	Commissioner of Central Excise (Appeals), Thane
		2,92,787	FY 1994-95	Assistant Commissioner of Central Excise, Kalyan
		58,549	FY 1994-95	Assistant Commissioner of Central Excise, Dadar

- (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 2011 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) On the basis of review of utilization of funds which is based on an overall examination of the Balance Sheet of the Company and related information as made available to us, we report that short term funds have not been used for long term purposes.
- (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 No. 101169W

Sanjay Kothari
Partner
Membership No.: 48215
Place : Mumbai
Date : August 30, 2011

BALANCE SHEET AS AT 31 MARCH

	SCHEDULE	2011 (Rs.)	2010 (Rs.)
I. SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	167,000,000	167,000,000
Reserves and Surplus	2	63,012,893	63,012,893
		230,012,893	230,012,893
Loan Funds :			
Unsecured Loans	3	257,988,838	240,842,054
Total		488,001,731	470,854,947
II. APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	4	56,983,013	56,983,013
Less : Depreciation		22,305,503	21,015,772
Net Block		34,677,510	35,967,241
Current Assets, Loans and Advances :			
Cash and Bank Balances	5	422,503	184,785
Loans and Advances (Refer note 6)	6	5,329,407	5,306,611
		5,751,910	5,491,396
Less :			
Current Liabilities and Provisions	7	5,789,024	4,519,252
Net Current Assets / (Liabilities)		(37,114)	972,144
Profit and Loss Account		453,361,335	433,915,562
Total		488,001,731	470,854,947
Significant Accounting Policies and Notes to Accounts	12		

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants
Sanjay Kothari
Partner
Membership No. 48215
Place : Mumbai
Date : August 30, 2011

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH

	SCHEDULE	2011 (Rs.)	2010 (Rs.)
INCOME :			
Other Income	8	300,000	385,149
		-----	-----
Total		300,000	385,149
		=====	=====
EXPENDITURE :			
Personnel Cost	9	1,513,922	1,324,376
Administrative and other Expenses	10	2,399,385	2,216,343
Financial Expenses	11	14,542,734	18,621,231
Depreciation		1,289,732	1,289,732
		-----	-----
Total		19,745,773	23,451,682
		=====	=====
Loss before tax		(19,445,773)	(23,066,533)
Provision for Taxation (Refer Note 4)			
- Earlier Year		---	(184,163)
		-----	-----
Fringe Benefit Tax			
- Earlier Year		---	(7,894)
		-----	-----
Profit / (Loss) after tax		(19,445,773)	(23,258,590)
Balance Brought Forward		(433,915,562)	(410,656,971)
		-----	-----
Balance Carried to Balance Sheet		(453,361,335)	(433,915,562)
		=====	=====
Basic Earnings per equity shares (of the face value of Rs. 10/- each)		(12.76)	(14.17)
Weighted Average number of Shares outstanding		2,700,000	2,700,000
Significant Accounting Policies and Notes to Accounts	12		

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants
Sanjay Kothari
Partner
Membership No. 48215
Place : Mumbai
Date : August 30, 2011

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

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH

		2011 (Rs.)	2010 (Rs.)
SCHEDULE '1'			
SHARE CAPITAL :			
Authorised			
4,600,000	Equity Share of Rs.10/-each	46,000,000	46,000,000
25,000	Redeemable Cumulative Preference Shares of Rs. 100/- each	2,500,000	2,500,000
15,000	Unclassified Shares of Rs.100/- each	1,500,000	1,500,000
8,000,000	12% Redeemable Cumulative Preference shares of Rs. 10/- each.	80,000,000	80,000,000
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	Equity Shares of Rs. 10/- each fully paid up	27,000,000	27,000,000
8,000,000	12% Redeemable Cumulative Preference shares of Rs. 10/- each fully paid-up. (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)	80,000,000	80,000,000
6,000,000	9% Redeemable Cumulative Preference shares of Rs. 10/- each fully paid-up. (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)	60,000,000	60,000,000
Total		167,000,000	167,000,000
SCHEDULE '2'			
RESERVES AND SURPLUS :			
Capital Reserve			
As per last Balance Sheet		926,071	926,071
Securities Premium			
As per last Balance Sheet		45,000,000	45,000,000
Capital Redemption Reserve			
As per last Balance Sheet		1,000,000	1,000,000
Revaluation Reserve			
As per last Balance Sheet		16,086,822	16,086,822
Total		63,012,893	63,012,893

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH, 2011
SCHEDULE '4'

FIXED ASSETS : (At Cost)

Description of Assets	Gross Block			Depreciation				Net Block	
	As at 01-04-2010	Additions (Deductions)	As at 31-03-2011	upto 31-03-2010	For the year	Deductions	Upto 31-03-2011	As at 31-03-2011	As at 31-03-2010
Land	16,171,502	-	16,171,502	-	-	-	-	16,171,502	16,171,502
Plant & Machinery	993,984	-	993,984	944,285	-	-	944,285	49,699	49,699
Factory Building	38,354,239	-	38,354,239	18,703,708	1,281,032	-	19,984,740	18,369,499	19,650,531
Furniture & Fixtures	922,879	-	922,879	885,952	-	-	885,952	36,927	36,927
Office Equipments	183,603	-	183,603	142,861	8,700	-	151,561	32,042	40,742
Computers	356,806	-	356,806	338,966	-	-	338,966	17,840	17,840
Total	56,983,013	-	56,983,013	21,015,771	1,289,732	-	22,305,503	34,677,510	35,967,242
Previous year	56,983,013	-	56,983,013	19,726,040	1,289,732	-	21,015,772	35,967,242	

Note :- The company had written up the value of freehold factory land as on 1 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 transferred to Revaluation Reserve under Reserves and Surplus.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH

	2011 (Rs.)	2010 (Rs.)
SCHEDULE '3'		
UNSECURED LOANS :		
(a) From Government of Maharashtra Including interest accrued, due and in arrears of Rs. 3,894,224/- (Rs. 3,723,643/-) the total loan is over due for repayment)	5,258,873	5,088,292
(b) Inter Corporate Loans Interest Accrued and due on above	237,619,648 15,110,317	233,576,863 2,176,899
Total	257,988,838	240,842,054
SCHEDULE '5'		
CASH AND BANK BALANCES :		
Cash on Hand	138,493	122,666
Balances with Scheduled Banks In Current Accounts	284,010	62,119
Total	422,503	184,785
SCHEDULE '6'		
LOANS AND ADVANCES :		
(Unsecured and Considered Good) (Recoverable in Cash or in kind or for value to be received)		
For Taxes and Duty (net of provision)	3,333,658	3,303,658
For Others	1,947,061	1,954,265
Deposits	48,688	48,688
Total	5,329,407	5,306,611
SCHEDULE '7'		
CURRENT LIABILITIES AND PROVISIONS :		
A. Current Liabilities : (Refer Note 2)		
Sundry creditors :		
For Expenses	250,999	250,491
For Other Liabilities	5,180,549	3,938,390
Total	5,431,548	4,188,881
B. Provisions :		
For Retirement Benefits (Refer Note 8)	357,476	330,371
Total	5,789,024	4,519,252

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 MARCH**

	2011 (Rs.)	2010 (Rs.)
SCHEDULE '8'		
OTHER INCOME :		
Interest on Income Tax Refund	—	78,772
Rent Received (Gross) (TDS Rs. 30,000/- (Rs. 30,000/-))	300,000	300,000
Miscellaneous Income	—	6,377
Total	300,000	385,149
SCHEDULE '9'		
PERSONNEL COST :		
Managerial Remuneration (Refer Note 10)	559,961	569,988
Salaries, Wages and Bonus	918,683	753,233
Gratuity	19,463	(11,417)
Contribution to other Funds	396	396
Staff Welfare Expenses	15,419	12,179
Total	1,513,922	1,324,376
SCHEDULE '10'		
ADMINISTRATIVE AND OTHER EXPENSES :		
Repairs to others	42,648	45,689
Insurance	40,860	48,083
Rent (Refer Note 7)	18,600	18,600
Rates and Taxes	324,877	320,639
Travelling and Conveyance Expenses	32,430	28,413
Auditor's Remuneration -		
Audit Fees	29,230	29,230
Other Matters	15,994	42,852
Legal and Professional Fees	889,592	527,321
Printing and Stationery	28,680	34,246
Communication Expenses	13,571	16,320
Miscellaneous Expenses	229,156	474,375
Security Charges	733,754	630,575
Total	2,399,385	2,216,343
SCHEDULE '11'		
FINANCIAL EXPENSES :		
Interest Expenses - Others	14,541,333	18,618,973
Bank Charges	1,401	2,258
Total	14,542,734	18,621,231

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010**SCHEDULE '12'****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:****A. SIGNIFICANT ACCOUNTING POLICIES:**

The significant accounting policies adopted in presentation of these accounts are:

(i). System of Accounting:

These financial statements have been prepared under the historical cost convention (except the revaluation of the land) and in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. The company follows accrual system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

(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). 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). Inventories:

a. Inventories are valued at cost or net realizable value.

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

a) Stock of Raw materials, Stores and Spares : Cost on FIFO basis

b) Finished goods/ Goods in process : Includes an appropriate share of manufacturing, other overheads and depreciation.

(vi). Retirement Benefits:

a. Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account 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 profit and loss account 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 Profit and Loss account.

(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 recognised but are disclosed in the notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

B. NOTES TO ACCOUNTS

1. Previous years figures have been regrouped, rearranged or recast wherever necessary to confirm to this year's classification. Figures in brackets pertain to previous year.
2. The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2011.
3. Contingent liabilities not provided for:

(Amount in Rs.)

Particulars	As at 31 March 2011	As at 31 March 2010
Disputed Indirect Taxes	10,646,353	10,646,353
Dividend on preference share capital	165,672,329	150,672,329
Claims not acknowledged as debts	4,294,604	4,294,604

4. Taxation

In view of losses, no provision is required to be made for Income Tax as per the provisions of the Income Tax Act, 1961. 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.

5. 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.

6. (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.

7. 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 Profit and Loss account for the year is Rs. 300,000 (Rs. 300,000).

8. 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, 2011 (Under the head "Personnel Cost")

Annual Report 2010-2011

(Amount in Rs.)

Particulars	For the year ended 31 March, 2011		For the year ended 31 March, 2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	16,619	23,313	12,544	20,750
Interest cost	21,390	5,040	19,515	6,877
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss	(18,546)	(20,711)	(43,476)	(62,877)
Net Cost	19,463	7,642	(11,417)	(35,250)

(ii) Net Asset / Liability recognised in the Balance Sheet as at 31 March, 2011

(Amount in Rs.)

Particulars	For the year ended 31 March, 2011		For the year ended 31 March, 2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair value of plan assets	-	-	-	-
Present value of obligation	286,838	70,638	267,375	62,996
Amount recognized in Balance Sheet	286,838	70,638	267,375	62,996

(iii) Reconciliation of opening and closing balances of Defined Benefit obligation

(Amount in Rs.)

Particulars	For the year ended 31 March, 2011		For the year ended 31 March, 2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation as at the beginning	267,375	62,996	278,792	98,246
Current service cost	16,619	23,313	12,544	20,750
Interest cost	21,390	5,040	19,515	6,877
Actuarial (gain) / loss on obligation	(18,546)	(20,711)	(43,476)	(62,877)
Benefit paid	-	-	-	-
Defined Benefit obligation as at the closing	286,838	70,638	267,375	62,996

(iv) Actuarial assumptions

(Amount in Rs.)

Particulars	For the year ended 31 March, 2011		For the year ended 31 March, 2010	
	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%	-	-

Note:

- (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 Schedule 9 of the Profit and Loss Account.

9. Related party disclosure

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

a) Other related parties where the Director/their relative have significant influence.

Ayepee Lamitubes Limited

b) Directors of the Company

Non-Executive Directors : Mr. Ashok Kumar Goel
Mr. J. M. Fernandes
Mr. R. Chandrasekhar
Mr. Mohender Garg

Transaction with Related Parties

a) Transactions during the year ended 31 March, 2011

(Amount in Rs.)

Transaction	For the Year ended 31 March 2011	For the Year ended 31 March 2010
Interest Expenses Ayepee Lamitubes Limited	254,352	16,034,817
Rent Income Ayepee Lamitubes Limited	300,000	300,000

Annual Report 2010-2011

Loans Taken		
Ayepee Lamitubes Limited	4,491,702	7,286,512
Repayment of Loan taken		
Ayepee Lamitubes Limited	270,000	217,297,249

b) Balances outstanding as at 31 March, 2011

(Amount in Rs.)

Transaction	For the Year ended 31 March 2011	For the Year ended 31 March 2010
Unsecured Loans		
Ayepee Lamitubes Limited	4,487,349	519,999
Interest Payable		
Ayepee Lamitubes Limited	233,599	4,682

10. Managerial Remuneration

- a) Since no Commission is paid / payable to any Director / Manager and loss was incurred during the year, the computation of profits under section 198 / 349 of the Companies Act, 1956 is not furnished.
- b) 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 Rs.)

Particulars	For the Year ended 31 March 2011	For the Year ended 31 March 2010
Salaries, Allowances and Perquisites *	535,121	545,142
Contribution to Provident Fund	24,840	24,840
Total	559,961	569,982

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

11. Other additional information pursuant to the provision of Part II of Schedule VI to the Companies Act, 1956 are either nil or not applicable.
12. The Company does not have any manufacturing activity during the financial year. Accordingly, Accounting Standard-17 "Segment Reporting" is not applicable.

Signatures to schedules (1) to (12)
As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Sanjay Kothari
Partner
Membership No. 48215
Place : Mumbai
Date : August 30, 2011

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	31.03.2011		

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	34,678
Reserves and Surplus	63,013	Current Assets	5,752
Secured Loans	Nil	Losses	453,361
Unsecured Loans	257,989		
Current Liabilities and Provisions	5,789		
Total Liabilities	493,791	Total Assets	493,791

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

Turnover	300
Total Expenditure	19,746
Loss	19,446
Loss per share (Rs.)	12.76
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

Place : Mumbai

Date : August 30, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH

	2011 (Rs.)	2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(19,445,773)	(23,066,533)
Adjustments for :		
Depreciation	1,289,732	1,289,732
Interest Income	---	(78,772)
Interest Expenses	14,541,333	18,618,973
Operating Loss before Working Capital Changes	(3,614,708)	(3,236,600)
Adjustments for :		
(Increase)/Decrease in Trade Receivables	7,203	11,575
Increase/(Decrease) in Trade Payable	1,269,771	(3,670,115)
Cash from (used in) Operations Activities	(2,337,734)	(6,895,140)
Direct Taxes Paid (Net of refunds)	(30,000)	135,656
Net Cash from Operating Activities	(2,367,734)	(6,759,484)
B. Cash Flow from Investing Activities		
Interest Received	---	78,772
Net Cash from Investing Activities	---	78,772
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowing	2,875,739	337,044,634
Repayment of Borrowing	(270,000)	(314,245,067)
Interest Paid	(287)	(16,029,615)
Net Cash from Financing Activities	2,605,452	6,769,952
Net Decrease in Cash and Cash Equivalents (A+B+C)	237,718	89,241
Cash and Cash Equivalent - Opening Balance	184,785	95,544
Cash and Cash Equivalent - Closing Balance	422,503	184,785
Previous year's figures are regrouped/reconsidered wherever necessary.		
Cash and Cash equivalent includes the following :	As at 31 March 2011	As at 31 March 2010
	(Rs.)	(Rs.)
Cash on Hand	138,493	122,666
With Banks :		
In Current Account	284,010	62,119
	422,503	184,785

As per our attached report of even date

For **MGB & Co.**

Chartered Accountants

Sanjay Kothari

Partner

Place : Mumbai

Date : August 30, 2011

For and on behalf of the Board

ASHOK KUMAR GOEL Director

R. CHANDRASEKHAR Director

SURESH KUMAR SURI Manager

SANJAY BASANTANI Company Secretary

NOTES :

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 Thursday, 29th September, 2011 at 11.00 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
..... ofor failing
him/her..... ofas 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 Thursday,
29th September, 2011 at 11.00 a.m. and at any adjournment thereof.

Name & Address Shareholder(s) :

Signed thisday of.....2011

Folio No.....

No. of Shares held.....

Signature of the Shareholder



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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