

SOLID CARBIDE TOOLS LIMITED

**ANNUAL REPORT
2011- 2012**

SOLID CARBIDE TOOLS LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **ANNUAL GENERAL MEETING** of the members of **SOLID CARBIDE TOOLS LIMITED** will be held on Friday the 15th day of February, 2013 at 11.00 a.m. at the Registered Office of the company at Plot No.R-402, T.T.C. Industrial area, MIDC, Thane, Belapur Road, Navi Mumbai to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company and the Profit & Loss Account of the Company for the year ended as at 31st March, 2012 and the Report of the Directors and Auditors thereon.
2. To appoint M/s Sanghvi, Oturkar & Kelkar, Chartered Accountants as auditors of the Company and authorise the Board of Directors to fix their remuneration.
3. To appoint a Director in place of Mr. Dilip Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms.Pooja Lodha, who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

5. Appointment of Mr. Saurabh Kothari as the Director of the company:

To Consider and if though fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**

"RESOLVED THAT Mr. Saurabh Kothari who was appointed as an Additional Director by the Board of Directors and who holds office upto the ensuing Annual General Meeting and in respect of whom the company has received notice under Section 257 of the Companies Act, 1956 along with necessary deposit from shareholders proposing the candidature of Mr. Saurabh Kothari as a Director of the Company be and is hereby appointed as a Director of Company liable to retire by rotation."

6. Appointment of Mr. Ramesh B. Patel as the Director of the company:

To Consider and if though fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**

"RESOLVED THAT Mr. Ramesh B. Patel who was appointed as an Additional Director by the Board of Directors and who holds office upto the ensuing Annual General

Meeting and in respect of whom the company has received notice under Section 257 of the Companies Act, 1956 along with necessary deposit from shareholders proposing the candidature of Mr. Ramesh B. Patel as a Director of the Company be and is hereby appointed as a Director of Company liable to retire by rotation.”.

7. Appointment of Mr. Keyur R. Sanghvi as the Director of the company:

To Consider and if though fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**

“RESOLVED THAT Mr. Keyur R. Sanghvi who was appointed as an Additional Director by the Board of Directors and who holds office upto the ensuing Annual General Meeting and in respect of whom the company has received notice under Section 257 of the Companies Act, 1956 along with necessary deposit from shareholders proposing the candidature of Mr. Keyur R. Sanghvi as a Director of the Company be and is hereby appointed as a Director of Company liable to retire by rotation.”

For and on Behalf of the Board of Directors

Place: Navi Mumbai

Date: 18/01/2013

Sd/-

(Dilip Shah)
Chairman

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**
2. The instrument appointing a proxy or proxies should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members who hold shares in demat are requested to write their client ID and DPID Nos. and those who hold shares in physical form are requested to write their folio no. on the attendance slip for attending the meeting.
4. The relative Explanatory Statement pursuant to Sections 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
5. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar & Share Transfer Agent [RTA] i.e. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
6. Trading in the Company's shares through stock exchanges is permitted only in dematerialized/electronic form. The equity shares of the Company have been registered with both NSDL as well as CDSL to enable shareholders to hold and trade the securities in dematerialized/electronic form. In view of the numerous advantages offered by the depository system, members holding shares in the Company in physical form are requested to avail of the facility of dematerialisation.
7. The shareholders holding shares in physical form can avail of the nomination facility by filing Form 2B (in duplicate) with the Company or its RTA which will be made available on request and, in case of shares held in demat form, the nomination has to be lodged with their DP. For convenience, nomination form is attached at the end of the Annual Report.
8. The shareholders seeking information on accounts published herein are requested to kindly furnish their queries to the Company at least ten days before the date of the meeting to facilitate satisfactory replies.
9. **BRIEF RESUME OF PERSONS PROPOSED TO BE REAPPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT:**

Name	Dilip Shah	Pooja Lodha	Saurabh Kothari	Ramesh B. Patel	Keyur R. Sanghvi
Age (years)	55	32	26	56	32
Qualification	B.Com.	B.Com.	MBA-Finance	S.S.C	B.Com.
Nature of Expertise	Business, Technical & Management	Management	Business Management	Business & Management	Finance & Management
Experience in years	30	7	1	31	7
Name of the Companies in which also holds Directorship	Finalysis Multitrade & Financial Services Pvt. Ltd.	Equanimity Estates Pvt Ltd	NIL	NIL	Himaakars Texofab Industries Pvt. Ltd.
Name of the Companies in committees of which also holds Membership/ Chairmanship	Nil	Nil	Nil	Nil	Nil
Shareholding in the Company	NIL	89,000	NIL	NIL	NIL

Members/Proxy holders are requested to bring their copies of the Annual Report to the meeting as no further copies would be made available, as a measure of austerity.

Place: Mumbai

For and on Behalf of the Board of Directors

Date: 18/01/2013

Sd/-

(Dilip Shah)

Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5

Mr. Saurabh Kothari was appointed as an director by the Board of Directors in their meeting held on 18th January, 2013. Pursuant to provisions of section 255 of the Companies Act, 1956, he holds office only up to the date of forthcoming Annual General Meeting. Further, company has received notice from some of the shareholders pursuant to provisions of section 257 of the Act. Also the company has received a sum of Rs. 500/- each towards the deposit along with the notice. Hence shareholders are requested to appoint **Mr. Saurabh Kothari** as the Director of the company liable to retire by rotation.

Mr. Saurabh Kothari is having MBA degree In Finance Management and Commerce having good experience in finance. His experience and expertise will benefit the company and its shareholders immensely.

The Board of Directors proposes to appoint **Mr. Saurabh Kothari** on the Board as a independent Director and hence the resolution is being put before the members for their approval.

None of the Director except **Mr. Saurabh Kothari** is deemed to be interested in the proposed resolution.

Item No. 6

Mr. Ramesh B. Patel was appointed as an director by the Board of Directors in their meeting held on 18th January, 2013. Pursuant to provisions of section 255 of the Companies Act, 1956, he holds office only up to the date of forthcoming Annual General Meeting. Further, company has received notice from some of the shareholders pursuant to provisions of section 257 of the Act. Also the company has received a sum of Rs. 500/- each towards the deposit along with the notice. Hence shareholders are requested to appoint **Mr. Ramesh B. Patel** as the Director of the company liable to retire by rotation.

Mr. Ramesh B. Patel is having vast experience in Business. His experience and expertise will benefit the company and its shareholders immensely.

The Board of Directors proposes to appoint **Mr. Ramesh B. Patel** on the Board as a independent Director and hence the resolution is being put before the members for their approval.

None of the Director except **Mr. Ramcsh B. Patel** is deemed to be interested in the proposed resolution.

Item No. 7

Mr. Keyur R. Sanghvi was appointed as an director by the Board of Directors in their meeting held on 18th January, 2013. Pursuant to provisions of section 255 of the Companies Act, 1956, he holds office only up to the date of forthcoming Annual General Meeting. Further, company has received notice from some of the shareholders pursuant to provisions of section 257 of the Act. Also the company has received a sum of Rs. 500/- each towards the deposit along with the notice. Hence shareholders are requested to appoint Mr. Keyur R. Sanghvi as the Director of the company liable to retire by rotation.

Mr. Keyur R. Sanghvi is having BCom. degree and having vast experience in Commerce. His experience and expertise will benefit the company and its shareholders immensely.

The Board of Directors proposes to appoint **Mr. Keyur R. Sanghvi** on the Board as a independent Director and hence the resolution is being put before the members for their approval.

None of the Director except **Mr. Keyur R. Sanghvi** is deemed to be interested in the proposed resolution.

Place: Mumbai

For and on Behalf of the Board of Directors

Date: 18/01/2013

sd/-

**(Dilip Shah)
Chairman**

CHAIRMAN'S MESSAGE

Dear Shareholders:

It gives me great pleasure to present this report to you all

The year 2012 saw the end of the liquidation proceedings against the company when on 3rd August His Lordship Mr. Justice S. K. Kathawalla, among other things, recalled the winding up order. It marked the end of all legal proceedings the company underwent in the last decade. I must record my grateful thanks to a). Mr. Dastoor, Chairman of the Workers Association for his support; b). Messrs Satish Shah, Hemant Sethi and Senior Advocate Rohit Kapadia for providing the legal counsel and c). Mr. Pankaj Valia who, through Messrs VHCL Industries Limited, provided the financial lifeline which enabled us to repay all creditors of the Company and finally to everyone else who stood by us during our struggle

I have substantially repaid the outstanding dues of Mr. Pankaj Valia and the balance amount due to him and the amount due to the other unsecured creditor will hopefully be repaid before the end of this financial quarter. We have started complying with the BSE listing norms and are hopeful that BSE will revoke the suspension in the trading of our shares very shortly. This will provide an immediate exit to any shareholder who needs to do so for his own personal reasons. All this is required to be done under the revival Scheme approved by you at the meeting of the shareholders on 2nd June 2012 conducted on the orders of the Hon'ble Bombay High Court. Independent Directors have been inducted on the Board and once the unsecured creditors are repaid and the trading in shares revoked by the BSE, funds will be available and we will commence manufacturing operations immediately thereafter

The future is bright but the road ahead is tough. However I am confident that due to lessons learnt during the last decade we will overcome all obstacles and succeed

I will keep you updated through our own website and also through our page in the BSE web site.

With greetings for a wonderful 2013 I remain

Yours sincerely

For Solid Carbide Tools Ltd

Sd/-

Dilip S Shah

Chairman

SOLID CARBIDE TOOLS LIMITED

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Annual Report of the Company along with Audited Statement of Accounts for the year ended 31.03.2012.

FINANCIAL RESULTS

Particular	(Rupees in Amount)	
	31-03-2012	31-03-2011
Sales and Other Income	----	----
Total Expenses	3,011,535	1,27,11,855
Profit before Exceptional items	(3,011,535)	(1,27,11,855)
Exceptional items- credit	3,78,75,759	1,06,08,327
Exceptional items- (Debit)	(11,59,29,427)	---
Profit/(Loss) before tax	(8,10,65,203)	(21,03,528)
Less: Income Tax	----	----
Profit / (Loss) after tax	(8,10,65,203)	(21,03,528)

OPERATIONS

The company did not have any operations during the year. As such the company did not earn any income during the year. Due to Employee benefit expenses, depreciation and Amortization expenses the company incurred a net loss of Rs. 30,11,535/-

The Company is trying to revive its business and is in the process of crystallizing its future plans. The Management is making its efforts in this regard

DIVIDEND

In the event of the losses during the current financial year your Directors are unable to recommend any dividend.

SCHEME OF COMPROMISE AND ARRANGMENT

We take immense pleasure to inform the stake holders that the Hon'ble High court of Bombay vide its order dated 03rd August, 2012 has sanctioned the Scheme of Compromise and Arrangement ("Scheme"), which was passed by the Equity Shareholders of the Company at the Court Convened Meeting held on 02nd June, 2012. Further the said Scheme has been made effective by the Company on 03rd September, 2012 by filing the High Court order with Registrar of Companies, Maharashtra, Mumbai.

The salient features of the said Scheme are as under:

1. The Company was under Liquidation and under the supervision and control of the Official Liquidator High Court Bombay. Now with the sanction of the Scheme and with the order of the Hon'ble Bombay High Court recalling the winding up order, the liquidation proceedings have abated and the Official Liquidator stands discharged.
2. Interim Board of Directors is set up as required by the Scheme which comprises of 3 Directors. Mr. Dilip Shah, the present Administrator shall be the Chairman of the Company. Mr. Bhavik Mehta and Ms. Pooja Lodha are the two other Directors in the interim Board.
3. On the sanction of this Scheme the existing Equity capital of the Company shall be written down by 90% of the existing paid up Equity Capital by canceling Rs. 9/- per Equity Share. Each share of Rs. 10/- each fully paid up shall be written down to Re.1/- per share.
4. In the second stage and after reduction in the share capital as per clause (3) above, the Company shall allot Two Crores sixty five lacs eighty six thousand (2,65,86,000) Equity shares of Re. 1/- each at par against the unsecured debt of Rs. 3,78,41,000/- at par to Mr. Dilip Shah (Administrator) in such a way that he or his nominees are able to acquire 75% of the equity of the Company and the balance amount of his debt amounting to Rs. 1,12,55,000/- shall be converted into a long term unsecured loan to the Company.
5. The Scheme also provides shifting the manufacturing operations to Ahmedabad or any other place in Gujarat as the Board of Directors may decide. This would lead to substantial savings in operating costs. The products manufactured by the company have high acceptability in the USA. Reduced costs would further give to the company an extra edge in marketing its products. Consequently the Factory land and building in Rabale, Navi Mumbai would be sold and the machinery shifted to a suitable place in Gujarat as might be decided by the Directors This shifting of the Registered Office and shifting of the manufacturing operations and the consequent sale of Factory building and land is integral part of the Scheme, however subject to obtaining statutory approvals.

CORPORATE GOVERNANCE IS ENCLOSED AS ANNEXURE TO THIS REPORT.

As per clause 49 of the Listing Agreement with the Stock Exchange, the report of the Corporate Governance and the Certificate of the practicing Company Secretaries "Palak Desai" Mumbai in respect of compliance thereof are appended hereto and forming part of this report

PARTICULARS OF EMPLOYEES

There was no employee drawing in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption are not required to be furnished considering the fact that the Company has sold its plants and not carrying on any manufacturing activity.

FOREIGN EXCHANGE EARNING AND OUTGO

The company has not earned any foreign exchange during the year under review. The Company has not spent any amount in foreign exchange.

DIRECTORS

In accordance with the provisions of the Companies Act 1956, and the Articles of Association of the Company, Mr. Dilip Shah and Ms. Pooja Lodha retire by rotation and are eligible for reappointment. The Board recommends his reappointment.

Mr. Saurabh Kothari, Mr. Ramesh B. Patel, and Mr. Keyur R. Sanghvi inducted as an Additional directors of the Company under Section 260 of the Companies Act, 1956 on 18th January, 2013, who hold office only upto the ensuing Annual General Meeting. The company has received notice from some of the shareholders of the company proposing their candidature for the post of Directors liable to retire by rotation. Your Directors propose their appointment as the Directors of the company.

Mr. Bhavik Mehta resigned from the directorship due to his pre-occupation and he ceased to be director of the Company w.e.f. 18/01/2013. The Board placed on record its appreciation for the valuable services and support rendered by him during his tenure on the Board of the Company.

A brief resume of the Directors being re-appointed / appointed are attached to the Notice of the ensuing Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors hereby declare:

- i) That in preparation of the annual accounts, the applicable accounting standards has been followed.
- ii) That the directors have selected such accounting policies and applied them consistently and 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 at the end of the financial year under review and for the profit or loss of the company for that period;
- iii) That the directors had taken proper and sufficient care 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.
- iv) That the directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS:

Your Company has not accepted Public Deposits within the meaning of Section 58A of the Companies Act, 1956 but however the company has taken Unsecured loan from VHCL Industries Limited.

AUDITORS AND AUDITORS' REPORT

M/s. Singavi, Oturkar & Kelkar, Auditors of the Company, retire and are eligible for reappointment. The company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956.

The Auditors of the Company have qualified their report. However the company was under liquidation till 03rd August, 2012. The Board of Directors has been constituted as per Scheme approved first by the Equity shareholders of the company and then by the Hon'ble High Court of Bombay, The Board of Directors has initiated the process to address the said qualifications. Further the full impact of the High court order is yet to be given in the accounts. and in the current year i.e.2012-13 the Management will try to remove those qualifications..

LISITNG

Shares of the Company are listed with BSE Limited which is having nationwide terminal under Scrip Code No. 531676. The Trading in the shares on the Stock Exchange has been suspended due to Non-Compliance of Listing Agreement; however

the Company is in process of getting the suspension of trading of shares revoked from the BSE Limited so that trading in shares can start once again.

The Company has paid the annual listing fee to the above stock exchange for the financial year 2012-13.

DEMATERIALIZATION OF SHARES

To provide better and smooth services to the shareholders, the company's equity shares are made available for dematerialization in electronic mode in the depository system operated by National Securities Depository Limited (NSDL) and with the Central Depository Services Limited (CDSL). The ISIN of the Company is INE161C01018.

APPRECIATION:

The Board of Directors wish to place on record their appreciation for the co-operation and support of the Company's Bankers, and all other intermediaries concerned with the company's business.

Your directors sincerely thank all members for supporting us during the difficult days. We look forward to your continued support and reiterate that we are determined to ensure that the plans are successfully implemented.

Place: Mumbai

For and on Behalf of the Board of Directors

Sd/-

Date: 18/01/2013

**(Dilip Shah)
Chairman**

MANAGEMENT DISCUSSION AND ANALYSIS

The management of the Company is unable to comment on the same as for the financial year ended 2011-12 the Company was under liquidation and was controlled and managed by the Official Liquidator. The Management of the Company will be able to comment on the same from the next financial year i.e. 2012-13

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Introduction

Company's philosophy is to ensure transparency for all the stakeholders and hence whenever and wherever required statement to that effect has been given and incorporated. Further we would like to inform you that the Company was under liquidation and under supervision and control of Official Liquidator High Court Bombay during the financial year ended 2011-12. Hence the Compliances required under Clause 49 of the Listing Agreement executed with the stock exchanges, have not been complied with during the said financial year. However the Company was out of Liquidation through the Revival Scheme sanctioned by the Hon'ble High Court of Bombay vide its order dated the 03rd day of August, 2012 and now the Corporate Governance system / requirement is set up / complied as required under clause 49 of the Listing Agreement of the Stock Exchange.

A report for the financial year ended 31st March, 2012 and till the date signing of the Report as required under Clause 49 of the Listing Agreement is furnished below:

Board of Directors

(i) Board Composition

During the year under review (2011-12) the Board was not composed as the Company was under liquidation and under supervision and control of the Official Liquidator High Court Bombay. However the board was duly composed per clause 49 of Listing Agreement on 18th January, 2013. The Composition of Board as on 18th January, 2013 is as follows:

Sr. No	Name of the Directors	Category	No. of other Directorships In other public Limited companies#	Committee Membership	
				Member	Chairman
1.	Dilip Shah	Non Executive Chairman	NIL	NIL	Nil
2.	Pooja Lodha	Non Executive - Non Independent Director	NIL	NIL	Nil
3.	Mr. Bhavik Mehta	Non Executive - Non Independent Director	NIL	NIL	Nil
4.	Saurabh Kothari	Non Executive - Independent	Nil	Nil	Nil

		Director			
5.	Ramesh B. Patel	Non Executive – Independent Director	Nil	Nil	Nil
6.	Keyur R. Sanghvi	Non Executive – Independent Director	NIL	NIL	Nil

* Mr. Dilip Shah, Ms. Pooja Lodha and Mr. Bhavik Mehta were appointed on 03rd September, 2012.

**Mr. Saurabh Kothari, Mr. Ramesh B. Patel, and Mr. Keyur R. Sanghvi, were appointed on 18th January, 2013.

Mr. Bhavik Mehta Resigned on 18th January, 2013.

Meetings held

For the Financial Year 2011-12:

As the Company was under liquidation and under supervision and control of the Official Liquidator High Court Bombay during the financial year ended 2011-12 no meeting of the Board of Director was held during the year under review i.e. 2011-12.

2. COMMITTEES OF THE BOARD:

A. AUDIT COMMITTEE:

There was no Audit Committee during the year under review (2011-12) as the Company was under liquidation and under supervision and control of the Official Liquidator High Court Bombay.

The Company's Audit Committee was constituted on 18th January, 2013. The members of Audit Committee are independent and non independent directors. The new Committee is formed under the Chairmanship of Mr. Saurabh Kothari and other members are Mr. Keyur R. Sanghvi and Mr. Ramesh B. Patel, the Independent Directors and Mr. Dilip Shah, the Non-Independent Director of the Company. The constitution of Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956 & Clause 49 of the Listing Agreement and the terms of reference stipulated by the Board for the Audit Committee covers the matters specified in aforesaid Section & Clause of Listing Agreement.

i. Number of Audit Committee Meetings held and the dates:-

The Audit Committee was constituted on 18th January, 2013. Hence no meeting was held in the Financial Year 2011-2012.

ii. Terms of Reference:-

The Audit Committee of the Board, inter-alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures :

iii. Efficiency and effectiveness of operations:-

1. Safeguarding of assets and adequacy of provisions for all liabilities.
2. Reliability of financial and other management information and adequacy of disclosures
3. Compliance with all relevant statutes.

iv. The Audit Committee is empowered pursuant to its terms of reference inter - alia, to :-

1. Investigate any activity within its terms of reference and to seek any information required from any employee.
2. Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary

v. The role of the Committee is :

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by them.
3. Reviewing with the management the financial statements before submission to the Board, focusing primarily on :
 - a. Any changes in accounting policies and practices
 - b. Major accounting entries based on exercise of judgment by management
 - c. Qualifications in the draft audit report
 - d. Significant adjustments arising out of audit
 - e. The going concern assumption
 - f. Compliance with accounting standards
 - g. Any related party transactions as per the accounting standards
 - h. Compliance with legal requirements concerning financial statements
4. Reviewing with the management, external and internal auditors the adequacy of internal control system and the Company's statement on the same prior to the endorsement by the Board.
5. Reviewing reports of internal audit and discussions with them on any significant findings and follow-up thereon.
6. Reviewing the findings of any internal investigations by the internal audit where there is a suspected fraud or irregularity or failure of internal control system.

7. Discussions with the external auditors before the audit commences on nature and scope of audit as well as after conclusive audit to ascertain any areas of concern and review the comments contained in the management letter.

B. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE:

The Company's Investors/Shareholders Grievance Committee was constituted on 18th January, 2013. The new Committee is formed under the Chairmanship of Mr. Keyur R. Sanghvi and other members are Mr. Saurabh Kothari, Ramesh B. Patel, the Independent Directors and Mr. Dilip Shah, the Non-Independent Directors of the Company. The Company has initiated the process to resolve all Complaints

3. GENERAL BODY MEETING:

No Annual General Meeting / Extra Ordinary General Meeting were held during the last three years as the Company was under Liquidation.

A NOTES ON DIRECTORS SEEKING APPOINTMENT

Mr. Saurabh Kothari is having MBA degree in Finance Management and Commerce with good experience in finance. His experience and expertise will benefit the company and its shareholders immensely. Hence Your Directors propose appointment of Mr. Saurabh Kothari as the Director of the company.

Mr. Ramesh B. Patel is having vast experience in Business. His experience and expertise will benefit the company and its shareholders immensely. Hence Your Directors propose appointment of Mr. Ramesh B. Patel as the Director of the company.

Mr. Keyur R. Sanghvi is having B. Com. degree and having vast experience in Commerce. His experience and expertise will benefit the company and its shareholders immensely. Your Directors propose appointment of Mr. Keyur R. Sanghvi as the Director of the company.

4. DISCLOSURE

The company did not have any related party transaction which may have potential conflict with the interest of Company. Nature and other particulars of such transactions have been disclosed and are forming part of the notes to the accounts.

5. GENERAL SHAREHOLDER INFORMATION

Registered Office : Plot No.R-402, T.T.C. Industrial area, MIDC, Thane,

	Belapur Road, Navi Mumbai
Book Closure Date	: Company was under Liquidation Hence no Book Closure
AGM Date & Venue	: 15th February, 2013 At Plot No.R-402, T.T.C. Industrial area, MIDC, Thane, Belapur Road, Navi Mumbai
Dividend Payment	: No dividend declared
Listing on Stock Exchange	: Bombay Stock Exchange (BSE) Ahemdabad Stock Exchange Limited (ASE) Vadodara Stock Exchange Limited (VSE)
Listing Fees	: 2012-13 has been paid
Trading Group	: The script is suspended from trading on BSE Ltd.
Stock Codes	: 500394
ISIN No.	: INE161C01018
Relative performance of	: Co's share trading suspended Co's Share Price v/s. BSE Sensex
Buy-Back Of Shares	: There was no buy-back of shares during the year under review.
Share Transfer System	: Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078 Email: Mumbai@linkintime.com

6. KEY FINANCIAL REPORTING DATES FINANCIAL YEAR 2012-13

Unaudited results for first quarter ended 30 th June, 2012	--
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Unaudited results for Second quarter ended 30th September, 2013	--
Unaudited results for Third quarter ended 31 st December, 2012	25 th January, 2013
Unaudited results for the financial year 2012-13	25 th April, 2013

7. CATEGORIES OF SHAREHOLDERS (As on 31st March, 2012)

Kindly ensure the figures given here tally with what has been submitted to the BSE

Category	No. of Shareholders	Voting Strength (Percentage)	Number of Shares held
Promoters, Relatives & Associate Co.	--	--	--
Non Residents Individuals/OCB	--	--	---
Companies Other than from other Group	--	--	--
Individuals	13163	100	8862000
Total	13,163	100	88,62,000

8. DEMATERIALIZATION OF SHARES

The equity shares of the Company are traded in electronic form. As on 31st March, 2012 1146900 equity shares i.e. 12.94% of the total paid up equity capital were held in electronic form with Central Depository Services (India) Limited (CDSL) and National Depository Services (India) Limited (NSDL). The Company is in the process of resolving the pending Demat requests.

9. Address for correspondence:

SOLID CARBIDE TOOLS LIMITED

Plot No.R-402, T.T.C. Industrial area,
MIDC, Thane, Belapur Road,
Navi Mumbai

Shareholders correspondence may be directed to the company's Registrar and Share Transfer Agents whose address is given below:

M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400078
Tel: 022 - 25963838 Fax No: 25672693

10. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by the Securities and Exchange Board of India, Secretarial Audits have been carried out, by Practicing Company Secretary, to reconcile the total admitted capital with Central Depository Services (India) Limited (CDSL) and National Depository Services (India) Limited (NSDL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the board of directors. The audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

11. CEO/ CFO CERTIFICATION

The Company is not able to give this certificate as the Company was under liquidation and was under the control of the Official Liquidator. The Company will be able to provide the said certificate from the next financial year i.e. 2012-2013.

12. DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchange, Chairman or any Director of the Company will not be able to affirm compliance with the said code of conduct for the financial year 2011-12, however the Company has adopted the new set of code of conduct on 18th January, 2013 and the Chairman and / or director will be able to affirm the said code of conduct from the next financial year i.e. 2012-13

By Order of the Board of Directors

Sd/-

Dilip Shah
Chairman

Place: Mumbai
Date: 18.01.2013

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Solid Carbide Tools Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by Solid Carbide Tools Limited ('the Company') for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, *we certify that the Company has not complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement as on 31st March, 2012.* However the Company as on date of the certificate i.e. 18th January, 2013, has complied with the Condition of the 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.

Place: Mumbai
Date: 18th January, 2013

Palak Desai
Company Secretary
Sd/-

C.P. No. 7426

SINGAVI, OTURKAR & KELKAR
Chartered Accountants

Nirvelli Apt., 1st. Floor,
Opp. Laxmi Vilas Bank,
Near Malhar Talkies,
Swami Vivekanand Marg,
Off Gokhale Road, Naupada,
Thane (w) : 400 602.

AUDITORS' REPORT

THE ADMINISTRATOR

SOLID CARBIDE TOOLS LIMITED

1. We have audited the attached balance sheet of **SOLID CARBIDE TOOLS LIMITED**, as at **31st March 2012** and also the Profit and Loss 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. The accompanying financial statements have been prepared assuming that the company will continue as a going concern keeping in view the observations/remarks referred to in the annexure to this report. The Company's manufacturing activity continued to remain suspended during the F.Y. 2011-12 also. Also, the Company's office & factory were under court's seal & the said seal has been removed in November, 2005 and the Management of the Company has been entrusted to an administrator appointed by the Honourable Mumbai High court. The Company has also suffered cash losses in the financial year under audit and in the immediately preceding financial year, which raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.
3. We have conducted our audit in accordance with the 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 of 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 the management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



4. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
5. Further to our comments in the Annexure referred to above, we report that :
- (a) 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.
 - (b) In our opinion, books of account for the purpose of recording the financial transactions have been kept by the company so far as appears from our examination of those books. However, as per our examination and as per the information and explanation given to us, the other books/registers as required by law were not produced to us for verification.
 - (c) The Balance Sheet and the Profit and Loss Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, in view of non-ascertain ability of method of valuation of inventories, non-consideration of effect of Deferred Taxation, the profit and loss Statement and the balance sheet doesn't comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) In the absence of the confirmations, received from the directors as on 31st March, 2012, we are unable to report whether any of the directors is prima facie disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion, and to the best of our information and according to the explanations given to us, in view of the observations/remarks referred to in the annexure to this report in respect of:-
 - A) Entrustment of Management of the Company to the Administrator appointed by the Honourable High Court of Mumbai and the preparation of books of account consequent to it.



- B) Purchase of Land & development expenditure incurred thereupon in the earlier years and the writing off of the same in current financial year.
- C) Non-transfer of funds to separate bank accounts for unpaid dividend and writing back of unpaid dividend in the current financial year.
- D) Pending court cases filed against the Company.
- E) Non-Recoverability of Sundry Debtors, Loans & Advances and the writing off of the same in current financial year.
- F) Non-compliance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

the said accounts doesn't give the information as required by the Companies Act, 1956 in the manner so required and therefore doesn't 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 31st MARCH, 2012 and
- ii) In the case of the Profit and Loss Statement of the LOSS of the company for the year ended on that date.

Place: Thane
Date: 08/10/2012

For SINGAVI, OTURKAR & KELKAR
Chartered Accountants
FRN 110265W




[CA R.K. Mulchandani]
Partner
M.No.45550

ANNEXURE REFERRED TO IN PARAGRAPH [4] OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF SOLID CARBIDE TOOLS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2012.

1. a) The Company has not maintained proper records showing full particulars including quantitative details and situations of its fixed assets.
b) The fixed assets have not been physically verified by the management during the year and therefore the same could not be reconciled with the book records. The Company has not updated the entries regarding the Land purchased and Land development expenditure incurred during the earlier financial years with respect to the identification numbers of land as per the land records. Also the Company has not updated the entries regarding the machinery purchased during the earlier financial years.
c) In the absence of proper records showing particulars of assets & in the absence of physical verification of assets and in view of the remarks as referred to in the Annexure to this report, we could not verify whether any fixed assets have been disposed off during the year.
d) However, during the current financial year, the company has written off Fixed Assets, Capital Work in Progress & Advances for Capital Expenditure amounting to Rs. 7,85,20,923/-
2. The management has not conducted physical verification of inventory during the year. The records in respect of inventory were not made available for verification. Therefore, we could not verify whether there are any discrepancies between the physical stock as on 31st march, 2012 and the stocks as per book records.
3. a) On the basis of Unsecured Loans granted by the company in the earlier financial years, in our opinion, the company has granted unsecured loans to Companies, Firms or other parties which might have been required to be listed in the register maintained under Section 301 or to the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. The Company has not charged any interest on such loans & the principal amount has also not been repaid to the company. There are no firm steps taken by the company for the recovery of such loans & advances.
b) The company has also granted advances to various Companies, firms & other parties for supply of Capital goods & Supplies against which the Company has not received all such goods & supplies.

The Company & parties to whom inter Corporate loan/Deposits have been given by the Company are not repaying the same. The Company has not charged any interest on such Inter Corporate loans/Advances. There are no positive & firm steps taken by the Company to recover such interest & loan/deposits, nor the Company has initiated any legal action against such Companies & Parties.

- c) During the current financial year, the company has written off Inter Corporate Deposit amounting to Rs. 16,78,216/- and has also written off Advances amounting to Rs. 96,71,998/-.



d) The company has taken loans from companies, Firms or other parties, which might have been required to be listed in the register maintained under Section 301 or from Companies under the same Management as defined under Sub-section (1B) of Section 370 of the Companies Act, 1956. The rate of interest and other terms & conditions are prima facie not prejudicial to the interest of the Company.

e) During the year, the company has written back Unsecured Loans amounting to Rs. 9,15,000/-

4. In our opinion and according to the information and explanation given to us during the year, the internal control procedures are not commensurate with the size of the company for purchase of raw material, stores, purchase of Plant & Machinery, Equipment & other assets, and for the sale of goods.

5. In the absence of availability of the register to be maintained under Section 301 of the Companies Act, 1956, we could not verify whether the transactions that need to be entered into such register have been entered as such. For the same reason, the transactions exceeding value of Rupees Five Lakhs, with any of such parties could not be verified as regards to reasonableness of the price charged.

6. 6.1) The Company has not accepted deposits from the Public. However, the company has taken unsecured loan of Rs.1,27,74,000/- from VHCL Industries Ltd. in FY 2010-11 which was inter alia utilized for repaying the loan of Saraswat Co-op Bank Ltd of Rs.80,24,000/- & Staff Settlement payment of Rs.42,00,000/-.

6.2) The company has further taken unsecured loans of Rs.1,26,60,985/- from VHCL Industries Ltd. in FY 2011-12 which has inter alia been utilized for making payment of outstanding Provident Fund dues amounting to Rs. 27,76,144/- and for making payment to outstanding creditors and incurring expenditure pertaining to FY 2011-12 in respect of security charges and other administrative and establishment expenditure. The loan amount outstanding to be repaid to VHCL Industries Ltd. as on 31st march 2012 is Rs. 2,54,34,985/-.

6.3) Also, the Unsecured Loans taken by the Company in earlier financial years are outstanding as on 31-03-2012.

7. The Company does not have an Internal Audit System commensurate with its size and nature of its business.

8. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed for, the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

9. a) According to the records of the company, the company is not regular in depositing undisputed statutory dues including Investor Education & Protection Fund, Provident Fund, Employees' State Insurance dues, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Sales Tax, Cess as applicable to it with the appropriate authorities.

b) According to the records of the Company, the company has not deposited the following amounts payable in respect of Provident Fund, Employees State Insurance dues, Employees Profession Tax, Sales Tax, & Income Tax Deducted at Source with the appropriate authorities and the same were outstanding as at 31st March 2011;



<u>Nature of Dues</u>	<u>Amount Rs.</u>
Provident Fund	Rs.27,76,144/-
Employees State Insurance Dues	Rs. 6,59,547/-
Profession Tax	Rs. 3,11,230/-
Property Tax	Rs.16,08,269/-
Income Tax Deducted at Source	Rs. 1,58,213/-
Sales Tax	Rs. 91,660/-
TOTAL	Rs. 56,05,063/-

c) However in the current financial year the company has paid the outstanding provident fund amounting to Rs. 27,76,144/- and has written back the balance amount out of the above mentioned statutory dues amounting to Rs. 28,28,919/-, as not payable.

d) In the absence of any information and explanations & confirmations given to us by the Management, it was not possible for us to verify, whether there are any dues outstanding of Sales Tax, Customs Duty, Excise duty, Income Tax, wealth tax, service tax & cess on account of any dispute.

10. Due to write off of Assets (Fixed as well as Current) during the current financial year, the accumulated losses of the company at the end of financial year are more than Fifty percent of its Net Worth. The company has incurred cash loss of Rs.7,95,49,679/- (which includes Loss of Rs. 7,80,53,668 as a net result of Assets written off & Liabilities written back) during the financial year covered by our audit. The company has also incurred cash loss of Rs.44,77,508/- in the immediately preceding financial year.

11. a) In the absence of any confirmation received from the Gujarat State Finance Corporation (GSFC) and also in the absence of any information available with the Company, we cannot comment, whether the Company has defaulted in repayment of dues to GSFC. However, as per the books of accounts there is no movement in the Term Loan Account from GSFC. The outstanding Loan amount payable to GSFC was 85,67,693/- on account of principal amount & Rs. 38,43,692/- on account of interest payable as on 31-03-2003, 31-03-2004, 31-03-05, 31-03-2006, 31-03-07, 31-03-08, 31-03-09, 31-03-10 & 31-03-11.

b) However, during the current financial year, the company has written back the above mentioned amounts of Rs. 85,67,693 & Rs. 38,43,692/- as not payable.

c) The Company does not have any borrowings by way of debentures.

12. In the absence of any information and explanations & confirmations given to us by the management, we cannot comment, whether the company has granted any loans and advances on the basis of security by the way of pledge of shares, debentures and other securities.

13. In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund / societies.



14. In the absence of any information and explanations & confirmations given to us, by the management, we cannot comment whether, the company has undertaken any dealing / trading in shares, debentures, Securities and other investments.
15. In the absence of any information and explanations & confirmations given to us by the management, we cannot comment whether, the company has given any guarantees for loans taken by its associates from banks or financial institutions. The company does not have any subsidiary during the year.
16. Based on our audit procedures and on the basis of information & explanations given to us by the management, the company has not taken any term loans from banks & financial institutions during the year.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that, part of the funds from the Cash Credit Facility with the Bank in the earlier years have been utilized for giving certain advances, the purpose for which could not be explained by the Management.
18. In the absence of the register to be maintained U/s. 301 of the Companies Act, 1956 being made available to us we are not in a position to comment, whether the company has made any preferential allotment of shares to parties or companies covered in the register maintained U/s. 301 of the Companies Act, 1956.
19. The company did not have any outstanding debentures during the year.
20. The company has not raised money through a public issue during the year.
21. Based upon the audit procedures performed and information and explanation given by the management, in view of the fact regarding the company being under the custody of the official liquidator appointed by the court and thereafter, the management of the company being entrusted to an administrator appointed by the court, the persons who were in charge of the day-to-day affairs of the company during the earlier years are not managing the affairs of the company as on date, and as the books of account have been updated after the administrator has taken over the control of the company in November, 2005, we cannot comment as on date whether any fraud on or by the company have been committed during the financial year ended on 31-03-2012 or in the earlier financial years.

Place: Thane
Date: 08/10/2012



For SINGAVI, OTURKAR & KELKAR

Chartered Accountants

FRN 110265W

[CA R.K. Mulchandani]

Partner

M.No.45550

SOLID CARBIDE TOOLS LTD.
ANNEXURE REFERRED TO IN PARAGRAPH [5] OF OUR REPORT OF EVEN
DATE ON THE ACCOUNTS OF SOLID CARBIDE TOOLS LIMITED FOR THE YEAR
ENDED 31ST MARCH, 2012.

A) Entrustment of Management of the Company to the Administrator appointed by Honourable High court of Mumbai and the preparation of books of account thereafter.

- 1) During the FY-2003-04 to FY-2011-12 the company's manufacturing activity has by and large remained suspended except for FY 2007-08, in which there was some manufacturing activity. The sales for FY-2003-04, FY 2004-05, FY 2005-06, F Y 2009-10, F Y 2010-11 & FY 2011-12 were Rs.Nil/-. The sales were Rs 1,81,993/- for FY 2006-07, Rs 36,04,583/- for FY 2007-08, Rs 1,38,080/ for FY 2008-09.
- 2) Certain cases were filed by the creditors of the company for recovering their dues from the company and subsequently the Honourable High Court of Mumbai has appointed Administrator for the purpose of implementing the scheme submitted by the creditors for running the company.
- 3) a) The premises of the company were sealed by the order of the court. Accordingly, the registered office of the company and the factory of the company situated at R-402, TTC Industrial Area, Rabale, Navi Mumbai-400 701 was under court's seal.

b) The said seal of the court was removed on 12th November, 2005 after the order of the court, and the administrator appointed by the court was allowed to take charge of the affairs of the company and run the company as per the scheme approved by the court.
- 4) The administrator of the company after taking over charge on 12th November, 2005 as per the courts directions has started taking inventory of the Fixed Assets, Stocks, Account Records etc. and the process of reconciling the same with the books of account is under progress.
- 5) During the period in which the company was locked, there were also signs of theft in the company's office and factory situated at R-402, TTC Industrial Area, Rabale, Navi Mumbai-400 701, for which also the complaints have been filed with the police.
- 6) a) After taking the charge of the company on 12th November, 2005 the administrator has taken necessary steps and efforts to get the books of account completed for the FY-2004-05 & subsequent years on the basis of available records.

b) The administrator has also made arrangements to send the letters to Sundry Creditors of the company, Sundry Debtors of the company, Banks and financial Institutions, to get the balance confirmation as on 31-03-2005.



- c) The confirmation letters have been received from some of the Sundry Creditors and Sundry Debtors but have not been received from the other Sundry Debtors & Creditors. In some cases the letters sent to the Creditors/Debtors have been returned back as such Sundry Creditors/Sundry Debtors have left the address which was last available with the company.
- d) Even certain Banks & Financial Institutions have not responded to the letters sent to them for confirming the balances.
- 7) Therefore the books of account for the FY-2011-12 have been prepared by the administrator appointed by the court, from the records that were available with the administrator.
- 8) In the Balance Sheet as at 31-03-2012 & 31-03-2011 and Profit & Loss Account for the year ended on 31st March, 2012 & 31st March, 2011, the balances for the following accounts have been considered as under:-

- a) Cash on Hand Rs.1,30,517/- (as at 31-03-2012) & Rs.1,24,517/- (as at 31-03-2011)
The cash on hand as on 31st March, 2012 has been taken as per the books of account prepared for the F.Y. 2011-12. The cash balance as on 31-03-2012 has not been physically verified as on 31-03-2012 and there is no information regarding the availability of cash on hand.
- b) Closing Stock of Inventory Rs.12,95,299/- (as on 31-03-2012 & as on 31-03-2011)
The closing stock of inventory has been taken on the basis of statement prepared and available with the Company.
- c) Loan from Gujarat State Financial Corporation Rs.85,67,693/- & Interest Payable thereon Rs. 38,43,691/- (as on 31-03-2011), Rs. NIL (as on 31-03-2012).
No confirmation of balance has been received from Gujarat State Financial Corporation in respect of the loan taken from Gujarat State Financial Corporation. Therefore, the balance is taken as per the books of account.

Also in the absence of confirmation received from the financial institution, the details of security offered for the aforesaid loans are also not known as on date.

During the current financial year, the company has written back the above mentioned amounts appearing in the books of accounts as payable as on 31-03-2011 as in the opinion of the administrator the same is not payable.

d) Fixed Assets:

In the absence of physical verification of the Fixed Assets as on 31-03-2011 & 31-03-2012 and in the absence of availability of Fixed Assets register, the balances of Fixed Assets have been taken as per the books of account.

During the current financial year the company has written off Net Amount (after writing back the accumulated depreciation) of Fixed Assets amounting to Rs. 1,74,90,457/- (gross amount of fixed assets Rs. 2,08,31,648/-) as in the opinion of the administrator the whereabouts of the said Fixed Assets are not known.



e) Sundry Debtors & Sundry Creditors Balances (As on 31st March 2011):

The Administrator appointed by the court has initiated the process of calling of balance/account confirmation letters from the sundry debtors & sundry creditors. However, in the absence of receipt of confirmation letters from all the sundry creditors & sundry debtors, the balances have been taken as per the books of account.

During the current financial year the company has written off Sundry Debtors amounting to Rs. 2,46,44,950/- as bad debts written off.

During the current financial year the company has also written back Sundry Creditors for goods & expenses amounting to Rs. 1,90,20,809/- as in the opinion of the administrator the same are not payable.

B) Incurrence of Land Development Expenditure:

i) The Company has entered into agreement with various parties for purchase of Land in F.Y. 1998-99. However in the absence of agreements executed being registered with the appropriate authorities and in the absence of company's name being entered in the land revenue records, we are not in a position to comment on the legal title to the ownership of said land.

ii) The Company has incurred expenditure towards Land Development Expenditure in the earlier financial years. However in the absence of any tenders & quotations called for the land Development Expenditure in the earlier financial years or an approved valuers / architects Certificate regarding the value of the work done, we are unable to comment on the reasonableness of expenditure incurred on land development by the company.

iii) During the current financial year the company has written off the Land Development Expenditure along with the amounts of certain Fixed Assets & Capital Advances given.

C) Non-transfer of funds to separate bank accounts for unpaid dividend:

i) The Company has not transferred the amount of unpaid dividend declared for the year ended 31-03-1995 to a separate bank account nor the company has transferred the same to the appropriate authorities as per the provisions of the Companies Act, 1956. The unpaid dividend for the year ended 31st March, 1995 as on 31-03-2011 was Rs.52,49,933/-.

ii) During the current financial year the company has written back the unpaid dividend of Rs. 52,49,933/- as in the opinion of the administrator the same is not payable.


D) Pending court cases filed against the Company:

There are certain court cases filed by various persons/departments against the company for recovery of their dues & recovery of the damages. However no provisions have been made for the liabilities that may be arising out of such court cases. Nor any evaluation or quantification of such damages has been made by the management.

Place: Thane
Date: 08.10.2012



For SINGAVI, OTURKAR & KELKAR
Chartered Accountants
FRN 110265W


[CA R.K. Mulchandani]
Partner
M.No.45550

SOLID CARBIDE TOOLS LIMITED
Balance Sheet as at 31st March, 2012


Particulars	Note No.	₹	₹
		As at 31.03.12	As at 31.03.11
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	65,217,990	65,217,990
Reserves and surplus	2	(51,780,642)	29,284,561
		<u>13,437,348</u>	<u>94,502,551</u>
Non-current liabilities			
		-	-
Current liabilities			
Short-term borrowings	3	38,019,110	31,348,023
Trade payables	4	-	28,658,231
Other current liabilities	5	89,588	13,907,214
Short-term provisions		-	-
		<u>38,108,698</u>	<u>73,913,468</u>
TOTAL		<u><u>51,546,046</u></u>	<u><u>168,416,020</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets			
Capital work-in-progress	6	50,005,451	68,696,431
Long-term loans and advances	6	-	60,751,835
Other non-current assets	7	88,810	12,877,364
		<u>50,094,261</u>	<u>142,325,630</u>
Current assets			
Inventories	8	1,295,299	1,295,299
Trade receivables	9	-	24,644,950
Cash and cash equivalents	10	156,486	150,141
		<u>1,451,785</u>	<u>26,090,390</u>
TOTAL		<u><u>51,546,046</u></u>	<u><u>168,416,020</u></u>

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS

1 TO 16

As per our report of even date
For Singavi, Oturkar & Kelkar
Chartered Accountants
FRN 110265W

For and on behalf of the Board of
SOLID CARBIDE TOOLS LIMITED


CA R.K. Mulchandani
Partner
Membership No. 45550





(Dilip Shah)
Administrator

Thane,
8th October 2012

SOLID CARBIDE TOOLS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Refer Note No.	₹	
		Year Ended 31.03.12	Year Ended 31.03.11
I. Revenue from operations	-	-	-
II. Other income	-	-	-
III. Total Revenue (I + II)	-	-	-
IV. Expenditure:			
Cost of materials consumed	11	-	-
Changes in inventories of finished goods & work-in-progress	12	-	5,940,704
Employee benefits expense	13	834,000	4,200,000
Finance costs	-	-	-
Depreciation and amortization expense	6	1,515,524	2,293,643
Other expenses	14	662,011	277,508
Total expenses		3,011,535	12,711,855
V. Profit/(Loss) before exceptional items and tax (III-IV)		(3,011,535)	(12,711,855)
VI. Exceptional items - Credits	15	37,875,759	10,608,327
Exceptional items - (Debits)	16	(115,929,427)	-
		(78,053,668)	10,608,327
VII. Profit/(Loss) before tax (V + VI)		(81,065,203)	(2,103,528)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
IX Profit/(Loss) for the period (VII - VIII)		(81,065,203)	(2,103,528)
X Earnings per equity share:			
(1) Basic		(9.15)	(0.24)
(2) Diluted		(9.15)	(0.24)
SIGNIFICANT ACCOUNTING POLICIES	0		
NOTES ON FINANCIAL STATEMENTS	1 TO 16		

As per our report of even date
For Singavi, Oturkar & Kelkar
Chartered Accountants
FRN 110265W


CA R.K. Mulchandani
Partner
Membership No. 45550



Thane,
8th October 2012

For and on behalf of the Board of
For SOLID CARBIDE TOOLS LIMITED


(Dilip Shah)
Administrator

SOLID CARBIDE TOOLS LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	PARTICULARS	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before tax and Extraordinary and Exceptional items	(3,011,535)	(12,711,855)
	Adjustments for		
	Depreciation	1,515,524	2,293,643
	Operating Profit/(Loss) before working capital changes	(1,496,011)	(10,418,212)
	Changes in Working Capital		
	Loans and Advances (Increase) / Decrease	25,000	(25,000)
	Sundry Creditors Increase/(Decrease)	(5,793,731)	(278,805)
	Inventories Decrease /(Increase)	-	5,940,704
	Cash Generated from operations	(7,264,742)	(4,781,313)
	NET CASH FLOW FROM OPERATING ACTIVITIES	[A] (7,264,742)	(4,781,313)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(315,000)	-
	Decrease in Investments	-	20,800
	NET CASH FLOW FROM INVESTING ACTIVITIES	[B] (315,000)	20,800
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Borrowings (Net) (Unsecured Loans) - Increase	7,586,087	12,796,838
	Borrowings (Net) (Secured Loans) - (Decrease)	-	(8,412,244)
	NET CASH FLOW FROM FINANCING ACTIVITIES	[C] 7,586,087	4,384,594
	NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	6,345	(375,919)
	Cash and cash equivalents as at the beginning of the year	150,141	526,060
	Cash and cash equivalents as at the end of the year	156,486	150,141

For Singavi,Oturkar & Kelkar
Chartered Accountants
FRN 110265W




CA R.K. Mulchandani
Partner
Membership No. 45550

For and on behalf of the Board of
SOLID CARBIDE TOOLS LIMITED



Dilip Shah
(Administrator)

SOLID CARBIDE TOOLS LIMITED

Significant Accounting Policies forming part of the Balance Sheet as at 31st March, 2012
and Profit & Loss Account for the year ended on that date.

1. General :

The Accounts are prepared on the historical cost basis and on the accounting principles of a going concern.

The adjustments on account of Profit / Loss due to exchange rate fluctuations in respect of the outstanding debts for (exports) / outstanding creditors (for imports) is accounted at the time of realisation of debt / payment to creditors.

All other expenses and Income to the extent considered payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on accrual basis.

2. FIXED ASSETS :

Fixed Assets are stated at cost less accumulated depreciation.

3. DEPRECIATION :

Depreciation has been provided for on the "Straight Line Basis" at the rates prescribed in the Schedule XIV to the Companies Act, 1956. No depreciation is provided for in respect of Factory Lease Hold Land.

4. INVENTORIES :

All categories of stock-in-trade are valued at cost or net realisable value, whichever is less upto 31-3-2002. However, thereafter the method of valuation of stock-in-trade is not ascertainable.

5. GRATUITY AND OTHER RETIREMENT BENEFITS :

No provision is made in respect of payment of gratuity & other retirement benefits payable to employees, Nor is the liability in respect of the same is ascertained.

6. CONTINGENT LIABILITIES

No evaluation and estimate has been made by the management in respect of contingent liabilities.



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SOLID CARBIDE TOOLS LIMITED

Notes on Financial Statements for the year ended 31st March, 2012

	₹ As at 31.03.12	₹ As at 31.03.11
Note 1 : Share capital		
Authorised		
2,00,00,000 EQUITY SHARES OF RS.10 EACH	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid up		
8862,000 EQUITY SHARES OF RS. 10 EACH,	88,620,000	88,620,000
LESS : ALLOTMENT MONEY IN ARREARS	23,402,010	23,402,010
	<u>65,217,990</u>	<u>65,217,990</u>

**THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES :
(INFORMATION NOT AVAILABLE) :**

The company is under the supervision of Administrator appointed by the official Liquidator since November 2005. The records in respect of shareholding of the company have not been reconciled since last so many years. Therefore the upto date details in respect of shareholding of the company are not available & accordingly the aforesaid information in respect of shareholding cannot be provided for.

The reconciliation of the number of shares outstanding is set out below :

Particulars	Number of Shares (31.03.2012)	Number of Shares (31.03.2011)
Equity Shares at the beginning of the year	8,862,000	8,862,000
Add : Shares issued	-	-
Less : Shares cancelled	-	-
Equity Shares at the end of the year	<u>8,862,000</u>	<u>8,862,000</u>

Note 2 : Reserves and surplus

General Reserve		
Opening balance	6,365,000	6,365,000
Add: Transferred from Profit and Loss account	-	-
	<u>6,365,000</u>	<u>6,365,000</u>
Share Premium Account		
Opening balance	55,258,485	55,258,485
Add:	-	-
	<u>55,258,485</u>	<u>55,258,485</u>
Profit and Loss Account		
As per last Balance Sheet	(32,338,924)	(30,235,396)
Add: Profit/(Loss) for the year	(81,065,203)	(2,103,528)
	<u>(113,404,127)</u>	<u>(32,338,924)</u>
Balance in Profit and Loss account	(113,404,127)	(32,338,924)
	<u>(51,780,642)</u>	<u>29,284,561</u>



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SOLID CARBIDE TOOLS LIMITED

Notes on Financial Statements for the year ended 31st March, 2012

	₹ As at 31.03.12	₹ As at 31.03.11
Note 3 : Short-term borrowings		
Unsecured		
From V. ICL Industries Limited	25,434,985	12,774,000
From Others	12,584,125	18,574,023
	38,019,110	31,348,023
Note 4 : Trade payables		
Micro, Small and Medium Enterprises	-	-
Others	-	28,658,231
	-	28,658,231
Note 5 : Other current liabilities		
Gujarat State Financial Corporation (Secured against Personal Guarantee of Director)	-	8,567,693
Share Application Money Payable	7,661	7,661
Unclaimed Dividend	81,927	81,927
Unpaid Dividend	-	5,249,933
	89,588	13,907,214
Note 7 : Long-term loans and advances		
Trade Deposits	-	1,350,820
SBI (Share Application Money Refund Account)	-	7,661
Other Advances	7,661	3,936,128
BOB (Unclaimed Dividend Account)	-	81,149
Deposit With Mumbai Stock Exchange	81,149	62,520
Inter Corporate Deposit	-	1,678,216
Advances To Suppliers	-	5,735,870
Advance To Hina Sheth	-	25,000
	88,810	12,877,364
Note 8 : Inventories		
Consumable Stores	198,340	198,340
Raw Materials	1,096,959	1,096,959
	1,295,299	1,295,299
Note 9 : Trade receivables		
Over Six Months - Considered doubtful	-	24,614,950
	-	24,644,950
Note 10 : Cash and cash equivalents		
Cash on Hand	130,517	124,517
Balance with banks	25,969	25,624
	156,486	150,141



SOLID CARBIDE TOOLS LTD
NOTES FORMING PART OF THE BALANCE SHEET AS ON MARCH 31, 2012
NOTE 6 : FIXED ASSETS

S. NO.	PARTICULARS	G R O S S B L O C K				D E P R E C I A T I O N				N E T		B L O C K AS ON 31/03/2011
		AS ON 01/04/2011	ADDITIONS DURING THE YEAR	WRITTEN OFF DURING THE YEAR	AS ON 31/03/2012	AS ON 01/04/2011	FOR THE YEAR	ADJUSTMENT/ WRITTEN BACK	AS ON 31/03/2012	AS ON 31/03/2012	AS ON 31/03/2012	
1.	LAND	46,448,161	-	1,187,690	45,260,481	-	-	-	45,260,481	-	46,448,161	
2.	BUILDING	13,869,900	-	10,444,980	3,424,920	4,694,762	1,269,862	3,424,920	-	-	9,175,118	
3.	FURNITURE & FIXTURES	1,892,176	-	-	1,892,176	1,892,176	-	1,892,176	-	-	-	
4.	PLANT & MACHINERY	39,977,057	-	8,887,045	31,090,012	27,083,216	1,759,386	26,800,606	4,289,406	-	12,893,841	
5.	AIR CONDITIONER	520,097	-	-	520,097	444,759	-	469,463	50,634	-	75,338	
6.	TYPEWRITER	7,995	-	7,995	-	7,995	-	-	-	-	-	
7.	SCOOTER	52,005	-	52,005	-	52,005	-	-	-	-	-	
8.	OFFICE EQUIPMENTS	251,943	-	251,943	-	251,943	-	-	-	-	-	
	D G SET	-	315,000	-	315,000	-	-	7,481	307,519	-	-	
9.	COMPUTER	539,050	-	-	539,050	539,050	-	539,050	-	-	-	
10.	ELECTRICAL TRANSFORMER	138,140	-	-	138,140	34,167	-	40,729	97,411	-	103,973	
	Total Rs	103,696,524	315,000	20,831,648	83,179,876	35,000,093	3,341,191	33,174,425	50,005,451	68,696,431		
	PREVIOUS YEAR TOTAL Rs	103,696,524	-	-	103,696,524	32,706,451	-	2,293,643	68,656,431	-		
1	CAPITAL WORK IN PROGRESS	54,840,349	-	54,840,349	-	-	-	-	-	-	54,840,349	
2	EXPENSES PENDING FOR CAPITALISATION	5,911,486	-	5,911,486	-	-	-	-	-	-	5,911,486	
	Total Rs	60,751,835	-	60,751,835	60,751,835	-	-	-	-	-	60,751,835	
	PREVIOUS YEAR TOTAL Rs	60,751,835	-	-	60,751,835	-	-	-	60,751,835	-		



(Signature)

SOLID CARBIDE TOOLS LIMITED**Notes forming part of the Profit and Loss Statement**

	₹ Year ended 31.03.12	₹ Year ended 31.03.11
Note 11 : Cost of materials consumed		
<u>Raw Materials and Consumables consumed</u>		
Opening stock		
Raw Materials	1,096,959	1,096,959
Consumables	198,340	198,340
	<u>1,295,299</u>	<u>1,295,299</u>
 Add : Purchases		
 Less: Closing Stock		
Raw Materials	1,096,959	1,096,959
Consumables	198,340	198,340
	<u>1,295,299</u>	<u>1,295,299</u>
	<u>-</u>	<u>-</u>
 Note 12 : Changes in inventories of finished goods & work-in-progress		
<u>(Increase) / Decrease in finished goods and work in progress</u>		
Opening stock		
Finished Goods	-	5,940,704
Work in progress	-	-
	<u>-</u>	<u>5,940,704</u>
 Closing Stock		
Finished Goods	-	-
Work in progress	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>5,940,704</u>
 Note 13 : Employee benefits expense		
Salary & Wages and Staff Settlement Expenses	<u>834,000</u>	<u>4,200,000</u>
	<u>834,000</u>	<u>4,200,000</u>



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SOLID CARBIDE TOOLS LIMITED**Notes forming part of the Profit and Loss Statement**

	₹ Year ended 31.03.12	₹ Year ended 31.03.11
Note 14 : Other expenses		
Accounting Charges	-	25,000
Advertisement Expenses - Official Liquidators	-	179,034
Conveyance	5,000	30,000
Legal Charges	49,905	35,000
Stock Exchange Listing Fees	73,173	-
Share Depository & Registration Charges	347,364	-
Bank Charges	1,265	8,474
Security Charges	185,304	-
Total A+B	662,011	277,508

Note 15 : Exceptional items - Credits

Bank Liability written back after one time settlement payment made to bank	-	10,118,795
Excess Depreciation Charged Written Back	278,633	-
<u>Liabilities Written Back</u>		
GSFC Loan Written Back	8,567,693	-
GSFC Interest Payable Written Back	3,843,691	-
Sundry Creditors For Goods & Expenses Written Back	19,020,809	489,532
Dividend Not Payable Written Back	5,249,933	-
Unsecured Loans Written Back	915,000	-
	37,875,759	10,608,327

Note 16 : Exceptional items - (Debits)

Fixed Assets, Capital Wip & Advances For Capital		
Expenditure Written Off	78,520,923	-
Bad Debts Written Off	24,644,950	-
Advances Written Off	9,671,998	-
<u>Deposit Written Off</u>		
Inter Corporate Deposit Written Off	1,678,216	-
Trade Deposits Written Off	1,350,820	-
	115,929,427	-



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SOLID CARBIDE TOOLS LIMITED

Regd office: Plot No.R-402, T.T.C. Industrial area, MIDC, Thane, Belapur
Road,Navi Mumbai

PROXY FORM

Reg. Folio No. _____

No. of Shares: _____

D.P. ID* _____

Client ID* _____

I / we _____ of
_____ being a share holder / shareholders of SOLID CARBIDE TOOLS
LIMITED hereby appoint _____ or failing
him/her _____ as my/ our proxy to attend and vote
for me / us and on my/ our behalf at the Annual General meeting of the
Company to be held on 15th February, 2013 at 11 A.M. and at any
adjournment thereof.

Signed this _____ day of _____, 2013

Affix Re.
1/- Revenue
Stamp

Signature of the shareholder _____

[Signature of Proxy]

Note: The Proxy form duly completed and signed must be deposited at the
Registered office of the company not less than 48 hours before the time for
holding the Meeting

*Applicable for shares held in electronic form.

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SOLID CARBIDE TOOLS LIMITED

Regd office: Plot No.R-402, T.T.C. Industrial area, MIDC, Thane, Belapur Road, Navi
Mumbai

ATTENDANCE SLIP
Annual General Meeting

Reg. Folio No. _____

No. of shares held _____

Name of the Attending Member _____

D.P.ID* _____

Client I.D.* _____

I/We hereby record my/our presence at the Annual General Meeting of the company
being held on 15th February, 2013 at -----

-----at 11 AM Signature of the shareholder(s), / Proxy/
Representative _____

Note:

1) Member / proxy holder wishing to attend the meeting must bring the attendance
slip to the meeting and hand over the same duly signed at the Venue.

BOOK POST

If not delivered please return to:

**Solid Carbide Tools Ltd.
R402, T.T.C Industrial Area,
Rabale, Navi Mumbai - 400701**