



SOLID CONTAINERS LIMITED

2006, Fossberry Road, Next to Reliance Industries, Near ICI Ltd., Reay Road (E), Mumbai - 400033.
Tel. : 2481 9067 Website : www.solidcontainers.net Grams : LAMIBOARD
CIN No.: L28100MH1964PLC013064

SCL/LEGAL/2017

29 September 2017

Corporate Service Department,
BSE Limited
P.J. Towers,
Dalal Street,
Mumbai – 400 001
Fax :(022)- 2272 2037/39/41/61 or 2272 3121/3719

Company Scrip code: 502460

Sub.: Annual Report for the Financial Year 2016-17

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting herewith Annual Report of the Company for the Financial Year 2016-17 duly approved and adopted by the shareholders at the Annual General Meeting held on 28 September 2017.

This is in compliance with the provision of above mentioned regulations and for your information.

Thanking you

Yours faithfully,
For **Solid Containers Limited**

Mehul Pitroda

Mehul Pitroda
Company Secretary



Filed online

MANUFACTURERS OF SOLID FIBREBOARD PACKAGING & SOLID EDGE PROTECTOR

Factory : Valdavli, P. O. Mohone, Kalyan, Dist. Thane. Tel. : 2270310 Gram : SOLICON



SOLID CONTAINERS LIMITED

**ANNUAL REPORT
2016-17**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ashok Goel
Mohender Garg
Reshma Rao
Sandeep Singh

MANAGER

Suresh Kumar Suri

CHIEF FINANCIAL OFFICER

Francis Miranda

COMPANY SECRETARY

Mehul Pitroda

AUDITORS

MGB & CO., LLP
Chartered Accountants

BANKER

Canara Bank
Dr. A.B. Road, Worli,
MUMBAI – 400 018

REGISTERED OFFICE

2006, Fossberry Road,
Near ICI Limited, Reay Road (E),
Mumbai – 400 033
CIN: L28100MH1964PLC013064
Website: www.solidcontainers.net
Email: solidcontainersltd@gmail.com

PLANT

Vadavali, P.O. Mohone,
District: Thane 421 102

REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited,
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol, Andheri East
Mumbai 400059, Maharashtra
Tel No.022 62638200, Fax: 022 62638299

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SOLID CONTAINERS LIMITED

Regd. Off: 2006, Fossberry Road, Near ICI limited, Reay Road (E), Mumbai-400 033, India
CIN: L28100MH1964PLC013064 Tel: +91-7678021955
solidcontainersltd@gmail.com www.solidcontainers.net

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty second Annual General Meeting of the members of SOLID CONTAINERS LIMITED will be held on **Thursday, 28 September 2017** at **11.00 a.m.** at the Company's registered office at 2006, Fossberry Road, Near ICI Limited, Reay Road (E), Mumbai – 400 033, India to transact, with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company, including Balance Sheet as at **31 March 2017**, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Goel, who retires by rotation, and being eligible, offers himself for re-appointment.

3. Appointment of Auditor

To appoint Auditors of the Company and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an **ordinary resolution**.

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions of Companies Act, 2013, Companies (Audit and Auditors) Rules, 2014 and pursuant to recommendation made by the Audit Committee of the Board, **M/s. J Singh & Associates, Chartered Accountants** (ICAI Registration Number 110266W) be and are hereby appointed as Statutory Auditors of the Company for a term of five year and to hold office from conclusion of this annual general meeting (AGM) till conclusion of the AGM to be held in the year 2022, subject to annual ratification by members every year and that the Board be and is hereby authorized to determine their remuneration and reimbursement of out of pocket expenses, as may be incurred, in the performance of Audit."

SPECIAL BUSINESS

4. Adoption of new set of Articles of Association

To consider and if thought fit, to pass the following resolution as a **special resolution**.

"RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the Regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee thereof, which the Board has constituted or hereinafter constitute) be and is hereby authorised to do such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company."

5. Increase in Authorised Capital of the Company

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**.

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), the authorised share capital of the Company be and is hereby increased from the existing ₹ 19,00,00,000/- (Rupees Nineteen Crores only) divided into 46,00,000 equity shares of ₹ 10/- each, 25,000 Redeemable Cumulative Preference Shares of ₹ 100 each, 15,000 unclassified shares of ₹ 100 each, 80,00,000 12% Redeemable Cumulative Preference Shares of ₹ 10 each, 60,00,000 and 9% Redeemable Cumulative Preference Shares of ₹ 10 each to ₹ 23,10,00,000/- (Rupees Twenty Three Crores Ten lakhs only) divided into 87,00,000 equity shares of ₹ 10/- each 25,000 Redeemable Preference shares of ₹ 100 each, 15,000 unclassified shares of ₹ 100 each, 80,00,000 12% Redeemable Cumulative Preference Shares of ₹ 10 each and 60,00,000 9% Redeemable Cumulative Preference Shares of ₹ 10 each”.

6. To amend the Memorandum of Association

To consider and if thought fit, to pass, with or without modification, the following resolution as an **ordinary resolution**.

“RESOLVED THAT pursuant to the provisions of Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), Clause V of the Memorandum of Association of the Company be and is hereby amended and substituted by the following :

- V. The authorized share capital of the Company is ₹ 23,10,00,000/- (Rupees Twenty Three Crores Ten lakhs only) divided into 87,00,000 equity shares of ₹ 10/- each, 25,000 Redeemable Preference shares of ₹ 100 each, 15,000 unclassified shares of ₹ 100 each, 80,00,000, 12% Redeemable Cumulative Preference Shares of ₹ 10 each and 60,00,000 and 9% Redeemable Cumulative Preference Shares of ₹ 10 each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s)”.

7. To re-appoint Mr. Suresh Kumar Suri as Manager of the Company

To consider and if thought fit, to pass the following resolution as a **special resolution**:

“RESOLVED THAT pursuant to Section 2(53), 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the Company hereby accords its approval for re-appointment of Mr. Suresh Kumar Suri as a Manager of the Company for a period of 3(three) years with effect from 29 April 2017 on such terms and at such remuneration as set out in the explanatory statement annexed to the notice convening this meeting, with the liberty and power to the Board of Directors (hereinafter referred to as “the Board” which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said re-appointment and pay

minimum remuneration in case of inadequacy or absence of profits, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT Mr. Suresh Kumar 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 be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

8. Authority to Board of Directors for borrowing

To consider and if thought fit, to pass the following resolution as a **special resolution**.

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, (“**the Act**”), (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the provisions of the Memorandum and Articles of Association of the Company, subject to such other approvals as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) to borrow, for and on behalf of the Company from time to time, any sum or sums of monies on such terms and conditions with or without security as and when required by the Company, provided that outstanding amount of the borrowing at any point of time (except temporary loans obtained from time to time by the Company from its bankers in the ordinary course of its business) shall not exceed a sum of ₹ 125 crores (Rupees One Hundred Twenty Five Crores) and said limit is over and above the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board of Directors may from time to time deem necessary and that any power exercised by the Board relating to borrowing to meet the requirement of the Company be and is hereby approved and ratified for all purpose.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to issue, sign, seal and execute agreements, deeds, covenants, conveyances, undertakings, declaration, guarantees, instruments, applications, power of attorneys, writings, papers, memorandums and any other documents that may be required, on behalf of the Company and the Board also empowered to exercise the borrowing and other powers in such a manner as they thinks fit including by circular resolution or delegate all or any of the above powers to Committee or Director or officer of the Company or appropriate person and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the said resolution.”

By order of the Board of Directors
For **Solid Containers Limited**

14 August 2017, Mumbai

Mehul Pitroda
Company Secretary

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (AGM or the Meeting) is entitled to appoint a proxy to attend and vote on a poll/ballot instead of him / herself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting, either in person or through post. A Proxy form is appended with the attendance slip.**

Members may refer proxy related provisions given in para 6 of the Secretarial Standard 2 on general meeting issued by The Institute of Company Secretaries of India and approved by the Central Government.

Pursuant to provisions of Section 105 of the Companies Act, 2013, a person, can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the company. Member holding more than ten percent of the total share capital of the company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. The instrument appointing proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.

2. If shares are held jointly, proxy form shall be signed by the person whose name appears first in the records of the Company or the depository, however, names of all the joint holders should be mentioned in the proxy form. If proxy form is signed by authorized representative of body corporate or attorney, certified copy of Board resolution / power of attorney / other authority must be attached with the proxy form.
3. The statement pursuant to section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their details of demat account (client ID and DP ID), folio number, etc., copy of Annual Report and attendance slip duly signed for easier identification of attendance at the meeting.
5. Body Corporate members intending to send their authorized representative at the Annual General Meeting are requested to send their representative with certified copy of Board Resolution, in accordance to which their representative shall be entitled to attend and vote at the Annual General Meeting.
6. Relevant documents referred to in the accompanying Notice and explanatory statement are open for inspection by the members at the Registered Office of the Company, during office hours between 11.00 a.m. to 2.00 p.m on all working days except Saturdays and said documents will also be made available at the Annual General Meeting.
7. Members desirous of asking any questions at the Annual General Meeting are requested to send their questions so as to reach the Registered Office of the Company addressed to the Company Secretary at least seven days before the Meeting so that the same can be replied suitably.
8. **Nomination:** Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to section 72 of the Companies Act, 2013 read with relevant rules. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH13 duly filled in and signed to the Company or RTA.
9. **Equity Shares of the Company are now available for dematerialization. Considering the advantages of scripless trading/ demat, shareholders are advised to get their shares dematerialized.**
10. Members / Proxy holders shall hand over the attendance slips, duly signed and filled in all respect, at the entrance of the venue before attending the Annual General Meeting. Route map and prominent land mark of venue of Annual general meeting is given in this notice.
11. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holding into one folio.

12. E-VOTING FACILITY

In compliance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Section 108 of the Companies Act, 2013, Companies (Management and Administration) Rules, 2014 & Secretarial Standards - 2 on general meeting, the Members are informed that the Company is providing Remote e-voting facility (e-voting from a place other than venue of Annual General Meeting) as an alternative mode of voting which will enable the members to cast their votes electronically on all the resolutions as mentioned in the notice. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting to the members. The Company has appointed Ms. Tehseen Khatri, of M/s T F Khatri & Associates, Practicing Company Secretary, as the Scrutinizer for scrutinizing the remote e-voting process as well as voting at the meeting in a fair and transparent manner.

For the purpose of dispatch of this Notice, shareholders of the Company holding shares either in physical form or in dematerialized form as on 18 August 2017 has been considered. Any person, who acquire shares of the Company and becomes member of the Company after 18 August 2017 may obtain the login ID and password by sending a request to CDSL at helpdesk.evoting@cdslindia.com or to the Company at solidcontainersltd@gmail.com or to the Registrar and share transfer agents of the company.

The Members whose name appears in the Register of Members/list of Beneficial Owners as received from Depositories as on **22 September 2017** ("cut-off date") are entitled to vote on the resolutions set forth in this notice. Person who is not a member as on the said date should treat this notice for information purpose only.

For any queries/grievances or guidance for e-voting, members may refer to the 'Frequently Asked Questions' (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of CDSL's E-Voting website: www.evotingindia.com or write an email to helpdesk.evoting@cdslindia.com. or Mehul Pitroda at solidcontainersltd@gmail.com.

The remote e-voting period commences on **Monday, 25 September 2017 (9:00 a.m.)** and ends on **Wednesday, 27 September 2017 (5:00 p.m.)** During the said period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.

On submission of the report by the scrutinizer, the result of voting at the meeting and e-voting shall be declared. The Results along with the Scrutinizer's Report shall be placed on the Company's website www.solidcontainers.net and on the website of CDSL. Result will be declared forthwith on receipt of the Report of the Scrutinizer.

The process and manner for remote e-voting is as under:

The instructions for Shareholders voting electronically (E-voting) are as under:

- (i) The voting period begins Monday, 25 September 2017 (9:00 a.m.) and ends on Wednesday, 27 September 2017 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22 September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant SOLID CONTAINERS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or Mehul Pitroda at solidcontainersltd@gmail.com

13. PROCEDURE OF VOTING AT AGM

Members who have not exercised their votes through remote e-voting are entitled to vote at the annual general meeting. Members who have already casted their vote by remote e-voting mechanism prior to the annual general meeting are also authorized to attend the meeting but shall not be entitled to cast their vote again at the annual general meeting.

Voting to the resolutions as contained in the Notice shall be conducted also through ballot/poll or other appropriate process. Relevant facility for voting shall also be made available at the meeting and members attending the meeting, who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting. Members who are entitled to vote can cast their vote through ballot/poll paper in the Annual General Meeting. The Company will make arrangement in this respect including distribution of ballot papers under the supervision of a scrutinizer appointed for this purpose. Members are required to mention Folio No, DP ID & Client ID No. and number of shares held, etc. on the ballot papers.

14. Particulars of Directors seeking re-appointment:

Relevant particulars of Mr. Ashok Goel who is retiring by rotation and seeking re-appointment are given here below:

Brief Resume, experience & nature of expertise: Mr. Ashok Goel has been associated with the Company as a Director since 1983. Mr. Ashok Goel is an experienced businessman who also oversees the management of the Essel Groups Companies; viz., Essel Propack Limited, Pan India Paryatan Pvt. Ltd.

Mr. Goel is founder member of the Indian Association of Amusement Parks and Industries. He has also held position of President of Industry Associations like Organisation of Plastic Processor of India, Plastic India Foundation etc. Director Identification Number of Mr. Ashok Goel is 00025350.

Directorships in other Companies (including Private Companies but excluding Foreign Companies and Section 8 Companies): He holds directorship in Essel Propack Limited, Hermitage Investment & Trading Company Pvt. Ltd., Pan India Paryatan Pvt. Ltd., RKJ Woods Plantation Private Ltd., East India Company (Trading) Private Limited, Hi – Tech Mines & Minerals Pvt. Ltd., Vyoman Management Services Private Limited, Essel World Leisure Pvt. Ltd., Itz Cash Card Limited, ITZ Cash Payment Solutions Limited.

Chairman/member of the board committee of other companies: He is a member of Stakeholder Relationship Committee and Chairman of Corporate Responsibility Committee of Essel Propack Limited., Member of Corporate Responsibility Committee of Pan India Paryatan Pvt Ltd, Member of Nomination & Remuneration Committee and Chairman of Investment Committee of Itz Cash Card Limited.

Number of shares held in the Company: Mr. Ashok Goel holds 49,780 shares of Rs 10/- each.

Date of appointment, meeting attended etc: He has been a Director of the Company since 29 November 1983. Attendance in Board meetings and other details are given in the Corporate Governance Report.

Relationship with other director, manager and Key Managerial Personnel (KMP): Mr. Ashok Goel; is not related to any other directors, manager and KMP of the Company.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 3-Appointment of Statutory Auditor of the Company**

M/s. MGB & Co. LLP, Chartered Accountants were appointed as the Statutory Auditors at the Annual General Meeting (AGM) of the Company held on 30 September 2014 for a term of three years and accordingly it is holding office till the conclusion of the forthcoming AGM being held for the financial year 2016-17.

Accordingly it is proposed to appoint M/s. J Singh & Associates, Chartered Accountants (ICAI Registration No. 110266W) as a statutory auditor of the Company pursuant to the applicable provision of the Companies Act, 2013 (the Act) in place of retiring auditor M/s. MGB & Co. LLP.

As confirmed by the said proposed auditor, they are eligible for their appointment and their appointment if made would be within the prescribed limits and shall be in accordance with the conditions and criteria as prescribed in section 141 and other applicable provisions of the Act and Rules made thereunder.

Accordingly, the Audit Committee and Board of the Company has considered and recommended for the appointment of M/s. J Singh & Associates, Chartered Accountants as a statutory auditor of the Company as mentioned in the resolution.

The Board recommends the resolution relating to appointment of auditor as set out in the Resolution No. 3 of AGM Notice for your approval by way of passing ordinary resolution.

Directors, Key Managerial Personnel of the Company and any of their relatives are not in any way, concerned or interested in the resolution.

Item No. 4 - Adoption of new set of Articles of Association

The existing Articles of Association (the AOA) of the Company are based on Companies Act, 1956. Several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no more in conformity with the Companies Act, 2013.

The Companies Act, 2013 (the Act) is now in force, the Board recommends adopt in substitution, and to the entire exclusion, of the Regulations contained in the existing Articles of Association of the Company by replacing the same with a new set of Articles of Association (AOA). The new AOA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed AOA is available for inspection by the Members at the registered office of the Company between 11 am to 2 pm on working days. The proposed articles are also uploaded on the Company's website www.solidcontainers.net

The Board recommends the resolution set in Resolution 4 of the AGM Notice for your approval by way of special resolution.

Directors, Key Managerial Personnel of the Company and any of their relatives are not in any way, concerned or interested in the resolution.

Item No. 5 and 6

The equity shares of your Company are listed on the BSE Limited, in order to enable the Board of Directors to issue securities in future, the Board at its meeting held on 14 August 2017 considered the proposal of increase in authorised capital of the Company. Presently, the authorized share capital of your Company is ₹ 19,00,00,000/- (Rupees Nineteen Crores only) divided into 46,00,000 equity shares of ₹ 10/- each, 25,000 Redeemable Cumulative Preference Shares of ₹ 100 each, 15,000 unclassified shares of ₹ 100 each, 80,00,000, 12% Redeemable Cumulative Preference Shares of ₹ 10 each, 60,00,000, 9% Redeemable Cumulative Preference Shares of ₹ 10 each. The revised authorized capital of the Company is ₹ 23,10,00,000/- (Rupees Twenty Three Crores Ten lakhs only) divided into 87,00,000 equity shares of ₹ 10/- each 25,000 Redeemable Preference shares of ₹ 100 each, 15,000 unclassified shares of ₹ 100 each, 80,00,000 12% Redeemable Cumulative Preference Shares of ₹ 10 each, and 60,00,000 9% Redeemable Cumulative Preference Shares of ₹ 10 each and consequential alteration to the existing Clause V of the Memorandum of Association of the Company.

The Board recommends the resolution set out in Resolution 5 and 6 of the AGM Notice for your approval by way of ordinary resolution.

Directors, Key Managerial Personnel of the Company and any of their relatives are not in any way, concerned or interested in the resolutions.

Item No. 7 - To re-appoint Mr. Suresh Kumar Suri as Manager of the Company

The Members at the Annual General Meeting held on 30 September 2014 had re-appointed Mr. Suresh Kumar Suri, Manager under Section 203 of the Companies Act, 2013 ('the Act') for a period of 3 (three) years i.e., 29 April 2014 to 28 April 2017. The Board of Directors of your Company, at its meeting held on 18 April 2017 subject to the approval of members and such other approvals as may be required, has re-appointed Mr. Suresh Kumar Suri as Manager under Section 203 of the Companies Act, 2013 for a period of 3 (three) years with effect from 29 April 2017.

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

1. Salary

A basic salary of ₹ 17,900/- per month with merit based annual increments as may be recommended by the Nomination and Remuneration Committee and decided by the Board.

- a. Ex Gratia not exceeding ₹30,000/- per annum or as may be revised and recommended from time to time by the Nomination and Remuneration Committee and decided by the Board.

2. Perquisites

- i. House Rent allowance not exceeding ₹ 8,950 per month or as may be recommended by the Nomination and Remuneration Committee and decided by the Board.
- ii. Reimbursement of actual electricity bills.
- iii. Reimbursement of actual Medical Expenses incurred for self and family.
- iv. Leave Travel concession: Once in a year, subject to a ceiling of ₹ 30,000 or as may be recommended by the Nomination and Remuneration Committee and decided by the Board.
- v. Benefit of sick leave in accordance with the Rules of the Company.
- vi. Special Allowance of ₹6,002/- per month.

3. Mr. Suresh Kumar Suri shall also be eligible to 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 for the Company's business (as also for his personal use) or, alternately, the Company shall bare and pay all running operation and maintenance expenses for use of his own car.

Apart from the aforesaid remuneration, Mr. Suresh Kumar Suri will be entitled to the reimbursement of entertainment, travelling, hotel and other expenses actually incurred for the official purposes of 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. Suresh Kumar Suri, the Company incurs a loss or its profits are inadequate, the Company shall continue to pay Mr. Suresh Kumar Suri the above remuneration as Minimum Remuneration within the limits as specified under Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof) as minimum remuneration with the approval of Central Government, if required.

Since the Company has incurred loss during the financial year, the Company shall pay Mr. Suresh Kumar 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 recommends the resolution set out in Resolution 8 of the AGM Notice for your approval by way of Special Resolution.

Directors, Key Managerial Personnel of the Company and any of their relatives are not in any way, concerned or interested in the resolution, to the extent of shares in the company that may be held by them or their relatives or any entity in which they may be deemed to be concerned or interested.

General information as required under part II of Schedule V is given below with respect to resolution no. 7 of the AGM Notice:

I. General Information

1. Nature of Industry: Paper and Paper Products
2. Date or expected date of Commencement of commercial Production: the commercial operations of the Company are closed since 15 years
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 (₹ in Lakhs)

| Particulars | FY 16-17 | FY 15-16 | FY 14-15 |
|------------------|----------|----------|----------|
| Total Revenue | 3 | 3 | 3 |
| Profit After Tax | (246) | (285) | (260) |

5. Foreign investments or Collaborators, if any: Not applicable

II. Information about the Appointee

| Sr. No | Particulars | Mr. Suresh Kumar Suri |
|--------|-----------------------|--|
| (1) | Background details | Name: Mr. Suresh Kumar Suri Father's name: Late Shri Parmanand N. Suri Nationality: Indian Date of Birth: 14 August 1946 Date of re-appointment: 29 April 2017 (As Manager under section 2(53), 196, 197 and 203 of the Companies Act, 2013) Expertise in specific Functional Area : 43 years' experience in the Paper and Pulp Industry Directorships held in other Company : Nil |
| (2) | Past remuneration | 2014-15 – ₹ 7.11 2015-16 – ₹ 7.12 2016-17 – ₹ 7.34 |
| (3) | Recognition or awards | None |

| | | |
|-----|---|---|
| (4) | Job profile and his suitability | <p>Mr. Suresh Kumar Suri being Manager of the Company is 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.</p> <p>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 43 years of experience in Paper and Pulp Industry.</p> |
| (5) | Remuneration proposed | <p>As per the details given in the Item No. 7 of the statement annexed to the Notice.</p> <p>The Company intends to pay double the amount prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 and hence it is proposed to pass the special resolution in this regard.</p> |
| (6) | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | <p>Mr. Suri would also continue to handle responsibility as General Manager – Works and his re-appointment as Manager under section 203 of the Act is on the same terms of remuneration, the remuneration of Mr. Suri seems to be justified.</p> |
| (7) | Pecuniary relationship directly or indirectly with the Company ,or relationship with the managerial personnel, if any | <p>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. Suresh Kumar Suri.</p> |

III. Other Information

- (1) Reason of loss or inadequate profit: 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 profit in measureable terms.

Not Applicable, since the operations of the Company have been suspended since September 1998.

IV Disclosures

The detail of remuneration and other information is given as above. The requisite details of remuneration etc. of the Director shall be included in the Corporate Governance Report, forming part of the Annual Report of the Company for the financial year 2016-17.

Item No. 8 – Authority to Board of Directors for borrowing

As per the provisions of Section 180(1)(c) of the Companies Act 2013, the consent of the shareholders is required to borrow monies in excess of the aggregate of the paidup capital and free reserves of the Company.

To meet fund requirement for the various purposes of the Company, it requires funds as may be circumstances warrant to meet the fund requirement of the Company. The Company may also be required to borrow monies to meet the fund

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requirement arising out of present or other business needs or general corporate purpose of the Company.

Therefore, it is proposed to increase the borrowing limits and to authorize the Board of Directors to borrow monies which may exceed the aggregate of the paidup capital and free reserves of the Company provided that the outstanding amount of such excess borrowings at any point of time shall not exceed sum as mentioned in the Resolution.

The Company may borrow monies from the promoter of the Company and/or from the companies / entities wherein the promoters, Directors, and KMP of the Company may be shareholder, director or otherwise interested or concerned and in such case, if requires, this approval to the said resolution, shall be deemed as approval of shareholders.

The Board recommends the resolution set out in Resolution No. 8 of the AGM Notice for your approval by way of special resolution.

Directors, Key Managerial Personnel of the Company and any of their relatives are not in any way, concerned or interested in the resolution.

By order of the Board of Directors
For **Solid Containers Limited**

14 August 2017, Mumbai

Mehul Pitroda
Company Secretary

ROUTE MAP/DIRECTION TO REACH AT THE VENUE AT AGM

Road Map - CST to Reay Road



● Solid Containers Limited Registered Office

Railway Map - CST to Reay Road



● Solid Containers Limited Registered Office

BOARD'S REPORT

To
**The Members,
Solid Containers Limited**

Your Directors are pleased to present their Report on your Company's business operations along with the audited financial statements for the financial year ended on 31 March 2017.

The highlights of the Company's performance during the financial year are as below:

SUMMARY OF FINANCIAL RESULTS

(₹ in Lakhs)

| | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|-------------------------------------|----------------------------------|----------------------------------|
| Sales | NIL | NIL |
| Profit / (Loss) before depreciation | (231) | (271) |
| Depreciation | 15 | 15 |
| Profit / (Loss) before Tax | (246) | (286) |
| Profit / (Loss) after Tax | (246) | (286) |

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 nor was the Company able to re-commence its operations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, of the operations of the Company is provided in a separate section of this Annual Report and forms a part of the Board's Report.

CORPORATE GOVERNANCE

Your Company is committed in maintaining highest standards of Corporate Governance aligned with best practices. Provisions of Regulation 15(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is not applicable to the Company, however as a best corporate governance practice your company has met with corporate governance compliances as per Listing Regulations during the year and a report on the Corporate Governance is forming part of this Annual report.

DIVIDEND

In view of loss incurred by the Company during the year, your Directors did not recommend any dividend on Equity shares of the Company.

TRANSFER TO RESERVES

In view of the Company incurring losses in previous years, your Directors have not transferred any amount to reserves.

STATUTORY AUDITORS

M/s. MGB & Co. LLP, Chartered Accountants was appointed as the Statutory Auditors at the Annual General Meeting (AGM) of the Company held on 30 September 2014 for a term of three years, and their term will expire at the conclusion of the forthcoming AGM.

It is therefore proposed to appoint M/s. J. Singh & Associates, Chartered Accountants as Statutory Auditors of the Company for a term as mentioned in AGM Notice. The Company has received letter from them to the effect that their appointment if made will be within the prescribed limits and confirming that they are not disqualified for such appointment pursuant to the Companies Act, 2013 and applicable statutory provisions.

Accordingly, the Audit Committee and Board of the Company have considered and recommends to the members for their appointment as a statutory auditor of the Company at the ensuing Annual General Meeting.

AUDITORS' REPORT

The qualification and observations made by the Auditors in their report are self-explanatory.

The Auditors in their report have qualified that Company is no longer a going concern and has not made adjustments to accounts relating to recoverability of assets and liabilities as might be necessary when your Company is no longer a going concern. In this regard, it may be noted that the operations of your Company continue to stay suspended. 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.

SECRETARIAL AUDIT

Pursuant to section 204 of the Companies Act, 2013 and the Rules framed thereunder, the Company has appointed Ms. Tehseen Khatri, of T.F Khatri & Associates, Company Secretary in Practice and Fellow member of ICSI, as a secretarial auditor of the Company to conduct secretarial audit for the financial year ended 31 March 2017. The report of the Secretarial Auditor is annexed herewith as Annexure 1 and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in her report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of section 152(6) of the Act and Articles of Association of the Company Mr. Ashok Goel, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends his re-appointment. All the Independent Directors have given their declarations that they meet the criteria of independence as laid down under Section 149 of the Act and Listing Regulations.

During the year, Mrs. Anjali Singh, Company Secretary and Compliance Officer resigned from the services of the Company.

In terms of the provisions of Section 196 of Companies Act, 2013 the Board of Directors of the Company has re-appointed Mr. Suresh Kumar Suri as Manager of the Company for a period of three years with effect from 29 April 2017 subject to approval of members at the ensuing Annual General Meeting (AGM) of the Company on such terms and conditions as specified in Notice convening 52nd AGM of the Company.

Further, details of the Company's policy on Directors appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of directors, and other matters as prescribed under section 178(3) of the Companies Act, 2013 is given in the Corporate Governance Report which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, make the following statements:

- 1) that in the preparation of the annual financial statements for the year ended 31 March 2017 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 2) that such accounting policies have been selected and applied consistently and judgments and estimates have been

made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2017 and the loss of the Company for the year ended on that date.

- 3) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) that the annual financial statements have been prepared on a going concern basis, 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;
- 5) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- 6) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

NUMBER OF THE MEETINGS OF THE BOARD

Six meetings of the Board were held during the year. For details of meetings of the Board, please refer Corporate Governance Report, which forms part of this annual report.

AUDIT COMMITTEE

Audit Committee of the Board has been constituted as per the Listing Regulations and section 177 of the Companies Act, 2013. Constitution, meetings, attendance and other details of the Audit Committee are given in Corporate Governance Report, which forms part of this annual report.

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee of the Board has been constituted in terms of Listing Regulations and section 178 of the Companies Act, 2013. Constitution and other details of Nomination & Remuneration Committee are given in the Corporate Governance Report, which forms part of this annual report.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any subsidiary/ associate Company or joint venture.

PERFORMANCE EVALUATION

The Board has carried out the annual evaluation of its own performance, and of each of the directors individually, including the independent directors, as well of the working of its committees. The manner in which the evaluation has been carried out has been explained in detail in the Corporate Governance Report, which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Company had incurred losses in the immediate three preceding financial years and hence the provisions of section 135 of the Companies Act, 2013 is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

The Company has not provided any Loans, Guarantees or made any Investments during the year.

RELATED PARTY TRANSACTIONS

None of the transactions with related parties fall under the scope of section 188(1) of the Companies Act, 2013. Accordingly, there are no particulars to report in form AOC 2 of the Companies (Accounts) Rules, 2014.

Details of the related party transactions during the year as required under Listing Regulations and Accounting standards are given in note 22 to the financial statements. The policy on Related Party Transactions is posted on the Company's website www.solidcontainers.net.

INFORMATION ON EMPLOYEES

Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 details of the ratio of remuneration of each Director to the median employee's remuneration are appended to this Report as Annexure 2(a).

The statement containing particulars of employees as required under section 197(12) of the Companies Act, 2013 read along with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 2(b).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

| | |
|--|-----|
| A) Conservation of Energy | NIL |
| B) Technology Absorption | NIL |
| C) Foreign Exchange earnings and outgo | NIL |

OTHER INFORMATION / DISCLOSURES

There are no significant material orders passed by the regulator, courts or tribunal against the Company that impacts the Company's operations in future.

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report.

In accordance with section 134(3)(a) and section 92(3) of the Act, an extract of the annual return as at 31 March 2017 in form MGT 9 forms part of this Report as Annexure 3.

The Company has in place a policy against sexual harassment at work place in line with the requirements of the concern statute. There was no complaint received from any employee during the year, nor there are any pending complaints which need to be redressed as on 31 March 2017.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a whistle blower policy with a view to provide vigil mechanism for the directors and employees of the Company to report instances of unethical behavior, fraud or mismanagement. The said policy has been explained in the Corporate governance report and also displayed on the Company's website www.solidcontainers.net.

INTERNAL FINANCIAL CONTROL

The Company has a proper and adequate Internal Financial Control System, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. Internal financial control is exercised through documented policies and guidelines. The internal financial control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of persons.

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RISK MANAGEMENT

In accordance with Section 134(3)(n) of the Act, the Company has framed a Risk Management Policy to identify and assess the key risk areas. At present the Company has not identified any element of risk which may threaten the existence of the Company.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public and there are no outstanding deposits from the public as on 31 March 2017.

ACKNOWLEDGEMENTS

The Board of Directors expresses its gratitude to the Members of the Company for their continued support.

For and on behalf of the Board of Directors
For **Solid Containers Limited**

Place : Mumbai
Date : 30 May 2017

Ashok Goel
Chairman

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 comment 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 accounts for about 3 percent of global paper production. Per capita paper consumption in India is currently around 13 kg (global average 57kgs), which is lower compared to other developed and developing countries, projected to rise to atleast 17 kgs by 2024-25.

The Indian paper industry is highly dependent on wood pulp for manufacturing paper and paper products. The Paper Industry is trying to widen its raw material base to lower cost of production, so is the overhead cost is increasing and the compliances burden too have become stringent to be complied with. The sector though have huge growth potential but it is highly dependent upon Companies adoption of modern technologies. Hence, due to company's small size and unavailability of funds, it is very difficult for the company to revive in the cut throat competition in the sector.

2. OUTLOOK

India is the fastest growing market for paper globally and it presents an exciting scenario; paper consumption is poised for a big leap forward in sync with the economic growth. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes.

3. RISKS AND CONCERNS, SEGMENT WISE OR PRODUCT – WISE PERFORMANCE AND DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Operations of the Company have been suspended since September 1998 and hence information on risks and concerns, discussion on financial performance with respect to operational performance and segment wise or product wise performance is not provided.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has internal control system in place commensurate with the size and nature of its business. The internal control systems ensure that all the assets of the Company are safeguarded from loss, damage or disposition. Checks and controls are in place to ensure that transactions are adequately authorized and recorded and that they are reported correctly.

The Audit committee periodically reviews the findings and recommendation of the auditors, if any and takes necessary corrective actions as deemed necessary.

5. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:

Presently there are only 2 employees and the operations of the Company have been suspended. Hence, there was no material development in Human Resources/ Industrial Relations during the year.

6. CAUTIONARY STATEMENT

Statements in Management Discussion and Analysis and Board report may be forward looking within the meaning of the applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.

For and on behalf of the Board of Directors
For **Solid Containers Limited**

Place : Mumbai
Date : 30 May 2017

Ashok Goel
Chairman

CORPORATE GOVERNANCE REPORT

1. BOARD'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

2.1. Directors' profile

The Board of Directors comprises of professionals who bring with them wide range of skills and experience to the Board which enhances the quality of the Board's decision making process.

2.2. Board Procedure

With a view of complete transparency, the Board applies procedure of advance planning for the matters requiring discussion / decisions by the Board. Agenda papers for the Board and committee meetings are finalized in consultation with concerned officials. The minutes of proceedings of each Board meetings are maintained in terms of statutory provisions of law. Meetings of various committee meetings of the Board are convened as per the provisions of the Companies Act, Secretarial Standards, SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (Listing Regulations) and other applicable laws. The minutes of committee meetings are placed regularly before the Board.

The Agenda and notes to agenda for the meetings of the Board and Committees of Board, together with relevant details, resolutions and documents are circulated in advance of the meeting. Meetings are largely held in attendance of Chief Financial Officer and Company Secretary wherever necessary for discussions.

2.3. Composition of the Board, category, directorship etc.

The Board of Directors of the Company consists of four (4) Non-Executive Directors as on 31 March 2017 of which 2 are Independent Directors. Independent Directors are professionals with specialization in their respective fields, having varied skills and expertise and are not related to Promoter or Promoter Group of the Company. All the Independent Directors have confirmed that they meet the "independence" criteria as mentioned under Listing Regulations and the Companies Act, 2013. The Company is in compliance with Listing Regulations and Companies Act, 2013 ("the Act"). The composition of the Board and other details as on 31 March 2017 is as under:

| Name of Director | Category | No. of Directorship in other companies (1) | Position in outside Committees ⁽²⁾ | |
|------------------|----------------------------------|---|---|--------|
| | | | Chairman | Member |
| Mr Ashok Goel | Chairman, Non-Executive Director | 11 | 0 | 1 |
| Ms Reshma Rao | Non-Executive Director | 1 | 0 | 0 |
| Mr Mohender Garg | Independent Director | 10 | 0 | 0 |
| Mr Sandeep Singh | Independent Director | 2 | 0 | 0 |

- (1) Including private companies but excluding foreign companies, companies registered under section 8 of the Companies Act 2013 and alternate directorship.
- (2) Represents Chairmanship / Membership of Audit Committee and Stakeholders Relationship Committees of other companies.

Mr Ashok Goel hold 49,780 equity shares of ₹10 each of the Company as on 31 March 2017. None of the Directors of the Board are related to each other. No Director of the Company holds any options or instrument convertible into shares of the Company.

2.4. Board meetings and Attendance

During the year under review, the Board of Directors of the Company met six times i.e. on 28 April 2016, 30 May 2016, 10 August 2016, 14 November 2016, 14 February 2017 and 23 March 2017. The agenda papers along with agenda notes and other supporting information/documents are circulated well in advance to the Board of Directors before the meeting.

In compliance with section 173 of the Companies Act, 2013 and Listing Regulations, the Board met 6 (Six) times during the financial year and the interval between two meetings was not more than one hundred and twenty days.

Directors' attendance in Board meetings held during the financial year and last Annual general meeting is as under:

| Name of Director | No. of Board Meetings held /attended | Attendance at Last Annual General Meeting |
|-------------------------|---|--|
| Mr Ashok Goel | 6/6 | Yes |
| Mr Mohender Garg | 6/5 | Yes |
| Mr Reshma Rao | 6/6 | Yes |
| Mr Sandeep Singh | 6/5 | Yes |

2.5. Familiarization Programme

The Company has policy on programmes necessary to familiarize its independent Directors with the Company, its business, operations and on the financial matters. The Company also at its Board meetings provides update to the Directors on statutory compliances, industry developments & regulatory updates applicable to the Company. The Independent Directors are issued appointment letters which consists of terms and conditions of their appointment, their roles & responsibilities and also duties to be performed by them during their tenure as directors to the Company. The Policy and programme aims to provide insights of the Company to the directors, to enable the independent directors to understand the business, functionalities, business model and others matters for better decision making. The Company's Policy and other details in this respect are posted in investors section on the Company's website www.solidcontainers.net.

3. PERFORMANCE EVALUATION

During the year, the Board conducted a formal annual evaluation mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members. Also, an annual independent directors meeting in accordance with the provisions of section 149 of the companies act, 2013 was convened, wherein the independent directors were present to review the performance of the Non Independent directors,

Chairman and the Board as a whole. The criteria to evaluate the performance of the Board, committees, independent Directors and non-independent directors were; a) Board Composition, size, mix of skill, experience, and role; b) attendance and deliberation in the meetings; c) contribution/suggestions for effective functioning, development of strategy, board process, policies and others. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

4. POLICY ON APPOINTMENT OF DIRECTOR, QUALIFICATION AND ATTRIBUTES

The Company has policy on directors' appointment and remuneration which mentions criteria of qualification, experience and skills in relation to appointment for the position of director.

5. AUDIT COMMITTEE

Audit Committee of the Board has been constituted in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013.

The Audit Committee comprises of 3 members, of which two-third are independent and Chairman of the Committee is Independent Director. All the members of the Committee are financially literate and have accounting and financial management related expertise. The Committee met five times during the year on 28 April 2016, 30 May 2016, 10 August 2016, 14 November 2016 and 14 February 2017. The Composition of the Audit Committee and attendance is as under.

| Name of Member | Category | No. of Meetings | |
|------------------------------|------------------------|-----------------|----------|
| | | Held | Attended |
| Mr. Mohender Garg (Chairman) | Independent Director | 5 | 5 |
| Mr. Ashok Goel | Non-Executive Director | 5 | 5 |
| Mr. Sandeep Singh | Independent Director | 5 | 5 |

Company Secretary of the Company acts as secretary to the Committee.

Audit Committee meetings are attended by Chief Financial Officer, representatives of the Statutory Auditor and Internal Auditor as required for the relevant matters discussed at the meeting.

Terms of reference and role of the audit committee includes the matters specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Broad terms of reference includes: oversight of financial reporting process, review financial results and related information, approval of related party transactions, review internal financial controls and risk management, evaluate performance of statutory and internal auditors, audit process, relevant compliances, appointment and payment of remuneration to statutory auditors.

6. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee of the Board (NRC) has been constituted in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 178 of the Companies Act, 2013.

The Nomination and remuneration Committee comprises of 3 members. All three members are Non-Executive Directors and of which two are independent Directors. The Company Secretary acts as the Secretary to the Committee.

During the year 2016-17, no meeting of the Nomination and Remuneration Committee was held.

The term of reference of Nomination and Remuneration Committee (NRC) includes the matters specified under the Companies Act, 2013 and Listing Regulations. The broad terms of reference of NRC includes; formulation of remuneration policy, set criteria for determining qualifications, positive attributes and independence of directors, formulation of criteria for evaluation of independent directors & the Board and criteria for appointment of Directors and Senior management.

6.1. Remuneration of Directors

The Board of Directors of the Company comprises of 4 directors, all of which are non-executive directors. Accordingly, the criteria for payment to Non-executive Independent directors is; they are paid sitting fees of ₹ 1000 for attending each meeting of the Board of Directors and committees thereof and also the Company reimburses the said directors expenses incurred for attending the said meetings. During the year, no remuneration was paid to Directors, except sitting fees which was paid only to the Non-Executive Independent Directors. Details of sitting fees paid to the Independent Directors' are as under:

(Amount in ₹)

| Name of Director | Category | Sitting fees |
|-------------------|----------------------|--------------|
| Mr. Mohender Garg | Independent Director | 10,000 |
| Mr. Sandeep Singh | Independent Director | 10,000 |

Remuneration paid to Manager:

The Remuneration paid to the Manager for the financial year ended 31 March 2017 is as under:-

| Name of Director | Category | Remuneration components in ₹ | | | | |
|-----------------------|----------|------------------------------|---------------------------|-----------------------|----------------------|----------|
| | | Salary | Allowance/ perquisites | Contribution to PF | Performance bonus | Total |
| Mr. Suresh Kumar Suri | Manager | 3,22,200 | 2,06,140 | 1,75,895 | 30,000 | 7,34,235 |

Mr. Suresh Kumar Suri, Manager was appointed for the period of three years w.e.f 29 April 2014 and it can be terminated by either party giving one month notice. Remuneration to Mr. Suresh Kumar Suri comprises of fixed pay, perquisites and provident fund as mentioned above. Remuneration payable to Mr Suri is approved by the Nomination and Remuneration Committee and is also as per the Remuneration policy of the Company.

6.2. REMUNERATION POLICY

The Board on the recommendation of Nomination and Remuneration committee approved Remuneration Policy for Directors, KMP and employee of the Company.

The remuneration policy describes various aspects and guiding factors while determining the remuneration to Directors, KMP and senior managerial personnel of the Company with the intent to maintain level and composition of remuneration reasonable and sufficient to retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and also create competitive advantage. Broad provisions of the

Remuneration Policy are summarized hereunder:

- a) Nomination and Remuneration committee (NRC) has important role in monitoring the policy.
- b) The Board, on the recommendation of NRC approved the remuneration payable to the Manager of the Company. The remuneration payable to the Manager shall be in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder.
- c) The Board, on the recommendation of NRC approves the remuneration payable to the Key Managerial Personnel and Senior Managerial Personnel of the Company. The remuneration payable to the Managing Director shall be in accordance with the applicable provisions of the Companies Act, 2013, and the rules framed thereunder.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises of two members. All the members of the committee are Non-Executive Director. During the year under review, the Stakeholder Relationship Committee met four times i.e. on 30 May 2016, 10 August 2016, 14 November 2016 and 14 February 2017. The composition of the Stakeholder Relationship Committee and attendance of member is as under:

| Name of Member | Category | No. of Meetings | |
|--------------------------|------------------------|-----------------|----------|
| | | Held | Attended |
| Ms. Reshma Rao, Chairman | Non-Executive Director | 4 | 4 |
| Mr. Ashok Goel | Non-Executive Director | 4 | 4 |

During the year 2016-17, no investor complaints were received by the Company. Terms of reference and role of the Stakeholders Relationship Committee includes the matters specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Broad terms of reference includes; to consider and resolve the grievances of security holders of the Company, to redress the shareholders' and investors' complaints such as those relating to transfer of shares, non-receipt of annual reports, etc.

Ms. Anjali Singh, Company Secretary of the Company has resigned w.e.f 25 December 2016. The Company is in the process of appointing a suitable person for said position for time being Mr. Francis Miranda CFO of the Company shall act as a Compliance officer of the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The designated e-mail id for the investor correspondence is solidcontainersltd@gmail.com.

8. CODE OF CONDUCT FOR BOARD MEMEBERS AND SENIOR MANAGEMENT

The Solid Containers code of conduct is applicable to all directors and senior management executives. The code impresses upon directors and senior management to uphold the interest of the company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. The Code is available on the Company's website i.e www.solidcontainers.net.

The Company has received a declaration of compliance with the code of conduct from Directors and Senior Management Personnel. The declaration by the Manager affirming compliance of the Board of Directors and Senior Management personnel to the Code of conduct is appended to this report.

Code of Conduct for Prevention of Insider Trading

The Company has adopted the code of conduct to regulate and monitor and report Trading by Insider's (the code) pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all Directors and such designated persons as defined in the Code.

9. GENERAL BODY MEETINGS

Details of last three Annual General Meetings (AGM) are given here below.

| Year | Date | Time | Venue |
|---------|------------|-----------|--|
| 2013-14 | 30.09.2014 | 11.00 a.m | Registered office at 2006, Fossberry Road, Near ICI Limited, Reay Road (E), Mumbai – 400 033 |
| 2014-15 | 30.09.2015 | 11.00 a.m | |
| 2015-16 | 29.09.2016 | 11.00 a.m | |

The following special resolution was passed at the last three Annual General Meeting:

| Date of AGM | Summary of special resolution passed |
|-------------|--|
| 30.09.2014 | Re-appointment and payment of remuneration to Mr. Suresh Kumar Suri, Manager for the period of 3 years w.e.f. 29 April 2014. |
| 29.09.2016 | Keeping registers, returns, etc at place other than registered office. |

10. DISCLOSURES

- a) During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the notes to financial statements of the Company. Policy on dealing with related party transactions is posted in section 'Investors>corporate governance' on the Company's website or link www.solidcontainers.net.
- b) The Company has complied with all applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Regulations wherever applicable. No penalties have been imposed or stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.
- c) The Company has a Whistle-Blower Policy for establishing a vigil mechanism to report genuine concerns regarding unethical behavior and mismanagement, if any. No employee of the Company was denied access to the Audit Committee. Detail relating to vigil mechanism is mentioned in the Board's Report and on the Company's website www.solidcontainers.net.
- d) The Company has complied with mandatory requirements of the corporate governance mentioned in the listing regulations.
- e) There were no pecuniary relationships or transactions of non-executive directors vis-à-vis the company during the year under review, except payment of sitting fees.

11. MEANS OF COMMUNICATION

- a) **Newspapers:** The quarterly, half-yearly and annual financial results of the Company are mostly published in newspapers in India viz. Free Press Journal and Navshakti.
- b) **Website:** The Company's website www.solidcontainers.net contains a separate dedicated section "Investor relations" where shareholders information is available. Quarterly & annual financial results and annual report are also available on the website.
- c) **Annual Report:** Annual Report containing, inter alia, Board's report, Auditors' report, audited financial statements and other important information is circulated to members and others entitled thereto. The Annual Report is also available on website of the Company i.e. www.solidcontainers.net.
- d) **Website of the Stock Exchanges:** Disclosures and filing with the BSE Limited (BSE) by the Company is posted on website of the stock exchanges.
- e) **Disclosures:** The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

12. GENERAL SHAREHOLDERS' INFORMATION

| | | |
|----|--|--|
| 1. | Annual General Meeting (Day, Date, Time & Venue) | Thursday, 28 September 2017 at 11.00 a.m at 2006, Fossberry Road, Near ICI Ltd., Reay Road (E), Mumbai - 400 033. |
| 2. | Financial Year | April to March |
| 3. | Book Closure Dates | - |
| 4. | Dividend payment date | The Company has not declared any dividend during the financial year. |
| 5. | Registered Office | 2006, Fossberry Road, Near ICI Ltd., Reay Road (E), Mumbai - 400 033. |
| 6. | Listing of Shares on Stock Exchanges | The equity shares of the Company are listed on BSE Limited (BSE) located at P. J. Towers, Dalal Street, Fort, Mumbai 400001. The Company has paid annual listing fees for the year 2017-18 within prescribed time limit. |
| 7. | Market price date: (High / Low during each month during the year 2017 – 2018) | The Shares of the Company are not traded on BSE Limited since 27 October 2015 |
| 8. | Stock Code | 502460 |

| | | |
|-----|---|--|
| 9. | Registrar & Share Transfer Agent | Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059 Tel No.022 62638200, Fax: 022 62638299 |
| 10. | Compliance Officer | Mr. Francis Miranda |
| 11 | Share Transfer System | Physical shares requested for transfer are duly transferred/processed within 15 days from the date of receipt of documents, if complete in all respects. |

13. Shareholding Pattern as on 31st March 2017

| Particulars | No. of Shares | Percentage of shareholding |
|--|------------------|----------------------------|
| Promoters | 1,528,966 | 56.63 |
| FII's | NIL | NIL |
| NRI's | NIL | NIL |
| Mutual Funds, FIs, Banks and Insurance Companies | 541,600 | 20.06 |
| Bodies Corporate | 375,880 | 13.92 |
| Resident Indians | 253,554 | 9.39 |
| Total | 2,700,000 | 100.00 |

14. Distribution schedule as on 31st March 2017

| Distribution | No. of shareholders | % to total holders | No. of shares | % to total Shares |
|--------------|---------------------|--------------------|---------------|-------------------|
| 1 - 500 | 596 | 83.59 | 1037740 | 3.84 |
| 501 - 1000 | 67 | 9.39 | 504000 | 1.86 |
| 1001 - 2000 | 21 | 2.94 | 328000 | 1.21 |
| 2001 - 3000 | 9 | 1.26 | 223500 | 0.82 |
| 3001 - 4000 | 2 | 0.28 | 61000 | 0.22 |
| 4001 - 5000 | 2 | 0.28 | 86500 | 0.32 |

| | | | | |
|--|---|--------|----------|--------|
| 5001 - 10001 | 4 | 0.56 | 260100 | 0.96 |
| 10001 and above | 12 | 1.68 | 24499160 | 90.73 |
| TOTAL | 713 | 100.00 | 27000000 | 100.00 |
| DEMATERIALIZATION OF SHARES & LIQUIDITY | As on 31 March 2017, 68.64 % of the Equity Shares have been dematerialized. Considering the advantages of scripless / demat trading, shareholders are requested to consider dematerialization of their shares so as to avoid inconvenience in future. | | | |
| OUTSTANDING GDR / ADR / 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. | | | |
| PLANT LOCATIONS | Vadavali, P.O. Mohone, Dist. Thane – 421102. | | | |
| 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 : 30 May 2017

Ashok Goel
Chairman

DECLARATION IN RESPECT OF CODE OF CONDUCT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, I hereby confirm and declare that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended 31 March 2017.

For **Solid Containers Limited**

Place : Mumbai
Date : 30 May 2017

Suresh Kumar Suri
Manager

Ashok Goel
Director

ANNEXURE 1 - SECRETARIAL AUDIT REPORT

FORM NO. MR -3

For the Financial year ended 31 March 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Solid Containers Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SOLID CONTAINERS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the SOLID CONTAINERS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31 March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No event or action done under this regulation)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014; (No event or action done under this regulation)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (No event or action done under this regulation)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (No event or action done under this regulation)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (No event or action done under this regulation)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (No event or action done under this regulation)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) There is no other law which is specifically applicable on the Company as informed by the Company keeping in view there is no operational activities.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

I report that, during the year under review, the Company has complied with the provisions of the Acts, Rule, Regulations and Guidelines mentioned above, subject to the following observation:

I further report that:

The Compliance by the Company of applicable laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in Board of Directors during the year

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **T.F. Khatri & Associates**
Practicing Company Secretary

Tehseen Fatima Khatri

Place : Mumbai
Date : 30 May 2017

FCS No.: 9093
CP No.: 10417

ANNEXURE 2 (a)

The information and other matters as required by sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in the below table:-

| Sr. No. | Name of Director/KMP and Designation | % increase in remuneration in the Financial Year 2016-17 (Sr. no.1) | Ratio of remuneration of each Director to median remuneration of employees (Sr. no. 2) |
|---------|--|---|--|
| 1. | Mr. Ashok Goel - Director | Nil | ** |
| 2. | Mr. Mohender Kumar Garg – Independent Director | Nil | ** |
| 3. | Mr. Sandeep Singh - Independent Director | Nil | ** |
| 4. | Ms. Reshma Rao - Director | Nil | ** |
| 5. | Ms. Anjali Singh – Company Secretary* | - | N.A |
| 6. | Mr. Francis Miranda – Chief Financial Officer | Nil | N.A. |
| 7. | Mr. Suresh Kumar Suri - Manager | Nil | N.A. |

* resigned w.e.f 25 December 2016

** None of the directors are in receipt of remuneration from the Company except sitting fees.

| Sr. no | Requirements | Disclosure |
|--------|--|---|
| 1. | The Percentage increase in the median remuneration of employees in the financial year | There was no Percentage increase in the median remuneration of employees in the current financial year |
| 2. | The Number of permanent employees on the rolls of the Company | The Company has 2 employees on the rolls of the Company. |
| 3. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | There were no exceptional circumstances for increase for managerial personnel in the last financial year. Average percentile increase is Nil. |
| 4. | Affirmation that the remuneration is as per the remuneration policy of the Company | Yes |

Annexure 2 (b)

Particulars of Employees as per section 197(12) of the Companies Act, 2013 read along with the rules relating thereto for the year ended 31 March 2017.

Details of top 10 employees in terms of remuneration drawn:

| Sr. No. | Name | Designation | Qualification | Age | Date of Joining | Remuneration received (₹) | Experience in years | Particulars of last employment held – Organization & Designation |
|---------|----------------------|-------------------------|---------------|-----|--------------------|---------------------------|---------------------|--|
| 1 | Mr Suresh Kumar Suri | Manager | B. Tech | 71 | 22 June 1984 | 734,235 | 46 | Real Papers Limited |
| 2 | Mr Francis Miranda | Chief Financial Officer | B.Com | 60 | 05 September 2014. | 358,980 | 34 | Nil |

For and on behalf of the Board of Directors
For **Solid Containers Limited**

Place : Mumbai
Date : 30 May 2017

Ashok Goel
Chairman

Annexure 3 - Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31 March 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|----|---|--|
| 1. | CIN | L28100MH1964PLC013064 |
| 2. | Registration Date | 21 November 1964 |
| 3. | Name of the Company | Solid Containers Limited |
| 4. | Category of the Company/ Sub-Category of the Company | Company Limited by shares Indian Non-Government Company |
| 5. | Address of the Registered office and contact details | 2006, Fossberry Road, near ICI Limited, Reay Road (E), Mumbai – 400033, Maharashtra, India. Tel No. +91-7678021955 |
| 6. | Whether listed Company | Yes, Listed on BSE Limited |
| 7. | Name, address and contact details of Registrar and Transfer Agent | Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 Maharashtra India. Tel No: 02262638200 Fax: 02262638299 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/ services | NIC Code of the product/ service | % total turnover of the company |
|---------|---|----------------------------------|---------------------------------|
|---------|---|----------------------------------|---------------------------------|

Since the company is not operating, none of the business activity of the Company contributes to 10% or more of the total turnover of the Company.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable section |
|--------|---------------------------------|---------|--------------------------------------|------------------|--------------------|
| 1 | HOLDING COMPANY | Nil | | | |
| 2 | DIRECT SUBSIDIARIES | Nil | | | |
| 3 | STEP DOWN SUBSIDIARIES | Nil | | | |
| 4 | ASSOCIATE COMPANIES | Nil | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|------------------|------------------|-------------------|---|-----------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| A. PROMOTERS | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individuals/HUF | - | 15,28,966 | 15,28,966 | 56.63 | 11,58,231 | 3,70,735 | 15,28,966 | 56.63 | - |
| b) Central Govt. | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| c) State Govt(s) | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| d) Bodies Corp. | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| e) Banks/Financial Institutions | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| f) Any Other | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| Sub-total (A) (1):- | - | 15,28,966 | 15,28,966 | 56.63 | 11,58,231 | 3,70,735 | 15,28,966 | 56.63 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs Individuals | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| b) Other Individuals | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| c) Bodies Corp. | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| d) Banks/ Financial Institutions | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| e) Any Other | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| Sub-total (A) (2):- | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| Total shareholding of Promoter (A) = (A) (1) + (A) (2) | - | 15,28,966 | 15,28,966 | 56.63 | 11,58,231 | 3,70,735 | 15,28,966 | 56.63 | - |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds/UTI | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| b) Banks/ Financial Institutions | - | 1,600 | 1,600 | 0.06 | - | 1,600 | 1,600 | 0.06 | - |
| c) Central Govt. | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| d) State Govt.(s) | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |

| | | | | | | | | | |
|---|-----------------|------------------|------------------|--------------|------------------|-----------------|------------------|--------------|----------|
| e) Venture Capital Funds | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| f) Insurance Companies | 4,20,000 | 1,20,000 | 5,40,000 | 20.00 | 4,20,000 | 1,20,000 | 5,40,000 | 20.00 | - |
| g) Foreign Institutional Investors | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| h) Foreign Venture Capital Funds | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| i) Others | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| Sub-total (B) (1) | 4,20,000 | 1,21,600 | 5,41,600 | 20.06 | 4,20,000 | 1,21,600 | 5,41,600 | 20.06 | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | - | 3,75,880 | 3,75,880 | 13.92 | 2,73,950 | 1,01,930 | 3,75,880 | 13.92 | - |
| ii) Overseas | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh | - | 2,25,724 | 2,25,724 | 8.36 | 1,050 | 2,24,674 | 2,25,724 | 8.36 | - |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh. | - | 27,830 | 27,830 | 1.03 | - | 27,830 | 27,830 | 1.03 | - |
| c) Others (specify) | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| Sub-Total (B) (2):- | - | 6,29,434 | 6,29,434 | 23.31 | 2,75,000 | 3,54,434 | 6,29,434 | 23.31 | - |
| Total Public Shareholding (B) = (B) (1) + B (2) | 4,20,000 | 7,51,034 | 11,71,034 | 43.37 | 6,95,000 | 4,76,034 | 11,71,034 | 43.37 | - |
| C) Shares held by Custodians for GDRs & ADRs | - | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| GRAND TOTAL (A)+(B)+ (C) | 4,20,000 | 22,80,000 | 27,00,000 | 100 | 18,53,231 | 8,46,769 | 27,00,000 | 100 | - |

ii) *Shareholding of Promoters*

| Sr No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|-------------------------------|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | % change in share holding during the year |
| PROMOTERS –INDIVIDUALS | | | | | | | | |
| 1. | Kaveeta Goel | 10,57,146 | 39.15 | 0 | 10,57,146 | 39.15 | 0 | - |
| 2. | Vaibhav Goel* | 3,70,735 | 13.73 | 0 | - | - | - | 13.73 |
| 3. | Ashok Goel Trust* | - | - | - | 3,70,735 | 13.73 | 0 | 13.73 |
| 4. | Shraddha Goel | 51,305 | 1.90 | 0 | 51,305 | 1.90 | 0 | - |
| 5. | Ashok Goel | 49,780 | 1.84 | 0 | 49,780 | 1.84 | 0 | - |
| | Total | 15,28,966 | 56.63 | 0 | 15,28,966 | 56.63 | 0 | - |

* Transmission of 3,70,735 shares held in the name of Vaibhav Goel to Ashok Goel Trust

 (iii) *Change in Promoters' Shareholding*

| Sr. No | Name of the Shareholder | Shareholding | | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/bonus/ sweat equity etc.): | No. of Shares | Reason | Cumulative Shareholding during the year | |
|--------|-------------------------|--|----------------------------------|--|---------------|------------------------|---|----------------------------------|
| | | No. Shares at the beginning of the year (01.04.2016) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1 | Vaibhav Goel | 3,70,735 | 13.73 | 12.10.2016 | 3,70,735 | Transmission of shares | 0 | 0 |
| | | | | 31.03.2017 | - | - | 0 | 0 |
| 2 | Ashok Goel Trust | 0.00 | 0.00 | 12.10.2016 | 3,70,735 | Transmission of shares | 3,70,735 | 13.73 |
| | | | | 31.03.2017 | - | - | 3,70,735 | 13.73 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):

| Sr No. | Name of the Shareholder | Shareholding | | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.): | No. of Shares | Reason | Cumulative Shareholding during the year | |
|--------|-------------------------------------|--|----------------------------------|---|---------------|--------|---|----------------------------------|
| | | No. Shares at the beginning of the year (01.04.2016) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1. | Dhoot Industrial Finance Limited | 2,73,950 | 10.15 | 31.03.2017 | 0 | - | 2,73,950 | 10.15 |
| 2. | Life Insurance Corporation of India | 2,40,000 | 8.89 | 31.03.2017 | 0 | - | 2,40,000 | 8.89 |
| 3. | The New India Assurance Co Limited | 1,80,000 | 6.67 | 31.03.2017 | 0 | - | 1,80,000 | 6.67 |
| 4. | Oriental Fire & Gen Ins. Co Limited | 1,20,000 | 4.44 | 31.03.2017 | 0 | - | 1,20,000 | 4.44 |
| 5. | Prosperity Metals Private Limited | 81,230 | 3.01 | 31.03.2017 | 0 | - | 81,230 | 3.01 |
| 6. | Jagdishbhai Chawda | 15,250 | 0.56 | 31.03.2017 | 0 | - | 15,250 | 0.56 |
| 7. | Chandrakant Gokaldas Dawda | 12,580 | 0.47 | 31.03.2017 | 0 | - | 12,580 | 0.47 |
| 8. | Shri Parasram Holdings Pvt Limited | 10,350 | 0.38 | 31.03.2017 | 0 | - | 10,350 | 0.38 |
| 9. | Mina Chnadrakant Dawda | 6,900 | 0.26 | 31.03.2017 | 0 | - | 6,900 | 0.26 |
| 10. | Ravindra Singh Chauhan | 6,700 | 0.25 | 31.03.2017 | 0 | - | 6,700 | 0.25 |

(v) *Shareholding of Directors and Key Managerial Personnel (KMP):*

| Sr No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| i) | At the beginning of the year | 49,780 | 1.84 | 49,780 | 1.84 |
| ii) | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.): | - | - | - | - |
| iii) | At the End of the year | 49,780 | 1.84 | 49,780 | 1.84 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in ₹)

| Particulars of Indebtedness | Secured Loans excluding deposits | Unsecured Loans | Deposit | Total Indebtedness |
|--|----------------------------------|---------------------|---------|---------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 287,841,816 | - | 287,841,816 |
| ii) Interest due but not paid | - | 85,176,614 | - | 85,176,614 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | 373, 018,430 | - | 373, 018,430 |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | 23,194,027 | - | 23,194,027 |
| Reduction | - | (270,000) | - | (270,000) |
| Net Change | - | 22,924,027 | - | 22,924,027 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | 310,765,843 | - | 310,765,843 |
| ii) Interest due but not paid | - | 85,347,194 | - | 85,347,194 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | 39,61,13,037 | - | 39,61,13,037 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

(Amount in ₹)

| Sr No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total |
|--|---|---------------------------------|--|-----------------|
| | | Mr. Suresh Kumar Suri - Manager | | |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 3,22,200 | | 3,22,200 |
| | b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961 | 2,36,140 | | 2,36,140 |
| | c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961 | - | | - |
| 2 | Stock Option | - | | - |
| 3 | Sweat Equity | - | | - |
| 4 | Commission - as a % of profit - others, specify | - | | - |
| 5 | Others, please specify Provident and other Funds Performance Bonus | 1,75,895 | | 1,75,895 |
| | Total | 7,34,235 | | 7,34,235 |
| Ceiling as per the Act: the remuneration paid to the Manager is within the limits of Companies Act, 2013. | | | | |

B. Remuneration to other Directors:

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|--|--------------------------------------|-------------------|----------------|-------------------|--------------|
| | | Mr. Ashok Goel | Mr. Mohender Garg | Ms. Reshma Rao | Mr. Sandeep Singh | |
| 1. | Independent Directors • Fee for attending board/ committee meetings • Commission • Others, please specify | - | 10,000 | - | 10,000 | 20,000 |
| | Total (1) | - | 10,000 | - | 10,000 | 20,000 |
| 2. | Other Non-Executive Directors • Fees for attending board / committee meetings • Commission • Others, please specify | | | | | |
| | Total (2) | - | - | - | - | - |
| | Total (1+2) | - | 10,000 | - | 10,000 | 20,000 |
| | Total Managerial Remuneration | - | 10,000 | - | 10,000 | 20,000 |
| | Overall Ceiling as per the Act | 1% of the Net Profit of the Company. | | | | |

C. Remuneration to key managerial personnel other than MD/Manager/WTD

| Sr. No | Particulars of Remuneration | Mr. Francis Miranda Chief Financial Officer | Total |
|--------|--|--|-----------------|
| 1 | Gross Salary | | |
| | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 3,20,520 | 3,20,520 |
| | b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961 | 38,460 | 38,460 |
| | c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission - as a % of profit - others, specify | - | - |
| 5 | Others, please specify | - | - |
| | Total | 3,58,980 | 3,58,980 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of the Board of Directors
For **Solid Containers Limited**

Place : Mumbai
Date : 30 May 2017

Ashok Goel
Chairman

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Solid Containers Limited

1. Report on the Financial Statements

We have audited the accompanying Financial Statements of **Solid Containers Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Basis for Qualified Opinion

Attention is drawn to Note 18 regarding substantial operating losses due to closure of commercial operations of the Company and in the absence of any rehabilitation measures, the Company is no longer a going concern. The networth of the Company is fully eroded due to the accumulated losses. The Company has not made any adjustment to the financial statements 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 Networth of the Company is unascertained. Our audit opinion on the financial statements for the year ended 31 March 2016 was also qualified in respect of the above matter.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the year ended on that date.

6. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order.
- II. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2017; and
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management - Refer Note 26 of the financial statements.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 30 May 2017

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in Paragraph 6(I) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **Solid Containers Limited** on the financial statements for the year ended 31 March 2017, we report that:

- 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 has not been provided for verification as reported to be untraceable.
- (b) The fixed assets are not physically verified during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. Due to closure of commercial operations, the Company does not have any inventory during the year and hence, Clause ii of the Order is not applicable.
- iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
- iv. According to information and explanations given to us, the Company has not granted any loans / guarantee or made investments or provided any securities during the year.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- vi. The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any services rendered by the Company.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
 - a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in significant cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2017 for a period of more than six months from the date they became payable except income tax deducted at source amounting to ₹ 7,96,191.
 - b) There are no dues of income tax, sales tax, service tax, duty of customs and value added tax which have not been deposited on account of any dispute. The disputed dues of duty of excise which have not been deposited are as under:

| Name of the Statute | Nature of the Dues | Amount in Rupees | Period to which the amount relate | Forum where dispute is pending |
|----------------------------|---------------------------|-------------------------|--|--|
| Central Excise Act, 1944 | Duty of Excise | 354,616 | FY 1983-84 to FY 1985-86 | Commissioner of Central Excise (Appeals), Mumbai |
| | | 7,276,028 | FY 1994-95 to FY 1997-98 | Commissioner of Central Excise (Appeals), Thane |
| | | 237,741 | FY 1994-95 to FY 1995-96 | Assistant Commissioner of Central Excise, Kalyan |
| | | 55,046 | FY 1994-95 | Superintendent of Central Excise, Kalyan |
| | | 58,549 | FY 1994-95 | Assistant Commissioner of Central Excise, Dadar |

- viii. According to information and explanations given to us, the Company has not taken any loan from bank / financial institution or issued debentures during the year. Loan of Rs 13,64,649 taken from Government of Maharashtra and interest accrued of Rs 49,17,709 is overdue as at 31 March 2017.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 30 May 2017

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Solid Containers Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 30 May 2017

BALANCE SHEET AS AT 31 MARCH 2017

(Amount in ₹)

| | Note | 2017 | 2016 |
|---|------|----------------------|----------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 167,000,000 | 167,000,000 |
| Reserves and surplus | 4 | (536,416,240) | (511,796,066) |
| | | (369,416,240) | (344,796,066) |
| Non-current liabilities | | | |
| Long-term provisions | 5 | - | 14,779 |
| | | - | 14,779 |
| Current liabilities | | | |
| Short-term borrowings | 6 | 310,765,843 | 287,841,816 |
| Other current liabilities | 7 | 91,285,281 | 91,278,394 |
| Short-term provisions | 5 | 512,834 | 441,279 |
| | | 402,563,958 | 379,561,489 |
| Total | | 33,147,718 | 34,780,202 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Property, plant and equipment | 8 | 28,279,204 | 29,809,278 |
| Long-term loans and advances | 9 | 4,773,243 | 4,743,243 |
| | | 33,052,447 | 34,552,521 |
| Current assets | | | |
| Cash and cash equivalents | 10 | 89,387 | 188,187 |
| Short-term loans and advances | 9 | 5,884 | 39,494 |
| | | 95,271 | 227,681 |
| Total | | 33,147,718 | 34,780,202 |
| Notes forming part of the financial statements | 1-27 | | |

As per our attached report of even date

For and on behalf of the Board

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Ashok Goel Director
Reshma Rao Director
Suresh Kumar Suri Manager
Francis Miranda Chief Financial Officer

Mumbai, 30 May 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in ₹)

| | Note | 2017 | 2016 |
|--|------|---------------------|---------------------|
| INCOME | | | |
| Other Income | 11 | 300,000 | 303,300 |
| Total | | 300,000 | 303,300 |
| EXPENDITURE | | | |
| Employee benefits expense | 12 | 1,209,520 | 1,759,460 |
| Finance costs | 13 | 18,835,536 | 21,362,445 |
| Depreciation and amortisation expense | 8 | 1,530,074 | 1,530,074 |
| Other expenses | 14 | 3,345,043 | 4,232,006 |
| Total | | 24,920,174 | 28,883,985 |
| Profit/(Loss) before tax | | (24,620,174) | (28,580,685) |
| Less: Tax Expense | 17 | | |
| Current tax - Current year | | - | - |
| - Earlier year | | - | - |
| Deferred tax | | - | - |
| Profit/(Loss) after tax | | (24,620,174) | (28,580,685) |
| Earnings per share (Face value of ₹ 10 each) | | | |
| Basic and diluted earnings / (loss) per share (₹) | 24 | (14.67) | (16.14) |
| Weighted average number of equity shares used in computing earnings per share- basic and diluted | | 2,700,000 | 2,700,000 |
| Notes forming part of the financial statements | 1-27 | | |

As per our attached report of even date

For and on behalf of the Board

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Ashok Goel Director
Reshma Rao Director
Suresh Kumar Suri Manager
Francis Miranda Chief Financial Officer

Mumbai, 30 May 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information

Solid Containers Limited is a Company incorporated under the Companies Act, 1956. The operations of the Company have been suspended since 25 September 1998.

2. Significant Accounting Policies:

(i) Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) and comply with in all material respect with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of these financial statements are consistent with those of previous year.

(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. Any revision to such accounting estimate is recognized prospectively in current and future periods.

(iii) Property, plant and equipment

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

(iv) Depreciation on property, plant and equipment

- a) Depreciation on property, plant and equipment (including on assets acquired under finance lease) is provided on straight line method based on the useful lives specified in Schedule II of the Companies Act, 2013.
- b) Leasehold Improvements are amortized over the period of Lease.

(v) Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(vi) Revenue Recognition

Income and Expenditure are accounted on accrual basis.

(vii) Retirement and other employee benefits

- a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) Post-employment and other long-term benefits are recognized as an expense in the Statement of profit and loss at the present value of the amounts payable determined using actuarial valuation techniques in the year in which the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- c) Payments to defined contribution retirement benefit schemes are charged as expenses as they fall due.

(viii) 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.

(ix) Borrowing costs

- a) Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. All other borrowing costs are charged to revenue.
- b) Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenure of such borrowings.

(x) 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.

(xi) 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.

(xii) Provisions, Contingent Liabilities and Contingent Assets

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Note - 3 Share Capital

(Amount in ₹)

| | 2017 | 2016 |
|--|--------------------|--------------------|
| Authorised | | |
| 4,600,000 (4,600,000) Equity Shares of ₹ 10/- each | 46,000,000 | 46,000,000 |
| 25,000 (25,000) Redeemable Cumulative Preference Shares of ₹ 100/- each | 2,500,000 | 2,500,000 |
| 15,000 (15,000) Unclassified Shares of ₹ 100/- each | 1,500,000 | 1,500,000 |
| 8,000,000 (8,000,000) 12% Redeemable Cumulative Preference Shares of ₹ 10 /- each | 80,000,000 | 80,000,000 |
| 6,000,000 (6,000,000) 9% Redeemable Cumulative Preference Shares of ₹ 10 /- each | 60,000,000 | 60,000,000 |
| Total | 190,000,000 | 190,000,000 |
| Issued, subscribed and paid up | | |
| 2,700,000 (2,700,000) Equity Shares of ₹ 10/- each fully paid up | 27,000,000 | 27,000,000 |
| 8,000,000 (8,000,000) 12% Redeemable Cumulative Preference shares of ₹ 10/- each fully paid up | 80,000,000 | 80,000,000 |
| 6,000,000 (6,000,000) 9% Redeemable Cumulative Preference shares of ₹ 10/- each fully paid up | 60,000,000 | 60,000,000 |
| Total | 167,000,000 | 167,000,000 |

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

| | 2017 | | 2016 | |
|------------------------------------|-------------------------|------------------|-------------------------|------------------|
| | Number of equity shares | Amount in Rupees | Number of equity shares | Amount in Rupees |
| At the beginning of the year | 2,700,000 | 27,000,000 | 2,700,000 | 27,000,000 |
| Add: Changes during the year | - | - | - | - |
| Outstanding at the end of the year | 2,700,000 | 27,000,000 | 2,700,000 | 27,000,000 |

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

| | 2017 | | 2016 | |
|------------------------------------|-----------------------------|------------------|-----------------------------|------------------|
| | Number of preference shares | Amount in Rupees | Number of preference shares | Amount in Rupees |
| At the beginning of the year | 14,000,000 | 140,000,000 | 14,000,000 | 140,000,000 |
| Add: Changes during the year | - | - | - | - |
| Outstanding at the end of the year | 14,000,000 | 140,000,000 | 14,000,000 | 140,000,000 |

c. Terms / right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. All issued shares rank pari-passu and have same voting rights per share.

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

d. Terms / rights attached to Redeemable Cumulative Preference Shares

(i) 8,000,000 (8,000,000) 12% Redeemable Cumulative Preference shares of ₹ 10/- each fully paid up (allotted on 19 August 1999) are redeemable at any time after the expiry of three years from the date of allotment or even before three years from the date of allotment. These shares are yet to be redeemed by the Company.

(ii) 6,000,000 (6,000,000) 9 % Redeemable Cumulative Preference shares of ₹ 10/- each fully paid up (allotted on 12 September 2002) are redeemable at any time after the expiry of three years from the date of allotment or even before three years from the date of allotment. These shares are yet to be redeemed by the Company.

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

(i) Equity Shares

| | 2017 | | 2016 | |
|---|-------------------------|-----------|-------------------------|-----------|
| | Number of equity shares | % Holding | Number of equity shares | % Holding |
| Equity Shares | | | | |
| Mrs. Kaveeta Goel | 1,057,146 | 39.15% | 1,057,146 | 39.15% |
| Mr.Vaibhav Goel * | - | - | 370,735 | 13.73% |
| Ashok Goel Trust | 370,735 | 13.73% | - | - |
| Dhoot Industrial Finance Limited | 273,950 | 10.15% | 273,950 | 10.15% |
| Life Insurance Corporation of India Limited | 240,000 | 8.89% | 240,000 | 8.89% |
| New India Assurance Company Limited | 180,000 | 6.67% | 180,000 | 6.67% |

*370,735 share belongs to late Mr.Vaibhav Goel are transmitted to Ashok Goel Trust on 12 October 2016.

(ii) 12% and 9% Redeemable Cumulative Preference Shares

| | 2017 | | 2016 | |
|--|-----------------------------|-----------|-----------------------------|-----------|
| | Number of preference shares | % Holding | Number of preference shares | % Holding |
| Preference Shares | | | | |
| ERP Infrastructures Projects Private Limited | 14,000,000 | 100% | 14,000,000 | 100% |

SOLID CONTAINERS LIMITED

Note - 4 Reserves and surplus

(Amount in ₹)

| | 2017 | 2016 |
|--|----------------------|----------------------|
| (a) Capital Reserve- As per last Balance Sheet | 926,071 | 926,071 |
| (b) Securities Premium- As per last Balance Sheet | 45,000,000 | 45,000,000 |
| (c) Capital Redemption Reserve- As per last Balance Sheet | 1,000,000 | 1,000,000 |
| (d) Revaluation Reserve- As per last Balance Sheet | 16,086,822 | 16,086,822 |
| (e) Surplus / (deficit) in the Statement of Profit and Loss As per last Balance Sheet | (574,808,959) | (546,228,274) |
| Add: Profit/(Loss) for the year | (24,620,174) | (28,580,685) |
| | (599,429,133) | (574,808,959) |
| Total | (536,416,240) | (511,796,066) |

Note - 5 Provisions

(Amount in ₹)

| | Long - term | | Short - term | |
|--|-------------|---------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| Provision for employee benefits | | | | |
| - Gratuity | - | 14,779 | 387,017 | 356,812 |
| - Leave Encashment | - | - | 125,817 | 84,467 |
| Total | - | 14,779 | 512,834 | 441,279 |

Note - 6 Short-term borrowings (unsecured)

(Amount in ₹)

| | 2017 | 2016 |
|------------------------------------|--------------------|--------------------|
| (a) From Government of Maharashtra | 1,364,649 | 1,364,649 |
| (b) Inter-corporate deposits | 309,401,194 | 286,477,167 |
| Total | 310,765,843 | 287,841,816 |

- (i) Loan from Government of Maharashtra of ₹ 1,364,649 (₹1,364,649) carries interest @ 12.50% p.a. which is overdue from financial year 1983-84
- (ii) Inter-corporate deposits of ₹37,291,084 (₹34,746,608) carries interest @ 9% and ₹ 265,324,010 (₹251,730,559) carries interest @ 6% p.a. and Rs 6,786,100 (Nil) carries interest @ 10% are repayable on demand.

Note - 7 Other current liabilities

(Amount in ₹)

| | 2017 | 2016 |
|----------------------------|-------------------|-------------------|
| Interest accrued and due # | 85,347,194 | 85,176,614 |
| Statutory liabilities | 1,887,335 | 2,123,521 |
| Creditors for expenses | 4,050,752 | 3,978,259 |
| Total | 91,285,281 | 91,278,394 |

Period and amount of continuing default are stated as under:

(Amount in ₹)

| | 2017 | 2016 |
|--------------------|-------------------|-------------------|
| 0 to 365 Days | 170,580 | 170,581 |
| More than 365 Days | 85,176,614 | 85,006,033 |
| Total | 85,347,194 | 85,176,614 |

Interest of ₹ 85,347,194 (₹ 85,176,614) which is overdue

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note- 8 Property, plant and equipment

| | Gross Block | | | Depreciation | | | Net Block | | |
|--------------------------------------|--------------------------|-----------------------------|---------------------------|--------------------------|------------------|------------|--------------------------|---------------------------|---------------------------|
| | As at 1 April 2016 | Additions / (Deductions) | As at 31 March 2017 | Upto 31 March 2016 | For the year | Deductions | Upto 31 March 2017 | As at 31 March 2017 | As at 31 March 2016 |
| Property, plant and equipment | | | | | | | | | |
| Land | 16,171,502 | - | 16,171,502 | - | - | - | - | 16,171,502 | 16,171,502 |
| Leasehold Improvements | 2,120,000 | - | 2,120,000 | 906,889 | 424,000 | - | 1,330,889 | 789,111 | 1,213,111 |
| Plant and Machinery | 993,984 | - | 993,984 | 944,284 | - | - | 944,284 | 49,700 | 49,700 |
| Factory Building | 38,354,239 | - | 38,354,239 | 26,039,984 | 1,106,074 | - | 27,146,058 | 11,208,182 | 12,314,255 |
| Furniture and Fixtures | 922,879 | - | 922,879 | 885,952 | - | - | 885,952 | 36,927 | 36,927 |
| Office Equipments | 183,603 | - | 183,603 | 177,661 | - | - | 177,661 | 5,942 | 5,942 |
| Computers | 356,806 | - | 356,806 | 338,966 | - | - | 338,966 | 17,840 | 17,840 |
| Total | 59,103,013 | - | 59,103,013 | 29,293,736 | 1,530,074 | - | 30,823,810 | 28,279,204 | 29,809,278 |
| Previous year | 59,103,013 | | 59,103,013 | 27,763,662 | 1,530,074 | - | 29,293,736 | 29,809,278 | |

Note:-

The Company had written up the value of freehold factory land as on 1 April 1991 by ₹ 16,086,822/- as per the valuation report dated 27 December 1991 of M/s. Budhbhatti & Associates (Chartered Engineers). The revaluation amount was taken as Revaluation Reserve under the Reserves and Surplus.

SOLID CONTAINERS LIMITED

Note - 9 Loans and advances

(Unsecured and considered good, unless otherwise stated)

(Amount in ₹)

| | Long -Term | | Short -Term | |
|--------------------------------------|------------------|------------------|--------------|---------------|
| | 2017 | 2016 | 2017 | 2016 |
| Security deposits | 48,688 | 48,688 | - | - |
| Other advances | 2,051,847 | 2,051,847 | 5,884 | 39,494 |
| Balances with Government authorities | | | | |
| - Direct taxes (net of provisions) | 733,120 | 703,120 | - | - |
| - Indirect taxes | 1,939,588 | 1,939,588 | - | - |
| Total | 4,773,243 | 4,743,243 | 5,884 | 39,494 |

Note - 10 Cash and cash equivalents

(Amount in ₹)

| | 2017 | 2016 |
|----------------------|---------------|----------------|
| Balances with banks: | | |
| - in Current account | 78,931 | 184,561 |
| Cash on hand | 10,456 | 3,626 |
| Total | 89,387 | 188,187 |

Note - 11 Other income

(Amount in ₹)

| | 2017 | 2016 |
|-------------------------------|----------------|----------------|
| Rent income | 300,000 | 300,000 |
| Interest on income tax refund | - | 3,300 |
| Total | 300,000 | 303,300 |

Note - 12 Employee benefits expense

(Amount in ₹)

| | 2017 | 2016 |
|--------------------------------|------------------|------------------|
| Salaries and allowances | 1,143,715 | 1,686,020 |
| Contribution to provident fund | 33,576 | 36,200 |
| Staff welfare expenses | 32,229 | 37,240 |
| Total | 1,209,520 | 1,759,460 |

Note - 13 Finance costs

(Amount in ₹)

| | 2017 | 2016 |
|-------------------|-------------------|-------------------|
| Interest expenses | | |
| - Borrowings | 18,830,610 | 21,299,953 |
| - Others | 4,121 | 60,250 |
| Bank charges | 805 | 2,242 |
| Total | 18,835,536 | 21,362,445 |

Note - 14 Other expenses

(Amount in ₹)

| | 2017 | 2016 |
|--|------------------|------------------|
| Security charges | 1,137,625 | 1,075,363 |
| Repairs to others | 53,108 | 64,671 |
| Insurance | 34,513 | 29,842 |
| Rent | 18,600 | 18,600 |
| Rates and Taxes | 312,768 | 1,369,683 |
| Travelling and Conveyance expenses | 39,133 | 49,889 |
| Payment to auditors (Refer note below) | 202,837 | 64,854 |
| Legal and Professional Fees | 975,309 | 1,051,295 |
| Printing and Stationery | 59,394 | 91,486 |
| Directors' sitting fees | 24,000 | 16,000 |
| Communication expenses | 8,202 | 19,409 |
| Miscellaneous expenses | 479,554 | 380,914 |
| Total | 3,345,043 | 4,232,006 |

(Amount in ₹)

| Payment to auditors | 2017 | 2016 |
|--|----------------|---------------|
| - Audit Fee | 30,495 | 30,495 |
| - Certifications (including fees for limited review) | 51,750 | 33,831 |
| - Reimbursement of expenses | - | 528 |
| - Taxation Matter | 120,592 | - |
| Total | 202,837 | 64,854 |

15. The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2017

16. Contingent liabilities (to the extent not provided for)

(Amount in ₹)

| | 2017 | 2016 |
|--------------------------------------|-------------|-------------|
| Disputed indirect taxes | 9,566,782 | 9,566,782 |
| Disputed direct tax | 306,306 | 306,306 |
| Dividend on preference share capital | 246,779,624 | 246,779,624 |
| Claims not acknowledged as debts | 4,077,416 | 4,077,416 |

17. Taxation

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

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

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 the financial statements relating to recoverability of recorded asset amounts and in respect of liabilities as might be necessary for compilation, where the Company is no longer a going concern. The effect on the loss for the year and net worth of the Company is not ascertained.

19. (i) In the opinion of the Board of Directors, the current assets and loans and advances are at least of the value stated, if realized in the ordinary course of business and necessary provision for all known liabilities has been made except stated otherwise.
- (ii) Certain debit and credit balances are subject to confirmation, reconciliation and adjustments.

20. Operating Lease

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

21. Employee Benefits

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

The employees' gratuity fund scheme (unfunded) 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 (under the head "Employee benefit expenses")

| | (Amount in ₹) | |
|-------------------------|---------------|---------------|
| | 2017 | 2016 |
| Current service cost | 30,936 | 15,431 |
| Interest cost | 27,721 | 26,207 |
| Actuarial (gain) / loss | (43,231) | 2,370 |
| Net Cost | 15,426 | 44,008 |

II. Net Liability recognised in the Balance Sheet as at 31 March

(Amount in ₹)

| | 2017 | 2016 |
|------------------------------------|----------------|----------------|
| Present value of obligation | 387,017 | 371,591 |
| Amount recognized in Balance Sheet | 387,017 | 371,591 |

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

(Amount in ₹)

| | 2017 | 2016 |
|--|-----------------|----------------|
| Defined Benefit obligation as at the beginning | 371,591 | 327,583 |
| Current service cost | 30,936 | 15,431 |
| Interest cost | 27,721 | 26,207 |
| Actuarial (gain) / loss on obligation | (43,231) | 2370 |
| Benefit paid | - | - |
| Defined Benefit obligation as at the closing | 387,017 | 371,591 |

IV. Actuarial assumptions

| | 2017 | 2016 |
|--|-------------------------------|-----------------------|
| Mortality Table (LIC) | 2006-08 (Ultimate) | 1994-96 (Ultimate) |
| Discount rate (per annum) | 6.69% | 8% |
| Rate of escalation in salary (per annum) | 1% | 1% |

V. Amounts recognised in current year and previous four years

(Amount in ₹)

| Gratuity | As at 31 March | | | | |
|--|-----------------|---------|----------|----------|----------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Defined benefit obligation | 387,017 | 371,591 | 327,583 | 301,746 | 288,572 |
| Actuarial (gain)/loss on plan obligation | (43,231) | 2,370 | (15,532) | (25,943) | (81,422) |

Notes:

- Amounts recognized as an expense and included in the Note 12 "Employee benefits expense" are gratuity ₹15,426 (₹ 44,008) and leave encashment 41,350 (₹25,212).
- 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.
- "Contribution to provident and other funds" is recognized as an expense in Note 12 of the Statement of Profit and Loss.

22. Related Party Disclosures

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

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

Ayeppee Lamitubes Limited

b) Directors of the Company

Non-Executive Directors : Mr. Ashok Goel
Mr. Mohender Garg
Ms. Reshma Rao
Mr. Sandeep Kumar Singh

B. Transactions with related parties for the year ended 31 March

| | (Amount in ₹) | |
|--------------------------------|---------------|------------|
| | 2017 | 2016 |
| Interest Expense | | |
| Ayeppee Lamitubes Limited | 3,127,195 | 2,308,600 |
| Rent Income | | |
| Ayeppee Lamitubes Limited | 300,000 | 300,000 |
| Loan taken | | |
| Ayeppee Lamitubes Limited | - | 12,047,440 |
| Repayment of Loan taken | | |
| Ayeppee Lamitubes Limited | 270,000 | 270,000 |

C. Balances with related parties as at 31 March

| | (Amount in ₹) | |
|---------------------------|---------------|------------|
| | 2017 | 2016 |
| Unsecured Loan | | |
| Ayeppee Lamitubes Limited | 37,291,084 | 34,746,608 |
| Interest payable | | |
| Ayeppee Lamitubes Limited | 5,443,024 | 5,443,024 |

23. Managerial Remuneration

The Company has paid remuneration to Manager within the limits of Schedule V of Companies Act, 2013. Details of Remuneration paid / payable to the Manager is as under:

| | (Amount in ₹) | |
|--|----------------|----------------|
| | 2017 | 2016 |
| Salaries, allowances and perquisites * | 708,925 | 690,848 |
| Contribution to provident fund | 25,310 | 21,630 |
| Total | 734,235 | 712,478 |

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

24. Earnings per Share

| | (Amount in ₹) | |
|---|---------------|--------------|
| | 2017 | 2016 |
| Profit/Loss after tax | (24,620,174) | (28,580,685) |
| Less: Dividend on preference shares | 15,000,000 | 15,000,000 |
| Profit after tax for equity shareholders | (39,620,174) | (43,580,685) |
| Weighted average number of Basic and Diluted Equity Shares (Nos.) | 2,700,000 | 2,700,000 |
| Basic and Diluted Earnings Per Share | (14.67) | (16.14) |

25. The Company does not have any manufacturing activity during the financial year. Accordingly, Accounting Standard-17 "Segment Reporting" is not applicable.

26. Specified bank notes (SBN)

Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 are provided in table below.

| Particulars | SBNs | Other Denomination Notes | Total |
|---|------|--------------------------------|--------|
| Closing Cash in Hand as on 8 November 2016 | - | 8,344 | 8,344 |
| Add: Permitted Receipts | - | 59,000 | 59,000 |
| Less: Permitted payments | - | 53,197 | 53,197 |
| Less: Amount Deposited in Banks | - | - | - |
| Closing Cash in Hand as on 30 December 2016 | - | 14,147 | 14,147 |

27. Prior year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

As per our attached report of even date

For and on behalf of the Board

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

| | |
|--------------------------|-------------------------|
| Ashok Goel | Director |
| Reshma Rao | Director |
| Suresh Kumar Suri | Manager |
| Francis Miranda | Chief Financial Officer |

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 30 May 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Amount in ₹)

| | 2017 | 2016 |
|--|--------------------|--------------------|
| A. Cash flow from operating activities | | |
| Profit / (Loss) before tax | (24,620,174) | (28,580,685) |
| Adjustments for : | | |
| Depreciation and amortisation expense | 1,530,074 | 1,530,074 |
| Interest expenses | 18,834,731 | 21,360,203 |
| Operating loss before working capital changes | (4,255,369) | (5,690,408) |
| Adjustments for : | | |
| Trade and other receivables | 33,610 | (39,495) |
| Trade and other payables | (106,917) | (17,103) |
| Cash from (used in) operating activities | (4,328,676) | (5,747,006) |
| Taxes (paid) / refunded (Net) | (30,000) | 30,000 |
| Net cash used in operating activities (A) | (4,358,676) | (5,717,006) |
| B. Cash flow from investing activities | | |
| Purchase of fixed assets | - | - |
| Net cash used in investing activities (B) | - | - |
| C. Cash flow from financing activities | | |
| Proceeds from short-term borrowings | 22,924,027 | 31,911,135 |
| Repayment of short-term borrowings | - | (4,935,000) |
| Interest paid | (18,664,151) | (21,189,622) |
| Net cash from financing activities (C) | 4,259,876 | 5,786,513 |
| Net Increase in cash and cash equivalents (A+B+C) | (98,800) | 69,506 |
| Cash and cash equivalents at the beginning of the year | 188,187 | 118,680 |
| Cash and bank balances at the end of the year | 89,387 | 188,187 |

Note:

Previous year's figures have been regrouped/recast wherever necessary.

As per our attached report of even date

For and on behalf of the Board

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

Ashok Goel

Director

Reshma Rao

Director

Suresh Kumar Suri

Manager

Francis Miranda

Chief Financial Officer

Mumbai, 30 May 2017



NOTES

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SOLID CONTAINERS LIMITED

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