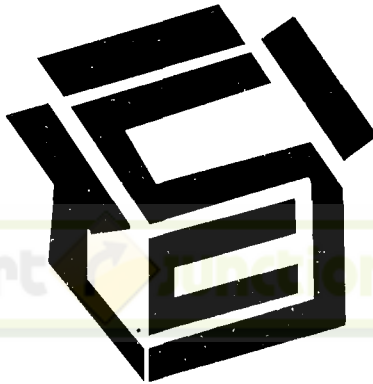


SOLID CONTAINERS LIMITED



**A N N U A L
R E P O R T
2005-2006**

SOLID CONTAINERS LIMITED

BOARD OF DIRECTORS :

Ashok Kumar Goel

R. Chandrasekhar

J. M. Fernandes (Appointed with effect from 16.3.2006)

COMPANY SECRETARY :

Sanjay Basantani (Appointed with effect from 7.3.2006)

REGISTERED OFFICE :

2006, Fossberry Road,
Near ICI Ltd., Reay Road (E),
Mumbai-400 033.

WORKS :

Vadavali, P.O. Mohone,
Dist. : Thane-421 102.

AUDITORS :

M/s. MGB & Co.
Chartered Accountants

BANKERS :

Canara Bank
Dr. A. B. Road, Worli,
Mumbai-400 018.

REGISTRAR & SHARE TRANSFER AGENTS :

M/s. Sharepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracius Road, Chakala,
Andheri (E), Mumbai-400 099.
Tel. : 022-2821 5168, 2820 2108

SOLID CONTAINERS LIMITED

NOTICE

NOTICE is hereby given that the Forty-first Annual General Meeting of SOLID CONTAINERS LIMITED will be held at 2006, Fossberry Road, Near ICI Ltd., Reay Road, Mumbai-400 033, the Registered Office of the company, on Friday, 22nd September, 2006 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended on 31st March, 2006 and Balance Sheet as on that date, and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Kumar Goel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS :-

4. To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution :

Appointment of Mr. J.M. Fernandes as a Director on the Company's Board of Directors.

"RESOLVED THAT Mr. J.M. Fernandes, who was appointed as an Additional Director on the Company's Board of Directors, and who holds office under Section 260 of the Companies Act, 1956 until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the post of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**BY ORDER OF THE BOARD
FOR SOLID CONTAINERS LIMITED**

Place : Mumbai.

Date : 16th August, 2006

ASHOK KUMAR GOEL
DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.
2. Shareholders desirous of asking any questions at AGM are requested to send their questions to the Company at an early date so as to enable the management to keep the information ready.
3. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.

Annual Report 2005-2006**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:-****ITEM NO. 4**

Mr. J.M. Fernandes was appointed as an Additional Director on the Company's Board of Directors with effect from 16th March, 2006. He holds office under Section 260 of the Companies Act, 1956, until the date of the forty-first Annual General Meeting. The Company has received a notice in writing under the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for the post of a Director. The Board considers it desirable that the Company should continue to avail the services of Mr. J.M. Fernandes as a Non-Executive Independent Director.

The Board recommends the resolution for your approval. None of the Directors of the Company, except Mr. J.M. Fernandes, is interested in this Resolution.

**BY ORDER OF THE BOARD
FOR SOLID CONTAINERS LIMITED**

Place : Mumbai.

Date : 16th August, 2006

ASHOK KUMAR GOEL
DIRECTOR

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED / RE-APPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.**1. MR. ASHOK KUMAR GOEL**

Mr. Ashok Kumar Goel has been on the Board of the Company since 1983. He also serves on the Board of four other Public Limited Companies (excluding foreign directorships). Mr. Goel is a member of Investors' Grievance Committee of Essel Propack Limited. The shareholding of Mr. Ashok Kumar Goel in the Company is Nil.

2. MR. J. M. FERNANDES

Mr. J. M. Fernandes holds B.Sc. and CAIIB degrees and has a rich experience of working with Reserve Bank of India and Industrial Development Bank of India. Mr. Fernandes had served on the Board of Essel Propack Limited as Director for a period of more than a decade. Mr. J.M.Fernandes does not serve on the Board of Directors of any other Company. The shareholding of Mr. Fernandes in the Company is Nil.

SOLID CONTAINERS LIMITED**DIRECTORS' REPORT**

To,

THE MEMBERS,

Your Directors have pleasure in presenting the Forty-first Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS :**(Rs. in Lacs)**

	Year ended 31.03.2006	Year ended 31.03.2005
Sales	Nil	Nil
Loss before Depreciation & Extra-ordinary Items	202	76
Depreciation	88	88
Extra-ordinary Items	Nil	Nil
Loss for the year	290	164

DIVIDEND :

Your Directors regret their inability to recommend dividend in view of loss incurred during the year.

OPERATIONS REVIEW :

There has been no change in the status of the Company's operations. The operations continued to be suspended and unviable. There have been no positive development which warrant the company to commence its operations.

DIRECTORS :

Mr. Ashok Kumar Goel, Director, retires by rotation and being eligible, offers himself for re-appointment.

Mr. J. M. Fernandes has been appointed as an Additional Director with effect from 16th March, 2006 to hold office as an Independent Director upto the conclusion of the ensuing Annual General Meeting. Members are requested to appoint Mr. Fernandes as a Director of the Company.

The brief resume of Mr. Ashok Kumar Goel and Mr. J. M. Fernandes, Directors, as required by Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the notice convening the forty-first Annual General Meeting of the Company.

AUDITORS:

M/s. MGB & Co., Chartered Accountants, the retiring Auditors being eligible, offer themselves for reappointment as Auditors. The reappointment shall be in accordance of Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT :

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

The Auditors have pointed out non-compliance of Accounting Standard (AS)-10 "Accounting for Fixed Assets" and AS-28 "Impairment of Assets". The said non-compliances primarily arises from the fact that the Company's operations are suspended and consequently, the Auditors have to qualify the company as a going concern. As and when, the operations can commence, your Board will endeavour to ensure the compliances of the above mentioned Accounting Standards. The members would then be accordingly informed.

Annual Report 2005-2006

Also the Auditors have pointed out in Notes on Accounts that the Company does not have an Audit Committee and Managing Director during the financial year 2005-06. In this regard, it may be noted that the company has constituted Audit Committee of Board of Directors and has also adopted Code of Conduct for all its Board members and employees on 29th May, 2006. Further, the Company has not appointed any Managing Director as the Company has suspended its operations since September 1998 and has been suffering losses. As and when, the Company can commence its operations, it will be in a position to appoint Managing Director as required by Section 269 of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES :

None of the Employees were in receipt of remuneration in excess of the limit specified under Section 217 (2A) of the Companies Act, 1956, and Companies (Particulars of Employees) Rules, 1975.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, Director's confirm that:

- 1) In the preparation of the annual accounts, the applicable Accounting Standards have been followed except non compliance of Accounting Standard 10 & 28 as pointed by Auditors in their report.
- 2) Appropriate Accounting Policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2006.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) The annual accounts have been prepared on a going concern basis.

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

In accordance with the requirement of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 were not applicable since there was no operation during the year.

CORPORATE GOVERNANCE :

A separate report on Corporate Governance alongwith the Auditors' statement on its compliance forms a part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Management Discussion and Analysis Report is provided in a separate section and forms a part of this Report.

ACKNOWLEDGEMENTS :

The Board of Directors expresses their gratitude to Shareholders of the Company for their continuous support.

**BY ORDER OF THE BOARD
FOR SOLID CONTAINERS LIMITED**

Place : Mumbai.

ASHOK KUMAR GOEL

Date : 16th August, 2006

DIRECTOR

SOLID CONTAINERS LIMITED**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

(FOR THE YEAR ENDED 31ST MARCH, 2006)

The operations of your Company have been suspended since September 1998 and there have been no positive development to enable your Company to commence its operations. Therefore your Directors are not able to communicate anything substantive through this report.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Paper Industry is highly fragmented. As per estimates, there are more than 1000 Paper mills in the country. India's paper consumption of approximately 6 kg per capita is a matter of concern.

2. OPPORTUNITIES AND THREATS

Inadequate availability of raw materials, ever increasing costs of raw materials, fragmented industry structure, high energy consumption and costs, unattractive investment scenario are the major issues, the Indian Paper Industry has to content with. Another un-favourable factor is the low per capita consumption of paper in India.

3. The operations of the Company have been suspended since September 1998 and hence discussion on Segment wise or Product wise performance, Outlook, Risk & concerns, Financial performance with respect to operational performance is not provided.

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

Since the operations of the Company have been suspended and there are only two persons employed, there was no material development in Human resources / Industrial relations.

Annual Report 2005-2006**CORPORATE GOVERNANCE REPORT****BOARD OF DIRECTORS**

The Board has three Non-Executive Directors. Out of these, one member is an Independent Director. The Board of Directors of the Company have approved and laid down a Code of Conduct on 29th May, 2006 applicable for all the Board Members and the Employees of the Company. The declaration of Mr. Ashok Kumar Goel, Director, to this effect forms part of this report.

BOARD PROCEDURES

During the year under review, the Board of Directors met 6 times on 20th May, 2005, 27th July, 2005, 29th August, 2005, 26th October, 2005, 16th January, 2006 and 16th March, 2006.

The attendance record of the Directors at each Board meeting, and the last Annual General Meeting held on 30th September, 2005, and no. of outside Directorships & Committee membership held by each Director as on 31st March, 2006 is given below :-

Name of the Director	Type of Director	Board Mtgs. Attended	AGM Attended	No. of Committee Memberships held (excl. private Cos.)	No. of outside Directorships held (excl. private Cos.) \$
Ashok Kumar Goel	NED	6	Yes	1 (Member)	4
R. Chandrasekhar	NED	6	Yes	1 (Member)	NIL
J. M. Fernandes *	NED, ID	NA	NA	1 (Chairman)	NIL

NED : Non-Executive Director ID : Independent Director

*Appointed as an Additional Director with effect from 16th March, 2006.

\$ Excludes foreign directorships.

COMMITTEES OF THE BOARD**1) AUDIT COMMITTEE**

Following is the composition of the Audit Committee constituted on 29th May, 2006 :

Members : J.M. Fernandes (Chairman)

Ashok Kumar Goel

R. Chandrasekhar

All the Members of the Committee are Non-Executive Directors and Mr. J.M. Fernandes is a Non-Executive Independent Director. As per clause 49 of the Listing Agreement, Audit Committee shall have minimum three directors and all the members shall be Non-Executive Directors with majority of them being Independent Directors. In this regard, it may be noted that the Company has been suffering operating losses and the operations have been suspended since September 1998 and the Board is exploring all options for its revival. Under such circumstances and the fact that Mr. Ashok Kumar Goel & Mr. R. Chandrasekhar are not drawing any remuneration and do not receive any material pecuniary benefit from the Company, they are nominated on the Audit Committee of the Board on an adhoc basis pending further action in the matter.

The Company Secretary to act as a Secretary of the Committee. Mr. R. Chandrasekhar has expert knowledge of Finance & Accounts. The role, powers and functions of the Audit Committee are as per Section 292A of the Companies Act, 1956 and guidelines stated in the revised Clause 49 of the Listing Agreement.

2) INVESTORS' GRIEVANCE COMMITTEE

Following is the composition of the Investors' Grievance Committee constituted on 16th March, 2006

Members : J.M. Fernandes (Chairman)

R. Chandrasekhar

SOLID CONTAINERS LIMITED

The Committee deals in matters relating to:

1. Approve Share transfers/transmissions/transpositions and deletion of name from the Share Certificates.
2. Issue of duplicate Share Certificates.
3. Redressal of the grievances of the shareholders.

During the year under review, Investor Committee Meeting was not held.

During the year, no complaints were received and hence there were no complaints pending as on 31st March, 2006.

DISCLOSURES

- 1) Materially significant Related Party transactions.

The transactions between the Related Parties are disclosed in Note No.9 of the Annual Accounts in compliance with the Accounting Standard relating to "Related Party Disclosures". There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large.

- 2) The Company has complied with all the applicable Accounting Standards except AS 10 "Accounting for fixed assets" and AS 28 "Impairment of assets" as pointed out by the Auditors in their report.

The above mentioned non-compliances with the Accounting Standards primarily arises from the fact, that the Company's operations are suspended. As and when, the operations can commence, your Board will endeavour to ensure the compliances of the above mentioned Accounting Standards.

- 3) As the operations of the Company have been suspended since September 1998, no Risk Management has been carried out by the Management.
- 4) As there are only two employees in the Company and operations have been suspended, the Company has not adopted Whistle Blower Policy – a non mandatory requirement as per clause 49 of the Listing Agreement.
- 5) There were no cases of penalties or strictures imposed by any Stock Exchange or SEBI or any other statutory authority for any violation related to the capital market during the last three years. Except that the trading in the securities of the Company has been suspended by the Bombay Stock Exchange Limited (BSE) since 13th May, 2002. The Company has initiated necessary steps with BSE for commencement of trading.
- 6) Shareholding of all Directors in the Company is NIL. Further, no remuneration is being paid to Directors of the Company and hence Remuneration Committee is also not constituted.

MEANS OF COMMUNICATION

The quarterly and annual results are published in Free Press Journal in English and Navshakti in Marathi.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CERTIFICATION

Certification as per revised clause 49 of the Listing Agreement with the Stock Exchange is annexed to this report.