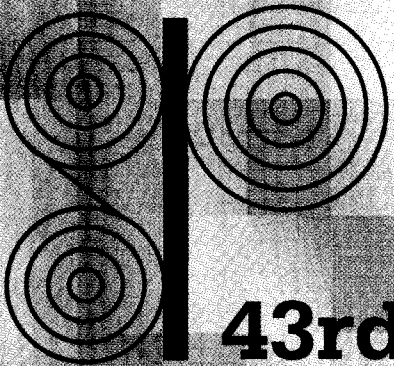


report  junction.com



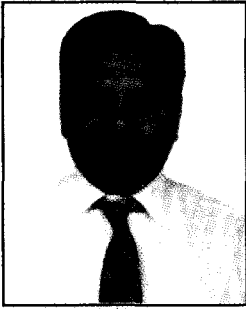
43rd

ANNUAL REPORT

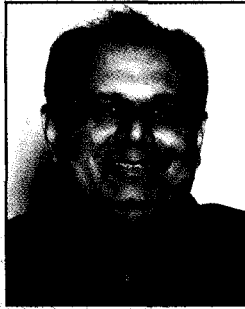
2003 - 2004

SPECIALITY PAPERS LIMITED

BOARD OF DIRECTORS



MR. MEKAN J. GALA
Chairman & Managing Director



MR. LAKHAMSHI J. GALA
Director



MR. PREMJI J. GALA
Director

BANKERS

STATE BANK OF INDIA
Ghatkoper (West) Branch,
Mumbai 400 077

THE COSMOS CO-OP. BANK LTD.,
Zaveri Bazar Branch,
Mumbai 400 002

AUDITORS

S. S. KAPADIA & ASSOCIATES
Chartered Accountants
207, Centre Point,
Opp. Avabai High School,
Valsad 396 101 (Gujarat)

SOLICITORS & ADVOCATE

L. D. SHAH & CO.
General Assurance Building
232, D. N. Road, Ground Floor,
Mumbai 400 001

REGISTRAR & TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD.
E-23, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai 400 072

REGISTERED OFFICE AND PLANT

Morai Village, National Highway No. 8
P. O. Vapi 396 191
Distt. Valsad (Gujarat)

CORPORATE OFFICE

93, Dadi Seth Agiary lane,
Kalbadevi,
Mumbai 400 002. INDIA



SPECIALITY PAPERS LIMITED

NOTICE

Notice is hereby given that the Forty Third Annual General Meeting of the Members of Speciality Papers Limited will be held on Wednesday, 18th August, 2004 at 11.00 A. M. at the Registered Office of the Company at P. O. Box No. 7, Morai Village, National Highway No. 8, Vapi, Distt. Valsad (Gujarat) to transact the following business as :

ORDINARY BUSINESS:

1. To consider, approve and adopt the Balance Sheet as on 31st March, 2004 and the Profit and Loss Account for the year ended on that date and the Directors and the Auditor's Report thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Lakhamshi J. Gala who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai

Date : July 9, 2004

MEKAN J. GALA

CHAIRMAN AND MANAGING DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business under item 4 is annexed hereto.
3. The Registered of Members and the Share Transfer Books of the Company will remain closed from August 10, 2004 to August 18, 2004 (both days inclusive).
4. Payment of dividend as recommend by the Board, if approved at the Annual General Meeting, will be paid to those members, whose name appear in the Company's



SPECIALITY PAPERS LIMITED

Register of Members, as at the close of business on August 9, 2004 and in respect of share held in electronic form, to those "deemed members" whose name appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on August 9, 2004.

5. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form, are requested to intimate to the Company's Registrars, M/s. Bigshare Services Private Limited at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(East), Mumbai - 400 072 or to the Company's Corporate Office, under the signature of the Sole/First Joint holder, the following information for printing on the Dividend Warrants:
 - i) Name of the Sole/First Joint Holder and the Folio Number
 - ii) Particulars of Bank account viz.
 - a) Name of the Bank
 - b) Name of the Branch
 - c) Complete address of the Bank with PIN Code Number
 - d) Account Type, whether Savings (SB) or Current Account (CA)
 - e) Bank Account number allotted by the Bank

Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of the dividend warrants.

6. Members (those holding shares in physical form only) are requested to intimate change of address, if any, to the Company's Registrars, M/s. Bigshare Services Private Limited at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(East), Mumbai - 400 072 or to the Company's Corporate Office quoting the relevant folio number in each case.
7. The members holding shares in the dematerialisation mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their depository participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to members.
8. In order to render better and efficient services, we request you to consolidate the multiple folios existing in the same names and in identical order. Consolidated of folios does not amount to transfer of shares and therefore, no stamp duty or other expenses are payable by you. In case you decide to consolidate your folios, you are requested to forward your share certificates to the Company's Corporate Office or to the Company's Registrar and Transfer Agent.
9. Members may note that the Company is accessible on the internet at the website **reliablepaperindia.com**
10. Members desiring any information relating to the Company's Accounts are requested to write to the company atleast 10 days in advance, so as to enable the management to keep the information ready.



SPECIALITY PAPERS LIMITED

11. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
12. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
13. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
14. Company's Equity Shares are listed on The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The listing fees for the financial year 2004-05, is already paid to The Stock Exchange, Mumbai.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : July 9, 2004

MEKAN J. GALA
CHAIRMAN AND MANAGING DIRECTOR

Report  Junction.com



SPECIALITY PAPERS LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Annual Report and Audited Accounts of the company for the year ended on 31st March, 2004.

FINANCIAL RESULTS

	Current Year 31/03/2004 (Rs. in Lacs)	Previous Year 31/03/2003 (Rs. in Lacs)
Sales & Other Income	1081.09	979.62
Profit/(Loss) before Interest & Depreciation	179.67	87.73
Less: Interest	45.59	19.09
Less: Depreciation	20.18	17.88
Net Profit/ (Loss) for the year before Taxation	113.90	50.76
Less: Provision for Taxation	28.51	3.98
Net Profit/(Loss) after Tax	82.39	46.78
Less: Provisions for Taxation (Deferred)	7.80	27.36
Net Profit/(Loss) after Deferred Tax	77.59	19.42
Prior Period Adjustments	4.68	-
Amount available for Appropriation	72.91	19.42
Add: B/F from earlier years	(19.49)	(38.91)
Dividend	11.77	-
Tax on Dividend	1.51	-
Balance in Profit & Loss Account carried forward to next year	40.14	(19.49)

DIVIDEND :

The Directors are pleased to recommend for consideration of the Members a dividend @5% (Rs.0.50 per Equity Share of Rs. 10.00 each) for the financial year 2003-2004.

OPERATIONS - PERFORMANCE

Despite stiff competition, the Company has achieved net sales of Rs.1081.09 Lacs and a net profit of Rs. 113.90 Lacs as against Rs. 979.62 Lacs and Rs. 50.76 Lacs respectively of the corresponding previous year.

During the year under review, your Company focused on these major goals:

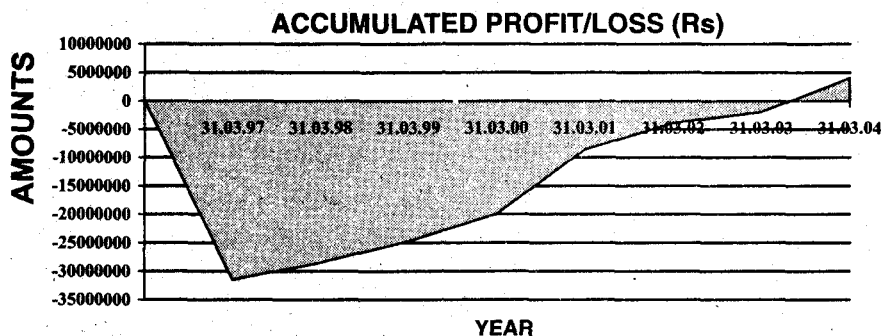
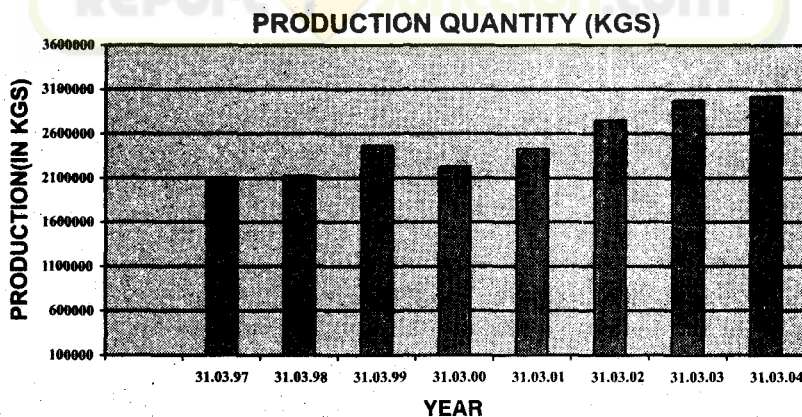
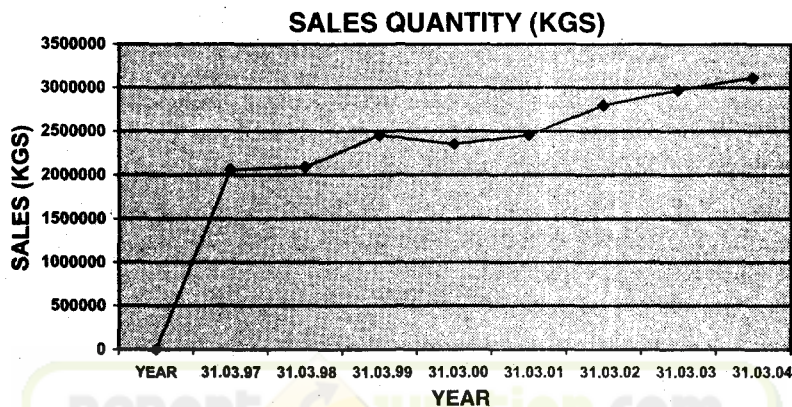
- To improve operational performance
 - To achieve high quality at minimum cost
 - To remove the bottlenecks in the process to enhance the capacity and quality and to improve the product mix with value added products
- Continuous upgradation of technology, meeting global standards



SPECIALITY PAPERS LIMITED

COMPARISON OF PERFORMANCE FOR THE PAST EIGHT YEARS.

- Production increased by 45% from 2084 M. T. in 1996-97 to 3018 M. T. in 2003-04.
- Sales increased by 51% from 2063 M. T. in 1996-97 to 3112 M. T. in 2003-04.
- Company has wiped off its entire accumulated losses of Rs. 315.01 Lacs, now there is a surplus of Rs. 40.13 Lacs in 2003-04.





SPECIALITY PAPERS LIMITED

DEREGISTERED FROM THE PURVIEW OF BIFR

The BIFR vide their order dated 26.08.2003 has intimated to the Company "that all the clauses of the Sanctioned Scheme have been substantially implemented and the Company has ceased to be a sick industrial undertaking within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 and the Company is hereby discharged from the purview of the BIFR."

PROSPECTS AND PROPOSED EXPANSION OF THE COMPANY

During the year the Company has undertaken ambitious Expansion Plan for installing two new machines, one M.G. and another M.F. machine. Construction work has already commenced and is in full swing.

These machines will be exclusively devoted to manufacturing value added speciality products having guaranteed niche market and will generate reasonably high returns. As a result, the company's present manufacturing capacity of around 12 MT per day will get enhanced to approx. 80 MT per day. On its existing machine, the company has so far been manufacturing mainly Base Paper for One Time Carbon Paper, which is a high value special grade paper. The quality of the paper manufactured has been upgraded due to modernization efforts undertaken by the company and today its product is considered to be one of the best in the world.

BORROWING

The State Bank of India has sanctioned Credit Facilities of Rs. 22.60 Crores to the Company. for the future expansion plan of the Company.

EXPORTS

During the year, the company, of late, has made major breakthroughs in export market and has bagged big orders from buyers abroad and commences exports to various countries abroad. Company has achieved exports sales of (FOB) Rs. 152.32 during the year as against sales of Rs. NIL of the previous year.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Lakhamshi J. Gala, Director of the Company retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

POLLUTION CONTROL SAFETY AND ENVIRONMENTAL PROTECTION

The Company is very much concerned for the safety of men and machines. The preservation of the environment in and around the manufacturing plants has always received high weightage in all over corporate decisions.



SPECIALITY PAPERS LIMITED

FIXED DEPOSITS

The Company has not accepted any deposits during the year from the public within the meaning of section 58A of the Companies Act, 1956.

INSURANCE

The movable and immovable properties of the Company including plant and machinery and stocks wherever necessary and to the extent required have been adequately insured.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earning and outgo required to be disclosed as per section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure "A" to this Report

AUDITOR'S

M/s. S. S. Kapadia & Associates, Chartered Accounts, the Statutory Auditors of the Company, are retiring at the conclusion of Forty Third Annual General Meeting. The Auditor's has furnished a Certificate as required under section 224(1B) of the Companies Act, 1956 and has consented to continue to act as auditors of the Company for the current year, if re-appointed. The shareholders of the Company are requested to appoint Auditors and to authorize Directors to fix their remuneration.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956 the Directors confirm that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors' had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2004 and of the profit of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
4. The Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

None of the employees of the Company drew a remuneration of Rs. 24,00,000/- for the full year or Rs. 2,00,000/- per month for a part of the year and hence do not fall under category as specified under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employee) Rules, 1975.



SPECIALITY PAPERS LIMITED

INDUSTRIAL RELATION

Yours Directors are pleased to report that the relations with the employees and workers continued to be cordial during the year under review.

ACKNOWLEDGEMENT

The Directors would like to acknowledge the support received from the Shareholders. Customers, Bankers, Government Departments, Vendors, Contractors and all the other business associates for the continuous support given by them to the Company and their confidence in its management. The Directors also acknowledges with thanks the dedicated efforts of all the staff and employees of the company.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : July 9, 2004

MEKAN J. GALA
CHAIRMAN AND MANAGING DIRECTOR

Report  junction.com