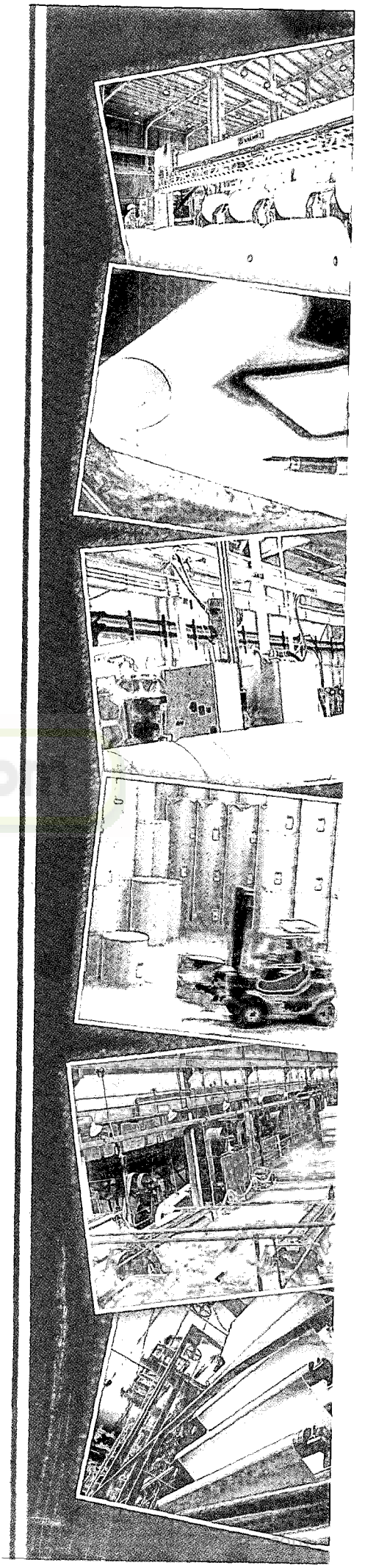
SANSCO SERVICES - Annual Reports Library Services - www.sansco.net



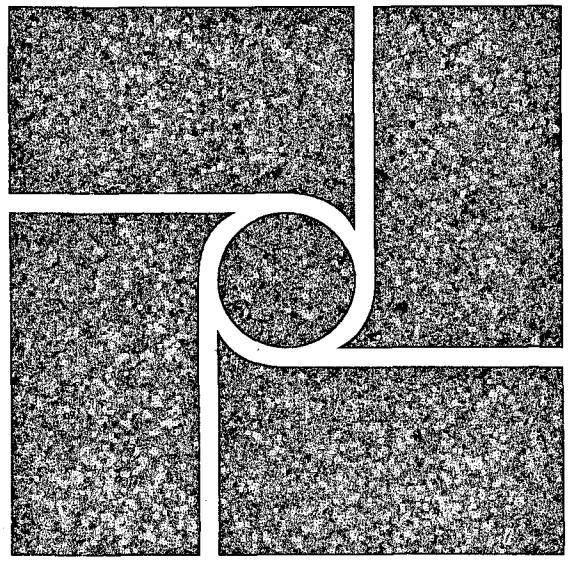
SPECIALITY PAPERS LIMITED

2006 - 2007

46th Annual Report

Report Junction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net



SPECIALITY PAPERS LIMITED

ReportJunction.com

2006 - 2007

46th Annual Report

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

CORPORATE INFORMATION

BOARD OF DIRECTORS	**MR. MEKAN J. GALA** Chairman & Managing Director **MR. LAKHAMSHI J. GALA** Director **MR. PREMJI J. GALA** Director **MR. PRADEEP K. CHOPRA** *Director* **MR. BRIJMOHAN D. AGARWAL** Director **MR. CHOTHMAL M. KABRA** Director
BANKERS	**STATE BANK OF INDIA** Ghatkopar (West) Branch Mumbai
AUDITORS	**S.S.KAPADIA & ASSOCIATES** Chartered Accountants 5/B, Shopping Centre, Near Bank of India, Silvasa Road, G. I. D. C. Vapi 396195
SOLICITORS & ADVOCATE	**L.D.SHAH & CO.** General Assurance Building, 232, D.N. Road, Ground Floor, Mumbai 400 001.
REGISTRAR & TRANSFER AGENTS	**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 396191. Dist. Valsad (Gujrat).
CORPORATE OFFICE	27, Kermani Building, 3rd Floor, Jn. of P. M. Road & D. N. Road, Opp. Citi Bank, Mumbai 400 001

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

CONTENTS

	Page No.
Notice	1
Growth at a Glance	5
Director's Report	6
Management Discussion and Analysis Report	12
Corporate Governance Report	14
Auditors' Report	25
Annexure to Auditors' Report	26
Balance Sheet	29
Profit & Loss Account	30
Schedules forming part of Balance Sheet and Profit & Loss Account	31
Notes on Accounts	41
Balance Sheet Abstract and Company's General Business Profile	45
Cash Flow Statement	47

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTICE

Notice is hereby given that the Forty Sixth Annual General Meeting of the Members of **Speciality Papers Limited** will be held on Saturday, 29th September, 2007 at 11.00 A. M. at the Registered Office of the Company at Village Morai, National Highway No. 8, Vapi, Distt. Valsad (Gujarat) 396 191 to transact the following business as:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Balance Sheet as on 31st March 2007 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 Premji 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.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII, as amended up to the date and all other applicable provisions, if any, of the Company Act, 1956, the Company hereby approves the re-appointment of Shri Mekan J. Gala, who has been re-appointed by the Board of Directors as the Managing Director of the Company for a further period of 5 (five) years with effect from 1st October, 2006, upon the terms and conditions set out in the Explanatory Statement annexed to the notice convening this meeting, with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed between the Board of directors and Shri. Mekan J. Gala.

RESOLVED FURTHER THAT Shri. Mekan J. Gala, Managing Director of the Company shall not retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

FOR AND ON BEHALF OF THE BOARD

MEKAN J. GALA
CHAIRMAN AND
MANAGING DIRECTOR

Place: Mumbai
Date: September 1, 2007

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

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 5 to 8 is annexed hereto.
3. The Registered of Members and the Share Transfer Books of the Company will remain closed from 28st September 2007 to 29th September 2007 (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 Register of Members, as at the close of business on September 27, 2007 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 September 27, 2007.
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 at least 10 days in advance, so as to enable the Management to keep the information ready.
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.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

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 2007-08, is already paid to The Stock Exchange, Mumbai.

FOR AND ON BEHALF OF THE BOARD

MEKAN J. GALA
CHAIRMAN AND
MANAGING DIRECTOR

Place: Mumbai
Date: September 1, 2007

EXPANATORY STATEMENT Pursuant to Section 173(2) of the Companies Act, 1956.

Item No.5.

At the Annual general Meeting of the Company held on 28th August 2002, the members of the Company had approved of the re-appointment and terms of remuneration of Shri. Mekan J. Gala as the Managing Director of the Company for a period of five years from 1st October 2001.

The Board at its meeting held on 18th November 2006, re-appointed Shri. Mekan J. Gala as the Managing Director of the Company for the period from 1st October 2006 to 30th September 2011, subject to the approval of the shareholders.

Shri. Mekan J. Gala is the promoter of the Company and has over 25 years of experience in Paper industry. He took control of the Company in 1997-98 when it was a sick company registered with Board for Industrial and Financial Reconstruction ("BIFR"). He has been instrumental in turning around the Company's performance thereby making it a profitable Company.

The terms and conditions relating to the re-appointment of Shri. Mekan J. Gala as the Managing Director is as follows:

Period	1st October, 2006 to 30th September 2011
Basic Salary	Rs. 1,00,000/- per month
Perquisites and Allownaces	
1. Provided Fund & Superannuation	As per the Income Tax Act, 1961
2. Gratuity	Half month's salary for each completed years of service
3. Provision for car and telephone at residence	For the Company's business purpose only will not be considered as perquisites.

Shri. Mekan J. Gala shall not be liable to retire by rotation.

In the event of no profits or inadequacy of profits in any financial year, Shri Mekan J. Gala shall be paid aforesaid remuneration and perquisites as minimum remuneration.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

The Board of Directors of the Company be and is hereby authorized to alter, amend and vary the terms and conditions of the said appointment, from time to time, as it may, in its discretion, deem fit and as may be agreed between the Board of directors and Shri. Mekan J. Gala.

In compliance with the provisions of Companies Act, 1956 read with Schedule XIII, as amended upto the date, the terms of the remuneration specified above are now being placed before the members in General Meeting for their approval.

Shri. Mekan J. Gala may be considered interested in the resolution at Item No. 5 since it relates to his re-appointment as the Managing Director of the Company.

This may be treated as an abstract under section 302 of the Companies Act, 1956 in respect of re-appointment of Shri. Mekan J. Gala as the Managing Director of the Company

The Resolution regarding the re-appointment of Shri. Mekan J. Gala as the Managing Director of the Company at item No. 5 is commended for approval be the members.

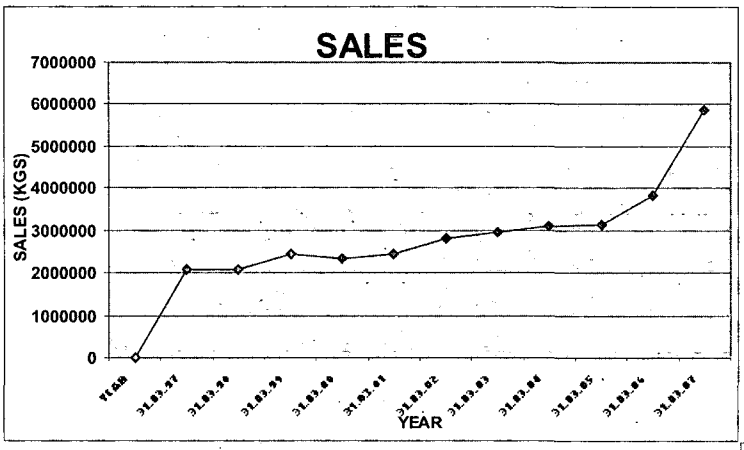
FOR AND ON BEHALF OF THE BOARD

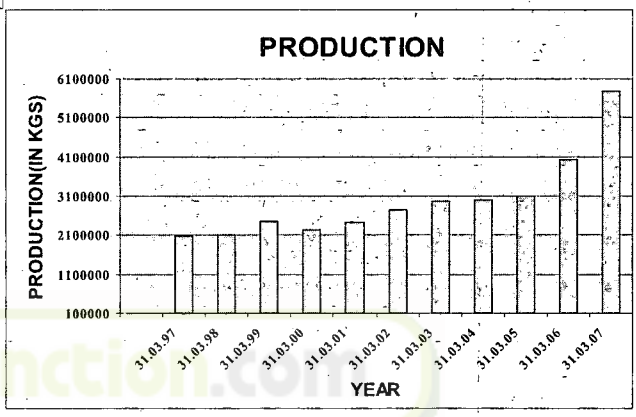
MEKAN J. GALA
CHAIRMAN AND
MANAGING DIRECTOR

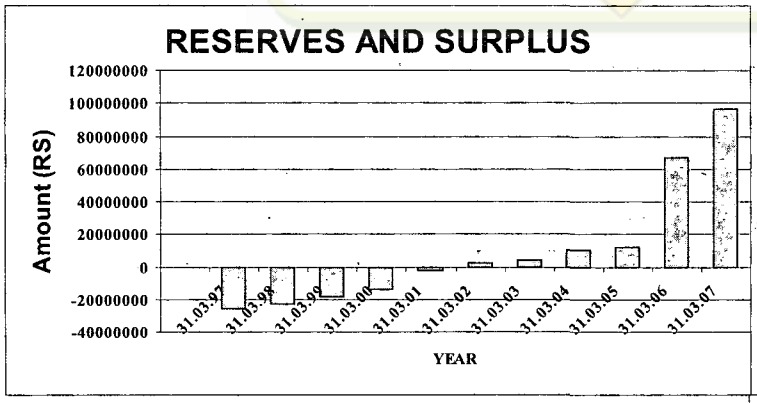
Place: Mumbai
Date: September 1, 2007

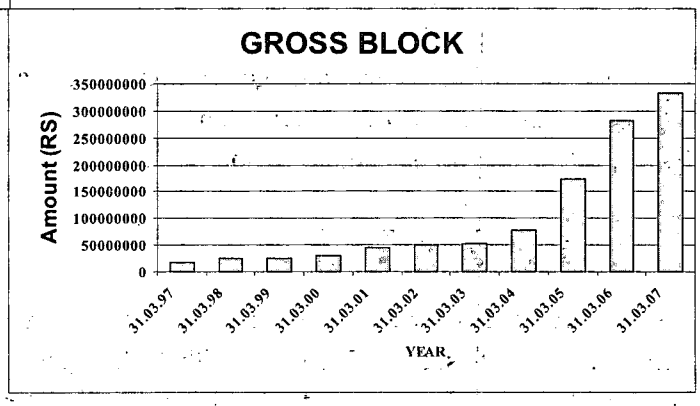
www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net









www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Dear Shareholders,

Your Directors have pleasure in presenting 46th Annual Report and Audited Accounts of the company for the year ended 31st March 2007.

FINANCIAL RESULTS

	Current Year	Previous Year
	31/03/2007 (Rs. in Lacs)	31/03/2006 (Rs. in Lacs)
Sales & Other Income	**4891.63**	1657.64
Profit/(Loss) before Interest & Depreciation	**716.08**	330.09
Less: Interest	**154.45**	126.84
Less: Depreciation	**74.43**	62.99
Net Profit/ (Loss) for the year before Taxation	**487.19**	140.26
Less: Provision for Taxation	**56.00**	15.00
Net Profit/(Loss) after Tax	**431.19**	121.28
Less: Provisions for Taxation (Deferred)	**112.10**	22.63
Net Profit/(Loss) after Deferred Tax	**319.09**	98.65
Prior Period Adjustments		
Amount available for Appropriation		
Add: B/F from earlier years	**178.67**	109.01
Dividend	**19.20**	15.87
Tax on Dividend	**4.35**	2.23
Balance in Profit & Loss Account carried forward to next year	**254.35**	178.67

DIVIDEND

The Directors are pleased to recommend for consideration of the Members dividend @5% (Rs. 0.50 per Equity Share of Rs. 10.00 each) for the financial year 2006-2007 (previous year @ 5% i.e. Rs. 0.50 per Equity Share) subject to the approvals of the Bank.

OPERATIONS - PERFORMANCE HIGHLIGHTS

The year under review was overall, a good and eventful year for the Company. Despite of stiff competition, the company has achieved net sales of Rs 4891.63 Lacs and a net profit of Rs.487.19 Lacs as against Rs 1657.64 Lacs and Rs 140.26 Lacs respectively of the corresponding previous year.

MERGER/AMALGMATION

The Board of Directors have approved the Amalgamation/Merger of M/s. Reliable Paper (India) Limited, M/s. Opel Paper Mill Limited and M/s. Prime Industries with the Company. The company's board has approved a valuation of Rs 265 crore for Reliable Papers, Rs 53 crore for Opel Paper Mill and Rs 10 crore for Prime Industries i.e. for a total consideration of Rs 328 crore.

www.reportjunction.com