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SPECIALITY PAPERS LIMITED



48TH ANNUAL REPORT
2008-2009

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SPECIALITY PAPERS LTD.
48th Annual Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS	**MR. MEKAN J. GALA** Chairman and 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**
AUDITORS	**KAPADIA SHAH & CO.** Chartered Accountant Vapi
REGISTRAR & TRANSFER AGENT	**BIGSHARE SERVICES PVT. LTD.** E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072
REGSITERED OFFICE & PLANT	Village Morai, National Highway No. 8, Vapi, Dist. Valsad, Gujarat –396 191
CORPORATE OFFICE	27, Kermani Building, 3rd Floor, Jn. of P.M. Road & D.N. Road, Opp. Citi Bank, Mumbai – 400 001

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SPECIALITY PAPERS LIMITED

Registered Office.: Village Morai, National Highway No. 8,
Vapi, Dist. Valsad, Gujarat –396 191

NOTICE

Notice is hereby given that the Forty Eight Annual General Meeting of the Members of Speciality Papers Limited will be held on Wednesday, 30th September, 2009 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 2009 and the Profit and Loss Account for the year ended on that date and the Directors and the Auditor's Report thereon.
2. To appoint a Director in place of Shri. Pradeep K. Chopra who retires by rotation and being eligible offers himself for reappointment.
3. 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

MEKAN J. GALA
CHAIRMAN AND
MANAGING DIRECTOR

Place: Mumbai
Date: September 3, 2009

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 23rd September 2009 to 30th September 2009 (both days inclusive).
4. 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,

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Andheri (East), Mumbai – 400 072 or to the Company's Corporate Office quoting the relevant folio number in each case.

5. 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.
6. 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.
7. Members may note that the Company is accessible on the internet at the website **reliablepaperindia.com**
8. 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.
9. 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.
10. 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.
11. 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.
12. 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 2009-10, 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 3, 2009

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SPECIALITY PAPERS LIMITED
48th Annual Report

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 48th Annual Report and Audited Accounts of the company for the year ended 31st March 2009.

FINANCIAL RESULTS

	Current Year	Previous Year
	31/03/2009 (Rs in Lacs)	31/03/2008 (Rs in Lacs)
Sales & Other Income	**10524.47**	7289.20
Profit / (Loss) before Interest and Depreciaiton	**428.95**	672.65
Less : Interest	**188.86**	250.22
Less : Depreciation	**208.00**	182.17
Net Profit / (Loss) for the year before Taxation	**32.09**	240.26
Less : Provision for Taxation	**3.99**	65.04
Net Profit / (Loss) after Tax	**28.10**	175.22
Less : Provision for Taxation (Deferred)	**122.10**	-49.63
Net Profit / (Loss) after Deferred Tax	**(94.00)**	224.85
Add / (Less) : Earlier year Tax adjustment	**(0.17)**	0.91
Add : B/F from earlier years	**480.09**	254.34
Dividend	**0**	0
Less : Transfer to General Reserve	**159.08**	0
Balance in Profit & Loss account Carried forward to next year	**226.84**	480.10

DIVIDEND

The Director do not recommended any dividend for the financial year 2007-2008 (previous year NIL).

OPERATIONS - PERFORMANCE HIGHLIGHTS

The year under review was overall, good and eventful year for the Company.
In terms of sales despite stiff competition, the company has achieved net sales of Rs 10524.47 as against Rs.7289.19 Lacs in the previous year however the net profit was down to Rs. 32.08 Lacs against Rs 240.24 Lacs respectively of the corresponding previous year.

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PROGRESS OF SCHEME OF AMALGAMATION/MERGER

The High Court approvals are in progress in the matter of scheme of Amalgamation of Reliable Paper (India) Ltd., Opel Paper Mill Ltd and Prime Hygiene Products Pvt. Ltd. with your Company and once granted the amalgamation will be completed with effect from respective appointed dates stipulated in the Amalgamation Scheme approved by the Honorable High Court.

EXPORTS

During the year, the company has bagged big orders from buyers abroad and commences exports to various countries abroad. Company has achieved exports sales of (FOB) Rs.414.00 lacs during the year as against sales of (FOB) Rs.805.00 lacs of the previous year.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri. Pradeep K. Chopra, 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.

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

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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. Kapadia Shah & Co., Chartered Accountants the Statutory Auditors of the Company, are retiring at the conclusion of Forty Seventh Annual General Meeting, and being eligible offer, themselves for reappointment. 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, 2009 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.

DEMAT OF SHARES

As on date, about 98.08% shares of the Company have been dematerialized and the Company solicits co-operation from its investors to have their holdings converted in demat form to provide them better liquidity in future.

PARTICULARS OF EMPLOYEES

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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.

CORPORATE GOVERNANCE

Your Company has complied with the mandatory requirement of Corporate Governance provisions prescribed under Clause 49 of the Listing Agreement with Stock Exchange. A detailed report Corporate Governance is included in the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as per requirement of Clause 49 of the Listing Agreement with Stock Exchange is included in the Annual Report.

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

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The Directors would like to acknowledge the support received from the Shareholders, Customers, State Bank of India, 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

MEKAN J. GALA
CHAIRMAN AND MANAGING DIRECTOR

P. J. GALA
DIRECTOR

Place: Mumbai
Date: September 3, 2009

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ANNEXURE "A" TO THE DIRECTOR'S REPORT

PARTICULARS AS REQUIRED UNDER SECTION 217 (1)(E) OF THE COMPANIES ACT, 1956. READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988, AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

ENERGY CONVERSATION:

A) MEASURES TAKEN

1)Optimum utilization of power to keep power factor more than 0.95
2)By proper recycling of water, water consumption has reduced substantially.

FORM A

(Form of Disclosure of particulars with respect to conservation of energy)

	For the year ended 31st March, 2009 (Rs. In Lacs)	For the year ended 31st March, 2008 (Rs. In Lacs)
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased Unit Lac KWH	65.88	79.96
Total Amount	362.35	440.08
Rate / Unit (Rs.)	5.50	5.50
2. Coal / Lignite		
Quantity (Tonnes)	7350.81	6,410.92
Total Cost	270.33	123.77
Average rate Rs./Per Ton	2707.59	1,930.61
3. Furnace Oil, LDO & Other Fuel		
Quantity (KL)	128.06	98.23
Total Cost	21.54	19.74
Average rate Rs./Per KL	23903.96	20,095.69
B. CONSUMPTION PER UNIT OF FINISHED GOODS		
Production Paper	3439.03	4,819.86
Electricity (KWH/MT)	1053.94	1,658.97
Coal (KGS/MT)	603.58	1,330.10

Note: The Company has added some high value paper in its product mix and therefore consumption of energy varies depending upon product mix.

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