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SPECIALITY PAPERS LIMITED

53rd ANNUAL REPORT

2013-14

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Nemchand J. Gala
(Chairman and Managing Director)
Mr. Darshak N. Gala
Mrs. Urmila N. Gala
Mr. Pradeep K. Chopra

AUDITORS

James Shah & Co.
Chartered Accountant
Mumbai.

BANKERS

State Bank of India.

SOLICITOR & ADVOCATE

L.D.Shah & Co.
Petite Fleur, 85 Ranade Road,
Shivaji Park, Dadar (W),
Mumbai – 400 028.

REGISTERED OFFICE & PLANT

Village Morai, National Highway No. 8,
Vapi, Dist. Valsad, Gujrat - 396191.

REGISTRAR & TRANSFER AGENT

Big Share Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072.

CORPORATE OFFICE

93, Dadisheth Agiary Lane,
Off Kalbadevi Road, Mumbai-400002

Notice is hereby given that the 53rd Annual General Meeting of the Members of Speciality Papers Limited will be held on Monday, 30th September, 2014 at 11.00 A.M. at the registered office of the Company at the National Highway No. 8, Village Morai, Vapi, Valsad, Gujarat – 396191 to transact the following business as:

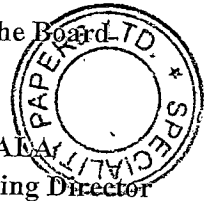
ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors of the Company and fix their remuneration.

“RESOLVED THAT pursuant to provision of Sub-section (1) of Section 224 of the Companies Act, 1956, M/S JAMES SHAH & CO, Chartered Accountants, be and is hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to audit the financial accounts of the Company for the financial year 2013 - 2014 on a remuneration by way of such fees as the directors may determine.”

Place: Mumbai
Date: 14/08/2014

For and on behalf of the Board
N J Galu
NEMCHAND J. GALU
Chairman and Managing Director



NOTES:

- The Members entitled to vote is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not to be member of the Company. The instrument appointing proxy shall be deposited with the Company at least 48 hours before the commencement of the meeting in order to be proxy being effective.
- Intimate to the Company's Registrars and Share Transfer Agents, **Bigshare Services Private Limited** (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date, quote ledger folio numbers /DP Identity and Client Identity Numbers in all their correspondences;
- **Members holding shares in physical form are requested to notify/send the following to the Company or Share Transfer Agent to facilitate better services:**
 - Any change in their address/mandate/bank details.
 - Share certificates(s), held in multiple accounts in identical names or joint accounts in the same order of means, for consolidation of such shareholding into one account.
 - In order to prevent protection against fraudulent encashment of the warrants, members holding shares in physical form are requested to inform the following to the Company:
 - ◆ Name of the sole/ First Joint holder and the Folio Number
 - ◆ Particulars of Bank accounts Name of Bank, Complete address of Bank, account type, Bank account no. allotted by bank.
- All documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days between 11:00AM to 1:00PM upto the date to Annual General Meeting.
- **Members are requested**
 - To bring copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - To quote their folio/identification Nos. in all correspondence.
 - To notify immediately for change of their address and bank particulars to the Company or its share Transfer Agent, in case shares are held in physical form. And in case their shares are held in demat form; information should be passed on directly to their respective Depository Participant and not to the Company/ Share Transfer Agent, without any delay.
 - In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.

Place: Mumbai
Date: 14/08/2014

For and on behalf of the Board.

N J Gala

Nemchand J. Gala
Chairman and Managing Director



DIRECTOR'S REPORT

To
The Shareholders of
Speciality Papers Limited

The Directors have pleasure in submitting their 53rd Annual Report on the business and operations of the Company along with the Audited Balance Sheet and Profit & Loss Accounts for the year ended 31st March, 2014.

Financial Result:

(Rs. In Lacs)

Particulars	Current Year 31/03/2014	Previous Year 31/03/2013
Sales & other Income	55.46	4541.87
Profit/ (Loss) before Interest & Depreciation	(2232.88)	(632.84)
Less: Interest	-	-
Less: Depreciation	216.91	217.97
Net Profit / (Loss) for the year before Taxation	(2015.97)	(414.87)
Less: Provision for Taxation	-	-
Net Profit / (Loss) after Deferred Tax	(2015.97)	(414.87)

Dividend:

Keeping in view the losses incurred during the year by the Company, Your Directors do not recommend any Dividend for the year ended on 31st March, 2014.

Review of Operation:

The year under review was overall not satisfactory year for the Company. The company has achieved gross sales of Rs 55.46 Lacs as against Rs.4541.87 Lacs in the previous year and incurred a loss of Rs 2015.97 lacs against the loss of Rs 414.87 Lacs of the corresponding previous year.

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 significance in all over corporate decisions.

Directors:

The Board consists of Executive and Non- Executive Director including independent director who have wide and varied experience in different disciplines of corporate functioning. The Composition of the Board of Directors has been constituted as per the provisions of Clause 49 of the Listing Agreement.

Mr. Pradeep Kumar Chopra, directors of the Company, liable to retire by rotation retire at this Annual General Meeting and being eligible to be re-appointed offer themselves to be reappointed.

Mr. Darshak N Gala, who was appointed as a Director of the Company in the Board meeting held on 12th April, 2012, is being proposed to be re- appointed as a Director liable to retire by rotation upon the notice received in writing signifying his intention to propose the said director as candidate for the Office of Directors.

Mrs. Urmila N Gala, who was appointed as a Director of the Company in the Board meeting held on 12th April, 2012, is being proposed to be re- appointed as a Director liable to retire by rotation upon the notice received in writing signifying her intention to propose the said director as candidate for the Office of Directors.

Auditors:

During the year, **M/S.JAMES SHAH & CO** reappointed as the Statutory Auditors of the Company to hold office from annual general meeting till the conclusion of next Annual General Meeting.

The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 224(1B) of the Companies Act, 1956.

Directors' Responsibility Statement:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your directors state that:-

- In the preparation of accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2014 and the profit of the Company for the year ended on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The annual accounts of the Company have been prepared on a going concern basis.

Corporate Governance:

Your Company is committed to good Corporate Governance Practices and is regular compliant with all the applicable provisions of Companies Act, 1956 and Clauses of Listing Agreement following to the guidelines prescribed by the SEBI and Bombay Stock Exchanges from time to time. The Company has implemented all of its major stipulations as applicable to the Company. Report on Corporate Governance is annexed to and forming part of the Directors' Report.

Managing Discussion and Analysis:

A Management discussion and Analysis as required under the Clause 49 of the Listing Agreement is annexed and forming part of the Annual Report.

Conservation of Energy, Research and Development, Technology Absorptions and Foreign Exchange Earnings and Outgo:

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as per 'Annexure A' and forms part of the Directors' Report.

DEMAT of Shares

As on date, about 99.02% 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:

During the year under review, no employee of the Company was entitled to the remuneration exceeding the sum prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 and no other provision of the aforesaid section are applicable to the Company for the financial year under review.

Audit Committee:

According to the provisions of Section 292A of the Companies Act, 1956 every public Company having paid-up capital of not less than Rs. 5 Crores shall constitute an Audit Committee consisting of the members of the Board

The important role of the Audit Committee is to support the Board of Directors in its surveillance and control duties. The most important of these duties is to ensure that generally accepted accounting principles are properly applied and to check that the internal control systems used when drawing up the individual and consolidated Annual Accounts are adequate and complete.

Corporate Social Responsibility (CSR):

Social welfare and community development is at the core of the Speciality's CSR philosophy and this continues to be a top priority. The Company's contributions to the community are in the areas of recycling of papers and assistance in the event of a natural disaster and contributions to other social development organisations.

Acknowledgement:

Your Company not performed so extensively well in a challenging year but will continue to maintain its quality standards in forthcoming future. It has also been improving the quality and cost benchmarks and continues to build shareholder value.

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who, through their dedication, co-operation, support and smart work, have enabled the Company to achieve rapid growth.

Place: Mumbai
Date: 14/08/2014

For and on behalf of the Board

N. J. Gala



NEMCHAND J. GALA
Chairman and Managing Director

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, 2014.

ENERGY CONSERVATION:

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 Particulars with respect to conservation of energy)

Particulars	For the year ended 31 st March, 2014 (Rs. In Lacs)	For the year ended 31 st March, 2013 (Rs. In Lacs)
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased Unit Lac KWH		
Total amount	Nil	Nil
Rate / Unit (Rs.)	Nil	Nil
	Nil	Nil
2. Coal / Lignite		
Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average rate Rs./Per Ton	Nil	Nil
3. Furnace Oil, LDO & Other Fuel		
Quantity (KL)	Nil	Nil
Total Cost	Nil	Nil
Average rate Rs./Per KL	Nil	Nil
B. CONSUMPTION PER UNIT OF FINISHED GOODS		
Production Paper	Nil	Nil
Electricity (KWH/MT)	Nil	Nil
Coal (KGS/MT)	Nil	Nil