SPECIALITY PAPERS LIMITED

54th ANNUAL REPORT

2014-15

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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

Notice is hereby given that the **54th** Annual General Meeting of the Members of Speciality Papers Limited **(CIN : L21012GJ1961PLC001073)** will be held on Wednesday, 30th September, 2015 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, 2015 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 (2) of Section 139 and Sub-section (1) of Section 142 of the Companies Act, 2013, the reappointment of the Auditor of the Company **M/S JAMES SHAH & CO**, Chartered Accountants, be and is hereby ratified by the members of the Company for the financial year 2015-2016 at such remuneration as the directors may determine."

3. To appoint a Director in place of Mrs. URMILABEN NEMCHAND GALA (DIN: 00920131) who retires by rotation, and being eligible offers herself for re-appointment.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution: "RESOLVED THAT in supersession of all earlier resolutions passed in this regard and pursuant to provisions of 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors to borrow money, from time to time at its discretion either from the Company's bank or any other bank, financial institutions or any other lending institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors upto a limit not exceeding in the aggregate Rs 2,00,00,00,000/- [Rupees Two Hundred Crores Only] notwithstanding that the moneys to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves that it is to say, reserves not set apart for any specific purpose.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to take such actions and steps as may be necessary and to settle all matters arising out of and incidental thereto and to finalize the form, extent and manner of and the documents and deeds, as may be applicable, for creating the mortgage/pledge/hypothecation/ charge on the whole or part of the Company's land, building thereon, machinery, stocks, book debts and all other assets whether movable or immovable of the Company situated in India or abroad on such terms and conditions as may be decided by the Board in consultation with the lenders and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

For and on behalf of the Board

N J Gala

NEMCHAND J. GALA
Chairman and Managing Director

Place: Mumbai
Date: 30/05/2015

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.
  - Pursuant to the erstwhile provisions of Sections 293(1)(d) and 293(1)(a) of the Companies Act, 1956, the Board of Directors was authorized by the Members of the Company to borrow moneys on behalf of the Company(apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of R 2,00,00,00,000/- (Rupees Two Hundred Crores Only) at any point of time and also, to secure the said borrowings by creating mortgage/charge on all or any of the movable/immovable properties of the Company. Accordingly, in order to remain compliant with the provisions of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013, the consent of the Members is being sought by way of special resolutions for authorizing the Board of Directors to borrow moneys on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's

bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of R 2,00,00,00,000/- (Rupees Two Hundred Crores Only) at any point of time and also, to secure the same by creating the mortgage/pledge/hypothecation/charge on the whole or part of the Company's land, building thereon, machinery, stocks, book debts and all other assets of the Company whether movable or immovable, situated in India or abroad. None of the Directors and Key Managerial Personnel or relatives of them are interested in the above resolution. The Board of Directors recommends the resolutions set forth in Item Nos. 06 & 07 for the approval of the Members as Special Resolutions.

For and on behalf of the Board

Place: Mumbai
Date: 30/05/2015

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 **54th** 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, 2015.

Financial Result:

(Rs. In Lacs)

Particulars	Current Year 31/03/2015	Previous Year 31/03/2014
Sales & other Income	65.86	55.46
Profit/ (Loss) before Interest & Depreciation	(821.47)	(2232.88)
Less: Interest	-	-
Less: Depreciation	420.05	216.91
Net Profit / (Loss) for the year before Taxation	(1241.52)	(2015.97)
Less: Provision for Taxation		
Net Profit / (Loss) after Deferred Tax	(1241.52)	(2015.97)

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, 2015.

Review of Operation:

The year under review was overall not satisfactory year for the Company. The company has achieved gross sales of Rs 65.86 Lacs as against Rs 55.46 Lacs in the previous year and incurred a loss of Rs 1241.52 lacs against the loss of Rs 2015.97 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.

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.

Key Managerial Personnel:

Mr. Nemchand Gala, Chief Compliance Officer of the Company was appointed as Key Managerial Personnel during the Financial Year 2014-15 in accordance with the Section 203 of the Companies Act, 2013.

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 139(2) and section 142(1) of the Companies Act, 2013.

Directors' Responsibility Statement:

In accordance with the provisions of section 134 (3)(C') of the Companies Act, 2013, 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, 2015 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, 2013 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, 2013 and Clause 49 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 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given as per 'Annexure A' and forms part of the Directors' Report.

DEMAT of Shares

As on date, about 86.08% 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:

During the year under review, no employee of the Company was entitled to the remuneration exceeding the sum prescribed under section 197 of the Companies Act. 2013, read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 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 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and it's powers) Rules, 2014 and Clause 49 of the listing agreement. every listed Company and some other categories of companies need to 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 organizations.

Fixed Deposits :

The Company has not invited and accepted any Fixed Deposits from the public within the meaning of with Section 73 and 74 of the Companies Act, 2013 read with Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014 , hence disclosure required under above rule not applicable to the Company.

Extract Of Annual Return:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed as "Annexure-A" to the Directors' Report.

POLICIES

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy (WBP) in accordance with Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement to deal with instances of fraud and mismanagement, if any. The vigil mechanism/Whistle Blower Policy is uploaded on the Company's website.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Extract of Remuneration Policy is annexed as "Annexure-" to the Corporate Governance Report.

Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. A policy for prevention of Sexual Harassment of Women at workplace and setting up of the Committee for implementation of said policy is under review and consideration.

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.

For and on behalf of the Board

Place: Mumbai
Date: 30/05/2015

NJ Gala

NEMCHAND J. GALA
Chairman and Managing Director