



**Annual
Report
2000-01**



SPECIALITY PAPERS LIMITED

**SPECIALITY PAPERS LIMITED**

DIRECTORS : MR. P. J. GALA
MR. L. J. GALA
MR. M. J. GALA - C. M. D.
MR. P. K. CHOPRA - JT. M. D.

BANKERS : DENA BANK

AUDITORS : R. D. RAIGAGLA & Co.
CHARTERED ACCOUNTANTS
105, Kaji Sayed Street, 2nd Floor,
Above Union Bank of India,
Mumbai - 400 003.

**REGISTERED OFFICE
AND FACTORY** : MORAI, P. O. VAPI (W. RLY.)
DIST. VALSAD (GUJARAT)

CORPORATE OFFICE : FAMOUS CINE BUILDING
20, DR. E. MOSES ROAD,
MAHALAXMI,
MUMBAI - 400 011.

SILVASA OFFICE : 1/3 ANKUR INDUSTRIAL ESTATE,
DEMNI ROAD, VILLAGE DADRA,
SILVASA.

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**SPECIALITY PAPERS LIMITED****NOTICE**

Notice is hereby given that the 40th Annual General Meeting of the Members of **SPECIALITY PAPERS LIMITED** will be held on Wednesday, the 20th June, 2001 at 11.00 A.M. at the Registered Office of the Company at P. O. Box No.7, Morai, N. H. No.8, Vapi, Dist. Valsad (Gujarat) to transact the following Business as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2001 and the Audited Balance Sheet as at that date together with the Report of the Directors and the Report thereon.
2. To appoint a Director in place of Shri Premji J. Gala retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s.Raigagla & Associates, Chartered Accountants, Mumbai as the Auditors of the Company in place of M/s.R.D.Raigagla & Co., Chartered Accountants, who hold office upto the date of the ensuing Annual General Meeting and have shown their unwillingness to be re-appointed as Auditors of the Company. To pass, with or without, modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT M/s. Raigagla & Associates, Chartered Accountants, Mumbai, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and they be paid remuneration as mutually agreed between them and the Board of Directors of the Company and the said Auditors be paid out-of-pocket expenses incurred by them in connection with audit of accounts of the Company."

NOTES :

1. A MEMBER ENTITLED TO APPOINT AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy Forms should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 13/06/2001 to 20/06/2001.

Place : **Mumbai**
Date : 30th April, 2001

By Order of the Board

MEKAN J. GALA
MANAGING DIRECTOR



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DIRECTORS' REPORT

To The Members,

The Directors present their Fortieth Annual Report together with the Audited Balance Sheet as at 31st March, 2001.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2001 are as under :

	Current Year 31/03/2001 (Rs. In Lacs)	Previous Year 31/03/2000 (Rs. In Lacs)
Sales & Other Income	858.23	789.55
Profit / (Loss) before Interest & Depreciation	155.41	89.73
Less : Interest	26.30	28.08
Less : Depreciation	15.54	14.20
Net Profit / (Loss) for the year before Taxation	113.57	47.45
Less : Provision for Taxation	-	-
Net Profit / (Loss) after Taxation	113.57	47.45
Amount available for Appropriations	113.57	47.45
Add : Balance brought forward from earlier years	(199.65)	(247.10)
Balance in Profit & Loss Account carried forward to next year	(86.08)	(199.65)

OPERATIONS

During the period under review, the Company achieved a Sales Turnover and Other Income of Rs.858.43 Lakhs and Net Profit of Rs.113.57 Lakhs as against Rs.789.55 Lakhs and Rs.47.45 Lakhs respectively of the corresponding previous year. the operations of the Company are improving year after year and the management is sure of better performance with the restructuring of the product-mix.

DIVIDEND

In view of the carried forward losses, the Directors express their inability to declare any dividend for the year ended 31st March, 2001.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Act, the Directors' State as under:

- (a) that in preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (b) 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 at the end of the financial year and of the profit of the company for that period;



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- (c) that the Directors' had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors' had prepared the annual accounts on going concern basis.

SCHEME OF REHABILITATION

The Scheme of Modification in Rehabilitation Scheme is under consideration of the Authorities and Directors are hopeful of receiving its approval shortly.

FIXED DEPOSITS

During the period under review, the Company has not accepted / renewed any deposits within the meaning of section 58A of the Companies Act, 1956 and the (Acceptance of Deposits) Rules, 1975.

DIRECTORS

Shri A. K. Jain has resigned as a Nominee Director of Board for Industrial & Financial Reconstruction from the Board of Directors of the Company with effect from 31st October, 2000. Shri L. M. Shah and Shri S. K. Jajoo has resigned from the Board of Directors of the Company with effect from 31st January, 2001. The Board places on record its appreciation for the valuable services rendered by Shri Jain, Shri Shah, and Shri Jajoo, during their tenure as Directors of the Company.

In accordance with the provisions of the Companies Act 1956 and the Articles of Association of the Company, Shri Premji J. Gala retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGES EARNINGS AND OUTGO

The details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings Foreign Exchange Outgo as required pursuant to 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 are furnished in the Annexure to this Report.

PARTICULARS OF EMPLOYEES

None of the employees of the Company were in receipt of remuneration of Rs.12,00,000/- per annum and Rs.1,00,000/- per month, nor employed for a part of the year. Hence information required under section 217(2A) of the Companies Act, 1956 is not furnished.

AUDITORS

M/s.R.D. Raigagla & Co. Chartered Accountants, Mumbai, the Auditors of the Company have expressed their unwillingness to be reappointed as Auditors of the Company for the next term, in view of same, the Board of Directors recommend the appointment of M/s. R. D. Raigagla & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. The Company has received a letter from M/s.Raigagla & Associates, Chartered Accountants, to that effect that if the appointment is made, the same would be within the limit prescribed under section 224 (1B) of the Companies Act, 1956.



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ACKNOWLEDGMENT

Your Directors record their appreciation of the contribution made by the employees at all the levels during the year and also expressed their gratitude to the Company's esteemed clients, contractors, suppliers, bankers, consultants, auditors and various government Authorities for their valuable contribution and continued support.

FOR AND ON BEHALF OF THE BOARD

Place : **Mumbai.**

Date : 30th April, 2001

MEKAN J. GALA
CHAIRMAN

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ANNEXTURE TO DIRECTORS REPORT INFORMATION UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS)' REPORT

ENERGY CONSERVATION :

A) Measures Taken

- 1) Optimum utilisation 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 31 st March '01 (Rs. in Lacs)	For the Year ended 31 st March 00 (Rs. in Lacs)
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased Units lac KWH	22.36	13.79
Total Amount	112.29	69.50
Rate / Unit (Rs.)	5.02	5.04
2. Coal / Lignite		
Quantity (Tonnes)	2241.08	1956.45
Total Cost	35.96	30.74
Average rate Rs./ per Ton	1604.58	1571.21
3. Diesel		
Quantity (KL)	70.07	277.67
Total Cost	10.61	24.23
Average rate Rs. / per KL	15142.00	8726.00
B. CONSUMPTION PER UNIT OF PRODUCTION :		
PRODUCT MG POSTERS		
Electricity (KWH/MT)	920	618
Coal (KGS/MT)	922	878

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



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FORM B

(Form of Disclosure of particulars with respect to Technology Absorption)

RESEARCH & DEVELOPMENT

- | | | |
|--|---|---|
| 1. Specific areas in which R & D carried out by the Company | : | The Company has carried out the R & D activities for the development of Cast Coated Papers (An Import Substitute) |
| 2. Benefits derived as a result of the above R & D. | : | The value addition in the product mix and Diversification of products. |
| 3. Future plan of Action | : | The Company is planning to develop further Speciality grades. |
| 4. Expenditure on R & D | : | |
| a) Capital | : | Rs. NIL |
| b) Recurring | : | Not Significant |
| c) Total | : | Not Significant |
| d) Total R & D expenditure as a percentage of total Turnover | : | Not applicable |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | | |
|---|---|--|
| 1. Efforts made in brief towards technology absorption, adaptation and innovation | : | The Company has developed the technology for manufacture of various types of papers in house. The technology is fully absorbed. The Directors taking effective steps to update with latest available technology in the industry. |
| 2. Benefits derived as a results of the above efforts | : | The Company's plant is operating successfully and satisfactory. |
| - Product improvement | : | The quality of the products are satisfactory and well accepted to the market. |
| - Cost Reduction | : | There has been no reduction in cost directly, due to the same. |
| - Products Development | : | The Company is able to satisfy the demand of various type of Industry and Customers. |
| - Import substitution | : | Efforts are on. |

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3. Information required in case of technology (imported during the last 5 years reckoned from the beginning of the financial year). : Not applicable as the technology is indigeneous.

FOREIGN EXCHANGE EARNING & OUT GO

The Company has spent foreign Exchange equivalent to Rs. 10190450/- (CIF) towards purchase of Raw materials.

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AUDITORS' REPORT

To,
The Members of
SPECIALITY PAPERS LIMITED.

We have audited the attached Balance sheet of SPECIALITY PAPAERS LIMITED as at 31st March, 2001 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that :

1. As required by the Manufacturing and other Companies (Auditor's Report) order 1988, issued by the Company Law Board In terms of Section 227(4A) of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - a) *Loss of certain statutory secretarial records and restructuring of such records and certain statutory requirements under the Companies Act, 1956 are under compliance (Note No. 2 in part of II of schedule 'O')*
 - b) *No provision has been made for depreciation of*
 - i) *Rs. 43,16,404/- in respect of certain earlier years (Note No. 3(a) in part II of Schedule 'O') and;*
 - ii) *Rs.3,841,392/- (including Rs. 268,256/- for the current year) being the additional charge of the difference between the depreciation on the revalued amount and on the original cost of the building and to be met out of Capital Reserve-on revaluation (Note No. 3b in Part II of Schedule 'O')*
 - c) *The accounts of certain Debtors, Creditors and Loans and Advances including irrecoverable amount written back, are subject to confirmation and reconciliation*
 - d) *No provision has been made for debts and advance considered doubtful of recovery aggregating Rs.1,329,700/- (Note No. 6 in Part II of Schedule 'O')*
 - e) *We are unable to express an opinion with regard to recoverability / realisability or otherwise of Rs. 6,37,068/- being amount of Excise refund due since a pretty long time, (Note No. 8 in Part II of Schedule 'O')*
 - g) *Subject to what is stated at paragraph (b) and (d) above, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.*
 - h) *Balance sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts;*
 - i) *In our opinion, the profit & loss account & Balance Sheet dealt with by this report, subject to above comments, complies with the Mandatory accounting standards referred in to Sub-section (3C) of section 211 of the Companies Act 1956.*