

SPECIALITY PAPERS LIMITED  
55<sup>th</sup> ANNUAL REPORT (2015-16)

# **SPECIALITY PAPERS LIMITED**

**55<sup>th</sup> ANNUAL REPORT**  
**2015-16**

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**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr. Nemchand J. Gala  
(Chairman and Managing Director)  
Smt. Urmila N. Gala  
Mr. Darshak N. Gala  
Mr. Pradeep K. Chopra  
Mr. Vakati Balasubramanyam Reddy

**AUDITORS**

James Shah & Co.  
Chartered Accountant  
Mumbai.

**BANKERS**

State Bank of India.

**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 55<sup>th</sup> Annual General Meeting of the Members of Speciality Papers Limited (CIN : L21012GJ1961PLC001073) will be held on Friday, 30<sup>th</sup> September, 2016 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, 2016 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 2016-2017 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.”

Place: Mumbai  
Date: 30/05/2016

For and on behalf of the Board

*N J Gala*

NEMCHAND J. GALA

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.
  - 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.

Place: Mumbai  
Date: 30/05/2016

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 55<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Balance Sheet and Profit & Loss Accounts for the year ended 31<sup>st</sup> March, 2016.

#### Financial Result:

Particulars	(Rs. In Lacs)	
	Current Year 31/03/2016	Previous Year 31/03/2015
Sales & other Income	13.64	65.86
Profit/ (Loss) before Interest & Depreciation	(32.85)	(821.47)
Less: Interest	-	-
Less: Depreciation	250.13	420.05
Net Profit / (Loss) for the year before Taxation	(282.99)	(1241.52)
Less: Provision for Taxation	-	-
Net Profit / (Loss) after Deferred Tax	(282.99)	(1241.52)

#### 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 31<sup>st</sup> March, 2016.

#### Review of Operation:

The year under review was overall not satisfactory year for the Company. The company has achieved gross sales of Rs 4.89 Lacs as against Rs 65.86 Lacs in the previous year and incurred a loss of Rs 282.99 lacs against the loss of Rs 1241.52 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 12<sup>th</sup> April, 2016, 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 2015-16 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, 2016 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 its 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.

Place: Mumbai  
Date: 30/05/2016

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 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.

**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 <sup>st</sup> March, 2016 (Rs. In Lacs)	For the year ended 31 <sup>st</sup> March, 2015 (Rs. In Lacs)
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
(a) Purchased Unit Lac KWH	Nil	Nil
Total amount	Nil	Nil
Rate / Unit (Rs.)	Nil	Nil
<b>2. Coal / Lignite</b>		
Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average rate Rs./Per Ton	Nil	Nil
<b>3. Furnace Oil, LDO &amp; Other Fuel</b>		
Quantity (KL)	Nil	Nil
Total Cost	Nil	Nil
Average rate Rs./Per KL	Nil	Nil
<b>B. CONSUMPTION PER UNIT OF FINISHED GOODS</b>		
Production Paper	Nil	Nil
Electricity (KWH/MT)	Nil	Nil
Coal (KGS/MT)	Nil	Nil

**FORM B**

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

**RESEARCH & DEVELOPMENT**

**1. Specified areas in which R & D carried out by the Company.**

The Company has not carried out any R & D activities during the year for the development of Anti Rust Papers and Crepe Tissue.

**2. Future plan and Action.**

Management of the Company is currently reviewing its technology and is committed to bring further advancement to the technology.

**3. Expenditure on R & D:**

a) Capital	Rs. Nil
b) Recurring	Rs. Nil
c) Total	Rs. Nil
d) Total R & D expenditure as a	Rs. Nil
e) Percentage of total turnover	

**TECHNOLOGY, ABSORBTION, ADOPTION AND INNOVATON**

**1 Effort made in brief towards technology absorption, adoption and innovation:**

The Company has not made any development of Technology for manufacture of various types of papers. The Directors are taking effective steps to be updated with latest available technology in the Industry.

**2 Benefit derived as a result the above efforts:**

The Company's plant is not operating satisfactorily.

◆ **Product Improvement:**

The qualities of the product are satisfactory and well accepted to the market.

◆ **Cost Reduction:**

There has been no reduction in cost directly due to the same.

♣ **Product Development:**

The Company is able to satisfy the demand of various types of industries and customers.

♣ **Import Substitution:**

Efforts are on.

1. Information required in case of technology (imported during the last 5 Years reckoned from the beginning of the financial years):

Not applicable as the technology is indigenou.

**FOREGIN EXCHANGE EARNING AND OUTGO**

The Company had not earned any foreign exchange equivalent towards export sale of papers neither it has spent any foreign exchange towards purchase of Raw Materials, Stores & Spares and Traveling Expenses

## CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited (BSE) some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at SPECIALITY PAPERS LIMITED is as under:

### Company's Philosophy on Code of Governance:

Speciality Papers Limited believes on building long lasting and mutually beneficial relationship based on integrity, ethics and trust in all respect of our business.

Corporate **Governance** has been a high priority for us both in letter and in spirit. Our commitment to ethical and lawful business conduct is a fundamental shared value of our Board of Directors, senior management personnel and employees and is important of the **Company's** success. Our standards for business conduct provide that we will uphold ethical and legal standards vigorously as we pursue our financial objectives. We believe that good **governance** brings about sustained corporate growth and long-term benefits for stakeholders.

- In line with the nature and size of operations of the Company, the Corporate **Governance** framework in Speciality Papers Limited is based on the following main principles:
- Constitution of Board of Directors of appropriate composition and balance, comprising of an ideal mix of independent and non independent directors, all persons with the highest degree of integrity and professionalism, who discharge their responsibility in the best interests of the Company.
- Ensuring a timely and accurate flow of information at various organizational levels in general and to the Board and its various committees in particular
- Independent verification of the Company's financial reporting systems and safeguarding integrity thereof
- A sound system of risk management and internal controls with adequate safeguards and alarm systems
- Compliance with all applicable laws, rules and regulations, not only in letter but also in their spirit
- Fair and equitable treatment of all its stakeholders, including employees and shareholders.

### BOARD OF DIRECTORS:

The Board of Directors provides leadership and strategic guidance to your Company's management. In addition to the skill and expertise of the executive directors, the non-executive directors bring an external and wider perspective in Board deliberations and decisions. Company believes that an active, expert and well informed team of directors is necessary to ensure highest standards of Corporate Governance. The Board of the Company comprises of experts from diverse fields and professions.

### Board Composition:

The Composition of the Board meets with the requirement of Corporate Governance Code prescribed in Clause 49 of the Listing Agreement with not less than 50% of the Board of Directors of the Company being Non-Executive Independent Directors and with 50% of the Board of Directors of the Company being Independent Directors and a women director. The composition of Board of Director is as follows:

None of the Directors of the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

**No. of Board Meetings held during the years:**

05 (Five) Board Meetings held during the Financial year (1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016) viz 23<sup>rd</sup> April, 2015, 30<sup>th</sup> May, 2015, 14<sup>th</sup> Aug, 2015, 12<sup>th</sup> Nov, 2015, 13<sup>th</sup> Feb, 2016.

Name of Directors	Category	Share holding	Attendance Particulars		No. of Outside Directorships (*)	No. of outside Committee positions held @	
			Board Meetings	Last AGM		Chairman	Member
Mr. Nemchand J. Gala	Chairman, Managing Director	14,67,158	05	Yes	None	None	2
Mr. Darshak N. Gala	Executive Director	0	05	Yes	None	None	None
Mrs. Urmila N. Gala	Non - Executive Director	0	05	Yes	None	None	None
Mr. Pradeep K. Chopra	Independent, Non - Executive Director	0	05	Yes	None	None	None
Vakati Balasubramanyam Reddy	Independent, Non - Executive Director	0	05	Yes	None	None	None

**Notes:**

**Board Procedure:**

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in advance and in exceptional cases, the same is tabled at the Board Meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

The Board periodically reviews compliance reports of all laws applicable to the Company.

**Code of conduct:**

The Code of Business Conduct & Ethics for Directors'/Management Personnel ('the Code'), as recommended by the Clause 49 on Corporate Governance and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel.

The Company's Board of Directors and Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code is adhered to in letter and in spirit.

The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually.



**AUDIT COMMITTEE:**

Audit Committee has become one of the main **pillars** of the corporate governance system in Indian public companies. In steering companies through today's complex business environment, Boards are going to need strong leadership from their audit committees. The audit committee is established with the aim of enhancing confidence in the integrity of an organization's processes and procedures relating to internal control and corporate reporting including financial reporting. Audit Committee provides an '**independent**' reassurance to the Board through its oversight and monitoring role.

**Composition & Attendance at the Audit Committee Meetings:**

The Audit Committee is constituted in accordance with the provisions of the Clause 49 of the Listing Agreement and the Companies Act, 2013. The Members of the Committee are qualified and experienced in the fields of finance, accounts, taxation & company law and other allied subjects.

The Audit Committee generally meets once in a quarter to review the quarterly performance and financial results. During the financial year 2015-16, 5 (five) Audit Committee Meetings held on 23<sup>rd</sup> April, 2015, 23<sup>rd</sup> July, 2015, 24<sup>th</sup> September, 2015, 22<sup>nd</sup> October, 2015 and 21<sup>st</sup> January, 2016.

The details of the Composition, categories and attendance during the year are as under:

Sr. No.	Name of the Director	Designation	No of Meetings Held	No of Meetings attended
1	Mr. Pradeep Kumar Chopra	Director	5	5
2	Mrs. Urmila Gala	Director	5	5
3	Mr. Darshak Gala	Director	5	5

The minutes of the Audit Committee meetings form part of documents circulated for the meetings of the Board of Directors. In addition, the Chairman of the Audit Committee apprises the Board members about the significant discussions at Audit Committee meetings.

**The terms of reference of the audit Committee include the following:**

- Reviewing the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve payment for other services.
- Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements concerning financial statements.
- Reviewing the reports furnished by the internal auditors and statutory auditors and ensures suitable follow up thereon.



### **REMUNERATION AND COMPENSATION COMMITTEE**

#### **Terms of reference:**

No separate Remuneration and Compensation Committee is constituted as such only Managing Director is drawing remuneration from the Company.

The company is not paying any remuneration to any of its executive and non-executive directors except sitting fees for attending the meetings of the Board and / or the Committee thereof.

### **SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE:**

The members of the Shareholders/Investors' Grievance Committee are

Sr. No.	Name of the Director	Category	Designation
1	Mr. Pradeep Kumar Chopra	Non-Executive Director	Director
2	Mr. Vakati Balasubramanyam Reddy	Non-Executive Director	Director
3	Mr. Nemchand J. Gala	Executive Director	Director

#### **Brief description of Terms reference:**

- Approve and issue of duplicate certificates.
- Look into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc
- Oversee performance of the Registrar and Transfer Agents of the Company, and recommend measures for overall improvement in the quality of investor services.
- Monitor implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.
- Approve transfer of securities to the Managing Director and / or the Company Secretary within the powers delegated by the Board.
- Approve the transfer of Equity and preference shares including power to delegate the same to Registrar and Transfer Agent and to any other committee comprising of Directors.

**Details of Complaints received redressed & pending during the financial year:**

Pending at the beginning of the year	Received during the year	Redressed / Replied during the year	Pending at the year
NIL	NIL	NIL	NIL

**General Body Meetings:**

**Location, date, and time of last Three AGMs held.**

Year		Location	Date	Time
2012-13	52 <sup>nd</sup>	Village Morai, National Highway No. 8, Vapi, Valsad (Gujarat) 396191.	30.09.2013	11.00 A.M
2013-14	53 <sup>rd</sup>	Village Morai, National Highway No. 8, Vapi, Valsad (Gujarat) 396191.	30.09.2014	11.00 A.M
2014-15	54 <sup>th</sup>	Village Morai, National Highway No. 8, Vapi, Valsad (Gujarat) 396191.	30.09.2015	11.00 A.M

**Subsidiary Company**

Your company does not have any material unlisted Indian Subsidiary Company.

**Disclosure**

**Basis of related party transaction**

Your Company places all the details before the Audit Committee periodically. A comprehensive list of related party transaction as required by the Accounting Standard (AS) 18, issued by the Institute of Chartered Accountants of India, forms part of the Notes to the Accounts in the Annual Report. However, these transactions are not likely to have any conflict with the interest of the Company at large.

**Disclosure of Accounting Treatment**

Your Company has followed all relevant Accounting Standards while preparing the financial statements.

**Risk Management**

Your Company has a comprehensive risk management policy. The risk management policy inter-alia provides for review of the risk assessment and minimization procedure, laying down procedure to inform the board in the matter and for periodical review of the procedure to ensure that executive management controls the risks through properly defined framework.

Disclosure of non-compliance of the Company

There were no instances of non-compliance or penalty, structures imposed on your Company by stock exchange or SEBI or any statutory authority on any matter related to capital markets, during the last years

**MEANS OF COMMUNICATION**

The quarterly & half yearly unaudited financial results & the annual audited financial results are published in one English daily and in one Vernacular Newspaper & are also furnished to the Stock Exchange with whom the company has listing Agreements.

**General Shareholder information:**

1. **Annual General Meeting:**

**Date and Time:** 30<sup>th</sup> September, 2016, 11.00 am  
**Day:** Friday  
**Venue:** Village Morai, National Highway No. 8,  
Vapi, Valsad -396191

2. **Financial Year:**

1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

3. **Date of Book closure:**

23<sup>rd</sup> Sep, 2016 to  
30<sup>th</sup> Sep, 2016

4. **Listing on Stock Exchange:**

The Bombay Stock Exchange Limited  
(BSE),  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

5. **Listing Fee :**

Listing fee for the financial year  
2015- 2016 have been paid.

6. **Stock Code:**

BSE : 502465  
ISIN No.: INE260F01011

7. Stock Market Data:

The Monthly High and Low prices and trading volumes of the company's shares at the Stock Exchange Mumbai for the year ended 31<sup>st</sup> March, 2016.

Month	High (Rs.)	Low (Rs.)	Volume
April 2015	1.0	0.62	2716202
May 2015	0.68	0.56	1439579
June 2015	0.94	0.53	2610395
July 2015	1.33	0.81	3373438
August 2015	1.51	0.99	4124385
September 2015	1.03	0.64	3031494
October 2015	1.02	0.70	2528337
November 2015	1.09	0.80	7914805
December 2015	1.02	0.80	7914805
January 2016	1.23	0.88	10191073
February 2016	1.11	0.90	415147
March 2016	1.13	0.57	2209980

8. Shareholding Pattern as on 31st March, 2016

Category	Category of Shareholder	Number of shares held	Percentage of share holding
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	18398367	11.78
(b)	Central Government/ State Government(s)		
(c)	Bodies Corporate	0	0
(d)	Financial Institutions/ Banks	0	0
(e)	Any Others(Specify)	0	0
	Sub Total(A)(1)	18398367	11.78
2	Foreign	0	0
	Sub Total(A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	18398367	11.78
(B)	Public shareholding		
1	Institutions		
(b)	Financial Institutions / Banks	100	0.00
	Sub-Total (B)(1)	100	0.00
B 2	Non-institutions		
(a)	Bodies Corporate	103176135	66.07
(b)	Individuals		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	3949083	2.53
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	28017164	17.94
iii	Any other	0	0
(c)	Clearing Member	2331461	1.49
(c-i)	Non Resident Indians (NRI)	244814	0.16
(c-ii)	Non Resident Indians (REPAT)	8939	0.01
(c-iii)	Non Resident Indians (Non REPAT)	38073	0.02
	Sub-Total (B)(2)	137765669	88.22
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	137765769	88.22

	Total (A)+(B)	156164136	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0
	Sub-Total (C)	0	0
	Grand Total (A)+(B)+(C)	156164136	100.00

9. **Registrars and Share Transfer agents:**

**Bigshare Services Private Limited**

E-2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka,  
Andheri (E), Mumbai - 400072  
E mail I.D: info@bigshareonline.com

10. **Dematerialization of shares and liquidity:**

86.08% of the paid-up capital of the Company has been dematerialized as on 31<sup>st</sup> March, 2016. The equity shares of the Company are actively traded on the BSE in dematerialized form.

11. **Plant location:**

National Highway No. 8,  
Village Morai, Vapi, Valsad – 396191

12. **Address of Correspondence:**

**SPECIALITY PAPERS LIMITED**

93, Dadisheth Agiary Lane, Off Kalbadevi Road, Mumbai -400 002,  
Tel: +91-22-2209 4033 / 34 Fax: +91-22-2205 3899

**For Share Transfer and Dematerialization:**

**BIG SHARE SERVICES PVT. LTD.**

V E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai – 400 072.

*N J Gala*



For and on behalf of the Board  
Nemchand J. Gala  
Chairman and Managing Director

Place: Mumbai  
Date: 30/05/2016

**GREEN INITIATIVE:** Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance allowing paperless compliances by companies through electronic mode. Your Company has taken initiative to update their records for the same. The members holding shares in physical form and who have not furnished the requisite information and who wish to avail of the facility to receive the correspondence from the Company in electronic mode may furnish the information to **Bigshare Services Pvt Ltd**, the Registrars and Transfer Agents. The members holding shares in electronic form may furnish the information to their Depository Participants to avail of the said facility.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion & Analysis (MDA) is a report which enables the investors to see the company "through the eyes of Management"

MDA provides material, historical and Prospective disclosure that enables the Investors and other user of information to access the financial condition, change in financial condition and result of operations of public Company, especially the company's Prospectus for the future.

### MISSION:

The mission of Speciality Papers Limited is to provide all customers with Quality product and better services that regularly fulfill their expectations, to optimize all the efforts of the Team in the business of manufacturing and trading of Speciality paper with due consideration towards quality maintenance and ultimate capacity utilization of production for regular flow of supply.

### OBJECTIVE:

To be a Quality Leader and Low Cost Operator in the Industry, while persisting environment re-spacing by way of use of recycled paper and to provide maximum benefit to the clients as well

### FUTURE OUTLOOK:

The paper industry's challenges would offer opportunities for the best integrated mills with the ability to produce high quality products at the most competitive prices. Vertically integrated producers with the latest technology would be able to offer the best quality products while containing their costs. Improved processes and cost controls would facilitate margins and manage competitive pressures.

### COMPANY BUSINESS:

**Speciality Papers Limited** is a manufacturer of paper and paper related products established in 1961,

Company is focused on reducing the cost and increasing the sales and profitability. Company has plans to perk up production facilities to

- ♣ Improve the overall in the Quality of the papers to the international standard.
- ♣ Increase the speed of the machinery to obtain the more product
- ♣ Technology makes tasks easier, quicker, more efficient, and better.

### OPPORTUNITIES:

There is ample opportunity for the Company for Product Development and Growth in the Markets across India in the years to come. Further the Company is looking forward to employ various plans to expand its business activities.



The Major factors determining the opportunities are as follows:

- ♣ Strong economic growth forecast
- ♣ Increased literacy
- ♣ Increased government spending on Education
- ♣ Population and Media Growth
- ♣ Changing Demographics
- ♣ Increase in advertising
- ♣ International grade quality etc.

This said growth derives augment the demand for paper industry in India.

#### **THREATS:**

The Economic Environment is subject to the threats. Where there are ample of opportunities, there are bound to be certain threats attached to it. Company may come across certain threats in the future in the Market for the Product due to following factors:

- ♣ Increasing imports of low priced paper products from countries like china, Indonesia.
- ♣ Increasing competitive pressures from un-organized sector.
- ♣ Foreign exchange currency fluctuations impact the imported raw material prices.

The Company participates and operates in varied environments, both politically and geographically, where exploration, production and development is more challenging technologically, operationally and financially. While the strengthening of rupee gives comfort on purchase of assets, it adversely affects the earnings in rupee terms. In the projects and countries where your Company has large investments, the risks and losses due to expropriation, change in fiscal regime, additional taxes and increase in Government share or restrictions on exports.

The Company is well prepared to take the challenges in the market and further if required mitigate the risk. The Proper Internal Control System are employed throughout the Company to facilitate disciplined working and transparent activities.

#### **SEGMENT- WISE OR PRODUCT WISE PERFORMANCE:**

The Company has only one business segment i.e. Paper and hence segment wise or product wise performance is not given.

#### **HUMAN RESOURCE:**

Human resources continue to be a valuable and intangible asset and key success factor for the Company to grow and sustain its market position in a highly competitive and challenging environment. Company believes that people are the pivotal force behind the growth and excellence in business operations. The overall performance and the market position, the Company enjoys is the result of the aggregate strength of its people.

The Company during the year has specially focused on to developmental activities comprising of sharpening of skills and abilities, developing academic and professional knowledge and cultivating appropriate behavioral skill sets, such as improving interpersonal relations, team building abilities, effective communication and presentation skills. Focus on developing leadership skills and building talent for the future and the process of improving organizational and human capability through competency mapping of managerial positions in all areas of the company's operations, continued as a major initiative.

The Company is committed to provide the right environment to its employees to work and to inculcate a sense of ownership and pride.

#### **INTERNAL CONTROLS:**

The company's Internal Control systems are commensurate with the nature and size of its operations.

#### **Review of Internal Control systems covers following aspects:**

- ◆ Financial propriety of business transactions.
- ◆ Accurate financial reporting of transactions as per applicable Accounting Standards and policies.
- ◆ Safeguarding assets of the company.
- ◆ Compliance with relevant statutes, listing agreement provisions, management authorizations, procedures and policies.
- ◆ Review of information technology and other business systems so as to suggest ways and means of cost optimization.
- ◆ The Audit Committee reviews the internal audit findings. Further, the Audit Committee meets the Internal and Statutory Auditors to be assured of the Operations of the internal controls.

#### **HEALTH, SAFETY AND ENVIRONMENT:**

The Company is giving due importance to safety, health and environment related issues. The employees are educated and trained to improve awareness and skills in their respective areas of operations.

#### **CAUTIONARY STATEMENT:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "**forward looking statements**" within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**MANAGING DIRECTOR CERTIFICATION**

I, **Mr. Nemchand Gala**, Managing Director and Compliance Officer of the Company hereby certify that:

- a. I have reviewed the financial statements and Cash flow statement for the year ended 31<sup>st</sup> March, 2016 and to the best of my knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2016 are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financing reporting and I have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies;
- d.
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in Accounting policies during the year; and
  - iii) Instances of significant fraud, if any of which we have become aware, and involvement therein, if any, of the management or an employee having a significant role in Companies internal control system over financial reporting shall be disclosed.

Place: Mumbai  
Date: 30/05/2016



For Speciality Papers Limited

*N J Gala*

Chairman and Managing Director



**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
**SPECIALITY PAPERS LIMITED**

**Report on the Financial Statements**

1. We have audited the attached Balance Sheet of **SPECIALITY PAPERS LIMITED** as at **31st March, 2016**, the Profit and Loss account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of the financial statements as per section 134 (5) of the Companies Act, 2013 that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**JAMES K. SHAH**

B.Com. (Hon.), L.L.B., F.C.A.

**M/S. JAMES SHAH & CO.**

**Chartered Accountants**

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

**TO  
THE MEMBERS OF  
SPECIALITY PAPERS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **SPECIALITY PAPERS LIMITED** for the year ended 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.


The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that based on the report given by the Registrar of the Company to the Grievance Committee as on 31<sup>st</sup> March, 2016, there were no Investor Grievance Matters against the Company remaining unattended/ pending for more than 30 days.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For JAMES SHAH & CO.  
CHARTERED ACCOUNTANT

  
(Mr. James K. Shah)  
Proprietor  
M.No.36195  
PAN :BJDPS0512G  
Place: Mumbai  
Date: 30/05/16



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.


5. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) in our opinion, proper books of accounts as required by law, have been kept by the Company so far as it appears from our examination of the books;
- c) The Balance Sheet, Statement of Profit and Loss, and Cash flow statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Statement of Profit & Loss account, and Cash flow Statement dealt comply with the Accounting Standards referred to in section 133 of the Companies, Act 2013 read rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2016 and taken on record by the Board of Directors, we report that non of the directors is disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, if any required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Mumbai.  
Date : 30/05/16



For JAMES SHAH & CO.  
CHARTERED ACCOUNTANT

  
(Mr. James K. Shah)  
Proprietor  
M.No.36195



## Annexure to Independent Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements Section of our report of even date.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, the Company has not disposed off any substantial part of fixed assets during the year.
- 2.(a) The management has conducted physical verification of inventory at reasonable intervals during the year.

The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business

The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.

- 3.(a) During the year company has not granted any interest free loans and advances to the parties covered in the register maintained under Section 189 of the Companies' act 2013.
- (b) In respect of loans/advances granted, repayment of the principal amount is stipulated
- (c) There is no overdue amount of loans/advances granted to companies, firms or other parties listed in the register maintained under Section 189 of the Companies' act 2013.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.

5. The Company has not accepted deposit from the public within the meaning of section 73 to 76 of the Companies Act, 2013 read with the "Companies (Acceptance of Deposits) Rules, 2014 (as amended).. Hence the provisions of clause 3(vi) are not applicable to the Company.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7.a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also Management representations, undisputed statutory dues in respect of Provident fund, Professional Tax, Income Tax, Sales Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and material statutory dues, if any, applicable to it, has been regularly deposited with the appropriate authorities.
- b). According to the records of the Company, there are no dues of Provident fund, ESIC, Income Tax, Sales Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and material statutory dues, if any, applicable to it, has been regularly deposited with the appropriate authorities that have not been deposited on amount of any deposit.
- c). The Company is regular in depositing with appropriate authorities undisputed statutory dues including Investor's education and Protection fund and other material statutory dues applicable to it, if any.
8. The Company has accumulated losses exceeding fifty percent of its net worth as on the balance sheet date and has incurred cash loss during the financial year and immediately preceding financial year.
9. In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has not defaulted in repayment of dues to a financial institution or bank.
10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other security.
11. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For JAMES SHAH & CO.  
CHARTERED ACCOUNTANT



*J.K.S.*  
(Mr. James K. Shah)  
Proprietor  
M.No.36195

Place:Mumbai  
Date:30/05/16



**Speciality Papers Limited**  
**CIN No :- L21012GJ1961PLC001073**  
**Balance Sheet as on 31st Mar 2016**

Rs. in Lakhs

Particulars	Note No.	as at 31-Mar-2016		as at 31-Mar-2015
<b>I. EQUITY AND LIABILITIES</b>			13,091.95	13,624.10
<b>1 Shareholders' Funds</b>				
(a) Share Capital	1	15,616.41		15,616.41
(b) Reserves and Surplus	2	(2,524.46)		(1,992.31)
(c) Money Received Against Share Warrants		-		-
<b>3 Non-Current Liabilities</b>			40,592.68	41,098.93
(a) Long-Term Borrowings	3	40,047.75		40,803.17
(b) Deferred Tax Liabilities (Net)	4	544.93		295.77
(c) Other Long-Term Liabilities		-		-
(d) Long-Term Provisions		-		-
<b>4 Current Liabilities</b>			3,521.43	4,072.27
(a) Short-Term Borrowings		-		0.30
(b) Trade Payables	5	94.64		237.26
(c) Other Current Liabilities	6	3,269.47		3,620.88
(d) Short-Term Provisions	7	157.32		213.84
<b>Total</b>			<b>57,206.06</b>	<b>58,795.31</b>
<b>II. ASSETS</b>			20,376.32	17,430.96
<b>1 Non-Current Assets</b>				
(a) Fixed Assets				
(i) Tangible Assets	8	1,676.97		1,927.10
(ii) Intangible Assets under Development		37.48		37.48
(b) Non-Current Investments	9	18,368.53		15,115.95
(c) Deferred Tax Assets (Net)		-		-
(d) Long-Term Loans and Advances		-		-
(e) Other Non-Current Assets	10	293.34		350.42
<b>2 Current Assets</b>			36,829.74	41,364.35
(a) Current Investments		-		-
(b) Inventories	11	1,211.56		1,227.13
(c) Trade receivables		120.82		139.61
(d) Cash and Cash Equivalents	12	68.29		34.78
(e) Short-Term Loans and Advances	13	35,429.07		39,962.83
<b>Total</b>			<b>57,206.06</b>	<b>58,795.31</b>
<b>Contingent Liabilities and Commitments</b>				
<b>Significant Accounting Policies</b>	19			

The Notes referred to above form an integral part of the Balance Sheet.

As Per Our report of even date

For M/s. James Shah & Co.

Chartered Accountants

CA. James K. Shah

Proprietor

Membership No. : 36195



For and On Behalf of the Board of Directors

*N J Gala*

Mr. Nemchand J. Gala  
Managing Director

*DN Gala*

Mr. Darshak N. Gala  
Director

Place: Mumbai

Date: 30.05.2016

**Speciality Papers Limited**  
**CIN No :- L21012GJ1961PLC001073**  
**Statement of Profit and Loss for the year ended 31st Mar 2016**

Rs. in Lakhs

Particulars	Note No.	31-Mar-2016	31-Mar-2015
I Revenue from Operations	15	4.89	65.86
II Other Income	16	8.75	46.86
III <b>TOTAL REVENUE (I + II)</b>		<b>13.64</b>	<b>112.72</b>
IV <b>EXPENSES</b>		3.34	752.69
Purchases of Stock-in-Trade		15.57	-751.39
Changes in Inventories	17	10.56	5.26
Employee Benefit Expenses		250.13	420.05
Depreciation and Amortization Expenses	18	17.02	927.64
Other Expenses			
<b>TOTAL EXPENSES</b>		<b>296.63</b>	<b>1,354.25</b>
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		(282.99)	(1,241.53)
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax		(282.99)	(1,241.53)
VIII Extraordinary Items		-	-
IX Profit Before Tax		(282.99)	(1,241.53)
X Tax Expense		-	-
Current Tax		-	-
Deferred Tax		(249.16)	-
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		(532.15)	(1,241.53)
XII Profit/(Loss) from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	(1,241.53)
XIV Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)		(532.15)	(1,241.53)
XV Profit/(Loss) for the Period (XI+XIV)		(532.15)	(1,241.53)
XVI Earnings per Equity Share			
-Basic		(0.34)	(0.80)
-Diluted		(0.34)	(0.80)

The Notes referred to above form an integral part of the Balance Sheet.

As Per Our report of even date

For M/s. James Shah & Co.

**Chartered Accountants**

Date: 30.05.2016

CA. James K. Shah  
Proprietor

Membership No. : 36195

Place: Mumbai

Date: 30.05.2016



For and On Behalf of the Board of Directors

*N J Gala*

**Mr. Nemchand J. Gala**  
Managing Director

*D N Gala*

**Mr. Darshak N. Gala**  
Director

**Speciality Papers Limited**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particular	For the year ended on 31st March, 2016		For the year ended on 31st March, 2015	
	Lakhs	Lakhs	Lakhs	Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		-282.99		-1241.53
Net loss before Tax and extraordinary items				
<b>Adjusted for :</b>				
Depreciation	250.13		420.05	
Loss on sale of Investments	-		910.76	
Dividend on shares	(0.01)		(0.01)	
Interest received	(0.53)		(30.67)	
Other Non Operating Income		249.60	(16.18)	1283.95
Operating Profit Before Working Capital		(33.39)		42.42
<b>Adjusted for :</b>			3,534.22	
Decrease (Increase) in Current Investments	-		(46.58)	
Decrease (Increase) in Trade & Other Receivables	18.78		(751.39)	
Decrease (Increase) in Inventories	15.57		347.84	
Decrease (Increase) in Long Terms Loans and advances	-		(3,786.98)	
Decrease (Increase) in Short Terms Loans and advances	4,533.77		811.68	
Decrease (Increase) in Other Non Current Assets	57.08		(180.44)	
Increase (Decrease) in Trade Payables	(142.61)		19.55	
Increase (Decrease) in Short term provisions	(56.53)		(3,353.84)	
Increase (Decrease) in Other current Liability	(351.41)		0.30	
Increase (Decrease) in Short term borrowing	(0.30)			
Cash Generated from Operations		4,074.36		(3,405.65)
<b>Net Cash flow from Operating Activities [A]</b>		4,040.97		(3,363.23)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Other Non Operating Income	-		16.18	
Interest received	0.53		30.67	
Dividen on shares	0.01		0.01	
Loss on sale of Investments	-		(910.76)	
Asset w/off	-		(6.91)	
Decrease (Increase) in Non Current Investments	(3,252.57)		3,149.74	
<b>Net Cash from Investing Activities [B]</b>		(3,252.04)		2,278.93
		(3,252.04)		2,278.93
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in long Term Borrowings	(755.42)		1,106.65	
<b>Net Cash Flow from Financial Activities [C]</b>		(755.42)		1,106.65
		(755.42)		1,106.65
<b>Net Increase / (decrease) in cash and cash equivalents [A+B+C]</b>		33.51		22.35
Cash/ Cash Equivalent at the beginning of the period		34.78		12.43
Cash/ Cash Equivalent at the end of the period		68.29		34.78

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006
- For cash and cash equivalents are available for immediate use as on the Balance Sheet date

As per our Report attached  
Date: 30.05.2016  
Chartered Accountants

Mr. James K. Shah  
(Proprietor)  
Membership No. : 36195  
Place: Mumbai  
Date: 30.05.2016



For and On Behalf of the Board

*N J Gala*  
Mr. Nemchand J. Gala  
Managing Director



*DN Gala*  
Mr. Darshak N. Gala  
Director

## Speciality Papers Limited

Notes to and forming part of Balance Sheet as at 31-Mar-2016

### 1. Share Capital

Share Capital authorised, Issued, subscribed and paid up

Particulars	31/03/2016		31/03/2015	
	No of Shares	Lakhs	No of Shares	Lakhs
<b>Authorised</b>				
9.5% 50000 Redeemable Cumulative preference shares of `10 each	50000	5.00	50000	5.00
274950000 Equity Shares of `10 each	274950000	27495.00	274950000	27495.00
	275000000	27500.00	275000000	27500.00
<b>Issued, Subscribed and fully paid up</b>				
156164136 Equity Shares of `10 each	156164136	15616.41	156164136	15616.41
<b>Total</b>	156164136	15616.41	156164136	15616.41

### NOTE 1A

Reconciliation of the number of equity shares and share capital

Particulars	31/03/2016		31/03/2015	
	No of Shares	Lakhs	No of Shares	Lakhs
Issues, subscribed and fully paid up equity shares outstanding at the beginning of the year	156164136	15616.41	156164136	15616.41
Shares Issued during the year under SEBI (DIP) Guidelines, 2000 Chapter XIII	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	156164136	15616.41	156164136	15616.41

### NOTE 1B

The Company has only one class of share capital, i.e. equity shares having face value of `10' per share.

Each holder of equity share is entitled to one vote per share

### NOTE 1C

Shareholder holding more than 5 % of equity shares as at the end of the year

SR NO	Name of Shareholder	31/03/2016		31/03/2015	
		No of Shares	Shareholding %	No of Shares	Shareholding %
1	Shriram Credit Company Limited	11,285,674.00	7.23%	-	-
2	Jay Nemchand Gala	8,004,900.00	5.13%	-	-
3	Golding Mercantile Pvt.Ltd.	-	-	20,500,000.00	13.13%
4	Empower India Ltd	17,974,084.00	11.51%	20,979,975.00	13.43%
5	Dhanus Technologies Ltd	17,000,000.00	10.89%	21,000,000.00	13.45%
6	CPR Capital Services Ltd	18,705,392.00	11.98%	-	-
7	Channel Guide India Ltd.	-	-	19,669,000.00	12.60%
8	Anvita Real Estate Private Limited	9,206,853.00	5.90%	19,000,000.00	12.17%
9	Akansha Media and Entertainment Private limited	-	-	14,100,000.00	9.03%

### NOTE 1D

The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding years five ended march 31, 2016 are NIL.

## Speciality Papers Limited

### 2 . Reserves and Surplus

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
<b>a. Capital Reserves</b>		
On Forfeiture	0.06	0.06
Other	8.11	8.11
	8.17	8.17
<b>b. Securities Premium Account</b>		
As per last Balance Sheet	4540.81	4540.81
	4540.81	4540.81
<b>c. Revaluation Reserve</b>		
As per last Balance Sheet	5.63	5.63
	5.63	5.63
<b>e. Profit &amp; Loss Account</b>		
As per last Balance Sheet	(6,546.92)	(5,299.19)
(+) Net Loss for the current year	(532.15)	(1,241.53)
(+) Appropriations during the year	-	(6.20)
Closing Balance	(7,079.07)	(6,546.92)
<b>Total</b>	<b>(2,524.46)</b>	<b>(1,992.31)</b>

### 3 . Long-Term Borrowings

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
<b>Secured</b>		
(a) Term loans from banks	1,215.01	1,278.01
1) Term loan account with state bank of India is secured by first charge on fixed assets, newly purchased assets of the company and hypothecation of all the company's current assets both present and future and also personally guaranteed by certain directors.		
<b>Unsecured</b>	38,832.74	39,525.16
<b>Total</b>	<b>40,047.75</b>	<b>40,803.17</b>

### 4 . Deferred Tax Liabilities (Net)

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
<b>Deferred Tax Liabilities</b>		
- Deffered Tax Liability	544.93	295.77
<b>Total</b>	<b>544.93</b>	<b>295.77</b>



**Speciality Papers Limited****5. Trade Payables**

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
Due to others	94.64	237.26
	<b>94.64</b>	<b>237.26</b>

**6. Other Current Liabilities**

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
(a) Unpaid dividends	4.58	4.58
(b) Other payables		
Statutory Liabilities	43.07	43.34
Advances received from customers/others	2,704.66	1,621.87
Other liabilities	517.15	1,951.08
<b>Total</b>	<b>3269.47</b>	<b>3620.88</b>

**7. Short Term Provisions**

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
Provision for Expenses	90.91	147.44
Provision for Direct Taxes	66.40	66.40
<b>Total</b>	<b>157.32</b>	<b>213.84</b>

**9. Non-current investments (at cost unless otherwise specified).**

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
Long term investments		
Non Trade Investments		
(a) Investment in Equity instruments & Loans	18,367.88	15,115.78
(b) Investment in Government instruments	0.12	0.12
(c) Investment in Others	0.53	0.05
<b>Total (A)</b>	<b>18,368.53</b>	<b>15,115.95</b>

Speciality Papers Limited

10. Other Non - Current Assets

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
<b>a. Deposits and advances</b>		
Other Deposits	10.60	68.10
Balance with Revenue Authority	282.75	282.32
<b>Total</b>	<b>293.34</b>	<b>350.42</b>

11. Inventories

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
a. Raw Materials and components ( cost or market value whichever is lower)	102.12	120.76
<i>Sub total</i>	102.12	120.76
b. Finished goods (cost or market value whichever is lower)	4.53	4.53
<i>Sub total</i>	4.53	4.53
c. Stores and spares (cost or market value whichever is lower)	364.23	363.74
<i>Sub total</i>	364.23	363.74
d. Packing Material (cost or market value whichever is lower)	740.69	738.11
<i>Sub total</i>	740.69	738.11
<b>Total</b>	<b>1,211.56</b>	<b>1,227.13</b>

12. Cash and cash Equivalents

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
<b>a. Balances with banks*</b>		
This includes:		
Earmarked Balances (eg/- unpaid dividend accounts)	4.58	4.58
Margin money	9.96	9.96
Schedule Bank (Owing to reconciliation balance become negative)	13.48	14.51
<b>b. Cash on hand*</b>	40.27	5.74
<b>Total</b>	<b>68.29</b>	<b>34.78</b>

13. Short Term Loans & Advances

Particulars	31/03/2016	31/03/2015
	Lakhs	Lakhs
Advance to Corporate and individuals	20,811.28	21,914.64
Advance to related party	462.00	163.82
Other Advances	14,155.79	17,884.37
	<b>35,429.07</b>	<b>39,962.83</b>



## Speciality Papers Limited

### 15. Revenue from Operations

Particulars	31.03.2016	31.03.15
	Lakhs	Lakhs
Sale of products	9.87	65.86
Less : Sales return	4.98	-
<b>Total</b>	<b>4.89</b>	<b>65.86</b>

### 16. Other Income

Particulars	31.03.16	31.03.2015
	Lakhs	Lakhs
Interest Income	0.53	30.67
Dividend Income	0.01	0.01
Discounts	0.12	-
Sundry Balance W/back	8.09	-
Other non-operating income	-	16.18
<b>Total</b>	<b>8.75</b>	<b>46.86</b>

### 17. Employee Benefit Expenses

Particulars	31.03.2016	31.03.2015
	Lakhs	Lakhs
(a) Salaries and incentives	7.14	5.26
(a) Remuneration to directors	2.60	-
(c) Staff welfare expenses	0.05	-
(d) Salaries Payable FY 15-16(Vapi)	0.77	-
<b>Total</b>	<b>10.56</b>	<b>5.26</b>

### 18. Other Expenses

Particulars	31.3.2016	31.3.2015
	Lakhs	Lakhs
Advertisement Expenses	2.53	-
Audit fees	0.50	0.15
Bank Charges	0.73	0.37
Communication Expenses	0.09	0.24
Directors Seeting fees	0.63	-
Electricity Charges & Exps.	0.13	0.03
Freight & Forwarding Expenses	0.12	0.15
Insurance Charges	0.01	-
Legal & Professional Fees	6.14	8.10
Interest paid	0.02	-
Loss on Sale of Investments	-	910.76
Membership & Subscription Fees	0.02	-
Miscellaneous Expenses	5.65	2.58
Rent, Rates & Taxes	0.45	2.67
Repairs & Maintenance	0.02	0.11
Traveling & Conveyance Exps.	-	2.45
Rounding Off	0.00	-
Other Expense- Sales	0.00	-
<b>Total</b>	<b>17.02</b>	<b>927.61</b>

**Note 19. Balance Sheet Abstract and Company's General Business Profile:****I) Registration Details**

Registration No.	1073
State Code	4
Balance Sheet Date	31/03/2016

**II) Capital Raised during the year**

	Lakhs
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL

**III) Position of Mobilization and Deployment of funds (Amount in.'000)**

Total Liabilities	57,206.06
Total Assets	57,206.06

**SOURCES OF FUND**

Paid up Capital	15,616.41
Reserves and Surplus	-2,524.46
Secured Loans	1,215.01
Unsecured loans	38,832.74
Deferred Tax Liability	544.93

**APPLICATION OF FUNDS**

Net Fixed Assets	1,714.45
Investments	18,368.53

**IV) Performance of Company**

Turnover and Other Incomes	13.64
Total Expenditure	296.63
Profti/ (Loss) Before Tax	-282.99
Profti/ (Loss) After Tax	-532.15
Dividend Rate	0%
Earnings per Share in Rs.	-0.34

# SPECIALITY PAPERS LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### NOTE NO 19

#### 1. Corporate Information

Speciality Papers Limited ("Company") has been incorporated in India on July 18, 1961 under the Companies Act 1956. The principal activities of the Company include trading of various types of papers and production of tissue paper, toilet rolls, and Paper napkins of different sizes as per customer specifications.

#### 2. Significant accounting policies:

##### a) Basis of preparation of financial statements:

- i) The accompanying financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles in India to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- ii) The preparation of financial statements is in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

##### b) Fixed Assets / Depreciation:

Fixed assets are stated at their original cost of acquisition or construction, less accumulated depreciation. Cost includes all costs other than refundable duties and taxes incurred to bring the assets to their present condition and location.

Depreciation on Fixed Assets is provided on depreciable value of assets using straight line method on the basis of useful life specified in Schedule II to the Companies Act, 2013.

Assets costing less than Rs.5000 are depreciated at 100%. Additions and deletions to fixed assets during the year are depreciated, pro-rata, over the period they have been put to use during the year.

##### c) Investments:

Investments are classified in accordance with the requirements of Schedule VI (Revised) and the disclosure requirements in Accounting Standard 13 on Accounting for Investments. Current investments are stated at the lower of cost and fair value. Long Term investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of Non-current investments. Any reduction in the carrying amount of investments and any reversals of such reductions are charged or credited to the profit and loss account.

##### d) Inventories :

Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realizable value after providing for obsolescence and other losses, as required. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

# SPECIALITY PAPERS LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### e) Revenue recognition:

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer and there is reasonable certainty of realization / ultimate collection, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

### f) Income Taxes :

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for taxes on Income. Income taxes comprise both current and deferred tax.

- Current tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using applicable tax rates and laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

### g) Borrowing costs :

Borrowing costs include interest; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### h) Earnings Per Share :

The company reports basic and diluted earnings per share in accordance with Accounting Standard 20 –Earnings per Share, issued by the Institute of Chartered Accountants of India. Basic earnings per share are computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share where applicable is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

# SPECIALITY PAPERS LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### i) Provisions and Contingencies :

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are disclosed by way of notes to the balance sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialize after the year-end, till the finalization of accounts and have material effect on the position stated in the balance sheet.

### J) Payment made to Auditors :

	2015-16	2014-15
As Statutory Auditor	50000	15,000
As Tax Auditor		
For Other matters		
TOTAL	50000	15,000

### 3. Foreign Currency Transaction :

(a) Imports during the year (CIF) value – Rs. Nil (Previous Year: Nil)

(b) Expenditure in Foreign Currencies during the year

[i] Travelling NIL (NIL)

[ii] Others NIL (NIL)

### 4. Disclosure pertaining to Micro, Small and Medium Enterprises Development Act 2006 (as per information available with the company) :

Principal amount due outstanding as at March 31, 2016 is Rs.NIL, and interest paid / payable is Rs. NIL.

### 5. Earnings in foreign exchange : NIL

### 6. Balance confirmations :

Sundry Debtors, Advances, Deposits and Current liabilities are subject to confirmation / adjustments if any on confirmation.

### 7. Revision of financial statement :

Figure shown in Qtr -4 result is revised due some bank statements are not reconciled and document i.e. Bank Statement is not available with us at the time of filing Quarterly result therefore effect of such bank statement are given and Revised yearly financial statement are prepared and presented before AGM.

# SPECIALITY PAPERS LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### Related Party disclosures under Accounting Standard 18

Nature of Relationship	Name of related parties
Chairman / Managing Director	Nemchand. J. Gala.
Director	Urmila. N. Gala.
Director	Darshak. N. Gala.
Director	Pradeep K. Chopra
Director	Vakati Balasubramanyam Reddy

### Transactions with related Parties

Particulars	Nature of Transaction	2015-16 Amount Rs	2014-15 Amount Rs
Salary / Remuneration			
Urmila Gala	Rent		2,22,000
Nemchand J Gala	Director Remuneration	2,60,000	


### 8. Segment Reporting:

The company is in to trading and manufacturing of Paper and Paper related Product. The company has only one segment, therefore no separate disclosure of segment wise information is made.

### 9. Comparatives :

Comparative financial information (i.e. the amounts and other disclosures for the preceding year) presented above, is included as an integral part of the current year's financial statement, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

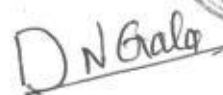
For James Shah & Co  
Chartered Accountants

  
Mr. James K Shah  
Proprietor  
Membership No 36195



For Speciality Papers Limited

  
Mr. Nemchand J. Gala  
Director

  
Mr. Darshak. N. Gala  
Director



Place: Mumbai  
Date: 30<sup>th</sup> May, 2016









<b>2. Non-Institutions</b>									
a) Bodies Corp.	88973740	17000150	105973890	67.8606	86175985	17000150	103176135	66.07	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3540867	141316	3682183	2.3579	3807892	141191	3949083	2.53	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	25333498	4588460	29921958	19.1606	23428704	4588460	28017164	17.94	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	281841		281841	0.1805	29176	250	291826	0.19	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	1841930	-	1841930	1.1795	2331461		2331461	1.49	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>119971626</b>	<b>21730176</b>	<b>141701802</b>	<b>90.7390</b>	<b>116035618</b>	<b>21730051</b>	<b>137765669</b>	<b>88.22</b>	<b>-</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	119971626	21730276	141701902	90.7391	116035618	21730151	137765769	88.22	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>134433860</b>	<b>21730276</b>	<b>156164136</b>	<b>100%</b>	<b>134433985</b>	<b>21730151</b>	<b>156164136</b>	<b>100%</b>	<b>-</b>

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares
1	Jay Nedmchand Gala	6884900	4.41	-	14784900	9.47	-
2	Jay Neemchand Gala	6045000	3.87	-	-	-	-
3	Mekan Jethalal Gala	1467158	0.94	-	-	-	-
4	Kinjal Mekan Gala	44676	0.03	-	44676	0.03	-
5	Lakhamshi Jethalal Gala	20500	0.01		20500	0.01	
6	Nemchand J Gala				2457158	1.57	
7	Urmila Nemchand Gala				1091133	0.70	
	<b>Total</b>	<b>14462234</b>	<b>9.26</b>		<b>18398367</b>	<b>11.78</b>	

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14462234	9.26	18398367	11.78
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	14462234	9.26	18398367	11.78

**D) Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Shriram Credit Company Limited	11285674	7.23		
	JAY Nemchand Gala	8004900	5.13		
	Golding Mercantile Pvt Ltd			20500000	13.13
	Empower India Ltd	17974084	11.51	20979975	13.43
	Dhanus Technologies Ltd	17000000	10.89	21000000	13.45
	CRR Capital Services Ltd	18705392	11.98		

	Channel Guide India Ltd			19669000	12.60
	Anvita Real Estate Pvt Ltd	9206853	5.90	19000000	12.17
	Akansha Media & Entertainment Pvt Ltd			14100000	9.03
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year				
	Shriram Credit Company Limited	11285674	7.23		
	JAY Nemchand Gala	8004900	5.13		
	Golding Mercantile Pvt Ltd			20500000	13.13
	Empower India Ltd	17974084	11.51	20979975	13.43
	Dhanus Technologies Ltd	17000000	10.89	21000000	13.45
	CRR Capital Services Ltd	18705392	11.98		
	Channel Guide India Ltd			19669000	12.60
	Anvita Real Estate Pvt Ltd	9206853	5.90	19000000	12.17
	Akansha Media & Entertainment Pvt Ltd			14100000	9.03

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14462234	9.26	18398367	11.78
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	14462234	9.26	18398367	11.78

F) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	127800710	3952516168	-	4080316878
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	127800710	3952516168	-	4080316878
<b>Change in Indebtedness during the financial year</b>	6300000	69242094	-	75542094
* Addition	-	-	-	-
* Reduction	6300000	69242094	-	75542094
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	121500710	3883274074	-	4004774784
i) Principal Amount	121500710	3883274074	-	4004774784
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>121500710</b>	<b>3883274074</b>	-	<b>4004774784</b>

#### XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Nemchand Gala	Darshak N Gala	
1	Gross salary	260000	-	260000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	260000	-	260000
	Ceiling as per the Act	-	-	-

##### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount
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1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-		-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-		
4	Commission			-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-		-	

**XII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



N J Gala



**SPECIALITY PAPERS LIMITED**

Regd. Off.: No. 8, National Highway, Village Morai, Vapi, Valsad, Gujarat - 396 191

**ATTENDANCE SLIP**

Annual General Meeting  
Day: Saturday, 30<sup>th</sup> September, 2016 at 11:00 A.M.

Regd. Folio No. : \_\_\_\_\_ No. of Shares: \_\_\_\_\_

Client ID\* : \_\_\_\_\_ DP ID No. : \_\_\_\_\_

Name of the member/Proxy: \_\_\_\_\_

I state that I am a member/proxy for the member of the Company. I hereby record my presence at the Annual General Meeting at No. 8, National Highway, Village Morai, Vapi, Valsad, Gujarat - 396 191.

**Signature of Attending Member/Proxy**

\*Applicable for investors holding shares in Electronic Form.  
Note: Please complete and sign this Attendance Slip and hand it over at the entrance.

**SPECIALITY PAPERS LIMITED**

Regd. Off.: No. 8, National Highway, Village Morai, Vapi, Valsad, Gujarat - 396 191

**PROXY FORM**

Annual General Meeting  
Day: Saturday, 30<sup>th</sup> September, 2016 at 11:00 A.M.

Regd. Folio No. : \_\_\_\_\_ No. of Shares: \_\_\_\_\_

Client ID\* : \_\_\_\_\_ DP ID No. : \_\_\_\_\_

I/We, \_\_\_\_\_ of \_\_\_\_\_ being  
the member(s) of Speciality Papers Limited hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our  
behalf at the Annual General Meeting of the Company to be held at No. 8, National Highway, Village  
Morai, Vapi, Valsad, Gujarat - 396 191 on Saturday, 30<sup>th</sup> September, 2016 at 11:00 A.M. and at any  
adjournment thereof.

Signed this \_\_\_\_\_ day of 2016

Signature of Proxy \_\_\_\_\_ Signature of Member \_\_\_\_\_

\*Applicable for investors holding shares in electronic Form.

Note: The Proxy form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.