



30<sup>th</sup>  
ANNUAL REPORT

2012-13

# **COMPANY INFORMATION**

## **BOARD OF DIRECTORS**

<b>SHRI RUSHAL PATEL</b>	<b>: CHAIRMAN</b>
<b>SHRI YOGESH VARIA</b>	<b>: EXECUTIVE DIRECTOR</b>
<b>SHRI PAWANJITSINGH NEGI</b>	<b>: ADDITIONAL DIRECTOR</b>
<b>SHRI NIKHIL RAJPURIA</b>	<b>: ADDITIONAL DIRECTOR</b>
<b>SHRI NISHANT KUMAR</b>	<b>: ADDITIONAL DIRECTOR</b>

## **COMPANY SECRETARY**

ALPESH GANDHI

## **AUDITORS**

M/S. TALATI & TALATI  
Chartered Accountants  
Ahmedabad

## **BANKERS**

STATE BANK OF INDIA

## **REGISTRAR & SHARE TRANSFER AGENTS**

## **REGISTERED OFFICE**

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Nr. Sandesh Press,  
Vastrapur, Ahmedabad-380 052  
Tel.: +91 79 2676 2109  
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SHAREPRO SERVICES (INDIA) PVT. LTD.,  
416-420, 4th floor, Devnandan mall,  
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## NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of M/S. ARMS PAPER LIMITED will be held on Monday, the 30<sup>th</sup> day of September, 2013 at 3:00 p.m. at Ahmedabad Management Association (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 to transact the following business:-

### ORDINARY BUSINESS :

- 1] To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2013 and Statement of Profit and Loss for the year ended on that date together with Directors' and the Auditors' Report thereon.
- 2] To appoint a Director in place of Shri Nishant Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
- 3] To consider, and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**“RESOLVED THAT** a written certificate pursuant to Section 224(1B) of the Companies Act, 1956, having been received from M/s. Pary & Co., Chartered Accountants, Ahmedabad, they be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. Talati & Talati, Chartered Accountants, Ahmedabad, the retiring Auditors who have expressed their unwillingness for re-appointment at the ensuing Annual General Meeting of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration as may be decided by the Board of Directors as per the recommendation of the Audit Committee”.

### SPECIAL BUSINESS

- 4] To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Yogesh Varia, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13<sup>th</sup> May, 2013, pursuant to the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, in terms of the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director be and is hereby appointed as a Director of the company, whose office shall be liable to determination of retirement of directors by rotation”.

- 5] To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Rushal Patel, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13<sup>th</sup> May, 2013, pursuant to the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, in terms of the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director be and is hereby appointed as a Director of the company, whose office shall be liable to determination of retirement of directors by rotation”.

- 6] To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Pawanjit Singh Negi, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13<sup>th</sup> May, 2013, pursuant to the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, in terms of the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director be and is hereby appointed as a Director of the company, whose office shall be liable to determination of retirement of directors by rotation”.

- 7] To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to and in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time-being in force (Act) read with Schedule XIII thereto and as recommended by the Remuneration Committee and approved by the Board of Directors, consent of the Company be and is hereby accorded to the appointment of Shri Yogeshbhai Varia as Whole-time Director of the Company liable to retire by rotation at a monthly remuneration of ₹ 25,000/- with a maximum remuneration up to ₹ 35,000/- per month for the period of 3 (Three) years with effect from 13<sup>th</sup> May, 2013, on terms and conditions as set out in the draft letter of appointment to be issued by the Company, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the meeting, which letter of appointment is hereby specifically approved with liberty to the Remuneration Committee and Board of Directors to alter, vary and modify, from time to time, the terms and conditions of the said letter of appointment including review of remuneration annually and/or otherwise, in such manner as may be decided by them and agreed upon by Shri Yogeshbhai Varia, and in accordance with the limits prescribed under

# Arms Paper Limited

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Schedule XIII to the Companies Act, 1956 or any statutory amendment(s) and modification(s) thereto.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Shri Yogeshbhai Varia, as the Executive Director by way of salary, perquisites, commission and other allowances, shall not exceed 5% of the net profits of the Company computed in the manner as provided in Section 349 of the Companies Act, 1956 and 10% in aggregate for all the working directors of the Company.”

“**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the tenure of Shri Yogeshbhai Varia, Executive Director of the Company, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, as amended from time to time.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters or things and they may take such steps necessary, expedient or desirable in this regard”.

**For and on behalf of the Board of Directors**

**Place : Ahmedabad**  
**Date : 14<sup>th</sup> August, 2013**

**Alpesh Gandhi**  
**Company Secretary**

## NOTES :

- 1] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2] The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 4 to 7 is annexed hereto.
- 3] Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the meeting along with a copy of the Annual Report. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting.
- 4] Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold the shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting.
- 5] The Register of Members and the Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive).
- 6] Members holding shares in physical form are requested to notify any change in their addresses, Bank details etc., if any to the Company at its Registered office or to M/s. Sharepro Services (India) Private Limited - Registrar & Share Transfer Agents by quoting their folio numbers. Members holding shares in electronic mode may update such details with their respective Depository Participants [DPs].
- 7] Members holding shares in physical form can avail of the nomination facility by filing Form 2B (in duplicate) with the Company or its Registrar & Share Transfer Agent which will be made available on request and in case of shares held in dematerialized form, the nomination has to be lodged with their DPs’.
- 8] Members of the Company who have multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificates to the Registrar & Share Transfer Agents **M/s. Sharepro Services (India) Pvt. Ltd.** or to the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better service.
- 9] Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their questions to the Company Secretary of the Company so as to reach at least seven days before the date of the meeting, so that the information may be made available at the meeting, to the best extent possible.
- 10] In all correspondence with the Company or with its Share Transfer Agents, members are requested to quote their folio number and in case their shares are held in the dematerialized form, they must quote their Client ID and their DP ID.
- 11] The shares of the Company are in compulsory demat segment. Those members who still continue to hold shares in physical form, are requested to get their shares dematerialized at the earliest.
- 12] Securities and Exchange Board of India has made it mandatory for every participant in the securities/capital market to furnish Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders (including joint holders) holding shares in physical form are requested to submit copy of their PAN Card for the purpose of the transfer to our Registrar & Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd.
- 13] Members are requested to bring the copy of the Annual Report at the meeting.

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS UNDER ITEM NO. 4 TO 7 PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

**Item No. 4 to 6**

Shri Yogesh Varia, Shri Rushal Patel and Shri Pawanjit Singh Negi were appointed as Additional Directors of the Company at the meeting of the Board of Directors held on 13<sup>th</sup> May, 2013. In accordance with the provisions of Section 260 of the Companies Act, 1956, they hold office up to the ensuing Annual General Meeting. The Company has received notices pursuant to Section 257 of the Companies Act, 1956 from the members of the Company proposing their candidature for the office as Directors of the Company.

Shri Yogesh Varia holds a Bachelor degree in Commerce. He has long experience of 37 years in Accounts and Finance fields. Prior to his appointment as Executive Director, he was working with the Company as a Senior Accounts Officer for 6 years. Considering his knowledge, and experience, it was proposed to induct him as Whole Time Director of the Company.

Shri Rushal Patel is a Bachelor of Business Administration. He has an experience of 7 years.

Shri Pawanjit Singh Negi is a Bachelor of Commerce and Bachelor of Law (LLB). He has an experience of 33 years. Considering his knowledge, experience in business, he may be very beneficial for the Company.

The Board recommends the Resolutions as set out in item nos. 4 to 6 in the notice for approval by the Members.

None of the Directors of the Company, except Shri Yogesh Varia, Shri Rushal Patel and Shri Pawanjit Singh Negi, appointees themselves in the respective resolution is, in any way, concerned or interested in the resolution.

**ITEM No. 7**

At its Meeting held on 13<sup>th</sup> May, 2013, the Board of Directors of the Company had, subject to approval of members in

general meeting appointed Shri Yogesh Varia, as Executive Director of the Company on a monthly remuneration of ` 25,000/- with a maximum remuneration upto ` 35,000/-, for a period of 3 years w.e.f. 13<sup>th</sup> May, 2013. The said appointment and remuneration has been considered and recommended by the Remuneration Committee in its Meeting held on 13<sup>th</sup> May, 2013.

The said remuneration may be altered, modified or varied from time to time by the Board in consultation with the Remuneration Committee within the limits permissible and, if deem fit, with liberty to the Board for review of remuneration annually and/or otherwise so as not to exceed the limit specified in the act or any amendments made thereto.

The Letter of Appointment referred to in the resolution at item No. 7 of the accompanying notice is open for inspection by the Members at the Registered Office of the Company during office hours on any working day of the Company, upto the date of the Annual General Meeting.

Shri Yogesh Varia is interested in the resolution since it relates to his appointment as an Executive Director of the Company and to the remuneration payable to him as such. None of the other directors are interested or concerned in the Resolution.

Your Directors recommend passing of the above Resolution being holding of the office as Executive Director of the Company for a period of 3 years w.e.f. 13<sup>th</sup> May, 2013 as set out at item No. 7 of the accompanying Notice.

The Explanatory Statement together with the accompanying notice is to be regarded as an abstract of terms of appointment and memorandum of concern or interest under the provisions of Section 302 of the Companies Act, 1956.

**For and on behalf of the Board of Directors**

**Place : Ahmedabad**  
**Date : 14<sup>th</sup> August, 2013**

**Alpesh Gandhi**  
**Company Secretary**

\* In terms of Clause 49 of the Listing Agreement with BSE Limited, a brief resume of the retiring director, Director proposed to be appointed and re-appointed at this meeting is as under:

Sr. No.	Name of Director	Date of Birth	Date of Appointment	Qualification	Experience	Committee Membership
1.	Shri Nishant Kumar	30/07/1982	08/10/2008	M.B.A.	9 years as professional	Member : Audit Committee & Remuneration Committee

## DIRECTORS' REPORT

To,  
The Members,  
ARMS PAPER LIMITED,  
AHMEDABAD

Your Directors take pleasure in presenting the 30<sup>th</sup> Annual Report of your Company together with Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL HIGHLIGHTS:

Your company's performance for the financial year 2012-2013 is summarized below:

	2012-13 (` in lacs)	2011-12 (` in lacs)
Total Revenue	4774.36	982.95
Total Expenses	4740.91	952.60
<b>Profit Before Taxes</b>	<b>33.45</b>	<b>30.35</b>
Net Tax Expense	(11.24)	(9.33)
<b>Profit/ (Loss) for the period(After Tax)</b>	<b>22.21</b>	<b>21.02</b>

### OPERATIONS:

Your Company has earned total revenue of ` 4774.36 Lacs as compared to ` 982.95 Lacs in the previous year. The total expenditure incurred during the year was ` 4740.91 Lacs as compared to ` 952.60 Lacs in the previous year. The Net Profit after taxation during the year under review is ` 22.21 Lacs as compared to ` 21.02 Lacs in the previous year. Your Directors are exploring various new business opportunities that will enable the Company to improve its financial position.

### DIVIDEND:

With a view to conserve the resources, your Directors do not recommend any dividend on the equity share capital of the Company for the year ended 31<sup>st</sup> March, 2013.

### FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under, during the year under review.

### DIRECTORS:

During the year under review, Shri Rushal Patel, Shri Yogesh Varia & Shri Pawanjit Singh Negi were appointed as Additional Directors of the Company with effect from 13<sup>th</sup> May, 2013. They hold office up to the ensuing Annual General Meeting of the company. Shri Yogesh Varia was also appointed as Executive Director of the Company w.e.f. 13<sup>th</sup> May, 2013.

Shri Hemant Mehta and Shri Arvind Baldwa, Directors had resigned from the directorship of the Company w.e.f. 13<sup>th</sup> May, 2013 on account of their pre-occupation. Shri Jamnaprasad Maheshwari, Managing Director of the Company has resigned from the directorship of the Company w.e.f. 30<sup>th</sup> May, 2013. The Board places on record its appreciation for the services rendered by Shri Jamnaprasad Maheshwari, Shri Hemant Mehta and Shri Arvind Baldwa during their tenure as Director of the Company.

Shri Nishant Kumar retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (1) in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- (2) the directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and of the Profit for the year ended on that date.
- (3) the directors to the best of their knowledge and ability have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) the directors have prepared the Annual Accounts on a "going concern basis".

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

In view of the nature of activities which are being carried on by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of Energy and Technology Absorption are not applicable. There were no foreign exchange transactions during the year.

**PARTICULARS OF EMPLOYEES:**

The information required as per sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2013 is NIL.

**CORPORATE GOVERNANCE:**

A report on the Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as also the Management Discussion and Analysis Report as stipulated under clause 49 of the Listing Agreement are annexed to this Report.

**DEMATERIALISATION:**

The Equity Shares of the Company are in compulsory demat segment and are available for trading in the depository system of both National Securities Depository Ltd (NSDL) and the Central Depository Services India Ltd (CDSL). As on 31<sup>st</sup> March, 2013, 5212821 nos. of equity shares forming 94.47% of the equity share capital of the Company stands dematerialized.

**LISTING OF SHARES:**

The Equity Shares of the Company are listed on the BSE Limited, the nation wide Stock Exchange.

Your Company has paid annual listing fees for financial year 2013-14 to BSE Limited and annual custodial fees to National Securities Depository Limited and Central Depository Services (India) Limited.

**AUDITORS :**

M/s. Talati & Talati, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the company and have expressed their unwillingness for reappointment as Statutory Auditors of the Company. M/s. Pary & Co., Chartered Accountants, Ahmedabad, have given a written confirmation as per the provisions of Section 224(1B) of Companies Act, 1956, for being appointed as Statutory Auditors of the Company.

Your Directors recommend appointment of M/s. Pary & Co., Chartered Accountants, as the Statutory Auditors of the Company for the current financial year and fixation of their remuneration.

**AUDITORS' REPORT:**

There is no qualification, observations or adverse comments in the Auditors' Report and hence it does not call for any further explanation.

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to acknowledge the co-operation received from Bankers of the Company, Government Agencies and Shareholders for their co-operation.

**For and on behalf of the Board of Directors**

**Place : Ahmedabad**  
**Date : 30<sup>th</sup> May, 2013**

**Rushal Patel**  
**Chairman**

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**Declaration:**

The Board of Directors of the Company have approved and adopted Code of Conduct for the directors and Senior Management Personnel. I hereby declare to the best of my knowledge and belief that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year.

**For and on behalf of the Board of Directors**

**Place : Ahmedabad**  
**Date : 30<sup>th</sup> May, 2013**

**Rushal Patel**  
**Chairman**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Indian Paper Industry:**

Indian Paper Industry is more than 140 years old with the first mill having been commissioned in 1867. Today almost every person uses paper in one form or the other. Paper manufacturers use a variety of raw materials like hardwoods, bamboo, recycled fibre, bagasse, wheat straw and rice straw. As per industry sources, there are more than 1000 paper mills in operation in the country.

Indian paper industry accounts for about 3% of the world's paper and paperboard production even though the country has nearly 17% of the global population. The per capita consumption in the country is estimated at 9.18 kgs compared with 42 kgs in China, 350 kgs in developed countries and with global average at a healthy 58 kgs, implying a large scope for correction.

Over the years, increase in government spending, betterment in standard of living, ongoing phase of economic growth, better educational opportunities, aspiration levels of the growing middle class and governmental support are some of the prime reasons for the rising trend in consumption of paper. This trend is expected to continue. It is estimated that an increase in consumption by one kg per capita can potentially increase annual paper demand by a million tons.

The country is almost self-sufficient in manufacture of most varieties of paper and paperboards. Over the years, in line with the improvement in the wellbeing of people and rising literacy and aspiration levels, paper usage has increased. The estimated turnover of the industry is ` 35,000 crore approximately and the industry provides employment to more than 370,000 people directly and 1,300,000 indirectly.

### **Risk and concerns**

Risks and uncertainties are an inherent part of every business and yet it is important to identify the risks and take proactive steps to mitigate and minimize them as it adversely affect business objectives and goals.

The Company is primarily exposed to credit risk, liquidity risk, operational risks, pricing risks etc.

The Company identifies, assesses and monitors all principal risks in accordance with defined policies and procedures

and reconciles estimation, control and quantification through an institutionalized approach, which includes consistent implementation and monitoring, supplemented by audits. The management conducts regular reviews to arrest abnormalities.

All the risks are discussed in the Senior Management meetings periodically to ensure that the risk mitigation plans are implemented and adverse impact of risks is avoided or kept within manageable proportions.

### **Internal Control System and their adequacy**

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. which ensure optimal and efficient utilization of resources, safeguarding the assets and interests of the Company, the preparation of financial statements in accordance with accounting principles generally accepted (GAAP) in India.

An extensive program of internal audits and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices. The internal control system is commensurate with the size and nature of the business. The Audit Committee of the Company provides reassurance to the Board on the existence of an effective internal control environment.

### **Financial and Operative Performance**

The financial and operative performances are already elaborated in Directors' Report which is a part of this report.

### **Cautionary Statement**

*Statements in the Directors' Report & Management Discussion and Analysis describes the Company's outlook, projections, objectives, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.*



## REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2013 on the compliance by the Company with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is furnished below:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to long-term shareholder value and enhances interest of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and shareholder value.

The Company's essential character is shaped by the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavors to improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of integrity and consciousness, transparency and openness. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company's philosophy on Corporate Governance is guided by the

Company's philosophy of Knowledge, Action and Care.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in Clause 49 of the Listing Agreement as applicable from time to time.

### 2. BOARD OF DIRECTORS :

The Board of Directors provides strategic direction and thrust to the operations of the Company, thereby enhancing the value of the stakeholders.

#### (a) Composition of Board of Directors :

The Board of Directors of the Company comprises of five directors having an optimum combination of Executive and Non-executive Directors. All the directors on the Board are well experienced in their respective fields. They take active part at the Board as well as Committee Meetings which add value in the decision making process of the Board. None of the Independent Directors have any pecuniary relationship with the Company and none of the directors is related to other directors.

The details of all directors of the Company along with the number of directorships and committees membership held by them in other companies as on 31<sup>st</sup> March, 2013 are as under:-

Sr. No.	Name of Director	Category of Directorship	Number of Directorship(s) in other Public Limited Company	Number of Membership(s) / Chairmanship(s) of Board Committees in other Companies
1	Shri Jamna Prasad Maheshwari (upto 30.05.2013)	Chairman & Managing Director	Nil	Nil
2	Shri Hemant Mehta (upto 13.05.2013)	Independent Director	Nil	Nil
3	Shri Arvind Baldwa (upto 13.05.2013)	Independent Director	Nil	Nil
4	Shri Nishant Kumar	Independent Director	Nil	Nil
5	Shri Nikhil Rajpuria	Independent Director	Nil	Nil
6	Shri Rushal Patel (w.e.f. 13.05.2013)	Chairman & Independent Director	Nil	Nil
7	Shri Yogesh Varia (w.e.f. 13.05.2013)	Executive Director	Nil	Nil
8	Shri Pawanjit Singh Negi (w.e.f. 13.05.2013)	Independent Director	Nil	Nil

#### **Note:**

As provided in Clause 49 of the Listing Agreement, none of the directors is member of more than ten Committees or Companies or Chairman of more than five Committees in any public limited companies.

## (b) Number of Board Meetings:

During the year under review, the Board of Directors met four times on 29<sup>th</sup> May, 2012, 9<sup>th</sup> August, 2012, 2<sup>nd</sup> November, 2012 and 14<sup>th</sup> February, 2013. The maximum gap between two Board Meetings does not exceed four months as

provided in Clause 49 of the Listing Agreement. Adequate information for the businesses to be transacted at Board Meetings is circulated as part of Board papers to enable the Board Members to take appropriate decisions.

## (c) Attendance at Board Meetings and Annual General Meeting of the Company:

The attendance of the Directors at the board meetings held during the year under review and at the last Annual General Meeting held on 26<sup>th</sup> July, 2012 are as under:-

Sr. No.	Name of Director	Number of Board Meetings Attended	Attendance at last AGM
1	Shri Jamna Prasad Maheshwari	4 out of 4	Yes
2	Shri Hemant Mehta	4 out of 4	No
3	Shri Arvind Baldwa	3 out of 4	No
4	Shri Nikhil Rajpuria	4 out of 4	No
5	Shri Nishant Kumar	4 out of 4	No
6	Shri Rushal Patel	NA	NA
7	Shri Yogesh Varia	NA	NA
8	Shri Pawanjit Singh Negi	NA	NA

## (d) Code of conduct

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel are strictly complying with the Code of Conduct. A declaration signed by the Chairman is attached and forms part of the Annual Report of the Company.

## 3) COMMITTEES OF THE BOARD

The following committees have been constituted by the Board of Directors:

- (A) Audit Committee
- (B) Remuneration Committee
- (C) Shareholders'/Investors' Grievances Committee

All decisions pertaining to the constitution of the committees, appointment of members and fixing of terms of service for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:-

### (ii) Composition of the Committee

The Audit Committee comprises of three Directors viz.:-

Sr. No.	Name of Director	Position held in the Committee
1.	Shri Hemant Mehta (upto 13.05.2013)	Chairman
2.	Shri Nishant Kumar	Member
3.	Shri Nikhil Rajpuria	Member
4.	Shri Pawanjit Singh Negi (w.e.f. 13.05.2013)	Chairman
5.	Shri Rushal Patel (w.e.f. 13.05.2013)	Member

## (A) Audit Committee

### (i) Constitution of Committee

- The composition of the Committee is in conformity with clause 49(II) (A) of the Listing Agreement.
- The Audit Committee provides an overview on the reporting process of the Company's financial and accounting mechanism and ensures that disclosures in its financial statements are correct, sufficient and credible.