



31st Annual Report **20¹³₁₄**

COMPANY INFORMATION

BOARD OF DIRECTORS

RUSHAL PATEL	: CHAIRMAN
YOGESH VARIA	: EXECUTIVE DIRECTOR (up to 05/07/2014)
PAWANJITSINGH NEGI	: INDEPENDENT DIRECTOR
NIKHIL RAJPURIA	: INDEPENDENT DIRECTOR
NISHANT KUMAR	: INDEPENDENT DIRECTOR

COMPANY SECRETARY

ALPESH GANDHI

BANKERS

STATE BANK OF INDIA
FEDERAL BANK

REGISTERED OFFICE

415, Advait Complex,
Nr. Sandesh Press,
Vastrapur, Ahmedabad-380 052
Tel.: +91 79 2676 2109
Email : armspaperltd@gmail.com
CIN: L21098GJ1983PLC006041

AUDITORS

M/S. P A R Y & Co.
Chartered Accountants
Ahmedabad

REGISTRAR & SHARE TRANSFER AGENTS

SHAREPRO SERVICES (INDIA) PVT. LTD.,
416-420, 4th floor, Devnandan mall,
Opp. Sanyas ashram, Ellisbridge,
Ahmedabad- 380 009
Tel.: +91 79 2658 2381-84
Fax: +91 79 2658 2385

LISTING

BSE LIMITED (SCRIP CODE 532397)

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NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of M/S. ARMS PAPER LIMITED will be held on Monday, the 29th day of September, 2014 at 12:30 pm 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 31st March, 2014 and the 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 Rushal Patel (DIN 06575447), 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 pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s. J. R. Purohit & Co. (Firm Registration No. 111841W) , Chartered Accountants, Ahmedabad, be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. P A R Y & Co., 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 for a period of 5 years commencing from the conclusion of this Annual General Meeting of the Company till the conclusion of 36th 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 pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the rules made thereunder, Mr. Pawanjit Singh Negi (DIN 02729393), Director of the Company, liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to 34th Annual General Meeting of the Company".
- 5] To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the rules made thereunder, Mr. Nikhil Rajpuria (DIN 01009330), Director of the Company, liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to 34th Annual General Meeting of the Company".

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the rules made thereunder, Mr. Nishant Kumar (DIN 02372620), Director of the Company, liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to 34th Annual General Meeting of the Company".

For and on behalf of the Board of Directors

Place : Ahmedabad

Alpesh Gandhi

Date : 14th August, 2014

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 Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 2014 to 29th September, 2014 (both days inclusive).
- 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 Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses stated at Item Nos. 4 to 6 are annexed hereto.
- 6] Members holding shares in physical form are requested to notify the change in their addresses, Bank details etc., if any, to the Company at the registered office of the Company 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 DP ID and Client 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.
- (vi) If you are a first time user follow the steps given below:
- 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 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.
- 14] Voting through electronic means:**
- In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business(es) contained therein may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):
- The instructions for members for voting electronically are as under:-**
- In case of members receiving e-mail:**
- Log on to the e-voting website www.evotingindia.com
 - Click on "Shareholders" tab.
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Arms Paper Limited, on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

INSTITUTIONAL SHAREHOLDERS:-

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on 23rd September, 2014 (9.00 am) and ends on 26th September, 2014 (9.00 am). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 29th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 29th August, 2014.
- (E) Mr. M.C. Gupta, of M/s. M. C. Gupta & Co., Company Secretaries, (Membership No. FCS:2047) (Address : A-201, Fairdeal House, Swastik Char Rasta, Navrangpura, Ahmedabad -380 009) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.
- (F) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (G) The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.armspaper.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES UNDER ITEM NOS. 4 TO 6 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****Item No. 4 to 6**

The Company had, in terms of the provisions Section 149(4) of the Companies Act, 2013 and Clause 49 of the Listing Agreements executed with the Stock Exchange; appointed Shri Pawanjit Singh Negi, Shri Nikhil Rajpuria and Shri Nishant Kumar as Independent Directors of the Company.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, every listed Company is required to have at least one third of the total number of Directors as Independent Directors, who will not be liable to retire by rotation.

Shri Pawanjit Singh Negi, Shri Nikhil Rajpuria and Shri Nishant Kumar have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act and in the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as

Independent Director and they are independent of the Management.

In compliance of the above provisions, above Directors have been appointed as Independent Directors of the Company from the date of this Annual General Meeting upto the date of 34th Annual General Meeting of the Company.

The Board considers that it is desirable to continue to avail their services as Independent Directors and accordingly, the Board recommends the above resolutions for the approval of the shareholders of the Company.

Shri Pawanjit Singh Negi, Shri Nikhil Rajpuria and Shri Nishant Kumar are concerned or interested in the resolutions of the accompanying notice relating to their own appointment. None of the other Directors, Key Managerial Personnel of the Company and their relatives, is concerned or interested, financially or otherwise, in their respective resolution.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 14th August, 2014

Alpesh Gandhi
Company Secretary

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- * 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	DIN	Date of Appointment	Qualifications	Experience
1.	Shri Pawanjit Singh Negi	02729393	13/05/2013	B.Com., LLB	34 years of experience
2	Shri Nikhil Rajpuria	01009330	11/10/2007	M.B.A.	11 years of experience
3	Shri Nishant Kumar	02372620	08/10/2008	M.B.A.	10 years of experience

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants and Members who hold shares in physical form are requested to send their requests to the Registrar: M/s. Sharepro Services (India) Pvt. Ltd., at their office situated at 416-420, 4th floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380006.

DIRECTORS' REPORT

To,
The Members,
ARMS PAPER LIMITED,
AHMEDABAD

Your Directors take pleasure in presenting the 31st Annual Report of your Company together with Audited Accounts for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS:

Your company's performance for the financial year 2013-2014 is summarized below:-

	2013-14 (` in lacs)	2012-13 (` in lacs)
Total Revenue	6093.76	4774.36
Total Expenses	6057.97	4740.91
Profit Before Taxes	35.79	33.45
Net Tax Expense	(10.30)	(11.24)
Profit/ (Loss) for the period(After Tax)	25.50	22.21

OPERATIONS:

Your Company has earned total revenue of Rs. 6093.76 Lacs as compared to Rs. 4774.36 Lacs in the previous year. The total expenditure incurred during the year was Rs. 6057.97 Lacs as compared to Rs. 4740.91 Lacs in the previous year. The Net Profit after taxation during the year under review is Rs. 25.50 Lacs as compared to Rs. 22.21 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 31st March, 2014.

FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under, during the year under review.

DIRECTORS:

Shri Yogesh Varia, Executive Director of the Company, has resigned from the Company w.e.f. 5th July, 2014. The Board places on record its appreciation for the services rendered by Shri Yogesh Varia during his tenure as Executive Director of the Company.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a maximum term of five consecutive years and shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors form part of the Notice of the Annual General Meeting. The Board therefore proposes the appointment of Shri Pawanjit Singh Negi, Shri Nikhil Rajpuria and Shri Nishant Kumar as Independent Directors on the Board of the Company for consecutive period of 3 years commencing from the ensuing Annual General Meeting of the Company upto 34th Annual General Meeting of the Company.

Shri Rushal Patel retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

As stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, brief profile of the Directors proposed to be appointed/re-appointed, nature of their expertise, specific functional areas, nos. of companies in which they hold directorships, memberships, chairmanships of the Board Committees and shareholding are provided in the Report on Corporate Governance forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- (1) that 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) that 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 31st March, 2014 and of the Profit for the year ended on that date.
- (3) that 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 Annual Accounts have been prepared 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)

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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 (2AA) 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 31st March, 2014 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 Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on 31st March, 2014, 5214121 equity shares forming 94.49% 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 2014-15 to BSE Limited and annual custodial fees to National Securities Depository Limited and Central Depository Services (India) Limited.

AUDITORS:

M/s. P A R Y & Co., 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. J. R. Purohit & Co., Chartered Accountants, Ahmedabad, have given a written confirmation as per the provisions of Section 141 of Companies Act, 2013, for being appointed as Statutory Auditors of the Company.

Your Directors recommend appointment of M/s. J. R. Purohit & Co., Chartered Accountants, as the Statutory Auditors of the Company for 5 years 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 the Bankers of the Company, Government Agencies and Shareholders.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 14th August, 2014

Rushal Patel
Chairman
(DIN-06575447)

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 : 14th August, 2014

Rushal Patel
Chairman
(DIN-06575447)