ARMS
PAPER LIMITED

Stock Code: 532397

29th September, 2017

To,
The Listing Department,
The BSE Ltd,
P J Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir / Madam,

Sub: Annual Report for 2016-17

With reference to the above subject and in compliance with Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, we are filing the soft copy of the Annual Report of the Company for the year 2016-17, along with the Notice of 34th Annual General Meeting of the Company held on Friday, 29th day of September, 2017 at 3:30 p.m. at the Indian Agro and Recycled Paper Mill Association, 802, 8th Floor, Avdhesh House, Opp. Shri Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad-380 054.

Please take the same on your record and acknowledge the receipt of the same.

Thanking You,

Yours faithfully,
FOR ARMS PAPER LIMITED

ARMS PAPER LIMITED AHMEDABAD

UDIT VORA
COMPANY SECRETARY

Encl.: As Above.

ARMS
PAPER LIMITED

34th ANNUAL REPORT 2016-17

COMPANY INFORMATION

BOARD OF DIRECTORS

RUSHAL PATEL	: CHAIRMAN
PAWANJITSINGH NEGI	: INDEPENDENT DIRECTOR
NIKHIL RAJPURIA	: INDEPENDENT DIRECTOR
NISHANT KUMAR	: INDEPENDENT DIRECTOR
RIMA MEHTA	: INDEPENDENT DIRECTOR

COMPANY SECRETARY

UDIT VORA

BANKERS

STATE BANK OF INDIA

INDIAN OVERSEAS BANK

BANK OF BARODA

REGISTERED OFFICE

802 Avdhesh House, Nr. Devang Park, Opp. Gurudwara,

S.G. Highway, Thaltej, Ahmedabad-380 054

Tel.: +91 79 2685 5714

Email : armspaperltd@gmail.com

CIN: L21098GJ1983PLC006041

STATUTORY AUDITORS

M/S. J. R. PUROHIT & Co.

Chartered Accountants

Ahmedabad

REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.,

506-508, Amarnath Business Centre-1 (ABC-1),

Besides Gala Business Centre, Nr St Xavier's

College Corner, Off C G Road , Ellisbridge.

Ahmedabad-380 006

Phone No. +91 79 26465179/86/87

Email : ahmedabad@linkintime.co.in

LISTING

BSE LIMITED (SCRIP CODE 532397)

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NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of **M/S. ARMS PAPER LIMITED** will be held on **Friday,** the **29th day of September, 2017** at 3:30 pm at **Indian Agro and Recycled Paper Mill Association,** 802, 8th Floor, Avdhesh House, Opp. Guru Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad- 380 054 to transact the following business:-

ORDINARY BUSINESS :

1] To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 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 Pawanjitsingh Negi (DIN 02729393), 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, the Company hereby ratifies the appointment of M/s. J. R. Purohit & Co. (Firm Registration No. 111841W), Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company to hold office commencing from the conclusion of this Annual General Meeting of the Company till the Conclusion of next Annual General Meeting of the Company, at a remuneration as may be decided by the Board of Directors of the Company as per the recommendation of the Audit Committee".

For and on behalf of the Board of Directors

Place : Ahmedabad **Udit Vora**
Date : 30th August, 2017 **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 22nd September, 2017 to 29th September, 2017 (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] 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. Link Intime 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].

6] 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'.

7] 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. Link Intime India Private Limited** or to the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better service.

8] 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.

9] 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.

10] 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.

11] 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.Link Intime India Private Limited.

12] Members are requested to bring the copy of the Annual Report at the meeting.

13] 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 34th 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 Limited (CDSL):

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 25th September, 2017 (09:00 a.m.) and ends on 27th September, 2017 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) 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.

(vii) If you are a first time user follow the steps given below:

	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) · Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip/Address Slip.
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. · 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant "Arms Paper Limited" on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) 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.

For and on behalf of the Board of Directors

Place : Ahmedabad **Udit Vora**
Date : 30th August, 2017 **Company Secretary**

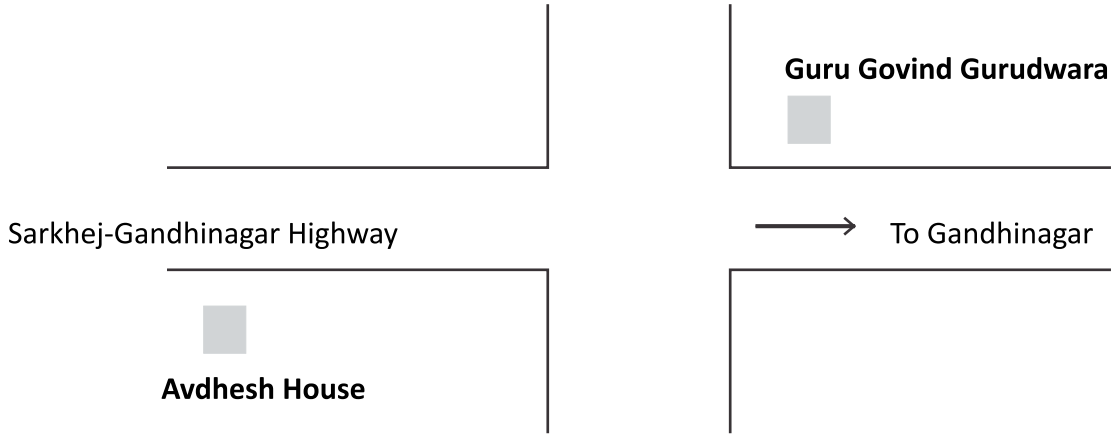
*** Details of the Director seeking appointment / re-appointment in the ensuing Annual General Meeting.**

Sr. No.	Name of Director	DIN	Date of Appointment	Qualifications	Experience
1.	Pawanjitsingh Negi	02729393	13/05/2013	B.Com. LL.B	37 Years

Route Map to the venue of AGM

Venue : Indian Agro and Recycled Paper Mills Association
802, Avdhesh House, 8th Floor Avdhesh House
Opp. Shri Guru Govind Gurudwara,
Sarkhej – Gandhinagar Highway,
Thaltej, Ahmedabad – 380054

Landmark : Opposite Guru Govind Gurudwara, Ahmedabad.



DIRECTORS' REPORT

To,
The Members,
ARMS PAPER LIMITED,
AHMEDABAD

Your Directors take pleasure in presenting the 34th Annual Report of your Company together with Audited Accounts for the year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS:

Your company's performance for the financial year 2016-17 is summarized below:-

	2016-17 (` in lacs)	2015-16 (` in lacs)
Total Revenue	1549.03	5348.10
Total Expenses	1553.56	5350.39
Profit (Loss) Before Taxes	**(4.04)**	**(2.29)**
Net Tax Expense	(0.22)	0.05
Profit/ (Loss) for the period(After Tax)	**(3.82)**	**(1.69)**

2. OPERATIONS:

Your Company has earned total revenue of Rs. 1549.03 Lacs as compared to Rs. 5348.10 Lacs in the previous year. The total expenditure incurred during the year was Rs. 1553.56 Lacs as compared to Rs. 5350.39 Lacs in the previous year. The Net Loss after taxation during the year under review is Rs. 3.82 Lacs as compared to previous year's Loss of Rs. 1.69 Lacs in the previous year. Your Directors are exploring various new business opportunities that will enable the Company to improve its financial position.

3. 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, 2017.

4. PUBLIC DEPOSITS:

Your Company has not accepted any deposits from public during the year under review.

5. DIRECTORS :

Shri Pawanjitsingh Negi, Director retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

6. COMPOSITION AND NUMBER OF MEETINGS OF THE BOARD:

The Board of Directors of the Company consists of well qualified and experinced persons having expertise in their respective areas. It has appropriate combination of **1 Non-Executive Chairman, 3 Independent Directors and 1 Woman Director** as required pursuant to the provisions of Section 149 of the Companies Act, 2013.

The Board meets at regular interval with gap between two meetings not exceeding 120 days. Additional meetings are held as and when necessary. During the year under the review, the Board met 6 times on the following dates: 28th May, 2016, 16th July, 2016, 12th August, 2016, 12th November, 2016, 13th February, 2017 and 31st March, 2017.

7. COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE:

In compliance with the requirement of Section 177 of the Companies Act, 2013, the Board of Directors has constituted the Audit & Risk Management Committee. The members of the Audit & Committee possess financial/accounting expertise and exposure.

The Audit Committee comprises of the Independent Directors of the Company under the Chairmanship of Mr. Pawanjit Singh Negi. The other independent directors of the Committee are Mr. Nishant Kumar and Mr. Nikhil Rajpuria.

For the Finanacial year 2016-17, the Audit Committee met 4 times on the following dates: 28th May, 2016, 12th August, 2016, 12th November, 2016 and 13th February, 2017.

The recommendations given by the Audit Committee are considered and reviewed by the members of the Board of the Company. However, there is no such case, where the Board dissented or did not accept the recommendation of the Audit Committee.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 (3) of the Companies Act, 2013, in relation to the financial statements for FY 2016-17 the Board of Directors state that:

a) In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2017 and of the profits for the year ended 31st March, 2017;

c) the Directors have taken proper and sufficient care for maintenance of adequate accounting records

in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) the financial statements have been prepared on a going concern basis.

e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178:

The Composition of the Nomination & Remuneration Committee is as under:

1. Shri Pawanjit Singh Negi – Independent Director
2. Shri Nishant Kumar - Independent Director
3. Shri Nikhil Rajpuria - Independent Director
4. Shri Rushal Patel - Director

The Nomination & Remuneration Committee considers the requirement of the skill on the Board, integrity of the persons having standing in their respective field/ profession and who can effectively contribute to the Company's business and policy decisions, recommend the appointment to the Board for approval.

The Committee has approved a policy with respect to the appointment and remuneration of the Directors and Senior Management personnel.

10. STATUTORY AUDITORS AND THEIR REPORT:

M/s. J. R. Purohit & Co., Chartered Accountants, the Statutory Auditors of the Company who were appointed at the 31st Annual General Meeting of the Company to hold office till 36th Annual General Meeting are subject to ratification. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for ratification as Statutory Auditors of the Company. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. furnished a certificate regarding their eligibility for re-appointment as Statutory Auditors of the Company, pursuant to Section 139 (1) of the Companies Act, 2013 read with rules. The Board of Directors recommends their re-appointment.

The Auditors' Report does not contain any qualification, reservation or any adverse remark.

11. CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance and Management Discussion & Analysis Report are not applicable to the Company, as the paid up equity share capital of the Company is less than Rs. 10 Crore and net worth of the Company is less than Rs. 25 Crores as on the last date of Financial year 2016-17.

12. INTERNAL AUDITORS:

Pursuant to the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, your Company has appointed M/s S. Khemka & Co., Chartered Accountants, as the Internal Auditors of the Company for conducting internal audit for the financial year 2016-17.

13. SECRETARIAL AUDIT REPORT:

Pursuant to Section 204 read with Section 134(3) of the Companies Act, 2013, the Board of Directors has appointed Ms. Viral Garachh., Company Secretary, Ahmedabad as Secretarial Auditor of the Company for FY 2016-17. The Secretarial Audit Report provided by Ms. Viral Garachh. is annexed with the Board's report as **Annexure A.**

14. SECRETARIAL AUDITORS' REMARKS

Ms. Viral Garachh, Company Secretary who was appointed as Secretarial Auditor for the Company for conducting audit for the year 2016-17, has given following qualifications in her report

"The Company has not complied with the provisions of section 203 of the Companies Act, 2013 with regards to appointment of the key managerial personnel.

The Company has not complied with section 93 of the Companies Act, 2013, with regards to filing of form MGT-10 which is required to be filed for change in the position of the holding of the promoter and promoter group for more than 2%."

15. MANAGEMENT'S VIEW ON REMARKS

With reference to the remarks provided in the Secretarial Audit Report, Board of Directors of the Company has considered the remarks and has decided to comply with the remarks mentioned in the report in the due course. With respects to non appointment of Key Managerial Personnel, your Directors were not able to find any suitable candidate for the post and thus the position of KMP remains vacant. Your Directors will strive harder to find a suitable candidate and will comply with the law.

16. CODE OF CONDUCT:

The Company has adopted a Code of Business Conduct based on the business principles of the Company. The Board has laid down the code of conduct for all Board members and Senior management of the Company. The code of conduct has been posted on the website of the company. All Board members and Senior management personnel affirms the compliance with the code on an annual basis in the prescribed format.

17. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the applicable provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. DEMATERIALIZATION:

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). 52,14.972 nos. of equity shares forming 94.61% of the equity share capital of the Company stands dematerialized on 31st March, 2017.

19. LISTING OF SHARES:

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

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the financial year, no transactions fall under the purview of Section 188 of the Companies Act, 2013, hence it is not applicable.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Provisions of Corporate Social Responsibility (CSR) are currently not applicable to the Company.

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

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 are not applicable to the Company.

23. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

24. THE EXTRACT OF THE ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT 9 as required under Section 134 (a) of the Companies Act, 2013, is attached as **Annexure B** to this Report.

25. APPRECIATION AND ACKNOWLEDGEMENTS:

The Board of Directors places on record their appreciation for the continued support and confidence received from its Bankers and employees of the Company.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 11th August, 2017

Rushal Patel
Chairman
(DIN-06575447)

'ANNEXURE A'

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Arms Paper Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Arms Papers Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under.

IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   d. Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses ofthe following:

I. Secretarial Standards issued by The Institute of Company Secretaries of India.

II. The Listing Agreements entered into by the Company with Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

The Company has not complied with the provisions of section 203 of the Companies Act, 2013 with regards to appointment of the key managerial personnel.

The Company has not complied with section 93 of the Companies Act, 2013, with regards to filing of form MGT-10 which is required to be filed for change in the position of the holding of the promoter and promoter group for more than 2%.

Except the above qualification, following observation came to the notice during the audit of the Company:

The Promoters had intimated the Company for reclassification of promoter under regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and passed the resolution in general meeting, however no further actions were taken by the company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Viral A Garachh
Company Secretary,
ACS No. 39943
C P No.: 15293

Place : **Ahmedabad**
Date : **August 11, 2017**

This report to be read with my letter of even date which is annexed as annexure and forms an integral part of the report

'ANNEXURE A'

To

The Members
Arms Paper Limited

My report of even date is to be read along with this letter:

1. Maintenance of the secretarial records is the responsibility of the management of the Company. My responsibility is to be express as opinion on these secretarial records based on my audit.
2. I have followed the audit practice and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. I believe that the processes and the practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Whenever required I have obtained the management representation about the compliance of laws, rules and regulation and happening of the events etc.
5. The compliance of the provisions of corporate and other applicable law, Rules, Regulation, Standard is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.4) Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

Viral A Garachh
Company Secretary,
ACS No. 39943
C P No.: 15293

Place : **Ahmedabad**
Date : **August 11, 2017**

DIRECTORS' REPORT - ANNEXURE - B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	**L21098GJ1983PLC006041**
ii)	Registration Date:	**23rd March, 1983**
iii)	Name of the Company:	**Arms Paper Limited**
iv)	Category / Sub-Category of the Company:	**Public**
v)	Address of the Registered office and contact details:	802 Avdhesh House, Nr. Devang Park, Opp. Shri Guru Govind Gurudwara, S.G. Highway, Thaltej, Ahmedabad - 380054 Tel: 91-79-26855714 Email : armspaperltd@gmail.com
vi)	Whether listed company Yes / No :	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 506-508,Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre Near XT Xavier's College Corner, Off C G Road , Ellisbridge Ahmedabad 380006 Tel No : +91 79 26465179 /86 / 87 E-mail id : ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The company is engaged in only one business activity, i.e. trading of paper.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. **Category-Wise Share Holding**

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
a)	Individual/ HUF	921274	0	921274	16.70	0	0	0	0.00	-16.70
b)	Central Govt.	0	0	0	0	0	0	0	0	0.00
c)	State Govt (s)	0	0	0	0	0	0	0	0	0.00
d)	Bodies Corp.	0	0	0	0	0	0	0	0	0.00
e)	Banks / FII(s)	0	0	0	0	0	0	0	0	0.00
f)	Any Other-.	0	0	0	0	0	0	0	0	0.00
	Sub-Total A(1) :	921274	0	921274	16.70	0	0	0	0.00	-16.70
(2)	**FOREIGN**									
1.	Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0.00
2.	Bodies Corporate	0	0	0	0	0	0	0	0	0.00
3.	Institutions	0	0	0	0	0	0	0	0	0.00
4.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
5.	Others	0	0	0	0	0	0	0	0	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter(A)=A(1)+A(2)	**921274**	**0**	**921274**	**16.70**	**0**	**0**	**0**	**0.00**	**-16.70**

B.	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
1.	Mutual Funds	0	0	0	0	0	0	0	0	0.00
2.	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0.00
3.	Central Government	0	0	0	0	0	0	0	0	0.00
4.	State Government(s)	0	0	0	0	0	0	0	0	0.00
5.	Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
6.	Insurance Companies	0	0	0	0	0	0	0	0	0.00
7.	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0.00
8.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0.00
9.	Others	0	0	0	0	0	0	0	0	0.00
	Sub-Total B(1) :	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
(2)	**NON-INSTITUTIONS**									
a)	Bodies Corporate									
i)	Indian	923435	4525	927960	16.82	916543	0	916543	16.61	-0.21
ii)	Overseas	0	0	0	0	0	0	0	0	0.00
b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	996227	297354	1293581	23.44	905499	297829	1203328	21.81	-1.64
(ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2374515	0	2374515	43.03	3110460	10000	3120460	56.55	13.52
c)	Others	0	0	0	0	0	0	0	0	0.00
i)	Employees	0	0	0	0	0	0	0	0	0.00
ii)	Non Resident Repatriates	350	0	350	0.01	450	0	450	0.01	0.00
iii)	Non Resident Non Repatriates	420	0	420	0.01	520	0	520	0.01	0.00
iv)	Non domestic companies	0	0	0	0	0	0	0	0	0.00
v)	Trusts	0	0	0	0	0	0	0	0	0.00
vi)	Others-Clearing Members	0	0	0	0	501	0	501	0.01	0.01
vii)	Directors & Their Relatives & Friends	0	0	0	0	0	0	0	0	0.00
viii)	Foreign Nationals	0	0	0	0	0	0	0	0	0.00
	Sub-Total B(2) :	**4294947**	**301879**	**4596826**	**83.30**	**5210371**	**307829**	**5518200**	**100.00**	**16.70**
	Total Public Shareholding (B)=B(1)+B(2) :	**4294947**	**301879**	**4596826**	**83.30**	**5210371**	**307829**	**5518200**	**100.00**	**16.70**
(C)	**Shares held by Custodians for GDRs & ADRs**									
i)	Promoters	-	-	-	-	-	-	-	-	-
ii)	Public	0	0	0	0	0	0	0	0	0.00
	Sub-total (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	GRAND TOTAL (A+B+C) :	**5216221**	**301879**	**5518100**	**100.00**	**5210371**	**307829**	**5518200**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% Change in share-holding during the year
		No.of Shares	% of total Share of the company	% of Shares Pledged/ encumbered to total shares	No.of Shares	% of total Share of the company	% of Shares Pledged/ encumbered to total shares	
1	Shyamsunder Tibrewal	625549	11.34	0.00	0	0	0.00	0.00
2	Monica Tibrewal	174228	3.16	0.00	0	0	0.00	0.00
3	Siddharth Tibrewal	121497	2.20	0.00	0	0	0.00	0.00

(iii) Change in Promoters' Shareholding :

Sl. No.	Name of the Promoter	No. Of Shares
	Decrease in the shareholding due to sale of shares in open market	
1.	Shyamsunder Tibrewal	625549
2.	Monica Tibrewal	174228
3.	Siddharth Tibrewal	121497

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2016	
		No. of shares	% of total shares of the company
1	Sangeeta Ajay Goenka	1348477	24.43
2	Devkant Synthetics (India) Pvt. Ltd.	695496	12.60
3	Vinit Kumar Pawan Kumar Agrawal	647446	11.73
4	Manoj C Rathod	131080	2.38
5	Shree Mallikarjun Tradinvest Pvt Ltd	55173	1.00
6	Raghuvir Arjandas Makhija	46284	0.84
7	Hemang Omprakash Mehta	46100	0.84
8	Paresh Jaydevbhai Rao	40000	0.73
9	Shradha Hanskumar Agarwal	38000	0.69
10	Radhadevi R Agrawal	38000	0.69

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year 31-03-2017	
		No. of shares	% of total shares of the company
1	Devkant Synthetics (India) Pvt. Ltd.	695496	12.60
2	Riya Vinit Agrawal	665104	12.05
3	Vinit Kumar Pawan Kumar Agrawal	647446	11.73
4	Anilkumar Padamprasad Jain	625549	11.33
5	Mitin Anilkumar Jain	174228	3.15
6	Manoj C Rathod	131080	2.37
7	Namrata Mitin Jain	121497	2.20
8	Sangeeta Ajay Goenka	74289	1.34
9	Shree Mallikarjun Tradinvest Pvt Ltd	55173	0.99
10	Raghuvir Arjandas Makhija	46284	0.83

(iv) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	No. of Shares at the beginning (01/04/15) / end of the year (31/03/16)	% of total shares of the Company	Date	Increase / Decrease	Reason
A.	**Directors:**					
1	Shri Nikhil Rajpuria	26271	0.48	01/04/16	0	
		26271	0.48	31/03/17	0	
B.	**Key Managerial Personnel:**	**NIL**				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment : NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors:

(` In Lacs)

Sr. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Rushal Patel	Pawanjit Singh Negi	Nishant Kumar	Nikhil Rajpuria	
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	1% of the Net Profit of the Company				

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

(Rs. In Lacs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2.68	-	2.68
	(b) Value of perquisites u/s 17(2) of the Income Tax, Act 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	-	-	
2	Stock Option				
3	Sweat Equity Shares				
4	Commission				
	- as % of profit				
	- others specify				
5	Others, please specify				
	Total	-	**2.68**		**2.68**

VII. 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)
A.	**COMPANY**	NIL				
	Penalty					
	Punishment					
	Compounding					
B.	**DIRECTORS**					
	Penalty					
	Punishment					
	Compounding					
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty					
	Punishment					
	Compounding					

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 11th August, 2017

Rushal Patel
Chairman
(DIN-06575447)

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ARMS PAPER LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of ARMS PAPER LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Maanagement's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("theOrder"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the "Annexure - A"astatement on the matters specified in paragraphs 3 and 4 of the Order, tothe extent applicable.
2. 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 purpose of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure -B"

(g) 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) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 12 to the financial statements.

For J. R. PUROHIT & CO.
Chartered Accountants
(Firm Reg No:111841W)
Vikas Purohit
Partner
Mem No:131959

Place : Ahmedabad
Date : 29th May, 2017

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

(i) In respect of its fixed assets :

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information;

(b) As explained to us, the Company has a phased program of physical verification of its fixed assets, which in our opinion, is reasonable, having regard to the size of the Company and the nature of its business. During the year, the Company has physically verified some of the assets and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties hence clause (i)(c) is not applicable.

(ii) There is no inventory of finished goods, hence clause (ii) is not applicable to the Company.

(iii) During the year the Company has not given any loans secured or unsecured to the companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence Clause (iii) (a), (b) and (c) are not applicable to the Company.

(iv) Based on our audit procedures and on the basis of information and explanations given to us by the management,provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security have been complied with.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the company. According to the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company.

(vii) In respect of statutory dues:

(a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess except for the TDS. According to the information and explanations given to us, there are undisputed amounts payable in respect of above dues which were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

Nature of the Statue	Nature of Dues	Amount	Periods to which Amount Relates
Income Tax Act, 1961	Tax Deducted at Source	35,047/-	AY 2014-15 to AY 2017-18

(b) According to the information and explanation given to us, the Company does not have any disputed Statutory dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess.

(viii) According to the information and explanation given to us, the Company has not taken any borrowings from the financial institution or banks or debenture holders during the year. Therefore clause (viii) is not applicable to the Company.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year under audit. According to the information and explanation given to us, the Company has not taken any term loan during the year. Therefore clause (ix) is not applicable.

(x) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud by the Company or on the Company by its officer or employee has been noticed or reported for the year under audit.

(xi) Based on our audit procedures and on the basis of information and explanations given to us by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) The Company is not a Nidhi Company.Therefore; the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

(xiii) Based on our audit procedures and on the basis of information and explanations given to us by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 wherever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

(xiv) Based on our audit procedures and on the basis of information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

(xv) Based on our audit procedures and on the basis of information and explanations given to us by the management, the Company has not entered into any non-cash transactions with Directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For J. R. PUROHIT & CO.
Chartered Accountants
(Firm Reg No:111841W)
Vikas Purohit
Partner
Mem No:131959

Place : Ahmedabad
Date : 29th May, 2017

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the Internal Financial Controls over financial reporting of Arms Paper Limited ("the Company") as of 31stMarch, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting(the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial controls over financial reporting and the Standards on Auditing,both issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2017, based onthe internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For J. R. PUROHIT & CO.
Chartered Accountants
(Firm Reg No:111841W)
Vikas Purohit
Partner
Mem No:131959

Place : Ahmedabad
Date : 29th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(`)

	PARTICULARS	Note	AS AT 31.03.2017	AS AT 31.03.2016
I.	**EQUITY AND LIABILITIES**			
	(1) Shareholders' Funds			
	(a) Share Capital	2	**55,040,000**	55,040,000
	(b) Reserves and surplus	3	**21,626,890**	22,008,495
			76,666,890	77,048,495
	(2) Non-Current Liabilities			
	(a) Deferred tax liabilities (Net)	4	**-**	10,833
	(b) Long term provisions	5	**32,644**	10,235
			32,644	21,068
	(3) Current Liabilities			
	(a) Trade payables	6	**75,285,485**	150,763,258
	(b) Other current liabilities	7	**16,947,055**	21,010,907
	(c) Short-term provisions	8	**9,750**	42,887
			92,242,290	171,817,052
	Total		**168,941,824**	248,886,615
II.	**ASSETS**			
	(1) Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	**5,005**	60,380
	(b) Long term loans and advances	10	**17,288**	190,750
	(c) Deferred Tax Asset (Net)		**11,269**	-
			33,562	251,130
	(2) Current assets			
	(a) Trade receivables	11	**86,922,921**	151,531,876
	(b) Cash and Bank balances	12	**61,267**	47,193
	(c) Short-term loans and advances	13	**81,924,073**	97,056,416
			168,908,261	248,635,486
	Total		**168,941,824**	248,886,615

The accompanying 1 to 25 notes are an integral part of these financial statements

For and on behalf of the Board of Directors

Rushal Patel Chairman
DIN : 06575447

Nishant Kumar Director
DIN : 02372620

Rima Mehta Director
DIN : 07158084

Pawanjit Negi Director
DIN : 02729393

Nikhil Rajpuria Director
DIN : 01009330

Place : Ahmedabad
Date : 29/05/2017

As per our separate report of even date attached.

For M/s J.R.Purohit & Co.,
Chartered Accountants
(Firm Reg No:111841W)

Vikas Purohit
Partner
M**em No.131959**

Udit Vora
Company Secretary

Place : Ahmedabad
Date : 29/05/2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(`)

	PARTICULARS	Note	For the year ended March 31,2017	For the year ended March 31,2016
I.	Revenue from operations	14	**154,903,605**	534,810,130
II.	Other income	15	**48,241**	81,016
III.	**Total Revenue (I +II)**		**154,951,846**	534,891,146
IV.	Expenses:			
	Purchases of stock-in-trade		**153,647,779**	532,295,443
	Employee benefits expense	16	**464,281**	851,123
	Finance costs	17	**8,937**	16,334
	Depreciation and amortization expense	9	**33,615**	50,536
	Other expenses	18	**1,200,940**	1,841,675
IV.	**Total Expenses**		**155,355,552**	535,055,111
V.	**Profit/(Loss) before tax (III-IV)**		**(403,706)**	(163,965)
VI.	Tax expense:			
	Current tax		**-**	-
	Add/(Less): MAT credit entitlement		**-**	-
	Net current tax liability		**-**	-
	Deferred tax		**(22,102)**	5,388
VII.	**Profit/(Loss) for the year (V±VI)**		**(381,604)**	(169,354)
VIII.	Earnings per share (Face value ` 10 per share) (Refer note no. 22)			
	(1) Basic		**(0.07)**	(0.03)
	(2) Diluted		**(0.07)**	(0.03)

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our separate report of even date attached.

For M/s J.R.Purohit & Co.,
Chartered Accountants
(Firm Reg No:111841W)

Vikas Purohit
Partner
M**em No.131959**

Udit Vora
Company Secretary

Rushal Patel Chairman
DIN : 06575447

Nishant Kumar Director
DIN : 02372620

Rima Mehta Director
DIN : 07158084

Pawanjit Negi Director
DIN : 02729393

Nikhil Rajpuria Director
DIN : 01009330

Place : Ahmedabad
Date : 29/05/2017

Place : Ahmedabad
Date : 29/05/2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

		2016-2017 (Amt. in `)	2015-2016 (Amt. in `)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before extra ordinary items	**(403,706)**	(163,965)
	Adjustment for:		
	Depreciation & amortization expenses	**33,616**	50,536
	Finance costs	**8,937**	16,334
	Other Non Cash Items	**21,759**	**-**
	Operating profit before working capital changes	**(339,395)**	**(97,096)**
	Adjustment for:		
	Increase /(decrease) in trade payables	**(75,477,773)**	15,445,980
	Increase /(decrease) in current liabilities and provisions	**(4,074,580)**	5,235,782
	(Increase) /decrease in inventories	**-**	
	(Increase) /decrease in trade receivables	**64,608,955**	1,129,184
	Cash generated from operating activities	**(15,282,794)**	**21,713,851**
	Direct tax paid	**-**	(590,670)
	Net cash flow from operating activities	**(15,282,794)**	**21,123,181**
B.	**Cash flow from investing activities**		
	Movement in loans & advances	**15,305,805**	(21,401,450)
	Movement in fixed assets	**-**	-
	Net cash flow from investing activities	**15,305,805**	(21,401,450)
C.	**Cash flow from financing activities**		
	Repayment of long term borrowings	**-**	**-**
	Interest paid	**(8,937)**	**(16,334)**
	Net cash flow from financing activities	**(8,937)**	**(16,334)**
	Net change in cash & cash equivalents(a+b+c)	**14,074**	(294,603)
	Opening balance - cash and cash equivalent	**47,193**	341,797
	Closing balance - cash and cash equivalent	**61,267**	47,193
Notes:			
1	Components of cash and cash equivalents included in the cash flow statement comprises the following balance sheet amount		
	Cash and cash equivalent :		
	(a) Balance with Banks :		
	- In Current accounts	**61,247**	46,999
	(b) Cash on hand	**20**	194
	Total	**61,267**	47,193

As per our separate report of even date attached.

For M/s J.R.Purohit & Co.,
Chartered Accountants
(Firm Reg No:111841W)

Vikas Purohit
Partner
M**em No.131959**

Udit Vora
Company Secretary

Place : Ahmedabad
Date : 29/05/2017

For and on behalf of the Board of Directors

Rushal Patel Chairman
DIN : 06575447

Nishant Kumar Director
DIN : 02372620

Rima Mehta Director
DIN : 07158084

Pawanjit Negi Director
DIN : 02729393

Nikhil Rajpuria Director
DIN : 01009330

Place : Ahmedabad
Date : 29/05/2017

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES:

1.1) CORPORATE INFORMATION

Arms Paper Limited is a Listed companany having its office at Ahmedabad, Gujarat. The company is primarily engaged in trading and marketing of paper

1.2) BASIS OF ACCOUNTING:

These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act 1956, read with General Circular No 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 All Incomes and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

SIGNIFICANT ACCOUNTING POLICIES :

1.3) USE OF ESTIMATES:

The presentation of the Financial Statements, in conformity with the Generally Accepted Accounting policies, require the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

1.4) REVENUE RECOGNITION:

Sales are stated net of rebate and trade discount. It excludes Central Sales Tax and State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch of the goods.

Interest on deposits is recognized on accrual basis**.**

1.5) FIXED ASSETS AND DEPRECIATION:

Fixed Assets are stated at cost of acquisition or construction, net of accumulated depreciation, cenvat credit and adjustments arising from exchange rate variations relating to borrowings attributed to fixed assets. Cost includes incidental expenses capitalized from time to time on their due recognition, trial run expenses and interest attributable to the project till the date of commissioning.

The company has provided depreciation on all Fixed Assets on "Written Down Value Method" on pro-rata basis in accordance with the Section 205 (2)(a), at the rates specified in Schedule XIV of the Companies Act 1956.

1.6) BORROWING COST:

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to respective borrowings.

1.7) INVENTORIES:

Inventories of goods traded is valued at lower of cost or net realizable value. Cost is determined on first-in-first-out basis. Cost includes cost of material and other related expenses.

1.8) EMPLOYEES RETIREMENT BENEFITS:

(a) Short Term

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

(b) Long Term

The Company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's Payments to the defined contributions plans are reported as expenses during the period in which the employee perform the services that the payment covers.

Defined Benefit Plans

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expense over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

Other Employee Benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit converts and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid.

1.9) IMPAIRMENT OF ASSETS:

The carrying value of assets of the Company's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amount of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sale.

As per the assessment conducted by the Company at June 30, 2014, there were no indications that the fixed assets have suffered an impairment loss.

1.10) TAXATION:

A provision for Current Tax has been made at the current tax rate based on assessable income or on the basis of Sec. 115JB of the Income Tax Act, 1961 (Minimum Alternative Tax), whichever is higher.

Deferred Tax resulting from "timing differences that are temporary in nature" between accounting and taxable profit is accounted for, using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty, as the case may be, that the asset will be realised in future.

1.11) EARNING PER SHARE:

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

1.12) CASH FLOW STATEMENT:

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in Cash Flow Statement consist of cash on hand and demand deposits with banks.

1.13) PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimated required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

1.14) Accounting policies not referred to are in consistent with generally accepted accounting policies

NOTES FORMING PART OF THE BALANCE SHEET

		As At 31.03.2017 `	As At 31.03.2016 `
2	**SHARE CAPITAL**		
	Authorized Share Capital:		
	60,00,000 Equity Shares of ` 10/- each	**60,000,000**	60,000,000
	(PY 60,00,000 Equity Shares of ` 10/- each)		
	Issued Subscribed & Paid up Share Capital :		
	55,18,200 Equity shares of ` 10/- each fully paid	**55,182,000**	55,182,000
	(PY 55,18,200 Equity Shares of ` 10/- each fully paid)		
	Less: Calls in arrears-by others	**(142,000)**	(142,000)
		55,040,000	55,040,000

(a) Reconciliation of number of shares :

Equity shares:	As at March 31, 2017		As at March 31, 2016	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	**5,518,200**	**55,040,000**	5,518,200	55,040,000
Add: Shares issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**5,518,200**	**55,040,000**	5,518,200	55,040,000

(b) Terms/rights,preferences and restrictions attached to Equity Shares:

The company has one class of equity shares having a par value of Rs.10 each. Each share holder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential dues, in proportion to their shareholding.

(c) Details of share holders holding more than 5% shares in the company:

	As at March 31, 2017		As at March 31, 2016	
Name of share holders	No of Shares held	% of holding	No of Shares held	% of holding
Sangeeta Ajay Goenka	**-**	**-**	708,477	12.84
Devkant Synthetics (India) Pvt Ltd	**695,496**	**12.60**	695,496	12.60
Riya Vinit Agrawal	**665,104**	**12.05**	-	-
Vinitkumar Pawankumar Agarwal	**647,446**	**11.73**	647,446	11.73
Anilkumar Padamprasad Jain	**625,549**	**11.34**	-	-

		As At 31.03.2017 `	As At 31.03.2016 `
3	**RESERVES & SURPLUS :**		
	(a) Capital Reserve	**5,467,796**	5,467,796
	(b) Surplus in Statement of Profit & Loss		
	Balance as per last accounts	**16,540,699**	16,710,052
	Profit for the year	**(381,604)**	(169,354)
	Less : Transfer from Fixed Assets	**-**	**-**
		16,159,094	16,540,699
		21,626,890	22,008,495

		As At 31.03.2017 `	As At 31.03.2016 `
4	**DEFERRED TAX LIABILITIES (NET):**		
	Deferred tax liabilities :		
	Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	**1,049**	14,038
	Gross deferred tax liabilities	**1,049**	14,038
	Deferred tax assets :		
	Gratuity	**5,699**	2,567
	Leave encashment	**4,388**	638
	Bonus	**-**	**-**
	Gross deferred tax assets	**10,087**	3,205
	Net deferred tax liability	**(9,038)**	10,833
	As required by the Accounting Standard 22" Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax asset during the year amounting to Rs. 21,969/- (Net of Deferred tax asset and liability).		
5	**LONG TERM PROVISIONS:**		
	Provision for employee benefits :		
	Provision for gratuity	**18,442**	8,281
	Provision for leave encashment	**14,202**	1,954
	Total	**32,644**	10,235
6	**TRADE PAYABLES:**		
	- For Goods, expenses, services and trade deposits	**75,285,485**	150,763,258
	Total	**75,285,485**	150,763,258
	Based on the information / documents / parties identified by the company and to the extent information available/gathered, with respect to information as required to be disclosed as per Micro, Small & Medium Enterprise Development Act, 2006, there is no transaction with such parties during the year.		
7	**OTHER CURRENT LIABILITIES:**		
	Other Payables :		
	Duties & taxes	**64,055**	26,076
	Advance from customers	**16,883,000**	20,984,831
	Total	**16,947,055**	21,010,907
8	**SHORT TERM PROVISIONS:**		
	Provision for employee benefits:		
	Provision for bonus	**9,750**	9,750
	Provision for gratuity	**-**	26
	Provision for leave encashment	**-**	111
	Others:		
	Provisions for expenses	**-**	33,000
	Total	**9,750**	42,887

Note - 9 : FIXED ASSETS `

Tangible Assets	Vehicle	Office Equipment	Air Conditioner	Computer	Total
Cost of assets					
At 1st April 2015	645,129	290	30,000	3,891	679,310
Additions	-	-	-	-	-
Disposal / Adjustment	-	5,510	-	73,921	79,431
Transfer to assets held for sale	-	-	-	-	-
At 31st March 2016	645,129	290	30,000	3,891	679,310
Additions	**-**	**-**	**-**	**-**	**-**
Disposal / Adjustment	**-**	**-**	**-**	**-**	**-**
Transfer to assets held for sale	**-**	**-**	**-**	**-**	**-**
At 31st March 2017	**-**	**290**	**30,000**	**3,891**	**34,181**
Depreciation					
At 1st April 2015	545,109	-	23,285	-	568,394
Charge for the year	47,510	-	3,026	-	50,536
Disposal / Adjustment	-	3,473	-	57,240	60,713
Transfer to assets held for sale	-	-	-	-	**-**
At 31st March 2016	592,619	-	26,311	-	618,930
Charge for the year	**30,751**	**-**	**2,864**	**-**	**33,615**
Disposal / Adjustment	(623,370)	-	-	-	**(623,370)**
Transfer to assets held for sale	-	-	-	-	**-**
At 31st march 2017	**-**	**-**	**29,176**	**-**	**29,176**
Net Block					
At 31st March 2016	52,510	290	3,689	3,891	60,380
At 31st March 2017	**-**	**290**	**824**	**3,891**	**5,005**

		As At 31.03.2017 `	As At 31.03.2016 `
10	**LONG-TERM LOANS & ADVANCES:** (Unsecured, considered good, unless otherwise stated)		
(a)	**Security Deposit :**		
	Rent Deposit	**16,000**	61,500
(b)	**Other loans & advances**		
	Balances with government authorities	**1,288**	129,250
	Total	**17,288**	190,750

		As At 31.03.2017 `	As At 31.03.2016 `
11	**TRADE RECEIVABLES:**		
	(Unsecured, considered good, unless otherwise stated)		
	Outstanding for a period exceeding six months from the date they are due for payment	**-**	-
	Others	**86,922,921**	151,531,876
	Total	**86,922,921**	151,531,876
12	**CASH AND BANK BALANCES:**		
	Cash and cash equivalent :		
	(a) Balance with Banks :		
	- In Current accounts	**61,247**	46,999
	(b) Cash on hand	**20**	194
	(c) Other Bank Balance		
	- Margin Money	**-**	-
	Total	**61,267**	47,193

Disclosure On Specified Bank Notes (SBNs)

During the year the company had specified bank Notes (SBN's) or other denomination notes as defined in the MCA notification, G.S.R. 308, dated March 31, 2017. The details of SBN's held and transacted during the period from November 8, 2016 to December 30, 2016 the denomination-wise SBN's and other notes as per the notification are as follows:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash on hand as on November 8, 2016	-	1,150	**1,150**
Add: Permitted Receipts	-	23,000	**23,000**
Less: Permitted payments	-	23,600	**23,600**
Less: Amount deposited in Bank	-	-	**-**
Closing Cash in hand as on December 30, 2016	-	550	**550**

*For the purpose of this clause 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

		As At 31.03.2017 `	As At 31.03.2016 `
13	**SHORT-TERM LOANS AND ADVANCES:**		
	(Unsecured considered good, unless otherwise stated:)		
	Other loans and advances:		
	- Advance to suppliers	**-**	6,243,903
	- Balances with government authorities	**-**	399,726
	- Advances recoverable in cash or kind	**77,125,534**	85,618,038
	- Advance tax and MAT credit entitlement	**4,794,749**	4,794,749
	- Pre paid Expense	**3,790**	
	Total	**81,924,073**	97,056,416

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

	Year ended March 31,2017	March 31,2016
14 REVENUE FROM OPERATIONS:		
(a) Sale of products		
Paper sales	**154,903,605**	534,810,130
Total	**154,903,605**	534,810,130
15 OTHER INCOME:		
Interest Income:		
Others	**-**	81,016
Profit on Sale of Vehicle	**48,241**	-
Total	**48,241**	81,016
16 EMPLOYEE BENEFITS EXPENSE:		
Salaries and Wages	**435,366**	811,331
Contribution to Provident & other funds	**28,915**	39,792
Total	**464,281**	851,123

Defined Contribution Plan

Contribution to defined contribution plan, recognised as expense for the year are as under:

	2016-17	2015-16
Employer's Contribution to Provident Fund	7,945	10,728
Employer's Contribution to Pension Scheme	18,025	24,346

Defined Benefit Plan

The Company has adopted Accounting Standard 15 (AS-15) (Revised) "Employee Benefits" and provided for gratuity (unfunded) and leave encashment (unfunded) based on actuarial valuation done as per Projected Unit Credit Method.

I. Reconciliation of opening and closing balance of Defined Benefit Obligation

	Gratuity		**Leave Encashment**	
	2016-17	2015-16	**2016-17**	2015-16
Opening defined benefit obligation	**8,308**	44,907	**2,065**	27,515
Excess / Short provision	**-**	**-**	**-**	**-**
Service cost	**6,546**	9,833	**3,903**	6,299
Interest cost	**672**	3,454	**163**	2,079
Actuarial (Gain) / Loss	**2,917**	(49,886)	**8,071**	(8,444)
Benefits paid	**-**			(25,385)
Closing defined benefit obligation	**18,442**	8,308	**14,203**	2,065

II. Reconciliation of opening and closing balance of fair value of plan assets

	Gratuity	
	2016-17	2015-16
Opening fair value of plan assets	**-**	-
Expected return	**-**	-
Actuarial Gain / (Loss)	**-**	-
Employer contribution	**-**	-
Benefits paid	**-**	-
Closing fair value of plan assets	**-**	-

III. Reconciliation of fair value of assets and obligation

	Gratuity		Leave Encashment	
	2016-17	2015-16	**2016-17**	2015-16
Fair value of plan assets	**-**	-	**-**	-
Present value of obligation	**18,442**	8,308	**14,203**	2,065
Amount recognised in balance sheet	**18,442**	8,308	**14,203**	2,065

IV. Expense recognised during the year (under the head "Employee Benefit expenses" of Note '17')

	Gratuity		Leave Encashment	
	2016-17	2015-16	**2016-17**	2015-16
Service cost	**6,546**	9,833	**3,903**	6,299
Interest cost	**672**	3,454	**163**	2,079
Expected return on plan assets	**-**	**-**	**-**	**-**
Actuarial (Gain) / Loss	**2,917**	(49,886)	**8,071**	(8,444)
Net cost included in 'Employee Benefit Expense	**10,135**	(36,599)	**12,137**	(66)

V. Investment Details

	% invested	
	2016-17 (%)	2015-16 (%)
Investments	**Nil**	**Nil**

VI. Actuarial Assumptions

	Gratuity		Leave Encashment	
	2016-17	2015-16	**2016-17**	2015-16
Mortality Table(LIC)	**2006-08 (Ultimate)**	2006-08 (Ultimate)	**2006-08 (Ultimate)**	2006-08 (Ultimate)
Discount rate (per annum)	**7.40%**	8.10%	**7.40%**	8.10%
Rate of escalation in salary (per annum)	**6.00%**	6.00%	**6.00%**	6.00%

VII Amount for the current and previous four periods are as follows:-

	31.03.2017 `	31.03.2016 `	31.03.2015 `	31.03.2014 `	31.03.2013 `
Gratuity					
Defined Benefit obligation	**18,442**	8,307	44,907	72,878	208,697
Plan asset	**-**	-	-	-	-
Surplus/(deficit)	**(18,772)**	(8,307)	(44,907)	(72,878)	(208,697)
Experience adjustment on plan liability	**957**	(49,355)	(3,344)	(163,436)	3,328
Experience adjustment on plan assets	**-**	-	-	-	-
Leave Encashment					
Defined benefit obligation	**14,203**	2,065	27,515	51,431	183,384
Experience adjustment on plan liability	**6,604**	**-**	41,669	41,670	47,246

VIII. Expected Employer's contribution for the next financial year

On the basis of previous year's trend, company is expecting to contribute the same amount as in 2016-17 to the defined contribution plan.

However, for the defined benefit plan company is not liable to contribute any amount as the plans are unfunded.

The estimate of rate of escalation in salary is considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

		Year ended March 31,2016	Year ended March 31,2015
17	**FINANCE COSTS:**		
	(1) Interest expenses	**26**	-
	(2) Other borrowing cost	**8,911**	16,334
	Total	**8,937**	16,334

18	**OTHER EXPENSES:**		
	Repairs and maintenance :		
	Others	**32,659**	8,570
		32,659	8,570
	Payment to auditors	**57,500**	57,250
	Rent expenses	**151,896**	259,624
	Rates and taxes	**27,389**	-
	Legal & Professional expenses	**214,009**	452,404
	Interest on Duties & Taxes	**525**	
	Advertisement, Stationery & Communication expenses	**107,543**	203,707
	Travelling & Conveyance	**-**	638
	Special Discount	**-**	821,271
	Sundry Balances writen off	**590,621**	-
	Miscellaneous expenses	**18,798**	38,211
	Total	**1,200,940**	1,841,675

Payment to auditors	**2016-17**	**2015-16**
As auditor:		
Statutory auditor	**46,000**	45,800
Tax auditor	**11,500**	11,450
	57,500	57,250

19 Based on the guiding principles given in Accounting Standard on “Segment Reporting” (AS-17) issued by the Institute of Chartered Accountants of India, the Company operates mainly in trading of paper products and all other activities are incidental thereto, which have similar risk and return, accordingly, there is no separate reportable Segment disclosure is required.

20 Related Party Disclosure:

(a) List of Related Parties and Relationships:

i. Concern where significant interest exists. Nil

ii. Key Management Personnel and Relatives.
Shri Rushal Patel - Chairman (w.e.f 13.05.2013)

(b) Disclosure of Related Party Transactions

Nature of Transaction	**2016-17**	2015-16
Directors' Remuneration	**-**	**-**

21 Earning per share:

Particulars		**31.03.2017**	31.03.2016
Net profit for the year attributable to Equity Shareholders	`	**(381,604)**	(169,354)
Weighted average number of Equity Shares outstanding	Numbers	**5,504,000**	5,504,000
Basic and diluted earnings per share (face value of ` 10 each)	`	**(0.07)**	(0.03)

22 Details of traded goods :

Particulars	**31.03.2017 Amount**	31.03.2016 Amount
Purchases	**153,647,779**	532,295,443
Sales	**154,903,605**	534,810,130

23 Expenditure/Earnings in Foreign Currency :
There are no expenditure/earnings in Foreign currency in foreign currency for the year ended on March 31, 2017

24 Imported and indigenous raw materials, components and spare parts consumed:
As the company is engaged in trading activities, the information for the clause in not applicable

25 Figures of previous year have been regrouped/rearranged wherever necessary.

As per our separate report of even date attached.

For M/s J.R.Purohit & Co.,
Chartered Accountants
(Firm Reg No:111841W)

Vikas Purohit
Partner
M**em No.131959**

Place : Ahmedabad
Date : 29/05/2017

Udit Vora
Company Secretary

For and on behalf of the Board of Directors

Rushal Patel Chairman
DIN : 06575447

Nishant Kumar Director
DIN : 02372620

Rima Mehta Director
DIN : 07158084

Pawanjit Negi Director
DIN : 02729393

Nikhil Rajpuria Director
DIN : 01009330

Place : Ahmedabad
Date : 29/05/2017

PROXY FORM – MGT 11

ARMS PAPER LIMITED

CIN: L21098GJ1983PLC006041

Regd. Office: 802 Avdhesh House, Nr. Devang Park. Opp. Guru Govind Gurudwara, S.G. Highway, Thaltej, Ahmedabad - 380054
Telefax: +91 79 26855714, Website: www.armspaper.com, Email: armspaperltd@gmail.com
(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Company : ARMS PAPER LIMITED

Regd.Office:802 Avdhesh House, Nr. Devang Park. Opp. Guru Govind Gurudwara, S.G. Highway, Thaltej, Ahmedabad-380054

Website: www.armspaper.com

Name of the Member (s) :

Registered address :

E-mail Id :

Folio No. / Client Id : DP ID :

I / We, being the member(s) of Arms Paper Limited holding _____ Equity Shares of the Company, hereby appoint

1. Name: _____
   Address: _____
   E-mail Id: _____
   Signature : _____ _____ or failing him / her
2. Name: _____
   Address: _____
   E-mail Id: _____
   Signature : _____ _____ or failing him / her
3. Name: _____
   Address: _____
   E-mail Id: _____
   Signature : _____ _____ or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 34th Annual General Meeting of the Company, to be held on the **29th day of September 2017 at 03.30 p.m.** at Indian Agro & Recycled Paper Mills Association, 802 8th Floor, Avdhesh House, Opp. Guru Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad – 380054 and at any adjournment thereof, in respect of such resolutions set out in the AGM Notice convening the meeting, as are indicated below:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 and Statement of Profit and Loss for the year ended on that date together with Directors' and the Auditors' Report thereon.(Ordinary Resolution).
2. To appoint a Director in place of Shri Pawanjitsingh Negi (DIN 02729393), who retires by rotation and being eligible, offers himself for re-appointment.(Ordinary Resolution).
3. Ratification of Appointment of M/s. J. R. Purohit & Co., Chartered Accountants, as the Statutory Auditors of the Company (Ordinary Resolution).

Signed this ……. day of …….. 2017

Signature of Shareholder _____

Affix Revenue Stamp requisite amount

Signature of Proxy Holder(s) _____

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

ARMS PAPER LIMITED

CIN: L21098GJ1983PLC006041
Regd. Office: 802 Avdhesh House, Nr. Devang Park. Opp. Guru Govind Gurudwara, S.G. Highway, Thaltej, Ahmedabad - 380054
Telefax: +91 79 26855714, Website: www.armspaper.com, Email: armspaperltd@gmail.com

ATTENDANCE SLIP

(to be handed over at the Registration Counter)

Folio No./DP ID - Client ID No.:	
No. of Shares :	

I/We hereby record my/our presence at the 34th Annual General Meeting of the Company being held on **29th day of September, 2017 at 03.30 p.m.** at Indian Agro & Recycled Paper Mill Association, 802 8th Floor, Avdhesh House, Opp. Guru Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad – 380054.

1. Name (s) of the Member and Joint Holder(s) (in block letters)
   1. Mr. / Mrs. _____
   2. Mr. / Mrs. _____
   3. Mr. / Mrs. _____

2. Address : _____

3. Father's/Husband's Name (of the Member) : Mr _____

4. Name of Proxy : Mr./Ms. _____

1.
2.
3.

Signature of the Proxy

Signature(s) of Member and Joint Holder(s)

Note: Please complete the Attendance slip and hand it over at the Registration Counter at the venue.

ELECTRONIC VOTING PARTICULARS

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising.

EVSN (Electronic Voting Sequence Number)
170908003

BOOK-POST

Address for Correspondence

The Company Secretary

ARMS PAPER LTD

802 Avdhesh House,
Nr. Devang Park, Opp. Gurudwara,
S.G. Highway, Thaltej,
Ahmedabad-380 054
Tel.: +91 79 2685 5714
Email : armspaperltd@gmail.com