

# PARAMOUNT PRINTPACKAGING LIMITED

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## COMPANY INFORMATION

### BOARD OF DIRECTORS AND MANAGEMENT TEAM

MR. DIVYESH SUKHADIA	- Chairman & Managing Director
MR. DHARMESH SUKHADIA	- Wholetime Director
MR. ANUJ SUKHADIA	- Wholetime Director
MR. VIKRAM DEVJIBHAI PATEL	- Independent Director
MR. ROHIT PARMANANDDAS DOSHI	- Independent Director
MR. HEMANG ENGINEER	- Independent Director
MR. VIPUL SUKHADIA	- C.E.O
MR. VANRAJ SUKHADIA	- Vice President
MR. INDRANIL SEN	- C.F.O
MS. ASHWINI RAO	- Company Secretary

### AUDITORS:

**M/s. M. V. Damania & Co.**  
CHARTERED ACCOUNTANTS  
14/2, Mahalaxmi Industrial Estate,  
D. Shivner Road,  
Lower Parel, Mumbai 400013.  
Tel: 022 – 66614320  
Email : consult@mvdco.com  
Website: www.mvdco.com

### SHARE TRANSFER AND DEMAT REGISTRARS:

**Sharepro Services (India) Private Limited**  
13/A-B | Samitha warehousing Complex  
2nd Floor | Near Sakinaka Tel. Exchange  
Sakinaka | Andheri (East)  
Mumbai - 400 072  
TEL: +91 22 2847 0652 | 53  
FAX: +91 22 2859 1568  
EMAIL: sharepro@shareproservices.com

### BANKERS:

#### State Bank of India

Commercial Branch, Vile Parle (E)  
Shyamkamal Trade Centre, Agarwal Market,  
Vile Parle (East), Mumbai – 400 057  
Tel: +91 22 26194010  
Fax: +91 22 26194008  
Email: sbicbvpe@vsnl.net

#### The Shamrao Vithal Co-operative Bank Limited

S.V.C Tower, Jawaharlal Nehru Road,  
Vakola, Santacruz (East),  
Mumbai – 400 055  
Tel: +91 22 6699 9707  
Fax: +91 22 6699 9700  
Email: naikgg@svcbank.com

### REGISTERED OFFICE:

#### Paramount Printpackaging Limited

A-309, MIDC, TTC Industrial Area,  
Mahape, Navi Mumbai 400701  
Tel : +91 22 41627777 Fax: +91 22 27782743  
Email: paramountpppl@gmail.com  
WEBSITE: www.pppltd.in

## 5<sup>th</sup> Annual Report 2010-2011

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### NOTICE

**Notice** is hereby given that the 5<sup>th</sup> **Annual General Meeting** of the members of Paramount Printpackaging Limited will be held on **20<sup>th</sup> September, 2011** at 9.30 a.m at Majestic Court, Sarovar Portico, X-5/2, TTC Industrial Area, Mahape, Navi Mumbai – 400710 , Maharashtra to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31st March 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rohit Doshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hemang Engineer, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. M V Damania & Co., Chartered Accountants as the Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By order of the Board of Directors**

**Sd/-**

**Ashwini Rao**  
**Company Secretary**

Mumbai: July 14, 2011

#### **Registered Office:**

A-309, MIDC, TTC Industrial Area, Mahape, Mumbai 400701

#### **NOTES:**

1. The relative Explanatory Statement pursuant to Clause 49 of the Listing Agreement, in respect of item nos. 2 and 3 of the Notice set out above is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and a proxy need not be a member. The proxy form, in order to be effective, must however be deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books will remain closed through between 16<sup>th</sup> September 2011 to 20<sup>th</sup> September 2011 (both days inclusive).
4. Members/proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easier identification of attendance at the meeting.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the meeting.

# PARAMOUNT PRINTPACKAGING LIMITED

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## ANNEXURE TO NOTICE

**As required by Clause 49 of the Listing Agreement with the Stock Exchanges the following explanatory statement sets out all material facts relating to the business mentioned at items 2 and 3 in the accompanying Notice of the 5<sup>th</sup> Annual General Meeting of the Company to be held at the venue, date and time mentioned therein.**

### **Re-appointment of Mr. Rohit Doshi**

Mr. Rohit Parmananddas Doshi, aged 55 years, has been an independent Director of our Company since April 1, 2010. He holds a bachelors degree in commerce from Mumbai University. He has studied Chartered Accountancy and has been practicing as an independent finance consultant for more than 30 years. He is also a director on the board of Trim Plastics Limited and Akhilesh Mercantiles Private Limited.

He is a member of the (i) Audit Committee, (ii) Shareholders/ Investors Grievance Committee and (iii) Remuneration Committee of the company.

Mr. Doshi holds 2000 shares in the Company and is not related to any other Director of the Company.

### **Re-appointment of Mr. Hemang Engineer**

Mr. Hemang Jagadish Engineer aged 45 years, has been an independent Director of our Company since April 1, 2010. He holds a bachelors degree in commerce from Mumbai University. He also holds a bachelors degree in law from Mumbai University. He has more than 15 years of experience as a practicing lawyer.

He is a member of the (i) Audit Committee, (ii) Shareholders/ Investors Grievance Committee and (iii) Remuneration Committee of the company.

Mr. Engineer holds 2140 shares in the Company and is not related to any other Director of the Company.

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### DIRECTORS' REPORT

#### Dear Shareholders,

Your Directors have pleasure in presenting the Fifth Annual Report together with the Audited Statement of Accounts for the year ended the 31st March 2011.

#### Financial Highlights

	(In Rupees)	
	Year ended 31-03-2011	Year ended 31-03-2010 (Reaudited)
Profit/(Loss) before tax	3,71,94,722	2,74,84,903
Less: Current Tax	1,47,00,000	60,00,000
Deferred Tax	3,33,911	39,35,818
Fringe Benefit Tax (Earlier Year)	-	60,195
MAT credit earlier year adjustment	-	4,92,253
Profit/(Loss) after Tax	2,21,01,315	1,69,96,637
Add: Brought Forward from earlier years	2,08,44,864	53,36,701
	4,29,46,179	2,23,33,338
Less : Prior Years' Adjustment	-	14,88,474
Charge on account of transitional provisions under AS 15	24,48,550	
Balance Carried Forward to Balance Sheet	4,049,629	2,08,44,864

#### **Income, Activities & Operations:**

The turnover of the Company for the year under review has increased by 34% over the previous year to Rs 6246.12 Lacs. The net profit before tax for the year increased by 30% to Rs 221 lac as compared to previous year.

#### **Dividend:**

In order to conserve the resources of the company for future expansions the Board of Directors do not recommend any dividend.

#### **Listing:**

The Equity Shares of the company are listed on Bombay Stock Exchange and National Stock Exchange of India Limited.

The company's shares are tradable compulsorily in electronic form and the company has established connectivity with both the depositories, i.e. Central Depository Services (India) Ltd. & National Securities Depository Ltd.

The company has also appointed M/s Sharepro Services (India) Private Limited as its Share Transfer and Depository Registrars. Shareholders are requested to send the matters relating to share transfers and/ or dematerialisation to the Company Registrars. In view of the numerous advantages offered by the depository system, members are requested to avail of the facility of dematerialisation of the company's shares on either of the Depositories as aforesaid.

#### **Industrial Land at Valsad, Gujrat**

Your company is in the process of buying land at Village Talwada, Taluka Umbergaon, District Valsad, Gujrat to cater to the company's future expansion needs. The commissioning of the plant is expected to start before the financial year ends.

#### **Public Deposits:**

The Company has not accepted any Deposit within the meaning of Section 58A of The Companies Act, 1956 and the rules made thereunder during the year.

# PARAMOUNT PRINTPACKAGING LIMITED

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## **Directors:**

In accordance with the requirements of the Companies Act 1956 and the Articles of Association of the Company Mr Rohit Doshi and Mr. Hemang Engineer retire by rotation and being eligible, offer themselves for re-appointment.

As required, the requisite details of Directors seeking re-appointment are included in the Annual Report

## **Directors' Responsibility Statement:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were fairly reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a 'going concern' basis.

## **Particulars of Employees:**

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956, as amended. Hence, there is no requirement to append any information to this report in this regard.

## **Particulars of Energy Conservation, Technology absorption & Foreign Exchange Earnings and outgo:**

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, and forming part of the Directors' Report for the year ended March 31, 2011 is annexed hereto

## **Auditors:**

M/s. M V Damania & Co, Chartered Accountants, Mumbai, the Auditors of the Company retire at the conclusion of the Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

## **Corporate Governance:**

The Company was listed on 9<sup>th</sup> May 2011. Even though the guidelines stipulated by the Securities and Exchange Board of India (SEBI) on Corporate Governance are not applicable to the Company for the year ended 31<sup>st</sup> March 2011, the Company has taken adequate steps to ensure the Corporate Governance.

A separate report on corporate governance is included/ attached as part of the Annual Report.

## **Acknowledgement:**

The Directors record their thanks to all the banks for their co-operation. The Directors also acknowledge the co-operation received from officers and staff of the Company.

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

Mumbai  
Dated: July 14, 2011

Sd/-  
**DIVYESH SUKHADIA**  
Chairman and Managing Director

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### Annexure

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Directors) Rules 1988 the particulars relating to conservation of energy, technology, absorption and foreign exchange earnings and outgo are given as under:

#### **A) CONSERVATION OF ENERGY**

##### **a). ENERGY CONSERVATION MEASURES TAKEN :**

The Company has been making optimum use of electrical energy by regular maintenance and overhauling of machines and equipment. Regular watch has been kept to prevent wastage of energy during production.

##### **b) Additional investments and proposals, if any, being implemented for reduction of energy consumption**

The Company has purchased new machines to enhance the print technology which are energy efficient.

##### **c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production**

The above measures have resulted /will result in savings in consumption of electrical energy.

##### **d) Total Energy Consumption per unit of production as per Form A:**

#### **A. POWER AND FUEL CONSUMPTION**

##### 1. Electricity

	F.Y. 2010-11	F.Y 2009-10
	Current Year	Previous Year
(a) Purchased		
Unit (KWH)	990090	889383
Total amount	6198600	5482447
Rate / Unit	6.26	6.16
b) Own Generation	-	-
(i) Through diesel generator	-	-
Unit	12881	-
Unit per ltr. of fuel oil/gas	3.1 KWH	-
Cost / unit	13.61	-
(ii) Through Steam turbine / generator		
Units	-	-
Units per ltr. Of fuel oil/ gas	-	-
Cost/unit	-	-

#### **B) TECHNOLOGY ABSORPTION**

The Management of the company is trying to absorb, new technology in the manufacturing and other activity.

#### **C) FOREIGN EXCHANGE EARNINGS & OUTGO**

The following foreign exchange earnings and outgo were there during the year:

**Expenditure in foreign exchange : Rs. 2.92 lacs**

**Income in foreign exchange : NIL**

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

Sd/-

Mumbai  
Dated : July 14, 2011

**DIVYESH SUKHADIA**  
Chairman and Managing Director

# PARAMOUNT PRINTPACKAGING LIMITED

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## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Industry Structure & Development

Packaging plays a very distinct role in today's modern consumerist economy with the need for widespread adoption of branding and development of consumer preferences. Any manufactured item, to gain market share, requires packaging to ensure safety, convenience and attractiveness. Packaging is a key component for consumption and consumer preferences in today's economy.

Packaging helps in preservation of quality and lengthening shelf life of products such as milk, biscuits, drugs, processed and semi-processed foods, fruits and vegetables, edible oils, etc. Packaging is also required for most other manufactured goods to preserve it from any damage during transit.

The packaging industry has evolved over the years from a relatively small range of heavy, rigid containers made of wood, glass and steel to a broad array of rigid, semi rigid and flexible packaging options increasingly made from specialized lightweight materials.

The packaging industry's growth has also led to greater specialization and sophistication from the point of view of health (in the case of packaged foods and medicines) and environment friendliness of packing material. The demands on the packaging industry are challenging, given the increasing environmental awareness among communities.

### Key Drivers and Trends

- Ageing of world population;
- Trend towards smaller and nuclear households
- Increasing trend towards convenience and quick access among consumers;
- Rising health awareness among consumers;
- Trend towards 'on-the-go' lifestyles among increasingly time-poor consumers;
- Growing requirements for brand enhancement/ differentiation in an increasingly competitive consumer environment;
- New technology and modern packaging material;
- Increasing awareness of environmental issues and the adoption of new regulatory requirements on packaging recycling.

### Opportunities & Threats

The Company has benefited from the experience of its Promoters and the core management team. We believe that our Promoters have built a strong relationship with both the suppliers and the customers in the industry.

The Company's core strength lies in the extensive knowledge of its core management team which helps the Company to execute the growth strategies. Most of the key managerial personnel have substantial experience in their respective fields. The Company believes that having a strong management team with extensive experience enables it to respond to changing market conditions and tune it to the preferences of the customers for its overall success and future growth.

The Company's large customer base gives it strength and support for future expansion and growth. In last few years, the client base has been diversified geographically and sector-wise. It caters to various sectors like pharma, auto ancillary, FMCG, electrical, food etc.

The progression of demand in the packaging industry is influenced by a wide range of factors and includes both year on year short term factors and other long term factors. Like any other industry, while the economy plays a central role in influencing the size and growth of the market, there is a multitude of other factors which can be seen as having a direct or at least an indirect influence on the demand in the packaging industry, irrespective of the performance of the economy.

### Risk and Concerns

As a part of its expansion plans, your Company proposes to engage in the manufacture of shippers, high end duplex boxes and printed corrugated boxes. The manufacturing of shippers, high end duplex boxes and printed corrugated boxes are part of the current line of business and would increase the Company's product portfolio. Further, the Company has been procuring shippers, high end duplex boxes and printed corrugated boxes in the past from third party suppliers, when

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required, to fulfill customer requirements. With a view to increase the existing product portfolio to our clients and reduce the costs incurred in procuring shippers, high end duplex boxes and printed corrugated boxes from third party suppliers, your Company proposes to engage in the manufacture of shippers, high end duplex boxes and printed corrugated boxes.

It is proposed to import new machines from Germany, Switzerland and China for the manufacture of the corrugated and duplex cartons. The Company believes that the machinery identified for import from these countries offers the required technical capability while being cost effective. However the Company needs to expand its experience in the manufacture of these products and the usage of the new but related technology. The Company will ensure that the new products shall be successfully manufactured and marketed .

### **Discussions on Financial Performance with respect to operational Performance:**

#### **a) Production Performance**

A total production of 53.25 lacs (cartons) was achieved during the year.

#### **b) Operating Results**

During the year, the Company earned Rs. 6246.12 lacs as sales income and Rs. 69.97 lacs as other income and was able to make a profit after tax of Rs. 221.01 lacs as against the profit of Rs. 169.96 lacs in the previous year. The Company expects good returns in the coming years.

#### **c) Resource Utilisation**

The gross fixed assets as at 31.03.2011 were Rs 3959.84 lacs as compared to Rs. 3280.07 lacs in the previous year. During the year the Company added assets worth Rs 679.77 lacs.

#### **d) Working Capital**

Net working capital excluding cash and bank balances as on 31.03.2011 was Rs 2721.34 lacs. Book debts outstanding for more than 6 months and considered good as on 31.03.2011 stood at Rs. 526.73 lacs as compared to Rs. 154.17 lacs in the previous year.

### **Internal Control Systems**

The Company has proper and adequate system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorised use or disposition, and that transactions are authorised, recorded and reported correctly.

The internal control systems are supplemented by an extensive programme of internal audits, reviews by management, and documented policies, guidelines and procedures. The internal control systems are designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

### **Material Development in Human Resources / Industrial Relations:**

Company hires the best talent from anywhere in the country to attract the best people that it needs for its services. The Company has well designed training programme to take care of the training needs of the professionals to keep them abreast of the new technological changes.

The Company enjoys healthy relations with its customers, investors, employees, banks, and various state and central government departments. To offer the most cost-effective solutions to the overseas existing clients and also to capture new clients, the Company also recruits highly skilled technical persons from reputed institutes.

### **Cautionary Statement**

*Statements in the Management Discussion and Analysis describing the Company's objectives, projections estimates, and exceptions may be "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.*



# PARAMOUNT PRINTPACKAGING LIMITED

## CORPORATE GOVERNANCE REPORT

### I. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other parties. Your Company believes the Code on Corporate Governance provides a structure by which the rights and responsibilities amongst different participants in the organization, such as the Board, employees and shareholders are distributed. In carrying this out, it helps to ensure that the Company's objectives are well defined and performance against those objectives are adequately measured and monitored. Your Company believes that all its operations and actions must serve the underlying goal of boosting overall shareholder value, over a sustained period of time.

In so far as compliance of Clause 49 of the Listing Agreement with the Stock Exchanges is concerned, the Company has complied in most material respects with the requirements of Corporate Governance specified in the Listing Agreement with the Stock Exchanges even though the Company was listed on 9<sup>th</sup> May 2011..

### II. BOARD OF DIRECTORS

#### A. Composition of the Board:

As on 31st March 2011, the Board of Directors of Paramount Printpackaging Limited comprises the Chairman and Managing Director Mr. Divyesh Sukhadia, who is an executive director and a promoter. Besides, there are two other executive directors viz. Mr. Dharmesh Sukhadia and Mr. Anuj Sukhadia and three Independent Directors viz Mr. Vikram Devjibhai Patel , Mr. Rohit Parmananddas Doshi and Mr. Hemang Engineer who are Independent Directors. The Non Executive Independent Directors are eminent professionals with wide range of knowledge and experience in business, industry. The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Category of Director	Other Directorships
Mr. Divyesh Ashwin Sukhadia	Chairman and Managing Director	Paramount Nourishments Private Limited
Mr. Dharmesh Ashwin Sukhadia	Whole-time Director	Paramount Nourishments Private Limited
Mr. Anuj Vipin Sukhadia	Whole-time Director	Paramount Nourishments Private Limited
		Sundaram Multi Pap Limited
Mr. Vikram Devjibhai Patel	Independent Director	NIL
Mr. Rohit Parmananddas Doshi	Independent Director	TRIM Plastics Limited Akhilesh Mercantiles Private Limited
Mr. Hemang Engineer	Independent Director	Kilitch Drugs (India) Limited

#### Notes:

As on March 31, 2011 Mr. Hemang Engineer held 2,140 and Mr. Rohit Doshi held 2,000 fully paid shares of Rs. 10/- each in the Equity share capital of the Company.

Other relevant details are not provided as the Company's Shares were listed during the current financial year.

### III. COMMITTEES OF THE BOARD

#### A. AUDIT COMMITTEE

- a. **Terms of reference:** The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Section 292A of the Companies Act, 1956 with additional functions/ features as are contained under Clause 49 of the Listing Agreement.
- b. **Composition:** The Audit Committee was constituted by the Board of Directors in the year 2010 and comprises of 3 (three) directors with 2 (two) of them being Non- Executive and independent and 1 (one) Executive Director. The Chairman of the Committee is an independent Director. 2 (two) meetings of the Committee were held during the year under review. The composition of the Committee and attendance of the members is given hereunder:

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Name of member	Member/ Chairman	Number of Meetings held/ Attended
Rohit Doshi	Chairman	2/2
Hemang Engineer	Member	2/2
Divyesh Sukhadia	Member	2/2

### B. Remuneration Committee:

The Board has constituted the Remuneration Committee though it is not a mandatory requirement.

The Committee comprises of 3 (three) Non-Executive Directors all of them being independent directors. 2 (two) meetings of the Committee were held during the year under review. The composition of the Committee and attendance of the members is given hereunder:

Name of member	Member/ Chairman	Number of Meetings held/ Attended
Rohit Doshi	Chairman	2/2
Hemang Engineer	Member	2/2
Vikram Patel	Member	2/2

**Remuneration of Employees:** It mainly consists of fixed salaries i.e. basic pay, allowances & perquisites, which varies with different grades and related to the qualifications, experience & responsibilities shared by the employees.

### C. Share Transfer and Investors Grievance Committee

A Share Transfer and Investor Grievance Committee was constituted during the year. The Chairman of the Committee, Mr. Hemang Engineer is a Non-Executive Director.

The Committee comprises of 3 (three) directors with 2 (two) of them being Non- Executive and independent and 1 (one) Executive Director. 2 (two) meetings of the Committee were held during the year under review. The composition of the Committee and attendance of the members is given hereunder:

Name of member	Member/ Chairman	Number of Meetings held/ Attended
Hemang Engineer	Chairman	2/2
Rohit Doshi	Member	2/2
Dharmesh Sukhadia	Member	2/2

The Shareholders'/Investors' Grievance Committee looks into investors' complaints/queries, approves/ ratifies transfer of shares, transmission of shares, issue of duplicate share certificates, splitting of shares into marketable lots, issue of share certificates on consolidation, subdivision etc.

The Committee meets at frequent intervals to consider Shareholders' complaints. All valid share transfers received during the year 2010-11 have been approved and attended to by the Committee. It may also be noted here that the Company now has a common Registrar and Transfer Agent for its physical and demat segments.

#### Number of Shareholder complaints received during the year:

During the year under review, no investor complaints were received.

**Insider Trading Code:** The Company has a separate Insider Trading Code in line with SEBI (Prohibition of Insider Trading) Regulations, 1992. The said code is applicable to all Directors and specified persons/employees of the Company. The Code governs sale and purchase of shares of the Company by Directors and specified employees. In terms of this code, Directors and specified employees of the Company can deal in shares of the Company only when the Trading Window is open and not otherwise, except with the prior approval of the Compliance Officer appointed under the Code i.e. Company Secretary.

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## D. General Body Meetings

The details of Annual General Meetings (AGM) held in the last three years are given hereunder:

Meeting	Day & Date of Meeting	Time	Place
2nd Annual General Meeting	Tuesday September 30, 2008	11.00 am	Registered Office: A 239, TTC Industrial Estate, MIDC, Mahape, Navi Mumbai 400701.
3 <sup>rd</sup> Annual General Meeting	Wednesday September 30, 2009	11.00 am	Registered Office: A 309, TTC Industrial Estate, MIDC, Mahape, Navi Mumbai 400701.
4 <sup>th</sup> Annual General Meeting	Saturday August 21, 2010	11.00 am	Registered Office: A 309, TTC Industrial Estate, MIDC, Mahape, Navi Mumbai 400701.

- **Special resolutions passed in the last 3 AGMs:** A special resolution was passed at the Annual General Meeting during the year 2010 for increasing the Authorised Share Capital of the company to Rs. 50 crores.

## E. Disclosures

- (i) **Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.**

Refer to Note No. 16 of Schedule " T " to the Audited Financial Statement

- (ii) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years**

Not applicable as the Shares were listed during the current year.

## F. Means of communication

Information, news/ press releases etc will be displayed on the Company's website viz. [www.pppltd.in](http://www.pppltd.in).

The Management Discussion and Analysis report is given separately in the Annual Report.

## G. General shareholder information

### AGM: Date, Time & Venue

The AGM will be held on 20<sup>th</sup> September, 2011 at 9.30 a.m at Majestic Court, Sarovar Portico, X-5/2, TTC Industrial Area, Mahape, Navi Mumbai – 400710 , Maharashtra.

**Financial year of the Company:** 1st April 2010 to 31st March 2011

**Date of Book Closure:** between 16<sup>th</sup> September 2011 to 20<sup>th</sup> September 2011 (both days inclusive )

**Dividend payment date:** Since no dividend is recommended, this is not applicable.

**Listing on Stock Exchanges:** Bombay Stock Exchange and National Stock Exchange of India Limited .

### Stock Code:

Bombay Stock Exchange Limited : 533399

National Stock Exchange of India Limited: PARAPRINT

### Market Price Data and Performance in comparison to broad-based index i.e. BSE Sensex :

Information on High & Low price of equity shares on the Bombay Stock Exchange and Performance in comparison to broad-based index i.e. BSE Sensex is not provided as the Company was listed on May 9, 2011.

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**Registrar and Transfer Agent:** The Company has appointed a common Registrar for its physical and demat share activities viz., M/s Sharepro Services (India) Private Limited. Their address is:

Sharepro Services (India) Private Limited  
13/A-B | Samitha warehousing Complex  
2nd Floor | Near Sakinaka Tel. Exchange  
Sakinaka | Andheri (East)  
Mumbai - 400 072

**Tel:** +91 22 2847 0652 | 53

**Fax:** +91 22 2859 1568

**E-mail:** sharepro@shareproservices.com

**Contact Person:** Mr. Anand Moolya

**Tel:** 022 61415400

**Share Transfer System:** The Company (now the Company's Registrars and Share Transfer Agents) normally registers shares sent for transfer in physical form within 30 days of the receipt of the documents. Shares under objection are returned within two weeks. The Company has, as per SEBI guidelines, also offered the facility of transfer-cum-demat.

**Compliance Officer:** The Company has appointed Ms. Ashwini Rao, Company Secretary of the Company as the Compliance Officer.

### Distribution of shareholding as on 31<sup>st</sup> March, 2011

Range of shares held	No of shareholders	% of shareholding	No of shares held	% of shares held
1 to 5000	2	2.35	1000	0.01
5001 to 10000	7	8.24	6600	0.05
10001 to 20000	13	15.29	23500	0.17
20001 to 30000	9	10.59	25340	0.19
30001 to 40000	3	3.53	12000	0.09
40001 to 50000	0	0.00	0	0.00
50001 to 100000	23	27.06	178900	1.31
100000 and above	28	32.94	13358525	98.18
<b>TOTAL</b>	<b>85</b>	<b>100</b>	<b>13605865</b>	<b>100.00</b>

### Shareholding pattern of the Company as on 31st March 2011

Category	Number of Shares Held	Percentage holding
<b>A. Promoters' Holding</b>		
<b>1. Promoters</b>		
- Indian Promoters	10,800,700	79.38
- Foreign Promoters	Nil	Nil
<b>2. Persons acting in Concert</b>	Nil	Nil
<b>Sub-Total (1+2)</b>	<b>10,800,700</b>	<b>79.38</b>

## PARAMOUNT PRINTPACKAGING LIMITED

### B. Non-Promoters' Holding

<b>3. Institutional Investors</b>		
a. Mutual Funds and UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions, Non-Government Institutions)	Nil	Nil
c. FIIs (Foreign Institutional Investors)	Nil	Nil
<b>Sub-Total</b>	Nil	Nil
<b>4. Others</b>		
a. Private Sector Corporate Bodies	10,10,300	7.43
b. Indian Public	17,94,865	13.19
c. NRN's	Nil	Nil
<b>Grand Total</b>	<b>13,605,865</b>	<b>100.00</b>

**Plant Locations and address for correspondence :**

A-309, MIDC, TTC Industrial Area,  
Mahape, Mumbai 400701  
Tel: +91 22 41627777 Fax: +91 22 27782743  
Email: paramountppl@gmail.com

## 5<sup>th</sup> Annual Report 2010-2011

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To

The Board of Directors

**Paramount Printpackaging Limited**

A 309, MIDC, TTC Industrial Estate,  
Mahape, Navi Mumbai 400701

**Subject: Certification by CFO/CMD as per Clause 49.**

Dear Sirs,

With reference to Clause 49(V) of the Listing Agreement regarding Corporate Governance, we hereby certify that:

1. We have reviewed the Financial Statements and the Cash Flow Statement (hereinafter referred to as 'Statements') of the Company for the Financial Year 2010-2011 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

**For Paramount Printpackaging Limited**

Sd/-

Indranil Sen

CFO

Sd/-

Divyesh Sukhadia

Chairman and Managing Director

Date: 14<sup>th</sup> July, 2011

# PARAMOUNT PRINTPACKAGING LIMITED

## AUDITORS' REPORT

To,

The Members of

**PARAMOUNT PRINTPACKAGING LIMITED**

1. We have audited the attached Balance Sheet of Paramount Printpackaging Limited (Formerly Known as Paramount Printing Press Private Limited) as at 31<sup>st</sup> March, 2011, the Profit and Loss account and the cash flow statement for the Year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the accounting standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (auditor's report) order, 2003 as amended by the Companies (auditor's report) (amendment) order, 2004 (together 'the order') issued by the Central Government of India in terms of sub-section (4a) of section 227 of the Companies act, 1956, and on the basis of the information and explanation given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comment in the Annexure referred to above , we report that:
  - a. We have obtained all the information and explanation, 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 appears from our examination of those books;
  - c. The Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
  - e. On the basis of written representation received from the directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts, read together with notes thereon and in particular, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. in the case of the balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
    - ii. in the case of the profit and loss account, of the profit for the Year ended on that date; and
    - iii. in the case of the cash flow statement, of the cash flow statement for the Year ended on that date.

For M.V.Damania & Co.

Firm Registration No. : 102079W

Chartered Accountants

Sd/-

Bharat Jain

Partner

Membership No.: 100583

Place: Mumbai

Date: 14<sup>th</sup> July, 2011

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**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF PARAMOUNT PRINTPACKAGING LIMITED  
FOR THE YEAR ENDED 31ST MARCH, 2011**

**(Referred to in paragraph 3 of our report of even date)**

- 1) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) These fixed assets have been physically verified by the management at regular interval considering the size of the company and nature of assets no material discrepancies have been noticed on such verification.  
c) No disposal of substantial part of the fixed assets of the company has taken place during the year.
- 2) a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.  
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) In our opinion and according to the information and explanation given to us, the company has maintained adequate records of its inventories and the discrepancies noticed on such physical verification between physical stock and the book records have been adequately dealt with in the books of account.
- 3) a) According to the information and explanation given to us, the company has granted interest bearing unsecured loan to 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 1,294,503/- and the year-end balance is Rs.1,294,503/- .  
b) In our opinion, terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie, not prejudicial to the interest of the company.  
c) The Loan granted is repayable on demand and we are given to understand that these loans have not yet been recalled.  
d) The company has taken unsecured loan from 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 1,350,000/- and the year-end balance is Rs.1,350,000/- .  
e) In our opinion, terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie, not prejudicial to the interest of the company.  
f) The Loan taken is repayable on demand and we are given to understand that these loans have not yet been recalled.
- 4) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regards to purchase of fixed assets, sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of the contracts and arrangements that need to be entered in the register maintained in section 301 of the Companies Act, 1956 have been so entered.  
b) The transaction of purchase of goods and material and sale of goods, material and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the act and exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanation given to us, the company has complied with the directives issued by the reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the act and rules framed there under, with regard to the deposits accepted from the public.
- 7) The company has appointed a firm of Chartered Accountants to carry out its internal audit function. In our opinion, the internal audit system is commensurate with the size of the company and nature of its business.
- 8) The Central Government has not prescribed maintenance of cost records under sub-section (1) (d) of Section 209 of the companies Act, 1956 for any of the products of the Company for the period covered under the audit.
- 9) a) According to the records of the company, the company is generally not regular in depositing undisputed statutory dues including Provident fund, Investor education and Protection fund, employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, excise Duty, Cess and other statutory dues with the appropriate authorities. according to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as on 31<sup>st</sup> March, 2011 for a period of more than six months from the day they became payable except as referred below:-



## PARAMOUNT PRINTPACKAGING LIMITED

Nature of Dues	Amount
Provident Fund	1,009,012
Profession Tax	80,070
Maharashtra Value Added Tax	1,276,323
Central Sales Tax	565,144
Minimum Alternate tax A.Y. 2008-2009	705,110
Minimum Alternate tax A.Y. 2009-2010	27,500
Fringe Benefit Tax A.Y.2008-2009	197,622
Fringe Benefit Tax A.Y.2009-2010	180,501

- b) According to information and explanation given to us, the details of disputed sales tax demand aggregating that have not been deposited on account of disputes are given below:-

Name of Status	Nature of dues	Amount	Period to which amount relates	Forum where dispute pending
Maharashtra Value Added Tax Act	Sales Tax	3,177,854	2003-2004	Deputy Comm. of Sales Tax (Appeals)
Central Sales Tax Act	Sales Tax	3,180,606	2003-2004	Deputy Comm. of Sales Tax (Appeals)
Maharashtra Value Added Tax Act	Sales Tax	2,683,596	2004-2005	Deputy Comm. of Sales Tax (Appeals)
Central Sales Tax Act	Sales Tax	1,215,147	2004-2005	Deputy Comm. of Sales Tax (Appeals)

- 10) The Company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- 11) The company has not defaulted in repayment of dues to any bank/financial institutions and has not issued any debentures.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The provisions of any Special Statute applicable to Chit funds, Nidhis or mutual Benefit funds / Societies are not applicable to the company.
- 14) The company is not dealing in or trading in shares, securities, debentures, or other investments and hence, requirement of paragraph 4(xiv) are not applicable to the company.
- 15) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) On the basis of the review of the utilization of funds pertaining to term loans on overall basis and related information as made available to us by the Company, prima facie, the term loans taken by the Company were applied for the purpose for which they had been raised.
- 17) According to Cash flow statements and other records examined by us and on the basis of the information and explanation given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used for Long Term Investment.
- 18) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- 19) Since the company does not have any debentures, the question of creation of securities for debentures does not arise.
- 20) Since the company has not raised money by Public Issue, clause (xx) of the order is not applicable.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For **M.V.Damania & Co.**  
Firm Registration No. : 102079W  
Chartered Accountants

Sd/-

**Bharat Jain**  
Partner

Place: Mumbai  
Date: 14<sup>th</sup> July, 2011

Membership No.: 100583

## 5<sup>th</sup> Annual Report 2010-2011

### BALANCE SHEET AS AT MARCH 31, 2011

Particulars	Schedule	(In Rupees)	
		Current Year	Previous Year (Reaudited)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	<b>A</b>	136,058,650	123,005,400
Reserves and Surplus	<b>B</b>	101,921,739	40,097,464
<b>Borrowed Funds</b>			
Secured Loans	<b>C</b>	295,972,645	249,785,829
Unsecured Loans	<b>D</b>	46,698,437	1,951,606
<b>Deferred Tax Liability (Net)</b> (Refer Note B-15 of Schedule "T")		6,560,891	7,487,792
		<b>587,212,362</b>	<b>422,328,091</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	<b>E</b>	395,983,913	328,006,983
Less: Accumulated Depreciation		108,137,179	75,989,693
Net Block		<b>287,846,734</b>	<b>252,017,290</b>
Capital Work in progress		3,295,219	-
<b>Investments</b>	<b>F</b>	529,640	529,640
<b>Current Assets, Loans and Advances</b>			
Inventories	<b>G</b>	175,813,250	61,037,655
Sundry Debtors	<b>H</b>	217,089,369	151,123,520
Cash and Bank Balances	<b>I</b>	23,407,252	26,465,089
Loans, Advances and Deposits	<b>J</b>	61,823,125	31,720,520
		478,132,996	270,346,784
<b>Less : Current Liabilities And Provisions</b>			
Current Liabilities	<b>K</b>	161,704,673	96,775,049
Provisions	<b>L</b>	20,887,557	6,340,575
		182,592,230	103,115,624
<b>Net Current Asset</b>		295,540,767	167,231,160
<b>Miscellaneous Expenditure</b> (to the extent not written off or adjusted)			
Initial Public Offer Expenses		-	2,550,000
		<b>587,212,362</b>	<b>422,328,091</b>
Significant Accounting Policies and Notes of Account	<b>T</b>		

#### As per our report of even date

**For M. V. Damania & Co.**  
Chartered Accountants  
Firm Regn No.- 102079W

**Sd/-**  
**Bharat Jain**  
Partner  
Membership No. 100583

Place: Mumbai  
Date : 14th July, 2011

#### For & On behalf of the Board

**Sd/-**  
**Divyesh Sukhadia**  
Chairman & Managing Director

**Sd/-**  
**Indranil Sen**  
Chief Financial Officer

Place: Mumbai  
Date : 14th July, 2011

**Sd/-**  
**Dharmesh Sukhadia**  
Director

**Sd/-**  
**Ashwini Rao**  
Company Secretary

# PARAMOUNT PRINTPACKAGING LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule	Current Year	(In Rupees) Previous Year (Reaudited)
<b>INCOME</b>			
Sales & labour charges (Gross)		678,150,059	498,864,395
Less: Excise Collection		25,211,112	16,767,082
VAT/ CST Collection		28,326,771	17,112,645
Sales(Net)		624,612,176	464,984,668
Other income	M	6,997,343	1,371,222
Increase/(decrease) in stock	N	97,197,955	3,106,570
		<b>728,807,473</b>	<b>469,462,460</b>
<b>EXPENDITURE :</b>			
Raw Material Consumed	O	260,784,349	144,912,468
Cost of Traded Goods	`	258,753,040	180,614,204
Manufacturing overheads	P	23,727,903	16,340,050
Payment to employees	Q	28,964,306	22,539,457
Administration and selling expenses	R	29,574,036	9,712,844
Financial expenses	S	57,661,630	38,543,836
		<b>659,465,265</b>	<b>412,662,859</b>
<b>Profit/(Loss) before Depreciation</b>		<b>69,342,209</b>	<b>56,799,601</b>
Less: Depreciation		32,147,487	29,314,698
<b>Profit/(Loss) before Tax</b>		<b>37,194,722</b>	<b>27,484,903</b>
<b>Less : Provision for Taxation</b>			
Current tax		14,700,000	6,000,000
Excess/(Short) tax of earlier years		59,496	-
Deferred tax		333,911	3,935,818
Fringe benefit tax (earlier year)		-	60,195
MAT Credit earlier year adjustment		-	492,253
<b>Profit/(Loss) after Tax</b>		<b>22,101,315</b>	<b>16,996,637</b>
Add: b/f from earlier years		20,844,864	5,336,701
		42,946,179	22,333,338
<b>Less:</b>			
Prior Years Adjustment (Refer Note B-7 of Schedule "T")		-	1,488,474
Charge on account of transitional provisions under AS 15 (Refer Note B-13 of Schedule "T")		2,448,550	-
<b>Balance carried forward to balance sheet</b>		<b>40,497,629</b>	<b>20,844,864</b>
Earning Per Share( Basic & diluted) (Refer Note B-19 of schedule "T")		1.90	1.55
Significant Accounting Policies and Notes to Account	T		

**As per our report of even date**

**For M. V. Damania & Co.**

Chartered Accountants  
Firm Regn No.- 102079W

**Sd/-  
Bharat Jain**

Partner  
Membership No. 100583

Place: Mumbai  
Date : 14th July, 2011

**For & On behalf of the Board**

Sd/-  
**Divyesh Sukhadia**  
Chairman & Managing Director

Sd/-  
**Indranil Sen**  
Chief Financial Officer

Place: Mumbai  
Date : 14th July, 2011

Sd/-  
**Dharmesh Sukhadia**  
Director

Sd/-  
**Ashwini Rao**  
Company Secretary

## 5<sup>th</sup> Annual Report 2010-2011

### Cash Flow Statement for the year ended 31st March 2011.

PARTICULARS	(In Rupees)	
	31st March, 2011	31st March, 2010 (Reaudited)
<b>Cashflow from operating activities</b>		
Net Profit before tax as per Profit & Loss Account	37,194,722	27,484,903
<b>ADJUSTMENTS:</b>		
Preliminary Expenses	-	81,116
Initial Public Offer Expenses	6,290,000	-
Interest income	(1,947,945)	(598,337)
Sundry balance w/off (Net)	2,193,575	-
Depreciation	32,147,486	29,314,698
Exchange Rate Difference	(192,664)	-
Profit on Sale of machinery	-	(325,000)
Interest Expenses	57,661,630	38,543,836
Dividend Income	(9,300)	(11,625)
<b>Operating Profit before working capital changes</b>	96,142,782	67,004,687
<b>CHANGES IN WORKING CAPITAL</b>	133,337,504	94,489,590
Trade Debtors	(68,159,424)	(41,288,921)
Loans and Advances	(28,562,258)	6,466,631
Inventories	(114,775,595)	(13,219,379)
Trade payables and other liabilities	67,031,190	2,841,745
<b>Cash used in operation</b>	(11,128,583)	49,289,666
Less: Direct taxes Paid	6,124,544	(316,329)
<b>Net cash flow in operating activities (A)</b>	(17,253,127)	49,605,995
<b>Cash flow from investing activities</b>		
Purchase of fixed assets(including Capital work in progress)	(70,978,382)	(17,864,540)
Sale of fixed assets	-	342,129
Dividend Income	9,300	11,625
Interest income	1,494,472	476,233
<b>(B)</b>	(69,474,610)	(17,034,553)
<b>Cash flow from financing activities</b>		
Borrowings	90,933,646	7,298,994
Initial Public Offer Expenses	(3,740,000)	(2,550,000)
Increase in share capital (Incl Application Money)	55,224,760	21,048,000
Interest Paid	(58,748,505)	(38,543,836)
<b>(C)</b>	83,669,902	(12,746,842)
<b>NET CASH / CASH EQUIVALENT (A+B+C)</b>	(3,057,837)	19,824,600
Cash & cash Equivalent at beginning	26,465,089	6,640,489
Cash & cash Equivalent at the end (Refer Schedule - I)	23,407,252	26,465,089

**Notes :**

- 1) The above Cash flow Statement has been prepared under the indirect method as set out in accounting Standard 3 on "Cash flow Statement".
- 2) Previous year's figures are regrouped / reclassified wherever necessary in order to conform to current period's groupings and classifications.

**As per our report of even date**

**For M. V. Damania & Co.**

Chartered Accountants  
Firm Regn No.- 102079W

**Sd/-**

**Bharat Jain**

Partner  
Membership No. 100583

Place: Mumbai

Date : 14th July, 2011

**For & On behalf of the Board**

Sd/-

**Divyesh Sukhadia**

Chairman & Managing Director

Sd/-

**Indranil Sen**

Chief Financial Officer

Place: Mumbai

Date : 14th July, 2011

Sd/-

**Dharmesh Sukhadia**

Director

Sd/-

**Ashwini Rao**

Company Secretary

# PARAMOUNT PRINTPACKAGING LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2011

Particulars	Current Year	Previous Year (Reaudited)
<b>(In Rupees)</b>		
<b>Schedule A</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized Share Capital</b>		
5,00,00,000 (P.Y. 2,50,00,000) Equity shares of Rs. 10/- each	500,000,000	250,000,000
<b>Issued , Subscribed and Paid-up Capital.</b>		
13,605,865 ( P.Y. 11,316,540 )Equity shares of Rs.10/- each fully paid up. (Of the above Nil (P.Y. 3,772,180) shares of Rs. 10 each fully paid were issued as Bonus shares by capitalisation of share premium account)	136,058,650	113,165,400
Share Application Money	-	9,840,000
	<b>136,058,650</b>	<b>123,005,400</b>
<b>SCHEDULE B</b>		
<b>RESERVE &amp; SURPLUS</b>		
<b>SHARE PREMIUM ACCOUNT</b>		
As per last Balance Sheet	19,252,600	48,008,000
Add : Premium on issue of shares	42,171,510	8,966,400
	<b>61,424,110</b>	<b>56,974,400</b>
Less: Capitalised on Issue of Bonus Shares	-	37,721,800
<b>PROFIT &amp; LOSS ACCOUNT</b>	40,497,629	20,844,864
	<b>101,921,739</b>	<b>40,097,464</b>
<b>SCHEDULE C</b>		
<b>SECURED LOANS (Refer note B - 8 of schedule "T")</b>		
i) Cash Credit with Banks	145,021,147	98,930,876
ii) Term Loan (Including Working capital Term Loan)	149,168,099	149,631,030
iii) Vehicle Loan	1,783,398	1,223,923
	<b>295,972,645</b>	<b>249,785,829</b>
<b>SCHEDULE D</b>		
<b>UNSECURED LOANS</b>		
i) From Share holders, Directors and their Relatives	1,350,000	-
ii) From Banks and Financial Institutions	11,164,029	1,951,606
iii) From Intercorporates	34,184,408	-
	<b>46,698,437</b>	<b>1,951,606</b>

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2011**  
**SCHEDULE - E**  
**FIXED ASSETS AND DEPRECIATION**

Sr No	Name of Assets	Gross Block			Depreciation				Net Block					
		As on 01.04.2010	Addition During Year	Adjustment / Deduction During Year	As On 31.03.2011	Before reaudit adj upto 01.04.2010	Adjustment**	After reaudit adj upto 01.04.2010	For The Year	Deduction	Adjustment	Upto 31.03.2011	As on 31.03.2011	As At 31.03.2010
1	Leasehold Land	4,704,665	-	-	4,704,665	-	-	-	-	-	-	-	4,704,665	4,704,665
2	Building	45,294,665	134,858	-	45,429,523	3,207,852	(11,319)	3,219,171	1,515,705	-	-	4,734,876	40,694,647	42,075,494
3	Plant & Machinery	252,263,471	51,478,628	-	303,742,099	64,558,996	(2,213,649)	66,772,645	27,814,344	-	-	94,586,989	209,155,110	185,490,826
4	Electrical Installation	8,146,165	12,819,289	-	20,965,454	1,838,507	(51,491)	1,889,998	1,000,912	-	-	2,890,910	18,074,544	6,256,167
5	Air conditioner	2,319,760	680,281	-	3,000,041	361,184	169,198	191,986	113,454	-	-	305,440	2,694,601	2,127,774
6	Furniture & Fixtures	3,269,622	235,630	-	3,505,252	456,344	(7,247)	463,591	213,553	-	-	677,143	2,828,109	2,806,031
7	Office Equipment	486,282	56,953	-	543,235	60,308	(1,231)	61,539	23,867	-	-	85,406	457,829	424,743
8	Computer	2,625,911	276,138	-	2,902,049	905,925	(69,136)	945,061	432,401	-	-	1,377,462	1,524,587	1,680,850
9	Software	569,834	601,908	-	1,171,742	113,967	-	113,967	227,847	-	-	341,814	829,928	455,867
10	Motor car	8,326,609	1,693,245	-	10,019,854	2,191,914	(139,821)	2,331,735	805,404	-	-	3,137,139	6,882,716	5,994,873
	<b>Current Year</b>	<b>328,006,983</b>	<b>67,976,930</b>	-	<b>395,983,913</b>	<b>73,694,997</b>	-	<b>75,989,693</b>	<b>32,147,487</b>	-	-	<b>108,137,179</b>	<b>287,846,734</b>	<b>252,017,290</b>
	<b>Previous Year (Reaudited)</b>	<b>310,161,186</b>	<b>17,864,540</b>	<b>18,743</b>	<b>328,006,993</b>	<b>44,381,913</b>	<b>(2,294,696)</b>	<b>44,381,913</b>	<b>29,314,698</b>	-	<b>1,614</b>	<b>75,989,693</b>	<b>252,017,290</b>	<b>265,779,273</b>

\*\* Refer note B - 7 of schedule "I" forming part of accounts.

# PARAMOUNT PRINTPACKAGING LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2011

Particulars	Current Year	Previous Year (Reaudited)
<b>(In Rupees)</b>		
<b>Schedule F</b>		
<b>INVESTMENT (Long Term, Trade &amp; unquoted)</b>		
3,594(P.Y. 3,594) Equity Share in Shamrao Vithal Co Operative Bank for Rs. 10/- each	35,940	35,940
49,370(P.Y. 49370) Equity Shares of Shramik Sahakari Bank Ltd @Rs.10/- each	493,700	493,700
	<b>529,640</b>	<b>529,640</b>
<b>SCHEDULE G</b>		
<b>INVENTORIES</b>		
(as taken valued and certified by the Managing Director)		
Raw material	70,436,327	52,858,686
Stock-in-process	2,478,251	5,244,999
Finished Goods / Traded Goods	102,898,672	2,933,969
	<b>175,813,250</b>	<b>61,037,654</b>
<b>SCHEDULE H</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good unless stated otherwise)		
Debts outstanding for the period exceeding six months and considered :		
Good	52,673,379	15,417,258
Doubtful	-	-
	52,673,379	15,417,258
Other Debts, Considered Good	164,415,991	135,706,262
	<b>217,089,369</b>	<b>151,123,520</b>
<b>SCHEDULE I</b>		
<b>CASH AND BANK BALANCES</b>		
i) Cash on Hand	2,921,760	2,598,136
ii) Balances with Scheduled Banks		
In Current Accounts	110,932	29,995
Cheques in Hand	1,213,760	-
iii) Balances with Non Scheduled Banks		
In Current Accounts (Maximum O/s during the year 137301/-)	-	137,301
In Fixed Deposit with bank	4,400,000	13,500,000
In Fixed Deposit (Pledge against inland LC facility)	14,760,800	10,199,657
	<b>23,407,252</b>	<b>26,465,089</b>

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### SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2011

Particulars	(In Rupees)	
	Current Year	Previous Year (Reaudited)
<b>Schedule J</b>		
<b>LOANS AND ADVANCES &amp; DEPOSITS</b> (Unsecured, Considered good)		
i) Advances recoverable in cash or in kind or for value to be received	48,207,324	26,217,773
ii) Loans Given	3,369,503	4,036,381
iii) Deposits	4,838,200	658,800
iv) Balance with Government authorities	5,408,098	807,566
	<b>61,823,125</b>	<b>31,720,520</b>
<b>SCHEDULE K</b>		
<b>CURRENT LIABILITIES</b>		
i) Sundry Creditors		
Amount due to Micro and Small Enterprises (Refer Note B-11 of schedule "T")	-	-
Others	132,763,159	85,642,387
	132,763,159	85,642,387
ii) Statutory Liabilities	13,491,661	9,318,893
iii) Other Liabilities	15,449,853	1,813,769
	<b>161,704,672</b>	<b>96,775,049</b>
<b>SCHEDULE L</b>		
<b>PROVISIONS</b>		
Provision for Tax (Net of taxes paid)	14,975,527	6,340,575
Provision for Gratuity	5,912,030	-
	<b>20,887,557</b>	<b>6,340,575</b>



## PARAMOUNT PRINTPACKAGING LIMITED

### SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Current Year	Previous Year (Reaudited)
<b>(In Rupees)</b>		
<b>Schedule M</b>		
<b>OTHER INCOME</b>		
Commission Received ( C.Y. TDS Rs.394632/-, P.Y. Nil)	3,946,316	-
Interest Income (C.Y. Rs.134,144/-, P.Y. Nil)	1,947,945	703,917
Insurance Claim Received	901,118	-
Dividend	9,300	11,625
Exchange Rate Difference	192,664	38,659
Sundry Bal. W/Back (Net )	-	292,021
Profit on Sale of asset	-	325,000
	<b>6,997,343</b>	<b>1,371,222</b>
<b>SCHEDULE N</b>		
<b>INCREASE/(DECREASE) IN STOCK</b>		
Closing Stock		
Finished Goods / Traded Goods	102,898,672	2,933,969
Stock-in-process	2,478,251	5,244,999
	<b>105,376,923</b>	<b>8,178,968</b>
Less: Opening Stock		
Finished Goods / Traded Goods	2,933,969	2,500,462
Stock-in-process	5,244,999	2,571,936
	<b>8,178,968</b>	<b>5,072,398</b>
(Refer Note B-17 of schedule "T")	<b>97,197,955</b>	<b>3,106,570</b>
<b>SCHEDULE O</b>		
<b>RAW MATERIAL CONSUMED</b>		
Opening Stock	52,858,686	42,745,877
Add- Purchases	278,361,990	155,025,277
Less- Closing Stock	70,436,327	52,858,686
	<b>260,784,349</b>	<b>144,912,468</b>
<b>SCHEDULE P</b>		
<b>MANUFACTURING OVERHEADS</b>		
Duties & Taxes	5,384,200	2,000,000
Electricity charges	6,216,678	5,482,447
Freight, Coolie & Octroi	183,782	132,556
Labour charges	7,345,215	6,421,249
Manufacturing Supplies & packing charges	451,436	203,393
Power & Fuel	879,585	576,270
Transportation charges	3,102,214	1,351,403
Water charges	164,793	172,732
	<b>23,727,903</b>	<b>16,340,050</b>

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### SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	(In Rupees)	
	Current Year	Previous Year (Reaudited)
<b>Schedule Q</b>		
<b>PAYMENT TO EMPLOYEES</b>		
Wages & Salaries	19,882,535	18,437,785
Bonus	3,211,375	1,734,447
Contribution to ESIC	586,580	368,831
Contribution to Provident Fund	1,455,756	1,167,536
Gratuity	2,432,288	235,767
Leave salary / Encashment	826,655	516,634
ESIC Assessment Dues	180,000	-
Training Expenses	389,117	78,457
	<b>28,964,306</b>	<b>22,539,457</b>
<b>SCHEDULE R</b>		
<b>ADMINISTRATION AND SELLING EXPENSES</b>		
Advertisement	73,850	89,400
Audit Fees	1,500,000	33,090
Computer Expenses	76,225	96,743
Conveyance	1,181,447	752,074
Commission	-	169,277
Diwali Expenses	112,000	172,684
Insurance	1,975,700	2,694,704
Miscellaneous expenses	1,337,418	1,265,476
Motor Car Expenses	59,969	34,302
Postage, Courier & telegrams	205,734	29,492
Printing and Stationery	155,190	99,950
Preliminary expenses w/off	-	81,116
Legal and professional charges	7,293,842	749,155
Travelling Expenses	165,128	215,959
Rate difference and discount	9,897,123	638,685
Rent, Repairs and maintenances	2,152,556	1,506,376
Sales Promotion	766,802	528,405
Sundry Balance W/off (Net)	2,193,575	-
Telephone expenses	427,477	555,956
	<b>29,574,036</b>	<b>9,712,844</b>
<b>SCHEDULE S</b>		
<b>FINANCIAL EXPENSES</b>		
Interest on bank loans and others	46,574,215	34,729,666
Bank and other Charges	11,087,415	3,814,170
	<b>57,661,630</b>	<b>38,543,836</b>

# PARAMOUNT PRINTPACKAGING LIMITED

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## SCHEDULE T

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011.

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Preparation of Financial Statements:

The financial statements are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, accounting Standards notified under sub-section (3C) of section 211 of the Companies act, 1956 and the other relevant provisions of the Companies act, 1956.

##### 2. Use of Estimates:

The preparation of financial statement in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting year. All revenue and expenses are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

##### 3. Fixed Assets:

Fixed assets are stated at cost of acquisition and include other direct / indirect and incidental expenses incurred to put them into use but excludes CENVAT availed on such assets.

##### 4. Depreciation:

a) Depreciation on fixed assets has been provided on Straight Line basis at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956 on single shift basis except in case of plant & machinery and Electrical installation, where depreciation has been provided on triple shift basis.

b) Leasehold land has not been amortized over the primary year of the lease.

##### 5. Intangibles :

Intangible assets are stated at costs less accumulated amortization.

Intangible assets are amortized over a year of five years.

##### 6. Impairment of Assets:

Where there is an indication that an asset is impaired, the recoverable amount if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.

##### 7. Inventories:

Raw materials are valued at cost derived on average cost basis or net realizable value whichever is lower.

Finished goods are stated at Average material consumption cost and direct attributable overheads or Net realizable value whichever is lower.

Semi Finished Goods are valued at cost on the basis of process completion.

##### 8. Foreign Currency Transactions:

Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction. Gains or Losses upon settlement of transaction during the year is recognized in the profit and loss account.

Assets and liabilities denominated in foreign currency are restated at the year end rates. Gains or losses arising as a result of the above are recognized in the profit and loss account.

##### 9. Investments:

Investments, which are long term in nature, are stated at cost of acquisition with provision where necessary for diminution, other than temporary, in the value of investments.

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### 10 **Borrowing Costs:**

Borrowing costs directly attributable to the acquisition or construction of Fixed Assets are capitalized as part of the cost of the assets, upto the date the asset is put to use. Other borrow-ing costs are charged to the Profit and Loss Account in the year in which they are incurred.

### 11 **Leases:**

Leases wherein a significant portion of the risks and reward of ownership are retained by the lessor are classified as Operating Leases. Lease rentals in respect of such leases are charged to the Profit and Loss Account.

### 12. **Retirement Benefits:**

#### a) **Short term employees Benefits:**

Short term employees' benefits are recognized in the year during which the services have been rendered.

Leave Encashment liability on account of unavailed earned leave is provided as per the prevailing company's policies.

#### b) **Long term employees Benefits:**

##### i) **Provident fund, family Pension fund & employees' State Insurance Scheme:**

As per the employees' Provident funds and miscellaneous Provisions Act, 1952, all employees of the company are entitled to receive benefits under the provident fund & family pension fund, which is a defined contribution plan. These contributions are made to the fund administrated and managed by Government of India. In addition, some employees of the company are covered under employees' State Insurance Scheme act, 1948, which are also defined contribution schemes recognized and administrated by Government of India

The company's contributions to these schemes are recognized as expense in profit and loss account during the year in which the employee renders the related service. The company has no further obligation under these plans beyond its monthly contributions.

##### ii) **Gratuity:**

The liabilities is a defined benefit obligation and are the present value of the obligation under defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in Profit and Loss account as and when determined.

### 13 **Provisions, Contingent Liabilities and Contingent Assets:**

The Concern recognizes a provision when there is a present obligation as a result of a past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimate can be made.

Contingent liabilities are disclosed by way of note to the Financial Statements after careful evaluation by the proprietor of facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

### 14 **Taxation:**

Tax expenses comprise of current and deferred tax.

Provision for current income tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.

## PARAMOUNT PRINTPACKAGING LIMITED

Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable Income and Accounting Income that originate in one year and are capable of reversal in one or more subsequent years.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified year.

### B. NOTES ON ACCOUNTS

1. In the opinion of the directors :

- a) The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- b) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

	Current Year Rupees	Previous Year Rupees
2. <u>Contingent liabilities not provided for in respect of:</u>		
a) Estimated amount of contracts remaining to be executed on capital account.	153,018,149/-	30,000/-
b) Sales Tax Dues pending with appellate authorities	10,757,203/-	Nil
c) The Company has purchased Fixed Assets under the "Export Promotion Capital Goods Scheme" (EPCG). As per the terms of the license granted under the scheme, the Company is required to achieve export commitment of Rs 438,146,446 over a year as defined in EPCG License expiring at various dates. In the event of company being unable to execute its export obligations, the Company shall be liable to pay customs duty of Rs. 55,239,648/- and interest on the same at the rate of 15 percent compounding annually. The Company is hopeful of meeting its export obligation and accordingly no provision is required for the same in books of accounts.		
3. Sundry debtors, Sundry creditors, Other Liabilities, Deposits and Loan and Advances are subject to confirmation and reconciliation, if any.		
4. Balance with Excise Authorities (Net) and Sales Tax Authorities is subject to reconciliation with the corresponding records or orders. In the opinion of the management, effect of the reconciliation is not having material impact on the Financial Statement of the Company.		
5. Legal and Professional Fees included expenses pertaining to Initial Public Offer (IPO) amounting to Rs. 6,290,000/- out of which Rs. 2,550,000/- is pertaining to Financial Year 2009-10.		
6. Consequent to the proposed Initial Public Offer (IPO) of the equity shares, the Company had applied to the Registrar of Companies (ROC) Maharashtra, for conversion from Private Limited Company to Public Limited Company. The Company has changed its name from "Paramount Printing Press Private Limited" to "Paramount Printpackaging Private Limited" on 02 <sup>nd</sup> June, 2010. The ROC has accorded his approval for the conversion of the Company into a 'Public Limited Company' on 21 <sup>st</sup> July, 2010 and the Company accordingly changed its name from 'Private Limited' to 'Limited' with effect from 21 <sup>st</sup> July,2010.		
7. The erstwhile partnership firm "M/s Paramount Printing Press" was converted to private limited Company as "Paramount Printing Press Private Limited" under the provision of Chapter IX of the Companies Act 1956 w.e.f 24 <sup>th</sup> March, 2006. Upto 31 <sup>st</sup> March, 2006 the erstwhile Firm had provided depreciation on written down value method at the rates prescribed in Income Tax Act, 1961. After conversion, the Company is providing depreciation at the rate prescribed under Schedule XIV of the Companies Act, 1956.		
Further there was error in calculation of depreciation in financial year 2007-08 and 2008-2009 which have been rectified and the effect of such rectification was given as earlier year adjustments in Reserve and Surplus Account with corresponding effect to respective accounts on reaudit of financial information for 2009-10 as per SEBI guidelines.		

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Particulars	Amounts (in Rupees)
Accumulated Depreciation	(2,294,696)
Provision for Tax	43,353
Deferred Tax	762,869
<b>Net Effect to Reserve and Surplus</b>	<b>(1,488,474)</b>

As at the time of reaudit for 2009-10, the books of accounts of the Company were closed, the effect of such rectification is accounted for in the books of accounts in the F.Y.2010-11.

- 8.
- Cash credit loan, term loans and LC (Non fund based) from State Bank of India amounting to Rs.220,753,805/- (Previous Year Rs Nil) are primarily secured against hypothecation charge on stock book debt, plant & machineries & fixed assets of the company. These loans also have collateral securities in the form of paripassu equitable mortgage of fixed assets of the company being plot No. A 309, TTC Industrial Area, Navi Mumbai with Shamrao Vithal Co-Op.Bank Ltd, paripassu equitable mortgage on flat no.401,501,502, Nathdwara, Poddar Lane, Saibaba Road, Santacruz (west), Mumbai with Shamrao Vithal Co-Op.Bank Ltd. and Assignment of keymen / life insurance policies of Rs.80 Lacs and personal guarantee of all directors of the company and owners of the above stated properties.
  - Cash credit loan, working capital term loans and LC (Non fund based) from Axis Bank have been taken over by State Bank of India during the year. The same was discharged by the Company on their respective due dates.
  - Cash credit loan, term loans and LC (Non Fund based) from Shamrao Vithal Co-operative Bank Ltd amounting to Rs.148,269,371/- (Previous Year Rs 167,899,590/-) are primarily secured against hypothecation charge on entire current assets, present and future. These loans also have collateral securities in the form of hypothecation charge on movable fixed assets of the company, present & future (excluding vehicles and assets hypothecated to Orix Auto & Business solutions Limited), equitable mortgage on fixed assets of the company being plot No. A 309, TTC Industrial Area, Navi Mumbai equitable mortgage on flat no.401,501,502, Nathdwara, Poddar Lane, Saibaba Road, Santacruz (west), Mumbai, Assignment of keymen / life insurance policies of Rs.80 Lacs and personal guarantee of all directors of the company and owners of above stated properties.
  - Term Loan from Orix Auto Infrastructure Services Limited amounting to Rs 5,361,179/- (Previous Year Rs 11,098,192/-) are primarily secured against hypothecation charges on BOBST Machinery.
  - Amount due in respect of term loans within a year of 12 months is Rs.43,866,974/- (Previous year Rs.38,884,828/-)
  - Vehicle loan amounting to Rs.665,296/- (Previous Year Rs 1,223,923) from Sundaram Finance Limited are primarily secured against hypothecation charge on Vehicles.
  - Vehicle loan amounting to Rs. 1,118,102/- (Previous Year Rs. Nil) from Reliance Capital Ltd are primarily secured against hypothecation charge on Vehicles.

	Current Year Rupees	Previous Year Rupees
9. <u>Payment to Directors:</u>		
Salary and Allowances	4,500,000/-	5,400,000/-
The company has provided Managerial Remuneration as per the provisions of part II of Schedule XIII of Companies Act, 1956 and the said Managerial Remuneration is approved by Remuneration Committee.		
10. <u>Payment to Auditors:</u>		
a) Audit Fees	865,000/-	33090/-
b) Tax Advisory Fees	135,000/-	Nil
c) Other Assurance Fees	500,000/-	Nil
	<b>1,500,000/-</b>	<b>33,090/-</b>

## PARAMOUNT PRINTPACKAGING LIMITED

### 11. DISCLOSURE IN ACCORDANCE WITH PART I OF SCHEDULE VI OF THE COMPANIES ACT 1956 IN RESPECT OF MICRO AND SMALL ENTERPRISES:

(a)	The principal amount and the interest due thereon remaining unpaid to suppliers	
i	Principal	Nil
ii	Interest due thereon	Nil
(b)	The delayed payments of Principal amount paid beyond the appointed date during the entire accounting year	Nil
ii	Interest actually paid under Section 16 of the due thereon Micro , Small and Medium Enterprises Development Act, 2006	Nil
(c)	Normal interest accrued during the year, for all the delayed payments, as per the agreed terms.	Nil
ii	Normal Interest payable for the period of delay in making payment as per agreed terms.	Nil
(d)	Total Interest accrued during the year	Nil
ii	Total Interest accrued during the year and remaining unpaid	Nil

The above information regarding Micro, Small and Medium enterprise has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

12. Adjustment relating to previous year amounting to Rs. 1,283,333/- (net Debit) (Previous year Rs. 286,584/- net Credit). The same has been debited/credited under respective heads of accounts.

### 13. Employees Benefits:

During the year, the Company has adopted Accounting Standard 15 (Revised) "Employee Benefits" as notified by Companies (Accounting Standards) Rules, 2006. In accordance with the stipulations of the Standard, the Company has adjusted Rs. 2,448,550/- (net of deferred tax aggregating to Rs. 1,260,812) towards the additional liability in respect of gratuity liability up to 31st March, 2010 against the opening balance of Profit and Loss Account as on 1<sup>st</sup> April, 2010.

During the year, Company has recognised the following amounts in the financial statements:

#### a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Particulars	(In Rupees)
Employer's Contribution to Provident fund & family Pension fund	1,635,756
Employer's Contribution to Employees' State Insurance Scheme	586,580

#### b) Defined Benefit Plan

Reconciliation of opening and closing balances of Defined Benefit obligation:

Particulars	(In Rupees)
Defined Benefit obligation at the beginning of the year	3,709,362
Current Service Cost	333,664
Interest Cost	324,078
Actuarial (gain)/loss	1,774,546
Benefits Paid	(229,620)
Defined Benefit obligation at year end	5,912,030

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Table of Fair Value of Plan Assets:

Particulars	Current Year Gratuity (Non Funded)
Fair Value of Plan Assets at the beginning of the year	—
Expected Return on Plan Assets	—
Contributions	229,620
Benefit Paid	(229,620)
Actuarial gain/(loss) on Plan Assets	—
Fair Value of Plan Assets at the end of the year	—

Actual return on Plan Assets

Particulars	Current Year Gratuity (Non Funded)
Expected Return on Plan Assets	—
Actuarial gain/(loss) on Plan Assets	—
Actual Return on Plan Assets	—

Reconciliation of fair value of plan assets and benefit obligations:

(In Rupees)

Particulars	Current Year Gratuity (Non Funded)
Fair value of assets as at 31 <sup>st</sup> March, 2011	—
Present value of obligation as at 31 <sup>st</sup> March, 2011	5,912,030
Amount recognized in balance sheet	5,912,030

Expense recognized during the year (Under the head "Payments to Employees" - refer Schedule Q)

(In Rupees)

Particulars	Current Year Gratuity (Non Funded)
Current Service Cost	333,664
Interest Cost	324,078
Expected return on Plan assets	—
Actuarial (gain)/loss	1,774,546
Expense recognized in profit and loss account	2,432,288

Actuarial Assumptions:

Particulars	Current Year Gratuity (Non Funded)
Discount Rate (per annum)	8.25%
Expected Rate of Return on Plan assets	—
Salary Escalation (per annum)	6.00%

14. Deposits include Rs. 600,000/- (Previous year Rs. Nil) given to the directors as security deposit under the leave and license agreement.



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15. As required by Accounting Standard 22-"Accounting for Taxes on Income" as notified by Companies (Accounting Standards) Rules, 2006, the breakup of Deferred tax assets and liabilities into major Components is as below:

Particulars	Deferred Tax as On 31/03/2011		Deferred Tax as On 31/03/2010	
	Asset	Liability	Asset	Liability
Depreciation	—	10,329,800	-	9,952,750
Provision for Gratuity	1,918,454	—	-	-
Provision for Leave Salary	217,823	—	-	-
Amortization Preliminary Expenses & Issue Expenses U/s 35D	1,632,632	—	13,470	-
Disallowance U/s 36(i)(va)	—	—	810,930	-
Disallowance U/s 43B	—	—	877,689	-
<b>Total</b>	<b>3,768,909</b>	<b>10,329,800</b>	<b>1,702,089</b>	<b>9,952,750</b>
Total	—	<b>6,560,891</b>	-	<b>8,250,661</b>
<b>Less:</b> Prior year adjustment (Refer Note 7)	—	—	-	(762,869)
Charge on account of transitional provisions under AS 15	—	—	-	(1,260,812)
Deferred Tax Liabilities (Net)	—	<b>6,560,891</b>	-	<b>6,226,980</b>
Debited / Credited to P& L A/c.	—	<b>333,911</b>	-	<b>3,935,818</b>

16. **RELATED PARTY DISCLOSURES:**

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

**A. List of Related Parties and Relationship:**

- **Companies and concerns under same management**

M/s. Parapack, M/s. S. P. Investment, Paramount Nourishment Pvt. Ltd. and Trim Plastics Ltd.

- **Key Management Personnel**

Mr. Divyesh Sukhadia, Mr. Dharmesh Sukhadia, Mr. Vipul Sukhadia, Mr. Anuj Sukhadia and Mr. Vanraj Sukhadia

- **Relatives of Key Management Personnel**

Mr. Ketan Sukhadia, Ms. Neeta Divyesh Sukhadia, Ms. Jagruti Sukhadia, Ms. Ketki Vipul Sukhadia, Ms. Jignasa Ketan Sukhadia, Ms. Chaya Anuj Sukhadia, Mr. Nikhil Kapadia, Mr. Ashwin Sukhadia, Ms. Pooja Anuj Sukhadia and Ms. Aesha Sukhadia.

## 5<sup>th</sup> Annual Report 2010-2011

### B. Transactions with related Parties:

Nature of Transaction	Companies and Concerns Under Same management	Key Management Personnel & Relatives
Sales	1,520,435 (1,171,006)	Nil (Nil)
Purchases	140,287 (298,471)	Nil (Nil)
Labour Charges Paid	542,124 (181,676)	Nil (Nil)
Labour Charges Received	31,830 (181,082)	Nil (Nil)
Managerial Remuneration	Nil (Nil)	4,500,000 (5,400,000)
Salary	Nil (Nil)	299,288 (Nil)
Interest Paid	Nil (Nil)	64,400 (154,856)
Interest Received	149,999 (149,999)	Nil (Nil)
Deposit under Leave & License	Nil (Nil)	600,000 (Nil)
Loan and Advances (Net)	Nil (7,417,354)	1,205,352 (2,141,092)
<b>As on 31st March, 2011</b>		
Due to Company	1,447,323 (1,159,505)	Nil (Nil)
Payable by Company	Nil (1,477,364)	2,446,870 (144,648)

17. The amount of excise duty disclosed as deduction from turnover is the excise duty for the year, except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed in the increase/ (decrease) in stock and other expenses respectively. Increase/ (Decrease) in stocks include excise duty on finished goods (net) of Rs.241,921/- (Previous year Rs. 266,725/-).
18. The Business and Revenue segments of Companies are mainly consist of the Printing & Packaging Activities only and hence Segmental information as required by Accounting Standard 17 as notified by Companies (Accounting Standards) Rules, 2006 is not considered for disclosure requirement.
19. Earnings Per Share (EPS) :

(In Rupees)

Sr. No.	Particulars	Current Year	Previous Year
1	Net Profit for Equity Shareholder	22,101,315	16,996,637
2	No. of shares outstanding	13,605,865	11,316,540
3	Weighted number of equity shares	11,567,421	10,951,354*
4	Earnings per share of Rs. 10/- each	1.90	1.55
5	Face Value per equity share (Rs.)	10.00	10.00

\* Adjusted for issue of bonus shares in 2009-10 in the ratio of 2:1

## PARAMOUNT PRINTPACKAGING LIMITED

20. Additional information required under Para 3, 4-A, 4-C and 4D in part II of Schedule VI of the Companies Act, 1956 (As certified by the Management and relied upon by the Auditors) to the extent applicable is as follows :

	Current Year Rupees	Previous Year Rupees
a) <u>Value of import on CIF basis</u>		
Purchase of Goods	2,846,366/-	Nil
Capital Goods	8,019,459/-	3,028,424/-
b) <u>Expenditure in Foreign Currency</u>		
Business Promotion	197,375/-	Nil
Foreign Traveling	95,000/-	Nil
c) <u>Earning in Foreign Exchange</u>	Nil	960,000

- d) Licensed capacity: Not Applicable & Installed capacity is 60 Crores (P.Y. 60 Crores) small sized cartons.(As certified by Management)

- e) Information in respect of trading goods (Opening Stock, Purchase, Sales and Closing Stock)

Particulars	Opening Stock		Purchases		Sales		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
<b>Current Year</b>								
Printing papers and card boards (Nos)	-	-	4,026,935	258,753,040	1,792,635	169,665,600	2,234,300	100,308,000
<b>Total</b>	-	-	<b>4,026,935</b>	<b>258,753,040</b>	<b>1,792,635</b>	<b>169,665,600</b>	<b>2,234,300</b>	<b>100,308,000</b>
<b>(Previous Year)</b>								
Printing papers and card boards (Nos)	-	-	1,492,662	180,614,204	1,492,662	195,002,223	-	-
<b>(Total)</b>	-	-	<b>1,492,662</b>	<b>180,614,204</b>	<b>1,492,662</b>	<b>195,002,223</b>	-	-

- f) Break up of the value of Raw Materials consumed:

Particulars	Current Year Rupees	%	Previous Year Rupees	%
Import	2,846,366	1.09	-	-
Indigenous	257,937,982	98.91	144,912,468	100.00
<b>Total</b>	<b>260,784,348</b>	<b>100.00</b>	<b>144,912,468</b>	<b>100.00</b>

**Note:** The consumption shown above has been arrived at on the basis of opening stock plus purchases minus closing stock as certified by management.

- g) Quantitative details in respect of principal items of raw material consumed:

Particulars	Quantity Current Year	Quantity Previous Year
Paper (Kgs)	5,822,787	2,081,349
Ink (Kgs)	19,667	7,128
Roll (Kgs)	140,548	77,413
Adhesive Gum (Kgs)	54,171	37,889
Plate & Blanket (Nos)	1,154	46,243

**Note:** The consumption quantity shown above has been arrived at on the basis of opening stock plus purchases minus closing stock as certified by management.

## 5<sup>th</sup> Annual Report 2010-2011

h) Information in respect of Opening stock, Production, Sales and Closing stock of finished goods:

Description	Opening Stock		Production	Sales		Closing Stock	
	Quantity	Value Rupees	Quantity	Quantity	Value Rupees	Quantity	Value Rupees
Board & Paper (Nos)	2,959,606	2,933,969	532,506,856	530,196,791	454,946,576	5,269,671	2,590,672
(Previous Year)	(5,633,765)	(2,500,462)	(418,723,839)	(421,397,998)	(269,982,445)	(2,959,606)	(2,933,969)

21. The company made an Initial Public Offer of 13,094,175 equity shares at a price of Rs. 35/- raising Rs.45.83 Crores during the month April 2011. The shares of the Company were listed on National Stock Exchange and The Bombay Stock Exchange on May 09, 2011.
22. Being the accounts for the year ended 31<sup>st</sup> March, 2010 is reaudited and hence the previous year's figures are as reflected in reaudited financial statements. Previous year's figures have been regrouped / rearranged, wherever necessary to conform to current year's classifications.
23. Figures in brackets indicate corresponding figures of the previous year.

### As per our report of even date

**For M. V. Damania & Co.**  
Chartered Accountants  
Firm Regn No.- 102079W

**Sd/-  
Bharat Jain**  
Partner  
Membership No. 100583

Place: Mumbai  
Date : 14th July, 2011

### For & On behalf of the Board

**Sd/-  
Divyesh Sukhadia**  
Chairman & Managing Director

**Sd/-  
Indranil Sen**  
Chief Financial Officer

Place: Mumbai  
Date : 14th July, 2011

**Sd/-  
Dharmesh Sukhadia**  
Director

**Sd/-  
Ashwini Rao**  
Company Secretary

# PARAMOUNT PRINTPACKAGING LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956:

### I Registration Details

CIN	U22200MH2006PLC60735	State Code	11
Balance Sheet Date	31st March 2011		

### II Capital Raised during the year (Rs. In Lakhs)

Public Issue	NIL	Rights issue	
Bonus Issue	NIL	Private Placement	22.89
Share Application Money	NIL		

### III Position of Mobilisation and Deployment of Funds (Rs. In Lakhs)

Total Liabilities	7698.04	Total Assets	7698.04
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#### Sources of Funds

Paid up Capital	1360.59	Reserves and Surplus	1019.22
Secured Loan	2959.73	Unsecured Loan	4.66.98

#### Application of Funds

Net Fixed Assets	2878.47	Investments	5.29
Net Current Assets	2955.41	Miscellaneous Expenditure	NIL
Deferred Tax Assets	(3.34)		

### IV Performance of Company (Rs. In Lakhs)

Turnover (Incl. other income)	6316.09	Total Expenditure	6594.65
Profit/Loss Before Tax	371.95	Profit/Loss After Tax	221.01
Earning per share in Rs. (Basic and Diluted)	1.9	Dividend rate (%)	NIL

### V Generic names of three Principal Products/ Services of Company [as per monetary terms]

Item Code No. [ITC]	Not Applicable
Product Description	

#### For & On behalf of the Board

Sd/-  
**Divyesh Sukhadia**  
Chairman & Managing Director

Sd/-  
**Dharmesh Sukhadia**  
Director

Sd/-  
**Indranil Sen**  
Chief Financial Officer

Sd/-  
**Ashwini Rao**  
Company Secretary

Place: Mumbai  
Date: 14<sup>th</sup> July, 2011



# PARAMOUNT PRINTPACKAGING LIMITED

Registered Office : A 309, MIDC, TTC Industrial Estate, Mahape, Navi Mumbai 400701

## ATTENDANCE SLIP

To be handed over at the entrance of the meeting venue

I/We record my/ our presence at the Fifth Annual General Meeting of the Company held at Majestic Court, Sarovar Portico, X-5/2, TTC Industrial Area, Mahape, Navi Mumbai – 400710 , on Tuesday, 20<sup>th</sup> September, 2011 at 9.30 a.m.

Name of attending member/(s) ( in Block Letters) : \_\_\_\_\_

Name of Proxy (in Block Letters) : \_\_\_\_\_

Ledger Folio / ID No. \_\_\_\_\_ No of shares \_\_\_\_\_

Signature \_\_\_\_\_

----- Tear Here -----

# PARAMOUNT PRINTPACKAGING LIMITED

Registered Office : A 309, MIDC, TTC Industrial Estate, Mahape, Navi Mumbai 400701

## PROXY FORM

I/We \_\_\_\_\_ of  
\_\_\_\_\_ being a member(s) of Paramount Printpackaging Limited  
hereby appoint \_\_\_\_\_ or failing him / her \_\_\_\_\_ as  
my / our proxy to attend and vote for me / us and on my behalf at the Fifth Annual General Meeting of the Company to be  
held on Tuesday, 20<sup>th</sup> September, 2011 at 9.30 a.m and/or at any adjournment thereof.

Ledger Folio /ID No. \_\_\_\_\_ No of shares held \_\_\_\_\_

Signed on this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

Place : \_\_\_\_\_

Affix  
Revenue  
Stamp

### NOTE :

The Proxy form duly completed and signed should be deposited at the Registered Office of the Company, not later than 48 hours before the time of the meeting.