

PARAMOUNT PRINTPACKAGING LIMITED

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	- Chief Executive Officer
MR. VANRAJ SUKHADIA	- Vice President
MR. INDRANIL SEN	- Chief Financial Officer
MS. POOJA DHIRWANI	- Company Secretary

AUDITORS:

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: paramount.ipo@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

6th Annual Report 2011-2012

NOTICE

Notice is hereby given that the 6th **Annual General Meeting** of the members of Paramount Printpackaging Limited will be held on **September 21, 2012** at 9.00 a.m. at Majestic Court, Sarovar Portico, X-5/2, TTC Industrial Area, Mahape, Navi Mumbai – 400 701 , Maharashtra to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2012 and the Statement of 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. Vikram Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dharmesh Sukhadia , 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 Statutory 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/-
Pooja Dhirwani
Company Secretary

Place : Mumbai
Date : August 10, 2012

Registered Office:

A-309, MIDC, TTC Industrial Area, Mahape, Navi 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 19th September 2012 to 21st September 2012 (both days inclusive).
4. Members are requested to sign at the place provided for the attendance slip annexed to the Proxy Form and hand over the slip at the entrance to the place of 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

ANNEXURE TO THE 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 6th Annual General Meeting of the Company to be held at the venue, date and time mentioned therein.

Re-appointment of Mr. Vikram Devjibhai Patel:

Mr. Vikram Devjibhai Patel, aged 53 years, has been an independent Director of our Company since April 1, 2010. He holds a bachelors degree in commerce from Mumbai University. He is a partner in M/s. Ruchit Enterprise. He has more than 25 years of experience in the trading of electrical and Technical products.

He is a member of the Remuneration Committee of the company.

Mr. Vikram Devjibhai Patel is not related with any other Director of the Company.

Re-appointment of Mr. Dharmesh Ashwin Sukhadia:

Mr. Dharmesh Ashwin Sukhadia, aged 46 years, is the whole-time Director of our Company. He holds a bachelors degree in Commerce from Bombay University. He has been associated with our Company since its inception. He was appointed as the whole-time Director of our Company on March 24, 2006. He has more than 15 years of industrial experience in the packaging and printing field. Presently he is involved in the marketing related requirements of our Company. He is responsible for expanding our clientele and actively involved in price negotiations. He is also Director of Trim Plastic Ltd.

He is a member of the Shareholders/ Investors Grievance Committee of the company.

Mr. Dharmesh Ashwin Sukhadia holds 2,006,100 shares in the Company.

6th Annual Report 2011-2012

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Sixth Annual Report together with the Audited Statement of Accounts for the year ended the 31st March 2012.

Financial Results:

(in ₹)

Particulars	Year Ended 31-03-2012	Year ended 31-03-2011
Income		
Gross Revenue from Operations	1,05,07,78,589	65,37,69,604
Less: Excise duty	2,71,97,399	2,52,11,112
Net Revenue from Operations	1,02,35,81,190	62,85,58,492
Other Income	31,25,317	30,51,027
Total Revenue	1,02,67,06,507	63,16,09,519
Less: Expenses	88,57,14,651	51,16,80,995
Profit before Interest, depreciation and Taxes	14,09,91,856	11,99,28,524
Less: Finance Cost	7,06,97,483	5,05,86,315
Depreciation	3,84,55,104	3,21,47,487
Profit/(Loss) before tax	3,18,39,269	3,71,94,722
Less: Current Tax	80,00,000	1,47,00,000
Deferred Tax	(1,81,47,443)	3,33,911
Previous Years Tax	2,78,954	59,496
Profit/(Loss) after Tax	4,17,07,758	2,21,01,315
Add: Brought Forward from earlier years	4,04,97,629	2,08,44,864
	8,22,05,387	4,29,46,179
Less : Prior Years' Adjustment	-	-
Charge on account of transitional provisions under AS 15	-	24,48,550
Balance Carried Forward to Balance Sheet	8,22,05,387	4,04,97,629

Income, Activities & Operations:

The turnover of the Company for the year under review has increased to ₹ 10463.74 lacs as compared to the previous year turnover of ₹ 6498.23 lacs. The net profit before tax for the year has increased to ₹ 417 lacs as compared to previous year net profit of ₹ 221 lacs.

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.

Sharepro Services (India) Private Limited has been registered as the Share Transfer Agent and Registrar of the Company. 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

The Company has bought land admeasuring about 6 acres at Village Talwada, Taluka Umbergaon, District Valsad, Gujrat to cater to the company's future expansion needs.

PARAMOUNT PRINTPACKAGING LIMITED

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.

Directors:

In accordance with the requirements of the Companies Act 1956 and the Articles of Association of the Company Mr. Vikram Devjibhai Patel and Mr. Dharmesh Ashwin Sukhadia 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 2012, 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 2012 on a 'going concern' basis.

Particulars of Employees:

The Company has not paid any remuneration attracting the provision 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, 2012 is annexed hereto

Auditors:

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 (1-B) of the Companies Act, 1956. The Board recommends their re-appointment.

Auditors' observations:

With regard to the observations made by the auditors the management has already taken steps to strengthen the internal control system and the asset register is in the process of compilation, efforts are been made to clear the undisputed statutory dues and the Company has initiated steps for clearance of dues of domestic financial institutions and the bankers The rest of the observations are self explanatory and no comments are required .

Corporate Governance:

A certificate from auditors of the company on compliance of conditions of corporate governance is annexed to this report. The management discussion and analysis report and compliance report on corporate governance as required by clause 49 of the listing agreement form part of this 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 all the officers and staff of the Company.

For and on behalf of the Board of Directors

Sd/-

Dated: August 10, 2012

Place: Mumbai

DIVYESH SUKHADIA
Chairman and Managing Director

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 printing 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. 2011-12	F.Y. 2010-11
	Current Year	Previous Year
(a) Purchased		
Unit (KWH)	1040620	990090
Total amount	7045125	6198600
Rate / Unit	6.77	6.26
b) Own Generation		
(i) Through diesel generator		
Unit	16650	12881
Unit per Ltr. Of diesel oil	3.1KWH	3.1KWH
Cost / unit	13.52	13.61
(ii) Through Steam turbine / generator		
Units	Nil	Nil
Units per ltr. Of fuel oil / gas	Nil	Nil
Cost/unit	Nil	Nil

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 : ₹ 3.99 lacs (Previous Year ₹ 2.92 lacs)

Income in Foreign Exchange : NIL (Previous Year NIL)

For and on behalf of the Board of Directors

Place : Mumbai
Dated : August 10, 2012

Sd/-
DIVYESH SUKHADIA
Chairman and Managing Director

PARAMOUNT PRINTPACKAGING LIMITED

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.

6th Annual Report 2011-2012

RISKS AND CONCERNS

Your company does not perceive any risks or concerns other than those that are common to the industry such as regulatory risks, exchange risk and other commercial and business related risks.

Discussions on Financial Performance with respect to operational Performance:

a) Operating Results

During the year, the Company has earned net revenue from operations of ₹ 10,235.81 Lacs against 6,285.58 lacs in the previous years and as such was able to make a profit after tax of ₹ 417.07 lacs as against the profit of ₹ 221.01 lacs in the previous year. The Company expects good returns in the coming years.

b) Resource Utilisation

The gross fixed assets as at 31.03.2012 were ₹ 4604.23 lacs as compared to ₹ 3959.84 lacs in the previous year. During the year the Company added assets worth ₹ 686.44 lacs.

c) Working Capital

Net working capital excluding cash and bank balances as on 31.03.2012 was ₹ 651.49 lacs. Book debts outstanding for a period exceeding six months from the date they were due for payment as on 31.03.2012 stood at ₹ 114.36 lacs as compared to ₹ 387.85 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.

II. BOARD OF DIRECTORS

Composition of the Board:

As on 31st March 2012, the Board of Directors of Paramount Printpackaging Limited comprises of 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. The Non Executive Independent Directors are eminent professionals with wide range of knowledge and experience in business, industry. Attendance of the Directors at the Board Meeting and other relevant details relating to Directors are given below:

Name of Member	Category	Member/ Chairman	Number of Meetings Attended/ held	No. of Directorship(s) in other public companies	No. of Committee position held in other Public Companies
Mr. Divyesh Ashwin Sukhadia	Chairman and Managing Director	Chairman	8/8	1	Nil
Mr. Dharmesh Ashwin Sukhadia	Whole-time Director	Member	8/8	1	Nil
Mr. Anuj Vipin Sukhadia	Whole-time Director	Member	8/8	1	Nil
Mr. Vikram Devjibhai Patel	Independent Director	Member	3/8	Nil	Nil
Mr. Rohit Parmananddas Doshi	Independent Director	Member	4/8	3	Nil
Mr. Hemang Engineer	Independent Director	Member	1/8	1	Nil

Notes:

As on March 31, 2012 Mr. Hemang Engineer held 2,140 and Mr. Rohit Doshi held 5,000 fully paid shares of ₹ 10/- each in the Equity Share Capital of the Company.

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.

6th Annual Report 2011-2012

- b. **Composition:** The Audit Committee was constituted by the Board of Directors in the year 2010 and comprises 2 (two) Non-Executive Directors with two of them being independent and 1 (one) Executive Director. The Chairman of the Committee is an independent Director. 5 (Five) 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	Category	Member/ Chairman	Number of Meetings Attended/held
Mr. Rohit Doshi	Independent Director	Chairman	5/5
Mr. Hemang Engineer	Independent Director	Member	2/5
Mr. Divyesh Sukhadia	Whole-time Director	Member	5/5

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. 4 (Four) 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	Category	Member/ Chairman	Number of Meetings Attended /held
Mr. Rohit Doshi	Independent Director	Chairman	4/4
Mr. Hemang Engineer	Independent Director	Member	1/4
Mr. Vikram Patel	Independent Director	Member	4/4

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 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 2 (two) Non-Executive Directors with two of them being independent and 1 (one) Executive Director. 4 (Four) 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	Category	Member/ Chairman	Number of Meetings Attended /held
Mr. Hemang Engineer	Independent Director	Chairman	1/4
Mr. Rohit Doshi	Independent Director	Member	4/4
Mr. Dharmesh Sukhadia	Whole-time Director	Member	4/4

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 2011-12 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.

PARAMOUNT PRINTPACKAGING LIMITED

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
3 rd Annual General Meeting	Wednesday September 30, 2009	11.00 a.m.	Registered Office: A 309, TTC Industrial Estate, MIDC, Mahape, Navi Mumbai 400701.
4 th Annual General Meeting	Saturday August 21, 2010	11.00 a.m.	Registered Office: A 309, TTC Industrial Estate, MIDC, Mahape, Navi Mumbai 400701.
5 th Annual General Meeting	Tuesday, September 20, 2011	9.30 a.m.	Majestic Court, Sarovar Portico,X-5/2, TTC Industrial Area, 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 ₹ 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. 36 of Notes forming part of 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**

None

F. Means of communication

The Company has published its periodical results as on March 31, 2012 in the following newspapers:

1. The Free Press Journal
2. Navshakti

Information, news/ press releases etc. will be displayed on the Company's website viz. 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 September 21, 2012 at 9.00 a.m. at Majestic Court, Sarovar Portico,X-5/2, TTC Industrial Area, Mahape, Navi Mumbai – 400701, Maharashtra.

Financial Year of the Company: 1st April 2011 to 31st March 2012

Date of Book Closure: From September 19, 2012 to September 21, 2012 (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

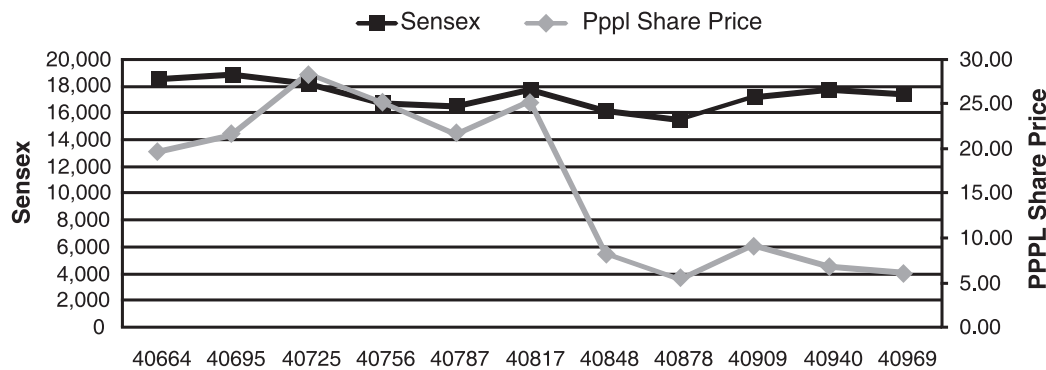
Market Price Data and Performance in comparison to broad-based index i.e. BSE Sensex :

Monthly high and low quotations of shares and volume of Equity Shares traded on Bombay Stock Exchange Limited are as follows:

6th Annual Report 2011-2012

Month	High	Low	Closing	Volume (in Nos.)	Sensex
May-11	38.10	19.50	19.70	367826	18,503
Jun-11	25.00	17.65	21.55	82699	18,846
Jul-11	31.80	20.80	28.25	21837	18,197
Aug-11	36.60	24.50	25.00	13301	16,677
Sep-11	26.70	20.50	21.45	4000	16,454
Oct-11	28.40	19.75	25.20	9069	17,705
Nov-11	27.00	8.20	8.20	3796	16,123
Dec-11	7.80	4.71	5.29	4614	15,455
Jan-12	9.37	5.08	9.11	2097	17,194
Feb-12	9.34	6.72	6.78	1086	17,753
Mar-12	7.65	6.00	6.20	588	17,404

Share Performance of the Company in Comparison to BSE Sensex



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
 EMAIL: paramount.ipo@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. Pooja Dhirwani, Company Secretary of the Company as the Compliance Officer.

Distribution of shareholding as on 31st March, 2012

PARAMOUNT PRINTPACKAGING LIMITED

Range of shares held	No of shareholder	% of Shareholding	No of shares held	% of shares held
LESS THAN 500	1917	61.92	345402	1.29
500 - 1000	397	12.82	321581	1.20
1001 - 2000	278	8.98	429886	1.61
2001 - 3000	103	3.33	272578	1.02
3001 - 4000	61	1.97	218599	0.82
4001 - 5000	53	1.71	254449	0.95
5001 - 10000	97	3.13	714076	2.67
10001 and above	190	6.14	24143469	90.43
TOTAL	3096	100	26700040	100

Shareholding pattern of the Company as on 31st March 2012:

	Category	Number of Shares Held	Percentage holding
A.	Promoters' Holding		
	1. Promoters		
	- Indian Promoters	10,800,700	40.45
	- Foreign Promoters	Nil	Nil
	2. Persons acting in Concert	Nil	Nil
	Sub-Total (1+2)	10,800,700	40.45
B.	Non-Promoters' Holding		
	3. Institutional Investors		
	a. Mutual Funds and UTI	Nil	Nil
	b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions, Non- Government Institutions)	1998	0.01
	c. FIIs (Foreign Institutional Investors)	Nil	Nil
	Sub-Total	1998	0.01
	4. Others		
	a. Private Sector Corporate Bodies	4660057	17.45
	b. Individuals	11213338	42.00
	c. Indian Public	Nil	Nil
	d. NRI's	23947	0.09
	Grand Total	26,700,040	100

Dematerialisation of shares and liquidity:

Almost 99% of the Company's paid up equity share capital has been dematerialised. Trading in the Company's shares is permitted only in the dematerialised form as per notification issued by SEBI. The shares have considerable liquidity on the Bombay Stock Exchange.

Outstanding GDR's/ ADR's/ Convertibles: NONE

Plant Locations and address for correspondence :

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

6th Annual Report 2011-2012

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 2011-2012 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

Place: Mumbai.
Date: 30th May, 2012

PARAMOUNT PRINTPACKAGING LIMITED

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of,

Paramount Printpackaging Limited

We have examined the compliance of conditions of Corporate Governance by Paramount Printpackaging Limited, for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

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

Sd/-

Bharat Jain
Partner

Membership No.: 100583

Place: Mumbai.

Date: 10th August, 2012

AUDITORS' REPORT

To,
The Members of

PARAMOUNT PRINTPACKAGING LIMITED

1. We have audited the attached Balance Sheet of Paramount Printpackaging Limited as at 31st March, 2012, the Statement of 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. **Without qualifying our report, we draw attention to:**
 - i) **Note No. 29 for pending reconciliation of Balances with Excise Authorities and**
 - ii) **Note No. 30 for pending confirmation and reconciliation (if any) of some of the parties appearing under sundry debtors, Loans and advances given and creditors.**
5. Further to our comment in the Annexure referred in clause 3 and para 4 as 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 statement of 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 statement of 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 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 31st March, 2012;
 - ii) in the case of the statement of profit and loss account, of the profit for the Year ended as on that date; and
 - iii) in the case of the cash flow statement, of the cash flow statement for the Year ended as on that date.

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

Sd/-
C.A.Bharat Jain
Partner
Membership No.: 100583

Place: Mumbai
Date: 30th May, 2012

PARAMOUNT PRINTPACKAGING LIMITED

ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS OF PARAMOUNT PRINTPACKAGING LIMITED FOR THE YEAR ENDED 31ST MARCH, 2012

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

- 1)
 - a) *The company is in the process of compiling records showing full particulars including quantitative details and situation of fixed assets.*
 - b) *Physical verification of the fixed assets is done by the management as per regular programme of verification, which in our opinion needs to be strengthened having regards to the size of company and nature of assets. As informed, no material discrepancies were noticed on such verification. However, in absence of complete information in fixed asset register as stated in clause (a) above, we are unable to comment on the discrepancies, if any.*
 - 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) In respect of the loans secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a) The company has granted interest bearing unsecured loan to 2 parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 59,28,772/- and the year-end balance is ₹ 59,28,772/- .
 - b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the loans given by the company, are not prima facie, 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 interest free unsecured loan from 6 parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 2,73,00,411/- and the year-end balance is ₹ Nil.
 - e) In our opinion and according to the information and explanation given to us, terms and conditions on which loans have been taken from 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.
 - 4) *In our opinion, and according to the information and explanations given to us, the company is having inadequate 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, we have noticed inadequate internal control system with respect to (a) review and reconciliation of book balances of customers, vendors, Loan and Advances given and (b) reconciliation of balance with excise authorities and hence in our opinion, internal control system of the company needs to be strengthened.*
 - 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.
-

6th Annual Report 2011-2012

- 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 scope and coverage of internal audit needs to be strengthened to commensurate with the size of the company and nature of its business.*
- 8) We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any products of the Company.

9)

- a) *Based on verification of the records of the company, we are of the opinion that the company is not regular in depositing undisputed statutory dues including Provident 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 31st March, 2012 for a period of more than six months from the day they became payable except as referred below:-*

Nature of Dues	Amount
Provident Fund	8,25,575
Profession Tax	15,000
Maharashtra Value Added Tax	51,45,870
Central Sales Tax	14,24,913
Wealth Tax F.Y.2010-2011	45,000
Cess Tax	58,97,270
Tax Deducted at Source	85,81,399
Income Tax F.Y. 2010-2011	1,12,88,420

- b) *According to information and explanation given to us, the details of disputed sales tax demand 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) *On the basis of audit procedures performed by us, and according to the information, explanation and representation given to us by the management, we state that the company had defaulted in certain repayment of dues (including interest) of domestic financial institutions and banks. The default in principal amount and the interest aggregates to ₹ 48,82,000/- and ₹ 13,03,671/- respectively. However upto the date of approval of the accounts, the company has paid the principal amount and the interest aggregates to ₹ 21,31,000/- and ₹ 1,12,037/- respectively with respect to above stated dues.*
- 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.

PARAMOUNT PRINTPACKAGING LIMITED

- 18) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) Since the company does not have any debentures, the question of creation of securities for debentures does not arise.
- 20) The Company has raised net proceeds of ₹ 45,82,96,125/- by way of initial public offering (IPO) during the year ended 31st March 2012. As per the object of the issues, the Company has utilized ₹ 34,36,20,164/- towards construction of new project, ₹ 4,24,01,890/- towards Working capital and balance ₹ 7,22,74,071/- towards IPO expenses. The company has disclosed the end use of money in note no 31 of the enclosed financial statements.
- 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/-
C.A.Bharat Jain
Partner
Membership No.: 100583

Place : Mumbai
Date : 30th May, 2012.

6th Annual Report 2011-2012

BALANCE SHEET AS AT MARCH 31, 2012

PARTICULARS	Note No.	(In ₹)	
		As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES :			
Shareholders' funds			
(a) Share capital	2	267,000,400	136,058,650
(b) Reserves and surplus	3	401,247,518	101,921,739
		<u>668,247,918</u>	<u>237,980,389</u>
Non-current liabilities			
(a) Long-term borrowings	4	84,801,219	120,186,793
(b) Deferred tax liabilities (Net)	5	-	6,560,891
(c) Long-term provisions	6	5,899,655	5,615,335
		<u>90,700,874</u>	<u>132,363,019</u>
Current liabilities			
(a) Short-term borrowings	7	262,455,143	146,371,147
(b) Trade payables	8	171,969,642	132,692,277
(c) Other current liabilities	9	153,857,924	104,945,139
(d) Short-term provisions	10	17,002,522	15,783,719
		<u>605,285,230</u>	<u>399,792,281</u>
	TOTAL	<u>1,364,234,023</u>	<u>770,135,689</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	315,507,732	287,016,806
(ii) Intangible assets	11	958,115	829,928
(iii) Capital work-in-progress		325,491,300	3,295,219
(b) Non-current investments	12	529,640	529,640
(c) Long-term loans and advances	13	30,315,120	20,124,285
(d) Other Non-current Assets	14	4,583,090	4,400,000
(e) Deferred Tax Assets (Net)	5	11,586,552	-
		<u>688,971,548</u>	<u>316,195,878</u>
Current assets			
(a) Inventories	15	86,140,940	175,813,250
(b) Trade receivables	16	429,461,673	217,089,369
(c) Cash and bank balances	17	16,841,912	19,007,252
(d) Short-term loans and advances	18	139,866,250	39,190,089
(e) Other current assets	19	2,951,700	2,839,851
		<u>675,262,475</u>	<u>453,939,811</u>
	TOTAL	<u>1,364,234,023</u>	<u>770,135,689</u>

Notes forming part of the Financial Statements

1 to 46

As per our report of even date attached

For and on behalf of the Board of Directors

For M V Damania & Co.

Firm Registration No: 102079W

Chartered Accountants

Sd/-

C.A. Bharat Jain

Partner

Membership No.: 100583

Place: Mumbai

Date : May 30, 2012

Sd/-

Divyesh Sukhadia

Chairman & Managing Director

Sd/-

Indranil Sen

Chief Financial Officer

Place: Mumbai

Date : May 30, 2012

Sd/-

Dharmesh Sukhadia

Director

Sd/-

Pooja Dhirwani

Company Secretary

PARAMOUNT PRINTPACKAGING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Note No.	2011-2012	2010-2011
(In ₹)			
Income:			
Gross Revenue from Operations	20	1,050,778,589	653,769,604
Less: Excise Duty		27,197,399	25,211,112
Net Revenue from Operations		1,023,581,190	628,558,492
Other income	21	3,125,317	3,051,027
Total Revenue		1,026,706,507	631,609,519
Expenses:			
Cost of materials consumed	22	530,083,616	260,784,349
Purchases of Stock-in-Trade		182,831,240	258,753,040
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	99,128,821	(97,197,955)
Employee benefits expense	24	24,298,751	28,964,306
Finance costs	25	73,428,099	55,001,642
Depreciation	11	38,455,104	32,147,487
Other expenses	26	46,641,607	55,961,928
Total expenses		994,867,238	594,414,797
Profit before tax		31,839,269	37,194,722
Tax expense:			
(1) Current tax		8,000,000	14,700,000
(2) Deferred tax (credit) / Charged		(18,147,443)	333,911
(3) Previous Years Tax		278,954	59,496
		(9,868,489)	15,093,407
Profit for the year		41,707,758	22,101,315
Earnings per equity shares of face value of ₹ 10 each			
Basic and Diluted (in ₹)		1.65	1.90
Notes forming part of the Financial Statements	1 to 46		

As per our report of even date attached

For M V Damania & Co.

Firm Registration No: 102079W
Chartered Accountants

Sd/-

C.A. Bharat Jain

Partner

Membership No.: 100583

Place: Mumbai

Date : May 30, 2012

For and on behalf of the Board of Directors

Sd/-

Divyesh Sukhadia

Chairman & Managing Director

Sd/-

Indranil Sen

Chief Financial Officer

Place: Mumbai

Date : May 30, 2012

Sd/-

Dharmesh Sukhadia

Director

Sd/-

Pooja Dhirwani

Company Secretary

6th Annual Report 2011-2012

CASH FLOW STATEMENT FOR THE YEAR 2011-2012

(In ₹)

PARTICULARS	2011-2012		2010-2011	
	Amount	Amount	Amount	Amount
Cash flows from Operating Activities				
Net Profit before Taxes and Extraordinary Items		31,839,269		37,194,722
Adjustments:-				
Depreciation / Amortization	38,455,104		32,147,486	
(Profit)/Loss on sale of Fixed Assets	469,314		-	
Initial Public Offer Expenses	-		6,290,000	
Charge on Transitional provision under AS 15	-		(3,709,361)	
Interest Income	(2,244,284)		(1,947,945)	
Dividend Income	(9,300)		(9,300)	
Interest Expenses	73,428,099		55,001,642	
Unrealized exchange (gain)/ Loss	(109,281)	109,989,652	-	87,772,522
Operating Profit Before Working capital changes		141,828,921		124,967,244
Adjustments for :-				
(Increase)/ decrease in Trade and Other Receivables	(310,208,724)		(85,034,265)	
(Increase)/ decrease in Inventories	89,672,310		(114,775,595)	
Increase/ (decrease) in Trade and other payables	67,441,131	(153,095,283)	70,770,771	(129,039,089)
Income Tax (Paid) / Refunded		(7,090,670)		(5,793,444)
Net Cash from Operating Activities		<u>(18,357,032)</u>		<u>(9,865,288)</u>
Cash flows from Investing Activities				
Purchase of Fixed Assets	(384,044,767)		(89,987,353)	
Sale of Fixed Assets	1,100,000		-	
Interest Received	1,859,910		407,598	
Dividend Received	9,300		9,300	
Net Cash from Investment Activities		(381,075,557)		(89,570,455)
Cash Flows from Financing Activities				
Proceeds from / (repayment of) Borrowings	84,659,918		88,183,178	
Finance Charges Paid	(73,205,658)		(52,251,175)	
Initial Public Offer Expenses	(69,736,354)		(3,740,000)	
Increase in Share Capital	130,941,750		13,053,250	
Increase in Share Premium	327,354,375		42,171,510	
Net Cash used in Financing Activities		400,014,031		87,416,763
Net Increase/ (Decrease) in Cash and Cash Equivalents		<u>581,442</u>		<u>(12,018,980)</u>
Cash & Cash Equivalents at beginning of period (refer Note 1)		4,246,452		16,265,432
Cash & Cash Equivalents at end of period (refer note 1)		4,827,894		4,246,452
Net Increase/ (Decrease) in Cash and Cash Equivalents		<u>581,442</u>		<u>(12,018,980)</u>

PARAMOUNT PRINTPACKAGING LIMITED

Notes :

- | | As at | As at |
|---|------------------------|------------------------|
| | 31st March 2012 | 31st March 2011 |
| 1) The Cash and Cash equivalent in the cash flow statement compromise of the following Balance Sheet Amount | | |
| a) Cash on Hand | 3,854,432 | 2,921,760 |
| b) Current Accounts With Banks | 949,062 | 110,932 |
| c) Cheques in Hands | 24,400 | 1,213,760 |
| | 4,827,894 | 4,246,452 |
- 2) The above Cash flow Statement has been prepared under the indirect method as set out in accounting Standard 3 on "Cash flow Statement".
- 3) Previous year's figures are regrouped / reclassified wherever necessary in order to confirm to current period's groupings and classifications.

As per our report of even date attached

For M V Damania & Co.

Firm Registration No: 102079W

Chartered Accountants

Sd/-

C.A. Bharat Jain

Partner

Membership No.: 100583

Place : Mumbai

Date : May 30, 2012

For and on behalf of the Board of Directors

Sd/-

Divyesh Sukhadia

Chairman & Managing Director

Sd/-

Indranil Sen

Chief Financial Officer

Place : Mumbai

Date : May 30, 2012

Sd/-

Dharmesh Sukhadia

Director

Sd/-

Pooja Dhirwani

Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2. Share Capital Particulars	(In ₹)	
	As at March 31, 2012	As at March 31, 2011
Authorised		
50,000,000 (50,000,000) Equity shares of ₹ 10/- each	500,000,000	500,000,000
Issued, Subscribed & fully Paid up		
26,700,040 (13,605,865) Equity Shares of ₹ 10/- each fully paid	267,000,400	136,058,650
Total	267,000,400	136,058,650

a) Reconciliation of share capital Particulars	(In ₹)			
	As at March 31, 2012		As at March 31, 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	13,605,865	136,058,650	11,316,540	113,165,400
Shares Issued during the year (Initial Public Offer)	13,094,175	130,941,750	2,289,325	22,893,250
Shares outstanding at the end of the year	26,700,040	267,000,400	13,605,865	136,058,650

b) Rights of equity shareholder:

The company has only one class of equity shares, having par value of ₹ 10 per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of share holders holding more than 5% shares

Name of the shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Divyesh Sukhadia	2,025,100	7.58%	2,025,100	14.88%
Ketan V Sukhadia	2,161,750	8.10%	2,161,750	15.89%
Anuj Sukhadia	2,161,750	8.10%	2,161,750	15.89%
Dharmesh Sukhadia	2,006,100	7.51%	2,006,100	14.74%
Vipul Sukhadia	2,006,200	7.51%	2,006,200	14.75%
Mehul M.Shah	-	-	700,000	5.14%

d) Other details

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Fully paid up by way of Bonus Shares	3,772,180	3,772,180	3,772,180	-	-

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

3. Reserves & Surplus	(In ₹)	
Particulars	As at March 31, 2012	As at March 31, 2011
(a) Securities Premium Reserve		
Opening Balance	61,424,110	19,252,600
Add : On issue of shares pursuant to Initial Public Offer	327,354,375	42,171,510
	388,778,485	61,424,110
Less: Adjustment of Expenses on Issue of Shares pursuant to Initial Public Offer - (Refer Note 31 (a))	69,736,354	-
Closing Balance	319,042,131	61,424,110
(b) Surplus		
Opening balance	40,497,629	20,844,864
Add : Net Profit for the year	41,707,758	22,101,315
Less : Charge on account of transitional provisions under AS 15	-	2,448,550
Closing Balance	82,205,387	40,497,629
TOTAL	401,247,518	101,921,739
4. Long Term Borrowings		
Secured		
Term Loans		
(a) From banks	82,658,122	117,224,122
(b) Others	276,979	622,242
Unsecured		
(a) Financial Institution	828,698	1,819,822
(b) Inter Corporate Deposits	1,037,420	520,607
TOTAL	84,801,219	120,186,793

Note:

- (i) Term Loans and Working Capital Loan from banks (including current maturities of ₹ 3,94,09,500/-) (previous year current maturities of ₹ 2,46,71,175/-) from consortium banks are primarily secured on paripasu basis by hypothecation charge on stock, book debts, any receivables current and future, existing plant & machineries & fixed assets of the company. These loans also have collateral securities in the form of paripassu equitable mortgage of factory building located at plot No. A 309, TTC Industrial Area, Mahape, Navi Mumbai and paripassu equitable mortgage on Personnel Asset of Directors i.e. flat no.401,501,502, Nathdwara, Paddar Lane, Saibaba Road, Santacruz (west), Mumbai, Assignment of keymen / life insurance policies of ₹ 80 Lacs, additional mortgage of plant and machinery (First Charge with State Bank of India) and personal guarantee of all directors of the company and owners of the above stated properties.
- (ii) Vehicle loan is secured against hypothecation of vehicle and repayable in equivated monthly installment on reducing balance method.
- (iii) Unsecured loan from Financial Institution are repayable in equivated monthly installment on reducing balance method.
- (iv) Unsecured loan from Intercorporate deposits are repayable on fixed monthly installments.
- (v) Maturity Schedule

Particulars	1-2 year	2-3 year	3-4 year
Term Loan from Bank	34,566,000	33,742,000	14,350,122
Vehicle Loan	276,979	-	-
Financial Institution	828,698	-	-
Inter Corporate Deposit	1,037,420	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

- (vi) The company has defaulted in payment of Principal and interest in respect of certain Term Loans and vehicle loan as on the balance sheet date, the details are as follows:

Particulars	Principal	Interest	Period	*Payment Date
<u>Term loan from banks</u>				
Shamrao Vithal Co-op Bank Ltd	1,834,000	-	March 2012	15/05/2012
State Bank of India - Account I	258,000	112,037	Feb & Mar 2012	09/04/2012
State Bank of India - Account II	1,500,000	600,844	Jan to Mar 2012	-
State Bank of India - Account III	1,251,000	590,790	Jan to Mar 2012	-
<u>Vehicle Loan</u>				
Reliance Capital Limited	39,000	-	March 2012	16/04/2012

* The date on which the defaulted loan principal and interest have been repaid as on Balance Sheet date.

5. Deferred Tax Liabilities / (Assets) (Net)

Particulars	(In ₹)	
	As at March 31, 2012	As at March 31, 2011
(a) Deferred Tax Liabilities		
On Depreciation	13,007,600	10,329,800
	<u>13,007,600</u>	<u>10,329,800</u>
(b) Deferred Tax Assets		
i) Expenses disallowed under section 43B	3,250,530	217,823
ii) On Preliminary Expenses and Issue Expenses	19,328,032	1,632,632
iii) On Gratuity	2,015,590	1,918,454
	24,594,152	3,768,909
TOTAL	<u>(11,586,552)</u>	<u>6,560,891</u>

6. Long Term Provisions

Gratuity (Refer Note 34)	5,899,655	5,615,335
TOTAL	<u>5,899,655</u>	<u>5,615,335</u>

7. Short Term Borrowings

Secured

(a) Working Capital Loan		
Cash credit / Overdraft from Banks	259,405,801	145,021,147

Unsecured

(a) From bank	3,049,342	-
(b) Loans and advances from related parties (Refer Note 36 - B)	-	1,350,000
TOTAL	<u>262,455,143</u>	<u>146,371,147</u>

- (i) Working capital Loans are taken from consortium banks and for securities refer note 4 (i).
(ii) Unsecured loan from bank are repayable on fixed monthly installment of ₹ 3,45,224/-.

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

8. Trade Payables	(In ₹)	
Particulars	As at March 31, 2012	As at March 31, 2011
(a) Amount due to Micro, Small and Medium Enterprises	-	-
(b) Others	103,713,918	51,283,408
(c) Acceptances	68,255,724	81,408,869
TOTAL	<u>171,969,642</u>	<u>132,692,277</u>

8.1 The details of amount outstanding to Micro, Small and Medium Enterprise based on available information with the company is as under:

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

The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

9. Other Current Liabilities

(a) Current maturities of long-term debt		
i) Term Loans	39,954,880	31,106,851
ii) Financial Institution	4,538,592	9,172,635
iii) Inter Corporate Deposit	32,830,698	33,083,188
(b) Interest accrued and due on borrowings	2,972,907	2,750,467
(c) Other Payables		
(i) Advances from customers	3,522,500	11,729,892
(ii) Statutory Liabilities	48,226,962	13,491,661
(iii) Capital creditors	17,060,084	70,881
(iv) Share Application Money	5,250	-
(v) Provision For Expenses	4,746,051	3,539,564
TOTAL	<u>153,857,924</u>	<u>104,945,139</u>

10. Short Term Provisions

(a) Gratuity	311,717	296,695
(b) Leave Encashment	195,894	180,397
(c) Provision for Income tax (Net of taxes paid)	16,494,911	15,306,627
TOTAL	<u>17,002,522</u>	<u>15,783,719</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Gross block			Depreciation			Net Block			
	As at 1 April, 2011	Additions	Disposals	As at 31 March, 2012	As at 1 April, 2011	For the year	Deduction / Adjustments	Upto 31 March, 2012	As at 31 March, 2012	As at 31 March, 2011
Tangible Assets										
Freehold Land	-	50,570,250	-	50,570,250	-	-	-	-	50,570,250	-
Leasehold Land	4,704,665	-	-	4,704,665	-	-	-	-	4,704,665	4,704,665
Buildings	45,429,523	-	-	45,429,523	4,734,876	1,517,346	-	6,252,222	39,177,301	40,694,647
Plant and Equipment	303,742,099	15,303,266	4,204,109	314,841,256	94,586,989	32,469,953	2,634,795	124,422,147	190,419,109	209,155,110
Electrical Installation	20,965,454	1,656,455	-	22,621,909	2,890,910	2,318,188	-	5,209,098	17,412,811	18,074,544
Air Conditioner	3,000,041	219,870	-	3,219,911	305,440	152,032	-	457,472	2,762,439	2,694,601
Furniture and Fixtures	3,505,252	281,982	-	3,787,233	677,143	231,456	-	908,599	2,878,634	2,828,109
Office equipment	543,235	41,200	-	584,435	85,406	27,627	-	113,033	471,402	457,829
Computer	2,902,049	138,216	-	3,040,265	1,377,462	482,511	-	1,859,973	1,180,292	1,524,587
Vehicles	10,019,854	-	-	10,019,854	3,137,139	951,886	-	4,089,025	5,930,829	6,882,715
Total (A)	394,812,171	68,211,239	4,204,109	458,819,301	107,795,365	38,150,999	2,634,795	143,311,569	315,507,732	287,016,806
Intangible Assets										
Software	1,171,742	432,292	-	1,604,034	341,814	304,105	-	645,919	958,115	829,928
Total (B)	1,171,742	432,292	-	1,604,034	341,814	304,105	-	645,919	958,115	829,928
Total (A+B)	395,983,913	68,643,531	4,204,109	460,423,335	108,137,179	38,455,104	2,634,795	143,957,488	316,465,847	287,846,734
Previous year	328,006,983	67,976,930	-	395,983,913	75,989,693	32,147,487	-	108,137,179	287,846,734	252,017,291

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

12. Non Current Investment

(Long Term Investment - At Cost)

Particulars

(In ₹)

	As at March 31, 2012	As at March 31, 2011
--	-------------------------	-------------------------

Trade Investments - Unquoted

In Equity Shares

3,594 (P.Y. 3,594) of Shamrao Vithal Co Operative Bank of ₹ 10/- each.

35,940

35,940

Non- Trade Investments - Unquoted

In Equity Shares

49,370 (P.Y. 49,370) of Sahebrao Deshmukh Co-operative Bank Ltd of ₹ 10/- each.

493,700

493,700

TOTAL

529,640

529,640

529,640

529,640

Aggregate amount of unquoted investments

13. Long Term Loans and Advances

(unsecured, considered good)

(a) Capital Advances

28,980,444

18,786,085

(b) Security Deposits @

1,334,676

1,338,200

30,315,120

20,124,285

@ it includes deposit to a Director of ₹ 6,00,000/- (Previous year ₹ 6,00,000/-)

14. Other Non Current Assets

(unsecured, considered good)

Deposits with Banks with maturity period more than 12 months

4,583,090

4,400,000

4,583,090

4,400,000

15. Inventories

(a) Raw Materials

79,892,838

70,436,327

(b) Work-in-progress

3,153,905

2,478,251

(c) Finished goods

3,094,197

2,590,672

(d) Stock-in-trade

-

100,308,000

TOTAL

86,140,940

175,813,250

86,140,940

175,813,250

16. Trade receivables

(unsecured, considered good)

(a) Outstanding for a period exceeding six months from the date they were due for payment

11,435,685

38,785,257

(b) Others

418,025,988

178,304,112

TOTAL

429,461,673

217,089,369

429,461,673

217,089,369

17. Cash & Bank Balances

Particulars

(In ₹)

	As at March 31, 2012	As at March 31, 2011
--	-------------------------	-------------------------

(a) Cash and Cash Equivalents

(i) Balances with banks

949,062

110,932

(ii) Cheques in Hand

24,400

1,213,760

(iii) Cash on hand

3,854,432

2,921,760

(b) Other Bank Balance

Fixed deposits @

12,014,018

14,760,800

TOTAL

16,841,912

19,007,252

16,841,912

19,007,252

@ Fixed deposit of ₹ 1,20,14,018/- (P.Y. 14,760,800/-) is pledged with banks against Letter of Credit Facility availed by the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

18. Short term loans and advances	(In ₹)	
(unsecured, considered good)	<u>As at</u> <u>March 31, 2012</u>	<u>As at</u> <u>March 31, 2011</u>
(a) Loans and advances		
(i) Related Parties (refer Note 37 -B)	5,928,772	1,294,503
(ii) Others	2,075,000	2,075,000
(b) Security deposit	21,566,253	3,500,000
(c) Balance with Govt. authorities	6,796,361	5,408,098
(d) Advances to suppliers and others	103,499,864	26,912,489
TOTAL	<u>139,866,250</u>	<u>39,190,089</u>
19. Other current assets		
(i) Interest Accrued on Investments & Deposits	1,044,444	575,577
(ii) Prepaid Expenses	1,907,256	1,933,174
(iii) MAT Credit Entitlement	-	331,100
TOTAL	<u>2,951,700</u>	<u>2,839,851</u>
20. Revenue from operations (Net)		(In ₹)
Particulars	<u>2011-2012</u>	<u>2010-2011</u>
<u>Sale of Products</u>		
Sale of Printed Boxes and Papers	1,046,374,564	649,823,288
<u>Other Operating Revenues</u>		
Commission Income	4,404,025	3,946,316
TOTAL	<u>1,050,778,589</u>	<u>653,769,604</u>
21. Other Income		
(a) Interest Income	2,244,284	1,947,945
(b) Dividend Income - Trade Investment	9,300	9,300
(c) Exchange Rate Difference (Net)	-	192,664
(d) Sundry Balance Written Back (Net)	871,733	-
(e) Insurance Claim received	-	901,118
TOTAL	<u>3,125,317</u>	<u>3,051,027</u>
22. Cost of Material Consumed		
Opening Stock	70,436,327	52,858,686
Add: Purchases	539,540,127	278,361,990
Less: Closing Stock	79,892,838	70,436,327
TOTAL	<u>530,083,616</u>	<u>260,784,349</u>

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

23. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(In ₹)	
Particulars	2011-2012	2010-2011
Opening Stock		
Work-In- Progress	2,478,251	5,244,999
Traded Goods	100,308,000	-
Finished Goods	2,590,672	2,933,969
	105,376,923	8,178,968
Closing Stock		
Work-In- Progress	3,153,905	2,478,251
Traded Goods	-	100,308,000
Finished Goods	3,094,197	2,590,672
	6,248,102	105,376,923
TOTAL	99,128,821	(97,197,955)
24. Employee related expenses		
Salaries, wages and bonus	21,278,949	23,920,565
Contribution to provident fund and E.S.I.C	2,202,200	2,222,336
Gratuity	621,711	2,432,288
Staff Welfare Expenses	195,891	389,117
TOTAL	24,298,751	28,964,306
25. Finance Cost		
Interest expense	70,697,483	50,586,315
Other borrowing costs	2,730,616	4,415,327
TOTAL	73,428,099	55,001,642
26. Other expenses		
Manufacturing Expenses		
Power & fuel	1,203,400	879,585
Electricity Charges	7,141,538	6,216,678
Labour Charges	1,495,086	7,345,215
Transportation Charges	4,324,754	3,102,214
Duties and Taxes	4,812,407	5,384,200
Other Manufacturing Expenses	1,319,059	800,011
A	20,296,243	23,727,903
ADMINISTRATION AND SELLING EXPENSES		
Auditor Remuneration	1,200,000	1,500,000
Conveyance	1,581,584	1,181,447
Insurance	1,030,943	1,975,700
Legal and Professional fees	2,300,942	7,293,842
Rate Difference and Discount	6,234,221	9,897,123
Rent, Repairs and Maintainence		
- on Building	2,438,229	-
- on Machinery	2,877,037	1,398,994

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	(In ₹)	
	2011-2012	2010-2011
- Others	643,319	753,562
Sundry Balance Written off (Net)	-	2,193,575
Telephone Expenses	484,621	427,477
Sales Promotion Expenses	1,441,855	766,802
Exchange rate Differences (Net)	267,191	-
Loss on Sale of Assets	469,314	-
Travelling Expenses	196,383	165,128
Miscellaneous Expenses	5,179,725	4,680,375
B	26,345,364	32,234,025
TOTAL (A+B)	46,641,607	55,961,928

(Amount in ₹)

27. Contingent Liabilities not provided for in respect of :

	As at March 31, 2012	As at March 31, 2011
a. Disputed Sales Tax Demand pending With appellate authorities	10,757,203/-	10,757,203/-
b. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10,19,49,965/-	15,30,18,149/-

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.

c. Other Commitment:

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 ₹ 421,834,350/- (Previous Year ₹ 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 ₹ 53,200,636/- (Previous Year ₹ 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.

28. 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.

29. Balance with Excise Authorities (Net) is subject to reconciliation with the corresponding records. In the opinion of the management, effect of the reconciliation is not having material impact on the Financial Statement of the Company

30. Sundry debtors, Sundry creditors, Other Liabilities, Deposits and Loan and Advances are subject to confirmation and reconciliation, if any.

31. a) During the year, the Company completed an Initial Public Offer (IPO) of 1,30,94,175 equity shares of ₹ 10 each for cash at a price of ₹ 35 each for cash aggregating to ₹ 45,82,96,125/-. The premium of ₹ 25 per share, amounting to ₹ 32,73,54,375/- from the allotment was credited to Securities premium account. The share issue expenses of ₹ 6,97,36,354/- incurred by the Company has been adjusted against the Security premium account. Pursuant to the public issue, shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange effective from 9th May 2011.

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

b) Utilisation of fund raised through Initial Public Offer (IPO) upto 31st March 2012 are as follows:

Particulars	Amount	Amount
Proceeds from IPO		45,82,96,125
Less:		
(i) Utilised for New Project as per object of issue	34,36,20,164	
(ii) Long Term and Short Term Working Capital	4,24,01,890	
(iii) Issues related expenses	7,22,74,071	
Total		45,82,96,125

c) As informed by the management, the Company has received a notice from Securities Exchange Board of India (SEBI) pertaining to IPO and deployment of funds thereof on 28th March 2012 and the Company is in the process of complying with requirement as referred in the same.

32. Auditors Remuneration:

Particulars	As at March 31, 2012	As at March 31, 2011
Audit Fees	8,50,000	8,65,000
Tax Advisory Fees	3,50,000	1,35,000
Other Assurance Fees	--	5,00,000

33. 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 ₹ 3,82,443/- (Previous year ₹ 241,921/-).

34. **Employees Benefits:**

The disclosures as required as per the revised AS 15 are as under:

a) **Defined Contribution Plan**

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

Particulars	As at March 31, 2012	As at March 31, 2011
Employer's Contribution to Provident fund & family Pension fund	17,19,987	16,35,756
Employer's Contribution to Employees' State Insurance Scheme	4,82,213	5,86,580

b) **Defined Benefit Plan**

i. Reconciliation of opening and closing balances of Defined Benefit obligation:

Particulars	As at March 31, 2012	As at March 31, 2011
Defined Benefit obligation at the beginning of the year	59,12,030	37,09,362
Adjustment on account of excess provision in Financial year 2010-2011	(15,94,978)	--
Current Service Cost	4,60,307	3,33,664
Interest Cost	3,56,157	3,24,078
Actuarial (gain)/loss	14,00,225	17,74,546
Benefits Paid	(3,22,369)	(2,29,620)
Defined Benefit obligation at year end	62,11,372	59,12,030

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

ii. Reconciliation of fair value of plan assets and benefit obligations:

(Amount in ₹)

Particulars	As at	As at
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
Fair value of assets as at 31 st March, 2012	--	--
Present value of obligation as at 31 st March, 2012	6,211,372	5,912,030
Amount recognized in balance sheet	6,211,372	5,912,030

iii. Expense recognized during the year (Under the head "Employee benefits expense" - refer note 24)

(Amount in ₹)

Particulars	As at	As at
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
Current Service Cost	460,307	333,664
Interest Cost	356,157	324,078
Adjustment on account of excess provision in Financial year 2010-2011	(15,94,978)	--
Actuarial (gain)/loss	1,400,225	1,774,546
Expense recognized in profit and loss account	6,21,711	2,432,288

iv. Actuarial Assumptions:

Particulars	As at	As at
	<u>March 31, 2012</u>	<u>March 31, 2011</u>
Discount Rate (per annum)	8.25%	8.25%
Salary Escalation (per annum)	6.00%	6.00%

35. Segment Reporting

The Company has one segment of activity namely 'Printing & Packaging'

36. Related Party Transactions

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

A. List of Related Parties and Relationship:

a) **Key Management Personnel**

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

b) **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.

c) **Companies and concerns over which any of (a) or (b) can exercise control or significant influence**

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

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

B. Transactions with related Parties:

(Amount in ₹)

Nature of Transaction	Companies and Concerns over which (a) or (b) can exercise control or significant influence	Key Management Personnel & their Relatives
Sales- M/s. Parapack	157,454 (1,520,435)	Nil (Nil)
Purchases- M/s. Parapack	(Nil) (140,287)	Nil (Nil)
Labour Charges Paid- M/s. Parapack	70,560 (542,124)	Nil (Nil)
Labour Charges Received- M/s. Parapack	Nil (31,830)	Nil (Nil)
Managerial Remuneration- Anuj Sukhadia	Nil (Nil)	1,500,000 (1,500,000)
Dharmesh Ashwin Sukhadia	Nil (Nil)	1,500,000 (1,500,000)
Divyesh Ashwin Sukhadia	Nil (Nil)	1,500,000 (1,500,000)
Salary -		
Vipul Ashwin Sukhadia	Nil (Nil)	608,304 (149,644)
Vanaraj Vipin Sukhadia	Nil (Nil)	608,304 (149,644)
Interest Paid Divyesh Ashwin Sukhadia	Nil (Nil)	Nil (64,400)
Interest Received- M/s. S P Investment	134,905 (149,999)	Nil (Nil)
Rent Paid Divyesh Ashwin Sukhadia	386,400 (Nil)	Nil (Nil)
Deposit under Leave & License- Divyesh Ashwin Sukhadia	Nil (Nil)	Nil (600,000)
Inter Corporate Deposit – Trim Plastic Limited	4,500,000 (Nil)	Nil (Nil)
Loan and Advances (Net)- Divyesh Ashwin Sukhadia	Nil (Nil)	1,350,000 (1,205,352)
As on 31st March, 2012		
Due to Company	1,693,996 (1,447,323)	Nil (600,000)
Payable by Company	4,500,000 (Nil)	1,846,870 (2,446,870)

6th Annual Report 2011-2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

37. The company has taken on operating lease certain assets. The total lease rent paid on the same amounting to ₹ 12,90,636/- (Previous Year ₹ Nil) is included under the head compensation rent and rates and taxes. The minimum future lease rentals payable in respect thereof are as follows:

Particulars	(Amount in ₹)	
	2011-12	2010-11
Not later than one year	4,003,349	-
Later than one year but not later than five years	17,615,247	-
Later than five years	-	-

38. Earnings Per Share (EPS) :

Sr. No. Particulars	(Amount in ₹)	
	2011-2012	2010-2011
1 Net Profit attributable to Equity Shareholders	41,707,758	22,101,315
2 No. of shares outstanding (in Nos)	26,700,400	13,605,865
3 Weighted number of equity shares (in Nos)	25,336,811	11,567,421
4 Nominal Value per equity share (₹)	10.00	10.00
5 <u>Earnings per share</u> Basic / Diluted	1.65	1.90

39. CONSUMPTION OF RAW MATERIALS

Sr.No. Particulars	(Amount in ₹)	
	2011-2012	2010-2011
1 Paper	48,39,82,881	21,68,70,797
2 Plate & Blanket	1,06,25,624	11,48,291
3 Shipper	73,75,432	1,50,89,270
4 Others	2,80,99,680	2,76,75,991
TOTAL	530,083,617	260,784,349

40. CONSUMPTION OF IMPORTED/INDIGENOUS RAW MATERIALS

Sr. No. Particulars	(Amount in ₹)			
	2011-2012		2010-2011	
	%	Amount	%	Amount
1 Imported	1.14	6,017,076	1.09	2,846,366
2 Indigenous	98.86	52,40,66,541	98.91	25,79,37,982
Total	100.00	530,083,617	100.00	260,784,348

41. Information in respect of trading goods (Opening Stock, Purchase, Sales and Closing Stock)

Particulars	(Amount in ₹)			
	Opening Stock	Purchases	Sales	Closing Stock
Printing papers and card boards (Nos)	10,03,08,000	18,28,31,240	30,50,47,652	-
(Previous Year)	(-)	(25,87,53,040)	(16,96,65,600)	(10,03,08,000)

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

42. CIF VALUE OF IMPORTS

Sr.No.	Particulars	2011-2012	2010-2011
1	Raw Material	5,720,887	2,846,366

43. EXPENDITURE IN FOREIGN CURRENCY

Sr.No.	Particulars	2011-2012	2010-2011
1	Business Promotion	263,330	197,375
2	Foreign Travelling	135,880	95,000

44. Information in respect of Opening stock, Production, Sales and Closing stock of finished goods:

Description	Opening Stock	Sales	Closing Stock
Board & Paper (Nos)	2,590,672	71,41,29,513	30,94,197
(Previous Year)	(29,33,969)	(454,946,576)	(25,90,672)

Notes: Values are net of Excise duty.

45. These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous year's figures have been recast / restated to confirm to the classification of the current period.

46. Figures in brackets indicate corresponding figures of previous year.

Significant Accounting Policies

a) Basis of preparation of financial statements

These financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of the contingent liabilities as at the date of the financial statements and the amount of income and expenses during the period reported under the financial statement. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c) Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- (i) Sale of products are recognized on transfer of all significant risks and rewards of ownership of the goods on to the buyer, which is generally on dispatch of goods.
- (ii) Service income is recognized, when the related services are provided.
- (iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- (iv) Dividends are recorded when the right to receive payment is established.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

d) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss (if any). The cost of a fixed asset comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

e) Depreciation

Depreciation on fixed assets has been provided in a manner that amortizes the cost of the assets over their estimated useful lives as detailed below:

- (i) On a straight-line method at the rates determined in the year of acquisition under section 205 (b) 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.
- (ii) Leasehold land has not been amortized over the primary year of the lease.

f) Intangible Assets

Intangible assets are stated at costs less accumulated depreciation.

Intangible Assets (Computer Software) is amortized over a period of 5 years on straight line method.

g) Impairment Policy:

At each balance sheet date, the management reviews, the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Reversal of impairment loss (if any), is recognised immediately as income in the statement of profit and loss.

h) Inventories

- (i) Raw materials are valued at cost derived on average cost basis or net realizable value whichever is lower
- (ii) Finished goods are stated at average material consumption cost and direct attributable overheads or Net realizable value whichever is lower.
- (iii) Semi Finished Goods are valued at cost on the basis of process completion.

i) Foreign Currency Transactions

- (i) Initial Recognition: A foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Conversion: At the year end, monetary items denominated in foreign currencies are converted into rupee equivalents at the year-end exchange rates.
- (iii) Exchange Differences: All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Profit and Loss Account.

j) Investments

- (i) Long-term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.
- (ii) Current investments are carried at lower of cost and fair value determined on an individual investment basis.

k) Employee Benefits

- (i) Short term employee benefits:

Short term employee's benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related services are renders. These benefits include compensated absences such as annual leave encashment and bonus.

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(ii) Long term employees Benefits:

A. 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 and 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 the statement of profit and loss during the year in which the employee renders the related service. The company has no further obligation under these plans beyond its monthly contributions.

B. Gratuity:

The liabilities is a defined benefit obligation and 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 the statement of Profit and Loss as and when determined.

l) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets, upto the date the asset is put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

m) 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.

n) Earnings per share

Basic earnings per share

For the purpose of calculating basic earnings per share, the net profit or loss for the period attributable to equity shareholders after deducting preference dividends (if any) and any attributable tax thereto for the period is divided by weighted number of equity shares outstanding during the period.

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Taxes on Income

(i) Current income tax is determined on the basis of taxable income after considering the various deductions available under The Income Tax Act, 1961.

(ii) Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

However in case of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. Such assets are reviewed at each balance sheet date to reassess its realisations.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(iii) 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 period.

p) Provisions

A Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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.

As per our report of even date

For M.V.Damania & Co.

Firm Registration No. : 102079W

Chartered Accountants

For and on behalf of the Board

Sd/-

C.A.Bharat Jain

Partner

Membership No.: 100583

Sd/-

Divyesh Sukhadia

Chairman &

Managing Director

Sd/-

Dharmesh Sukhadia

Director

Sd/-

Indranil Sen

Chief Financial Officer

Place: Mumbai

Date: 30th May, 2012

Sd/-

Pooja Dhirwani

Company Secretary

Place: Mumbai

Date: 30th May, 2012

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 Sixth Annual General Meeting of the Company held at Majestic Court, Sarovar Portico, X-5/2, TTC Industrial Area, Mahape, Navi Mumbai – 400701, on Friday, 21st September, 2012 at 9.00 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 Sixth Annual General Meeting of the Company to be held on Friday, 21st September, 2012 at 9.00 a.m. and/or at any adjournment thereof.

Ledger Folio /ID No. _____ No of shares held _____

Signed on this _____ day of _____, 2012.

Place : _____

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.

Affix Revenue Stamp

