

PARAMOUNT PRINTPACKAGING LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS AND MANAGEMENT TEAM

MR. DIVYESH SUKHADIA	- Chairman & Managing Director
MR. DHARMESH SUKHADIA	- Wholetime Director
MR. ROHIT PARMANANDDAS DOSHI	- Independent Director
MR. HEMANG ENGINEER	- Independent Director
MR. VIPUL SUKHADIA	- Chief Executive Officer
MR. VANRAJ SUKHADIA	- Chief Financial Officer
MS. TANU SINGH	- Company Secretary

AUDITORS:

LAXMIKANT KABRA & CO
CHARTERED ACCOUNTANTS
1, Matru Chhaya, M. Karve Road,
Opp. Dr. Bedekar Hospital, Naupada
Thane (West)- 400 062
Email :lkk@laxmikantkabra.com
Contact:+91 22 2539 0009

KISHORE BHATIA & ASSOCIATES **COST ACCOUNTANTS**

701/702, D-Wing, 7th Floor,
Neelkanth Business Park,
Nathani Road, Vidya vihar (West),
Mumbai - 400 086
Email: hbhatia@kishorebhatia.com
Contact: +91 022 6725 3222/23

BANKERS:

State Bank of India

Commercial Branch, Vile Parle (E)
Shyamkamal Trade Centre, Agarwal Market,
Vile Parle (East), Mumbai – 400 057
Tel: +91 22 26194040
Fax: +91 22 26194008
Email: sbi.04115@sbi.co.in

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 27788437 Fax: +91 22 27782743
Email: paramountpppl@gmail.com
Website: www.pppltd.in

SHARE TRANSFER AND **DEMAT REGISTRARS:**

Sharepro Services (India) Private Limited
13/A-B | Samhita Warehousing Complex
2nd Floor | Near Sakinaka Tel. Exchange
Sakinaka | Andheri (East)
Mumbai - 400 072
Tel: +91 22 6772 0300 / 400
Fax: +91 22 2859 1568
Email: paramount@shareproservices.com

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NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the members of **Paramount Printpackaging Limited** will be held on Monday **September 30, 2013** at Majestic Court, Sarovar Portico, X-5/2, TTC Industrial Area, Mahape, Navi- Mumbai- 400 701, Maharashtra at 9:00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, Profit & Loss Account for the year ended on that date and reports of Directors and Auditors thereon;
2. To appoint a director in place of Mr. Hemang Engineer, who retires by rotation and is eligible for re-appointment;
3. **Appointment of M/s. Laxmikant Kabra & Co., Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2013-14.**

To consider & if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: **"RESOLVED THAT** M/s. Laxmikant Kabra & Co., Chartered Accountants, having their office at 1, Matru Chhaya, M. Karve Road, Opp. Dr. Bedekar Hospital, Naupada, Thane (West)- 400 062, who have given their consent to be appointed as the Statutory Auditors of the Company, be and are hereby appointed as the Statutory Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."

By order of the Board of Directors

Sd/-
Tanu Singh
Company Secretary

Place: Navi Mumbai
Date: August 14, 2013

Registered Office:

A-309, MIDC, TTC Industrial Area, Mahape, Navi Mumbai- 400 701

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED, MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from September 28, 2013 to September 30, 2013 (both days inclusive).
3. 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.

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4. 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.
5. 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.
6. Corporate Members are requested to send a duly certified copy of the board resolution authorising their representatives to attend and vote at the Annual General Meeting.
7. Information to Shareholders in pursuance of Clause 49(IV) (G) of Listing Agreement with reference to Re-appointment of Directors.

Sr. No	HEMANG ENGINEER	
1.	Age	45 years
2.	Qualification	Bachelors degree in Commerce and Law from Mumbai University
3.	Expertise in Specific Functional area	15 years of experience as a practicing lawyer
4.	Directorship in other Company	Kilitch Drugs (India) Limited
5.	Date of Appointment	1 st April, 2010
6.	Shareholding in the Company	3140 shares

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DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Seventh Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended March 31, 2013.

Financial Results:

(Amount in ₹)

Particulars	Year Ended 31-03-2013	Year ended 31-03-2012
Income		
Gross Revenue from operations	26,92,77,052	1,05,07,78,589
Less: Excise Duty	2,86,58,713	2,71,97,399
Net Revenue from operations	24,06,18,339	1,02,35,81,190
Other Income	81,78,744	31,25,317
Total Revenue	24,87,97,083	1,02,67,06,507
Less: Expenses	33,527,5,125	88,57,14,651
Profit Before Interest, Depreciation and Taxes	(8,64,78,042)	14,09,91,856
Less: Finance Cost	7,13,14,806	7,06,97,483
Depreciation	3,75,92,127	3,84,55,104
Exceptional Items	6,31,36,233	
Profit/(Loss) before tax	(25,85,21,208)	3,18,39,269
Less: Current Tax	-	80,00,000
Deferred Tax	53,51,656	(1,81,47,443)
Previous Years Tax	-	2,78,954
Profit/(Loss) after Tax	(26,38,72,864)	4,17,07,758
Add: Brought forward from earlier years	8,22,05,387	4,04,97,629
	(18,16,67,477)	8,22,05,387
Less: Prior Year's adjustments	-	-
Charge on account of transitional provisions under AS 15.	-	-
Balance carried forward to Balance Sheet	(18,16,67,477)	8,22,05,387

Income Activities & Operations:

The turnover of the Company for the year under review has decreased to ₹ 2658.82 lacs as compared to the previous year turnover of ₹ 10463.74 lacs. The net loss of the Company before tax for the current year is ₹ 2585.21 lacs as compared to the profit of ₹ 318.39 lacs in the previous year.

Dividend:

Since the Company has incurred loss in the financial year 2012-13 the Board of Directors do not recommend any dividend.

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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.

Public Deposits:

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

Directors and Senior Management Personnel:

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

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

- During the period under review two of the directors, Mr. Anuj Sukhadia, Whole time Director and Mr. Vikram Patel, Independent Director of the Company, resigned from the Board owing to their personal reasons w.e.f from January 24, 2013. The Board recorded its deep appreciation for their significant contributions and valuable advises for the management of affairs of the Company.
- Mr. Indranil Sen has resigned as Chief Financial Officer (CFO) with effect from January 31, 2013 and Mr. Vanraj Sukhadia was re-designated as the CFO of the Company as on August 14, 2013.

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 March 31, 2013, 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 March 31, 2013 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.

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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, 2013 is annexed hereto.

Auditors

- During the period under review, your Company appointed M/s Laxmikant Kabra & Co., Chartered Accountants, as the Statutory Auditor of the Company for the Financial Year 2012-13, pursuant to the resignation of existing Auditor M/s M.V. Damania & Co. by way of shareholders approval through Postal Ballot.
- Laxmikant Kabra & Co., Chartered Accountants, Thane, 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.
- As per the Government's directive, your Company's Cost Records for the year ended March 31, 2013 are being audited by M/s Kishore Bhatia & Associates, Cost Accountants, being appointed as cost auditor for the financial year 2012-13 with the approval of the Central Government for the purpose of doing cost audit prescribed under section 233B of the Companies Act, 1956. The due date for filing cost audit report for the financial year 2012-13 is September 27, 2013 and the same will be filed before the due date.

Auditors observations

With regard to the observations made by the auditors the management has already taken steps to strengthen the internal control system, 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 forms part of this annual report.

Acknowledgement:

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

For and on behalf of the Board of Directors

Place: Navi Mumbai

Sd/-

Dated: August 14, 2013

Divyesh Sukhadia

Chairman and Managing Director

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Annexure

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

A) CONSERVATION OF ENERGY

a) Energy conservation measures taken:

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

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

None

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 is expected to result in to the savings of consumption of electrical energy.

d) Total Energy Consumption per unit of production is as below:

A. POWER AND FUEL CONSUMPTION

Electricity		
	F.Y. 2012-13	F.Y. 2011-12
a) Purchased	Current Year	Previous Year
Unit (KWH)	753750	1040620
Total amount	6115442	7045125
Rate / Unit	8.11	6.77
b) Own Generation		
(i) Through diesel generator		
Unit	20,789	16,650
Unit per ltr. of diesel oil	3.1KWH	3.1KWH
Cost / unit	14.69	13.52
(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: Nil (Previous Year ₹ 3.99 lacs)

Income in Foreign Exchange: Nil (Previous Year ₹ Nil)

For and on behalf of the Board of Directors

Place: Navi Mumbai
Dated: August 14, 2013

Sd/-
Divyesh Sukhadia
Chairman and Managing Director

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MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Development

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

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

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

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

Key Drivers and Trends

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

Opportunities & Threats

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

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

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

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

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RISKS AND CONCERNS

Your company does not perceive any risk or concern 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 net revenue from operations of ₹ 2,406.18 lacs against ₹ 10,235.81 Lacs in the previous years and as such there is a loss of ₹ 2638.73 lacs as against the profit of ₹ 417.07 lacs in the previous year.

b) Resource Utilisation

The gross fixed assets as at 31.03.2013 were ₹ 3,773.71 lacs as compared to ₹ 4604.23 lacs in the previous year. During the year the decline in the asset of the Company is worth ₹ 830.52 lacs.

c) Working Capital

Net working capital excluding cash and bank balances as on 31.03.2013 was ₹ (244.43) lacs. Book debts outstanding for a period exceeding six months from the date they were due for payment as on 31.03.2013 stood at Nil as compared to ₹ 114.36 lacs in the previous year.

Internal Control Systems

The Company has got its own 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 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 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.

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 March 31, 2013, the Board of Directors of Paramount Printpackaging Limited comprises of the Chairman and Managing Director Mr. Divyesh Sukhadia, and Mr. Dharmesh Sukhadia both being Executive Director and Promoter of the company and two Independent Directors viz 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. The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Category	Member/ Chairman	Number of Meetings attended/ held	No.of Directorship in other public companies	No. of Committee position held in other public companies
Mr. Divyesh Ashwin Sukhadia	Chairman and Managing Director	Chairman	7/7	Nil	Nil
Mr. Dharmesh Ashwin Sukhadia	Whole-time Director	Member	7/7	Nil	Nil
Mr. Rohit Parmananddas Doshi	Independent Director	Member	6/7	1	1
Mr. Hemang Engineer	Independent Director	Member	5/7	1	Nil
Mr. Anuj Vipin Sukhadia (upto 24.01.2013)	Whole-time Director	Member	6/7	Nil	Nil
Mr. Vikram Devjibhai Patel (upto 24.01.2013)	Independent Director	Member	1/7	Nil	Nil

Notes:

As on March 31, 2013 Mr. Hemang Engineer held 3,140 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 as are contained under Clause 49 of the Listing Agreement.

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- b. Composition:** The Company has an adequately qualified Audit Committee and as on March 31, 2013 the Committee comprised of 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. 6 (Six) 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 the Director	Category	Member/Chairman	Number of Meetings attended/ held
Rohit Doshi	Independent Director	Chairman	5/6
Hemang Engineer	Independent Director	Member	4/6
Divyesh Sukhadia	Whole time Director	Member	6/6

B. REMUNERATION COMMITTEE:

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

The Committee Comprised of Mr. Rohit Doshi, Mr. Hemang Engineer and Vikram Patel till January 24, 2013. 2 (Two) meetings of the Committee were held during the year under review. Consequent to the vacation of office by one of the Independent directors i.e. Mr. Vikram Patel, this committee has not been re-constituted and all decisions that are to be taken by the remuneration committee are being made by the Board.

The attendance of the members till January 24, 2013 is given hereunder:

Name of the Director	Category	Member/Chairman	Number of Meetings attended/ held
Rohit Doshi	Independent Director	Chairman	2/2
Hemang Engineer	Independent Director	Member	2/2
Vikram Patel	Whole time Director	Member	1/2

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

C. Share Transfer and Grievance Committee

As on March 31, 2013 the Committee comprised of 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 the Director	Category	Member/Chairman	Number of Meetings attended/ held
Hemang Engineer	Independent Director	Chairman	3/4
Rohit Doshi	Independent Director	Member	3/4
Vikram Patel	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 2012-13 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, one investor complaints was received in fourth quarter i.e. January 01, 2013 to March 31, 2013 which was resolved in due time.

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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.

Code of Conduct: The Board of Directors has laid down a 'Code of Conduct' which is applicable to the members of the Board of Directors and members of the Management Team of the Company and all other executives having similar or equivalent rank in the Company. Details of the Code are available at www.pppltd.in. All Directors and senior management have affirmed compliance with the Code for the year ended March 31, 2013.

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
4 th Annual General Meeting	Saturday August 21, 2010	11.00 am	Registered Office: A309, 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 – 400710
6 th Annual General meeting	Friday, September 21, 2012	9:00 a.m.	Majestic Court, Sarovar Portico,X-5/2, TTC Industrial Area, Mahape, Navi Mumbai – 400710

- **Special resolutions passed in the last 3 AGMs:** Special resolutions were passed at the Annual General Meeting during the year 2010 , Firstly, for amendment in the Articles of Association with respect to the increase in the Authorised Share Capital of the company to Rs. 50 crores and secondly, for the purpose of issuing and allotment of 328000 shares under section 81 (1A) of the Companies Act, 1956

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 are 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, 2013 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.

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G. General shareholder information

AGM: Date, Time & Venue

The AGM will be held on September 30, 2013 at 9:00 a.m. at Majestic Court, Sarovar Portico,X-5/2, TTC Industrial Area, Mahape, Navi Mumbai – 400710 , Maharashtra.

Financial year of the Company: April 1, 2012 to March 31, 2013

Date of Book Closure: From September 28, 2013 to September 30, 2013 (both days inclusive)

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

Listing on Stock Exchanges:

1. Bombay Stock Exchange and
2. National Stock Exchange of India Limited.

Stock Code:

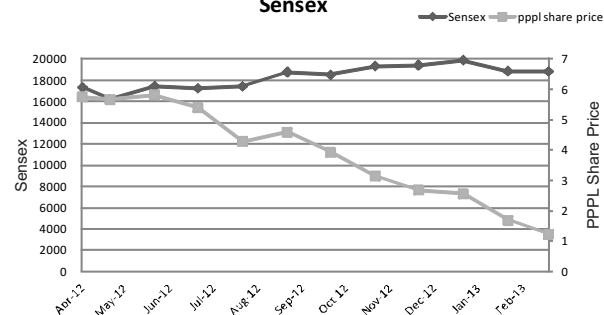
Bombay Stock Exchange Limited : 533399
National Stock Exchange of India Limited : PARAPRINT

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:

Month	High	Low	Closing	Volume(in Nos.)	Sensex
April-12	6.50	5.51	5.75	343	17,319
May-12	7.34	5.06	5.67	565	16,219
Jun-12	6.40	5.06	5.81	270	17,430
Jul-12	6.88	5.30	5.40	606	17,236
Aug-12	6.48	4.06	4.28	726	17,430
Sep-12	5.25	4.13	4.60	687	18,763
Oct-12	4.98	3.53	3.93	441	18,505
Nov-12	4.58	3.00	3.14	456	19,340
Dec-12	3.20	2.55	2.68	611	19,427
Jan-13	3.30	2.02	2.56	654	19,895
Feb-13	2.56	1.50	1.69	1806	18,862
Mar-13	1.72	1.10	1.23	726	18,836

Share Performance of the Company in Comparison to BSE Sensex



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

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

Tel: +91 22 6772 0300 / 400

Fax: +91 22 2859 1568

Email: paramount@shareproservices.com

Contact Person: Ms. Indira Karkera

Tel : +91 22 67720300

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. Tanu Singh, Company Secretary of the Company as the Compliance Officer.

Distribution of shareholding as on March 31, 2013

Range of shares held	No of shares	% of Shareholding	No of shares held	% of shares held
LESS THAN 500	1894	56.285	351476	1.316
500 - 1000	437	12.987	361020	1.352
1001 - 2000	359	10.669	560340	2.099
2001 - 3000	142	4.220	378798	1.419
3001 - 4000	91	2.704	329816	1.235
4001 - 5000	71	2.110	338261	1.267
5001 - 10000	142	4.220	1087562	4.073
10001 and above	229	6.805	23292767	87.239
TOTAL	3365	100.000	26700040	100.000

PARAMOUNT PRINTPACKAGING LIMITED

Shareholding pattern of the Company as on March 31, 2013:

	Category	Number of Shares held	Percentage holding
A.	Promoters' Holding		
1.	Promoters		
	- Indian Promoters	8231800	30.83
	- Foreign Promoters	Nil	Nil
2.	Persons acting in Concert	Nil	Nil
	Sub-Total (1+2)	8231800	30.83
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)	Nil	Nil
c.	FII's (Foreign Institutional Investors)	Nil	Nil
	Sub-Total	Nil	Nil
4.	Others		
a.	Private Sector Corporate Bodies	2403981	9.00
b.	Individuals	16008934	60.00
c.	Indian Public		
d.	NRI's	55325	0.21
	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 concerned stock exchanges.

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

Plant Locations and address for correspondence:

A-309, MIDC, TTC Industrial Area,
Mahape, Mumbai 400701
Tel : +91 22 27788437 Fax: +91 22 27782743
Email: paramountpppl@gmail.com

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To
The Board of Directors
Paramount Printpackaging Limited
A 309, MIDC, TTC Industrial Estate,
Mahape, Navi Mumbai 400701

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

Dear Sirs,

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

1. We have reviewed the Financial Statements and the Cash Flow Statement (hereinafter referred to as 'Statements') of the Company for the Financial Year 2012-2013 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/-
Vanraj Sukhadia
CFO

Sd/-
Divyesh Sukhadia
Chairman and Managing Director

Place: Navi Mumbai
Date: May 29, 2013

PARAMOUNT PRINTPACKAGING LIMITED

DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2013.

For Paramount Printpackaging Limited

Sd/-
Vipul Sukhadia
Chief Executive Officer

Place: Navi Mumbai
Date: May 29, 2013

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 ("the Company"), for the year ended on 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 representations made by Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in revised Clause 49 of the above-mentioned Listing Agreement.

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

For Laxmikant Kabra & Co.
Chartered Accountants
Firm Registration No.117183W

Sd/-
Laxmikant Kabra
Proprietor
Membership No.101839.

Place: Navi Mumbai
Date: May 29, 2013

INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF
PARAMOUNT PRINTPACKAGING LIMITED

Report on financial statements

We have audited the accompanying financial statements of **PARAMOUNT PRINTPACKAGING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management responsibility for the financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. **Without qualifying our report, we draw attention to, note no. 30 for pending confirmation and reconciliation, if any, of some of the parties appearing under Sundry Debtors, Loans and Advances and Sundry Creditors.**

PARAMOUNT PRINTPACKAGING LIMITED

3. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Laxmikant Kabra & Co.
Chartered Accountants
Firm Registration No: 117183W

Sd/-
Laxmikant Kabra
(Proprietor)
Membership No. :101839

Place: Navi Mumbai
Date: May 29, 2013

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ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS OF PARAMOUNT PRINTPACKAGING LIMITED FOR THE YEAR ENDED 31ST MARCH, 2013

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

- 1)
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of its 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.
 - c) No disposal of substantial part of the fixed assets of the company has taken place during the year other than certain plant and machineries which were of no commercial use in the opinion of the management and the sale deed for the new land was subsequently cancelled.
- 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 ₹ 60,63,771/- and the year-end balance is ₹ 60,63,771/- .
 - 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 ₹ 4,27,80,411/- and the year-end balance is ₹ 30,00,000.
 - 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 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.

PARAMOUNT PRINTPACKAGING LIMITED

- 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 its in house internal audit department. 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) The company is covered under the cost audit rules from F.Y. 2012-13 and we are informed that the audit is under progress
- 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 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, 2013 for a period of more than six months from the day they became payable except as referred below:-*

Nature of Dues	(Amount ₹)
<i>Provident Fund</i>	45,86,718
<i>Profession Tax</i>	17,500
<i>Central Sales Tax</i>	17,44,779
<i>Wealth Tax F.Y.2010-2011</i>	45,000
<i>Wealth Tax F.Y.2011-12</i>	38,000
<i>Tax Deducted at Source</i>	6,529,833
<i>Income Tax (Incl. Interest) F.Y. 2011-2012</i>	6825301

- 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
<i>Maharashtra Value Added Tax Act</i>	<i>Sales Tax</i>	21,22,504	2003-2004	<i>Deputy Comm. of Sales Tax (Appeals)</i>
<i>Central Sales Tax Act</i>	<i>Sales Tax</i>	8,56,538	2003-2004	<i>Deputy Comm. of Sales Tax (Appeals)</i>
<i>Maharashtra Value Added Tax Act</i>	<i>Sales Tax</i>	2,683,596	2004-2005	<i>Deputy Comm. of Sales Tax (Appeals)</i>
<i>Central Sales Tax Act</i>	<i>Sales Tax</i>	1,215,147	2004-2005	<i>Deputy Comm. of Sales Tax (Appeals)</i>

- 10) During the year under review, though the company has incurred cash loss, it has no accumulated losses at the end of the financial year which is more than fifty percent of its net worth.

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- 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 ₹ 5230000/- and ₹ 7801291/- respectively. However upto the date of approval of the accounts, the company has paid the principal amount and the interest aggregates to ₹ nil and ₹ 1362244/- 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.
- 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 not raised any money by public issue during the year.
- 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 Laxmikant Kabra & Co.
Chartered Accountants
Firm Registration No: 117183W

Sd/-
Laxmikant Kabra
(Proprietor)
Membership No.: 101839

Place: Navi Mumbai
Date: May 29, 2013

PARAMOUNT PRINTPACKAGING LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

PARTICULARS	Note No.	As at March 31, 2013	(In ₹) As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	A-1	267,000,400	267,000,400
(b) Reserves and surplus	A-2	137,374,654	401,247,518
		404,375,054	668,247,918
Non-current liabilities			
(a) Long-term borrowings	A-3	142,253,229	84,801,219
(b) Deferred tax liabilities (Net)	A-4	—	—
(c) Long-term provisions	A-5	6,879,690	5,899,655
		149,132,919	90,700,874
Current liabilities			
(a) Short-term borrowings	A-6	240,159,949	262,455,143
(b) Trade payables	A-7	151,365,527	171,969,642
(c) Other current liabilities	A-8	117,802,433	153,857,924
(d) Short-term provisions	A-9	6,260,226	17,002,522
		515,588,136	605,285,230
TOTAL		1,069,096,109	1,364,234,023
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	A-10	214,825,523	315,507,732
(ii) Intangible assets	A-10	637,308	958,115
(iii) Capital work-in-progress		325,817,220	325,491,300
(b) Non-current investments	A-11	529,640	529,640
(c) Long-term loans and advances	A-12	27,013,375	36,973,210
(d) Deferred Tax Assets	A-4	6,234,896	11,586,552
		575,057,961	691,046,548
Current assets			
(a) Inventories	A-13	7,031,024	86,140,940
(b) Trade receivables	A-14	354,410,850	429,461,673
(c) Cash and bank balances	A-15	2,892,689	16,841,912
(d) Short-term loans and advances	A-16	127,424,560	137,791,250
(e) Other current assets	A-17	2,279,030	2,951,700
		494,038,153	673,187,475
TOTAL		1,069,096,109	1,364,234,023

As per our report of even date attached

For Laxmikant Kabra & Co.
Chartered Accountants
Firm Registration No: 117183W
Sd/-
Laxmikant Kabra
Proprietor
Membership No.101839

Place : Navi Mumbai
Date : May 29, 2013

For and on behalf of the Board of Directors

Sd/- Divyesh Sukhadia Chairman & Managing Director	Sd/- Dharmesh Sukhadia Director
Sd/- Vanraj Sukhadia Chief Financial Officer	Sd/- Tanu Singh Company Secretary

Place : Navi Mumbai
Date : May 29, 2013

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

PARTICULARS	Note No.	2012-2013	(In ₹) 2011-2012
Income:			
Revenue from operations (Net)	A-18	240,618,339	1,023,581,190
Other income	A-19	8,178,744	3,125,317
Total Revenue		248,797,083	1,026,706,507
Expenses:			
Cost of materials consumed	A-20	184,562,850	530,083,616
Purchases of Stock-in-Trade		—	182,831,240
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	A-21	6,248,102	99,128,821
Employee benefits expense	A-22	31,788,236	24,298,751
Finance costs	A-23	73,212,054	73,428,099
Depreciation	A-10	37,592,127	38,455,104
Other expenses	A-24	110,778,689	46,641,607
Total expenses		444,182,058	994,867,238
Profit before exceptional and extraordinary items and tax		(195,384,975)	31,839,269
Less: Exceptional items		63,136,233	—
Profit before extraordinary items and tax		(258,521,207)	31,839,269
Less: Extraordinary Items		—	—
Profit before tax		(258,521,207)	31,839,269
Tax expense:			
(1) Current tax		—	8,000,000
(2) Deferred tax (Credit)/Charged		5,351,656	(18,147,443)
(3) Previous Years Tax		—	278,954
		5,351,656	(9,868,489)
Profit for the year		(263,872,864)	41,707,758
Earnings per equity shares of face value Rs 10 each			
Basic and Diluted (in Rs)		(9.88)	1.65

As per our report of even date attached

For Laxmikant Kabra & Co.
Chartered Accountants
Firm Registration No: 117183W
Sd/-
Laxmikant Kabra
Proprietor
Membership No.101839

Place : Navi Mumbai
Date : May 29, 2013

For and on behalf of the Board of Directors

Sd/- Divyesh Sukhadia Chairman & Managing Director	Sd/- Dharmesh Sukhadia Director
Sd/- Vanraj Sukhadia Chief Financial Officer	Sd/- Tanu Singh Company Secretary

Place : Navi Mumbai
Date : May 29, 2013

PARAMOUNT PRINTPACKAGING LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2012-2013

PARTICULARS	2012-2013		2011-2012	
	Amount	Amount	Amount	(In ₹) Amount
Cash flows from Operating Activities				
Net Profit before Taxes and Extraordinary Items		(258,521,207)		31,839,269
Adjustments:-				
Depreciation / Amortization	37,592,127		38,455,104	
(Profit)/Loss on sale of Fixed Assets	191,238		469,314	
Provisin for Gratuity	1,683,750		—	
Interest Income	(2,074,302)		(2,244,284)	
Dividend Income	(9,300)		(9,300)	
Interest Expenses	73,212,054		73,428,099	
Unrealized exchange (gain)/ Loss	(118,367)	110,477,200	(109,281)	109,989,652
Operating Profit Before Working capital changes				
Adjustments for :-				
(Increase)/ decrease in Trade and Other Receivables	97,181,505		(312,955,506)	
(Increase)/ decrease in Inventories	79,109,916		89,672,310	
Increase/ (decrease) in Trade and other payables	(21,321,732)	154,969,689	79,941,131	(143,342,065)
Cash Generated from Operations		6,925,682		(1,513,144)
Income Tax (Paid) / Refunded		(11,446,011)		(7,090,670)
Net Cash from Operating Activities		(4,520,329)		(8,603,814)
Cash flows from Investing Activities				
Purchase of Fixed Assets	(1,067,744)		(396,544,767)	
Sale of Fixed Assets	63,461,475		1,100,000	
Interest Received	942,815		1,859,910	
Dividend Received	9,300	63,345,846	9,300	(393,575,557)
Net Cash from Investment Activities				
Cash Flows from Financing Activities				
Borrowings	(4,855,589)		84,659,918	
Interest Paid	(67,919,151)		(73,205,658)	
Initial Public Offer Expenses	—		(69,736,354)	
Increase in Share Capital	—		130,941,750	
Increase in Share Premium	—	(72,774,740)	327,354,375	400,014,031
Net Cash used in Financing Activities		(13,949,223)		(2,165,340)
Net Increase in Cash and Cash Equivalents		(13,949,223)		(2,165,340)
Cash & Cash Equivalents at beginning of period	16,841,912		19,007,252	
Cash & Cash Equivalents at end of period	2,892,689		16,841,912	

Notes :

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

As per our report of even date attached

For Laxmikant Kabra & Co.
Chartered Accountants
Firm Registration No: 117183W
Sd/-
Laxmikant Kabra
Proprietor
Membership No.101839

Place : Navi Mumbai
Date : May 29, 2013

For and on behalf of the Board of Directors

Sd/- Divyesh Sukhadia Chairman & Managing Director	Sd/- Dharmesh Sukhadia Director
Sd/- Vanraj Sukhadia Chief Financial Officer	Sd/- Tanu Singh Company Secretary

Place : Navi Mumbai
Date : May 29, 2013

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

Particulars	As at March 31, 2013	(In ₹) As at March 31, 2012
Note : A-1		
<u>Share Capital</u>		
<u>Authorised</u>		
50,000,000 (50,000,000) Equity shares of Rs.10/- each	500,000,000	500,000,000
<u>Issued, Subscribed & fully Paid up</u>		
26,7000,040 (26,7000,040) Equity Shares of Rs. 10/- each fully paid		
Total	267,000,400	267,000,400

a) Reconciliation of share capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	26,700,040	267,000,400	13,605,865	136,058,650
Shares Issued during the year (Initial Public Offer)	—	—	13,094,175	130,941,750
Reduction in share capital				
Shares outstanding at the end of the year	26,700,040	267,000,400	26,700,040	267,000,400

b) Rights of equity shareholder:

The company has only one class of equity shares, having par value of Rs. 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, 2013		As at March 31, 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Divyesh Sukhadia	—	—	2,025,100	7.58%
Ketan V Sukhadia	—	—	2,161,750	8.10%
Anuj Sukhadia	—	—	2,161,750	8.10%
Dharmesh Sukhadia	2,006,100	7.51%	2,006,100	7.51%
Vipul Sukhadia	2,006,200	7.51%	2,006,200	7.51%

d) Other details

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Equity Shares :					
Fully paid up by way of Bonus Shares	3,772,180	3,772,180	3,772,180	3,772,180	—

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

Particulars	As at March 31, 2013	(In ₹) As at March 31, 2012
Note : A-2		
Reserves & Surplus		
(a) Securities Premium Reserve		
Opening Balance	319,042,131	61,424,110
Add on issue of shares	—	327,354,375
	319,042,131	388,778,485
Less: Adjustment of Expenses on Issue of Shares pursuant to Initial Public Offer	—	69,736,354
Closing Balance	319,042,131	319,042,131
(b) Surplus		
Opening balance	82,205,387	40,497,629
Add : Net Profit for the year	(263,872,864)	41,707,758
Closing Balance	(181,667,477)	82,205,387
TOTAL	137,374,654	401,247,518

Note : A-3

Long Term Borrowings

Secured

(a) Term loans from banks	139,253,229	82,658,122
(b) Vehicle Loans	—	276,979

Unsecured

From others:

(a) Financial Institution	—	828,698
(c) Inter Corporate Deposits	—	1,037,420
(d) Related Parties	3,000,000	—

TOTAL

142,253,229	84,801,219
--------------------	-------------------

Note:

- (i) Term Loans and working Capital Loans from Banks (including current maturities) from consortium banks are primarily secured on paripasu basis by hypothecation charge on stock,book debts,any recievables current and future,existing plant & machineries & fixed assets of the company.These loans also have collateral secirities in the form of paripasu equitable mortgage of factory building located at plot No.309, TTC Industrial Area, Mahape, Navi Mumbai and paripasu equitable mortgage on Personnel Asset of Directors i.e. flat no.401, Nathdwara & 501, 502 Shreenath Niwas Saibaba Road, Santacruz(west), mumbai, Assignment of Keyman/life insurance policies of Rs.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) Vehcile Loan is Secured against hypothecation of vehicle and repayable in equated monthly installment on reducing balance method.
- (iii) Unsecured Loan from Financial Institution are repayable in equated monthly installment on reducing balance method.
- (iv) Unsecured Loan from intercorporate deposits are repayable on fixed monthly installment.
- (v) Maturity Schedule

Particulars	1-2 year	2-3 year	3-4 year
Term Loan from Bank	139,253,229	—	—
Vehcile Loan	—	—	—
Financial Institution	—	—	—
Inter Corporate Deposit-Others	3,000,000	—	—

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

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

Particulars	Principal	Interest	Period	Payment Date
Term Loan' From Banks				
SVC Bank Ltd.	-	2,317,376	Feb,13 & Mar,13	-
SVC -1035	-	1,308,950	Feb,13 & Mar,13	-
State Bank of India-Account I	645,000	74,280	Nov,12 to Mar,13	-
State Bank of India-Account II	2,500,000	417,668	Nov,12 to Mar,13	-
State Bank of India-Account III	2,085,000	426,412	Nov,12 to Mar,13	-

Particulars	As at March 31, 2013	(In ₹) As at March 31, 2012
Note : A-4		
Deferred Tax Liabilities (Net)		
(a) Deferred Tax Liabilities		
On Depreciation	10,998,580	13,007,600
	10,998,580	13,007,600
(b) Deferred Tax Assets		
i) Expenses disallowed under section 43B	1,104,080	3,250,530
ii) On Preliminary Expenses and Issue Expenses	13,706,564	19,328,032
iii) On Gratuity	2,422,832	2,015,590
iv) Carried forward of business loss	—	—
	17,233,476	24,594,152
TOTAL	(6,234,896)	(11,586,552)
Note : A-5		
Long Term Provisions		
Gratuity	6,879,690	5,899,655
TOTAL	6,879,690	5,899,655
Note : A-6		
Short Term Borrowings		
Secured		
(a) Working Capital Loan		
Cash credit / Overdraft from Banks	239,496,597	259,405,801
Unsecured		
(a) From banks	663,352	3,049,342
TOTAL	240,159,949	262,455,143
Note : A-7		
Trade Payable		
(a) Amount due to Micro, Small and Medium Enterprises	—	—
(b) Others	151,365,527	103,713,918
(c) Acceptances	—	68,255,724
TOTAL	151,365,527	171,969,642

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

7.1 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 Interest due thereon remaining unpaid to suppliers		
(i) Principal	Nil	Nil
(ii) Interest due thereon	Nil	Nil
(b) (i) The delayed payment 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 in the basis of information available with the company.

Particulars	As at March 31, 2013	(In ₹) As at March 31, 2012
Note : A-8		
Other Current Liabilities		
(a) Current maturities of long-term debt	37,311,765	77,324,170
(b) Interest accrued and due on borrowings	7,801,291	2,972,907
(c) Overdrawn balance in Bank Account	—	—
(d) Advances from customers	5,172,230	3,522,500
(e) Statutory Liabilities	44,745,110	48,226,962
(f) Capital creditors	4,060,090	4,560,084
(g) Share Application Money	5,250	5,250
(h) Other Liabilities	18,706,697	17,246,051
TOTAL	117,802,433	153,857,924

Note : A-9

Short Term Provisions

(a) Gratuity	961,189	311,717
(b) Leave Encashment	250,137	195,894
(c) Provision for Income tax (Net of Taxes Paid)	5,048,900	16,494,911
TOTAL	6,260,226	17,002,522

Note A-10 Fixed Assets

Particulars	Gross block			Depreciation				Net Block		
	As at 1 April, 2012	Additions	Disposals	As at 31 Mar,2013	As at 1 April, 2012	For the year	Deduction / Adjustments	Upto 31 Mar ,2013	As at 31 Mar, 2013	As at 31 March, 2012
<u>Tangible Assets</u>										
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	6,252,222	1,517,346	—	7,769,568	37,659,955	39,177,301
Plant and Equipment	314,841,256	—	32,035,523	282,805,733	124,422,147	31,583,532	19,130,665	136,875,014	145,930,719	190,419,109
Electrical Installation	22,621,909	—	—	22,621,909	5,209,098	2,339,105	—	7,548,203	15,073,706	17,412,811
Air Conditioner	3,219,911	176,059	—	3,395,970	457,472	160,965	—	618,437	2,777,533	2,762,439
Furniture and Fixtures	3,787,233	—	—	3,787,233	908,599	239,732	—	1,148,331	2,638,902	2,878,634
Office equipment	584,435	56,040	—	640,475	113,033	29,702	—	142,735	497,740	471,402
Computer	3,040,265	—	—	3,040,265	1,859,973	492,827	—	2,352,800	687,465	1,180,292
Vehicles	10,019,854	—	678,176	9,341,678	4,089,025	908,111	510,296	4,486,840	4,854,838	5,930,829
Total (A)	458,819,301	232,099	83,283,949	375,767,451	143,311,569	37,271,320	19,640,961	160,941,928	214,825,523	315,507,732
<u>Intangible Assets</u>										
Software	1,604,034	—	—	1,604,034	645,919	320,807	—	966,726	637,308	958,115
Total (B)	1,604,034	—	—	1,604,034	645,919	320,807	—	966,726	637,308	958,115
Total (A+B)	460,423,335	232,099	83,283,949	377,371,485	143,957,488	37,592,127	19,640,961	161,908,654	215,462,831	316,465,847
Previous year	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

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

Particulars	As at March 31, 2013	(In ₹) As at March 31, 2012
Note : A-11		
Non Current Investment		
(Long Term Investment - At Cost)		
Trade Investments - Unquoted		
In Equity Shares		
3,594 (P.Y. 3,594) of Shamrao Vithal Co Operative Bank of Rs 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 Rs 10/- each.	493,700	493,700
TOTAL	529,640	529,640
Note : A-12		
Long Term Loans and Advances		
(unsecured, considered good)		
(a) Capital Advances	19,112,187	28,980,444
(b) Security Deposits	1,389,776	1,334,676
(c) Fixed Deposit maturing after twelve months	4,436,412	4,583,090
(d) Others	2,075,000	2,075,000
	27,013,375	36,973,210
Note : A -13		
Inventories		
(a) Raw Materials	7,031,024	79,892,838
(b) Work-in-progress	—	3,153,905
(c) Finished goods	—	3,094,197
(d) Damaged Stock	—	—
TOTAL	7,031,024	86,140,940
Note : A-14		
Trade receivables		
(unsecured, considered good)		
(i) Outstanding for a period exceeding six months from the date they are due for payment	365,796,881	11,435,685
(ii) Others	47,043,407	418,025,988
Less: Provision for doubtful debts	58,429,438	—
TOTAL	354,410,850	429,461,673

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

Particulars	As at March 31, 2013	(In ₹) As at March 31, 2012
Note : A-15		
Cash & Bank Balances		
(a) Cash on hand	2,788,657	3,854,432
(b) Balances with banks	104,032	949,062
(c) Cheques in Hand	—	24,400
(d) Fixed deposits	—	12,014,018
TOTAL	2,892,689	16,841,912
Note : A-16		
Short term loans and advances		
(a) Loans and advances to related parties	6,063,771	5,928,772
(b) Security deposit	21,100,908	21,566,253
(c) Balance with Govt. authorities	9,077,873	6,796,361
(d) Advances to suppliers and others	91,182,008	103,499,864
TOTAL	127,424,560	137,791,250
Note : A-17		
Other current assets		
(i) Interest Accrued on Investments & Deposits	1,530,489	1,044,444
(ii) Prepaid Expenses	748,541	1,907,256
TOTAL	2,279,030	2,951,700
Note : A-18		
Revenue from operations (Net)		
Sale of Products/Services	265,882,494	1,046,374,564
Less: Excise duty	28,658,713	27,197,399
	237,223,781	1,019,177,165
Other Operating Revenues		
Scrap Sales	3,394,558	—
Commission Income	—	4,404,025
	3,394,558	4,404,025
TOTAL	240,618,339	1,023,581,190
Note : A-19		
Other Income		
(a) Interest Income	2,074,302	2,244,284
(b) Dividend Income - Trade Investment	9,300	9,300
(c) Sundry Balance Written Back (Net)	—	871,733
(d) Profit on Sale of Machinery	6,095,142	—
TOTAL	8,178,744	3,125,317

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

Particulars	2012-2013	(In ₹) 2011-2012
Note : A-20		
Cost of Material Consumed		
Opening Stock	16,756,605	70,436,327
Add: Purchases	174,837,268	539,540,127
Less: Closing Stock	7,031,024	79,892,838
TOTAL	184,562,850	530,083,616
Note : A-21		
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
Opening 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
Closing Stock		
Work-In- Progress	—	3,153,905
Traded Goods	—	—
Finished Goods	—	3,094,197
	—	6,248,102
TOTAL	6,248,102	99,128,821
Note : A-22		
Employee related expenses		
Salaries, wages and bonus	26,818,600	21,278,949
Contribution to provident fund and E.S.I.C	2,690,682	2,202,200
Gratuity	2,089,772	621,711
Staff Welfare Expenses	189,182	195,891
TOTAL	31,788,236	24,298,751
Note : A-23		
Finance Cost		
Interest expense	71,314,806	70,697,483
Other borrowing costs	1,897,248	2,730,616
TOTAL	73,212,054	73,428,099

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

	(In ₹)	
Particulars	2012-2013	2011-2012
Note : A-24		
Other expenses		
Manufacturing Expenses		
Power & fuel	442,660	1,203,400
Electricity Charges	6,968,644	7,141,538
Labour Charges	8,097,501	1,495,086
Transportation Charges	3,836,120	4,324,754
Duties and Taxes	5,450,171	4,812,407
Other Manufacturing Expenses	3,909,098	1,319,059
A	28,704,194	20,296,243
ADMINISTRATION AND SELLING EXPENSES		
Auditor Remuneration	700,000	1,200,000
Conveyance & Travelling	1,468,924	1,777,967
Insurance	588,991	1,030,943
Legal and Professional fees	3,176,330	2,300,942
Rate Difference and Discount	2,416,546	6,234,221
Rent, Repairs and Maintenance		
– on Building	—	2,438,229
– on Machinery	2,462,110	2,877,037
– Others	673,672	643,319
Sundry Balance Written off (Net)	988,554	—
Telephone Expenses	337,557	484,621
Sales Promotion Expenses	327,489	1,441,855
Exchange rate Differences (Net)	(118,367)	267,191
Loss on Sale of Assets	6,286,380	469,314
Provision for Doubtful Debts	58,429,438	—
Other Administration and Selling expenses	4,336,870	5,179,725
B	82,074,494	26,345,364
TOTAL (A+B)	110,778,689	46,641,607

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

25. Contingent Liabilities not provided for in respect of :	As at March 31, 2013	(Amount in ₹) As at March 31, 2012
a. Disputed Sales Tax Demand pending With appellate authorities	8,677,785/-	10,757,203/-
b. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL (refer Note)	101,949,965/-
c. Penalty on account of non filing of Income Tax return for the FY 2011-12	Not ascertainable	-

Note: As the Company has decided to abandon the project at Bhilad, near Vapi, therefore there are no estimated amount of contracts remaining to be executed on capital account.

d. 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 ₹100,317,308/- over a period of time as defined in EPCG License expiring at various dates. The Export obligation of four licenses out of total 5 licenses amounting to ₹ 88,892,048/- has been already achieved and the return for two licenses has already been filed with DGFT (Director General of Foreign Trade). In the event of company being unable to execute its fifth license with an export obligations of ₹ 11,425,260/-, the Company shall be liable to pay customs duty of ₹ 1,904,210/- 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.

26. In the opinion of the directors :
- The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.
 - The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
27. Effects have not been given to some of the items shown in the Reconciliation of book balance with excise records filed with the excise authorities. In the opinion of the management, effect of the reconciliation is not having material impact on the Financial Statement of the Company.
28. Sundry debtors, Sundry creditors, Other Liabilities, Deposits and Loan and Advances are subject to confirmation and reconciliation, if any.
29. Auditors Remuneration:

Particulars	As at March 31, 2013	(Amount in ₹) As at March 31, 2012
Audit Fees*	7,00,000	8,50,000
Tax Advisory Fees *	1,10,000	3,50,000
Other Assurance Fees *	5,00,000	-

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

*This includes fees paid to earlier auditors M/s M. V. Damania & Co. who resigned w.e.f. January 15, 2013.

30. 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 is not provided in current year (Previous year ₹. 3,82,443/-).

31. **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:

(Amount in ₹)		
Particulars	As at March 31, 2013	As at March 31, 2012
Employer's Contribution to Provident fund & family Pension fund	22,29,508	17,19,987
Employer's Contribution to Employees' State Insurance Scheme	4,61,174	4,82,213

b) **Defined Benefit Plan**

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

(Amount in ₹)		
Particulars	As at March 31, 2013	As at March 31, 2012
Defined Benefit obligation at the beginning of the year	62,11,372	59,12,030
Adjustment on account of excess provision in Financial year 2010-2011	-	(15,94,978)
Current Service Cost	6,41,859	4,60,307
Interest Cost	5,27,967	3,56,157
Actuarial (gain)/loss	9,19,946	14,00,225
Benefits Paid	(4,60,265)	(3,22,369)
Defined Benefit obligation at year end	78,40,879	62,11,372

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Fair value of assets	-	-
Present value of obligation	78,40,879	6,211,372
Amount recognized in balance sheet	78,40,879	6,211,372

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

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Current Service Cost	6,41,859	460,307
Interest Cost	5,27,967	356,157
Adjustment on account of excess provision in Financial year 2010-2011	-	(15,94,978)
Actuarial (gain)/loss	9,19,946	1,400,225
Expense recognized in profit and loss account	20,89,772	6,21,711

iv. Actuarial Assumptions:

Particulars	As at March 31, 2013	As at March 31, 2012
Discount Rate (per annum)	8.50%	8.25%
Salary Escalation (per annum)	6.00%	6.00%

32. Segment Reporting

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

33. 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.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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	Nil (157,454)	Nil Nil
Purchases- M/s. Parapack	Nil (Nil)	Nil (Nil)
Labour Charges Paid- M/s. Parapack	Nil (70,560)	Nil (Nil)
Labour Charges Received- M/s. Parapack	Nil (Nil)	Nil (Nil)
Managerial Remuneration- Anuj Sukhadia	Nil Nil	1,150,000 (1,500,000)
Dharmesh Ashwin Sukhadia	Nil (Nil)	1,380,000 (1,500,000)
Divyesh Ashwin Sukhadia	Nil (Nil)	1,380,000 (1,500,000)
Salary -		
Vipul Ashwin Sukhadia	Nil (Nil)	609261 (608,304)
Vanaraj Vipin Sukhadia	Nil (Nil)	609261 (608,304)
Interest Paid Divyesh Ashwin Sukhadia	Nil (Nil)	Nil (Nil)
Interest Received- M/s. S P Investment	134,999 (134905)	Nil Nil
Rent Paid Divyesh Ashwin Sukhadia	386,400 (386400)	Nil Nil
Deposit under Leave & License- Divyesh Ashwin Sukhadia	Nil (Nil)	Nil (Nil)
Inter Corporate Deposit – Trim Plastic Limited	Nil (4,500,000)	Nil (Nil)
Loan and Advances (Net)- Anuj Sukhadia	Nil (Nil)	30,00,000 (Nil)
Loan and Advances (Net)- Divyesh Ashwin Sukhadia	Nil (Nil)	Nil (1,350,000)
As on March 31 2013		
Due to Company	6,028,995 (1,693,996)	107,769 (Nil)
Payable by Company	(Nil) (Nil)	2,791,900 (1,846,870)

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

34. The company has taken on operating lease certain assets. The total lease rent paid on the same amounting to ₹ 30,85,735/- (Previous Year ₹ 12,90,636/-) is included under the head compensation rent and rates and taxes. The minimum future lease rentals payable in respect thereof are as follows:

(Amount in ₹)		
Particulars	2012-13	2011-12
Not later than one year	50,86,335	40,03,349
Later than one year but not later than five years	1,47,56,951	1,76,15,247
Later than five years	-	-

35. Earnings Per Share (EPS) :

(Amount in ₹)			
Sr. No.	Particulars	2012-13	2011-12
1	Net Profit attributable to Equity Shareholders	263,872,864	41,707,758
2	No. of shares outstanding (in Nos)	26,700,040	26,700,040
3	Nominal Value per equity share (Rs.)	10.00	10.00
4	Earnings per share Basic / Diluted	(9.88)	1.65

36. CONSUMPTION OF RAW MATERIALS

(Amount in ₹)			
Sr. No.	Particulars	2012-13	2011-12
1	Paper	15,54,44,910	48,39,82,881
2	Plate & Blanket	27,13,628	1,06,25,624
3	Shipper	0	73,75,432
4	Others	3,29,87,312	2,80,99,680
	TOTAL	191,145,850	530,083,617

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.

37. CONSUMPTION OF IMPORTED/INDIGENOUS RAW MATERIALS

(Amount in ₹)					
Sr. No.	Particulars	2012-13		2011-12	
		%	Amount	%	Amount
1	Imported	1.83	35,04,388	1.14	60,17,076
2	Indigenous	98.17	18,76,41,462	98.86	52,40,66,541
	Total	100.00	19,11,45,850	100.00	530,083,617

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

39. CIF VALUE OF IMPORTS

(Amount in ₹)

Sr. No.	Particulars	2012-13	2011-12
1	Raw Material	35,04,388	57,20,887

40. EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Sr. No.	Particulars	2012-13	2011-12
1	Business Promotion	NIL	263330
2	Foreign Travelling	NIL	135880

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

(Amount in ₹)

Description	Opening Stock	Sales	Closing Stock
Board & Paper (Nos)	30,94,197	30,94,197	NIL
(Previous Year)	(2,590,672)	(71,41,29,513)	(30,94,197)

42. 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.

43. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

- (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.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 rendered. These benefits include compensated absences such as annual leave encashment and bonus.

- (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 administered 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 administered 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 liability 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.

PARAMOUNT PRINTPACKAGING LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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.

- (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 Laxmikant Kabra & Co.
Chartered Accountants
Firm Registration No. : 117138W

For and on behalf of the Board

Sd/-
Laxmikant Kabra
(Proprietor)
Membership No.: 101839

Sd/-
Divyesh Sukhadia
Chairman &
Managing Director

Sd/-
Dharmesh Sukhadia
Director

Sd/-
Vanraj Sukhadia
Chief Financial Officer

Sd/-
Tanu Singh
Company Secretary

Place: Navi Mumbai
Date: May 29, 2013

Place: Navi Mumbai
Date: May 29, 2013

7th Annual Report 2012-2013

GREEN INITIATIVE

Dear Shareholder,

Sub : Green Initiative in Corporate Governance - Electronic Mode of service of documents

The Ministry of Corporate Affairs, Government of India, has by Circular No.17/2011/95/2011 CL - V dated April 21, 2011 clarified that a company is deemed to have complied with the provisions of the Companies Act, 1956, if service of notices / documents on its shareholders has been made through electronic mode.

This initiative by the government is indeed commendable and your Company supports the same. It will go a long way in conservation of the environment. We are sure, that as a responsible citizen, you will support this initiative. By registering yourself with the Company for e-communication, you will be able to receive such notices / documents, etc. promptly and without loss in postal transit.

Keeping in view the provisions of the circular, it is proposed that henceforth documents like Notices of Meetings, Annual Reports, Directors' Report, Auditors' Report and all other shareholder communication will be sent electronically to the email address provided by you and made available to the Company by the Depositories viz. NSDL / CDSL. As and when there are changes in your email address, you are requested to keep your Depository Participant (DP) informed of the same.

In case you desire to receive the abovementioned documents in physical form, please keep us informed.

Please note that you will be entitled to be furnished, free of cost, a copy of the above mentioned documents upon receipt of a request from you any time, as a member of the Company.

We are sure you will support this initiative taken by the Government.

Thanking you

Yours sincerely,

For Paramount Printpackaging Limited

Sd/-
Tanu Singh
Company Secretary

[illegible]

[illegible]

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 Seventh Annual General Meeting of the Company held at Majestic Court, Sarovar Portico, X-5/2, TTC Industrial Area, Mahape, Navi Mumbai – 400710, on Monday, September 30, 2013 at 9:00 a.m.

Name of attending members (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 Seventh Annual General Meeting of the Company to be held on Monday, September 30, 2013 at 9:00 a.m and/or at any adjournment thereof.

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

Signed on this _____ day of _____, 2013.

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