

EXCELLENCE

INNOVATION

CREATIVITY



62nd ANNUAL REPORT 2011



Specialised Pouches



Personal Care



Product Portfolio

Package Protection & Decoration Technologies



Specialised Cartons

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman & Managing Director	Mr. Suresh Gupta
	Mr. K. C. Narang
	Mr. Arunkumar Gandhi
	Mr. P. V. Narayanan
	Mr. Jukka Moisio
	Mr. Johann Sippel
(Alternate to Mr. Jukka Moisio)	Mr. Timo Salonen
	Mr. R. K. Dhir
	Mr. S. K. Palekar
CEO & Executive Director	Mr. M. K. Srinivasan

Company Secretary & Head - Legal	Mr. Anand Daga
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BANKERS

BNP Paribas
Punjab & Sindh Bank
Standard Chartered Bank
The Hongkong and Shanghai
Banking Corporation Ltd.
Union Bank of India

AUDITORS

S. V. Ghatalia & Associates,
Chartered Accountants

REGISTERED OFFICE

Regent Chambers, 13th Floor,
Nariman Point, Mumbai - 400 021,
Maharashtra, India.
Tel No: +91 22 2282 0969
Fax No: +91 22 2283 2860
Website: www.pplpack.com

CORPORATE OFFICE

L. B. S. Marg, Majiwade,
Thane (W) – 400 601,
Maharashtra, India.
Tel No: +91 22 2173 5551 / 2173 5591
Fax No: +91 22 2173 5599 / 2173 5650
Email: investor.communication@pplpack.com

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BOARD OF DIRECTORS

MR. SURESH GUPTA - *CHAIRMAN & MANAGING DIRECTOR*

Mr. Suresh Gupta did his Masters in Management (MMS) from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has diverse management experience of over 38 years, including 24 years in the Company. He was appointed as Managing Director since May 1994, and designated as Chairman & Managing Director of the Company w.e.f. 10th March 2010. He also holds position of Executive Vice President, Flexible Packaging Global and a member of the Group Executive Team of Huhtamaki Oyj., the ultimate holding Company.

MR. K. C. NARANG - *DIRECTOR*

Mr. K. C. Narang is B.A., L.L.B. and FCA. He is a former partner of Dalal Desai & Kumana, Chartered Accountants and a past President of Bombay Chartered Accountants Society. He has been a Director of the Company since July 1981 and has served as Non-Executive Chairman till 10th March 2010. He is Chairman of Audit Committee.

MR. ARUNKUMAR GANDHI - *DIRECTOR*

Mr. Arunkumar Gandhi is a Fellow Member of the Institute of Chartered Accountants of England & Wales and the Institute of Chartered Accountants of India and an associate member of the Chartered Institute of Taxation, London. He is on the Board of number of various companies of Tata Group in India and abroad. He has been an Independent Director of the Company since March 2002.

MR. P. V. NARAYANAN - *DIRECTOR*

Mr. P. V. Narayanan is a Post-Graduate in Chemistry and Diploma in Marketing Management. He has 46 years of experience in the field of packaging covering various positions of eminence. He has also been conferred with the Honorary Membership by the Asian Packaging Federation. He has been awarded the Fellow membership of Institute of Packaging (F. Inst. Pkg) UK and Chartered Scientist (CS) by the Science Council, UK. He is an advisor of Cognizance Packaging Solutions Pvt. Ltd. Mr Narayanan is a member of the Board of APEDA (Agricultural & Processed Food Products Export Development Authority), Ministry of Commerce, Government of India. He has been an Independent Director of the Company since March 2002.

MR. JUKKA MOISIO - *DIRECTOR*

Mr. Jukka Moisio holds Masters degree in Science and (Econ) and MBA. He has worked with Ahlstrom Corp (1991-2008) before joining Huhtamaki Oyj in the year 2008. He is holding the position of CEO and Chairman of Group Executive Team of Huhtamaki Oyj. He has been nominated as Director by Huhtavefa B.V. on the Board of Directors of the Company w.e.f. 23rd April 2008.

MR. JOHANN SIPPEL - *DIRECTOR*

Mr. Johann Sippel holds post graduate degree of Certified Accounting Specialist (CCI) from Germany. He has over 26 years of experience including 22 years in Huhtamaki Group companies in different roles. He currently holds position of Vice President Finance, Flexible Packaging Global, leading the finance function for this segment of Huhtamaki Oyj since January, 2010. He has Finance & Accounts related expertise.

MR. TIMO SALONEN - *ALTERNATE DIRECTOR TO MR. JUKKA MOISIO*

Mr. Timo Salonen holds Masters degree in Science (Econ) and Masters degree in Law. His career at Huhtamaki Oyj started in the year 1991. He is currently the Chief Financial Officer of Huhtamaki Oyj. Prior to joining Huhtamaki Oyj he worked with Partek Corporation (1983-1991), wherein, the last position held by him was of Division Controller, Partek Concrete International, Belgium.

MR. RAMESH KUMAR DHIR - *DIRECTOR*

Mr. Ramesh Kumar Dhir is a Fellow Member of the Institute of Chartered Accountants England & Wales and also a Fellow of the Institute of Management (U.K.). He has wide corporate management experience of over 39 years working with Peat Marwick, London and a US Multinational with operations in India and overseas. He is currently the President and on the Board of Council for Fair Business Practices. He has been an Independent Director of the Company since March 2002.

MR. S. K. PALEKAR - *DIRECTOR*

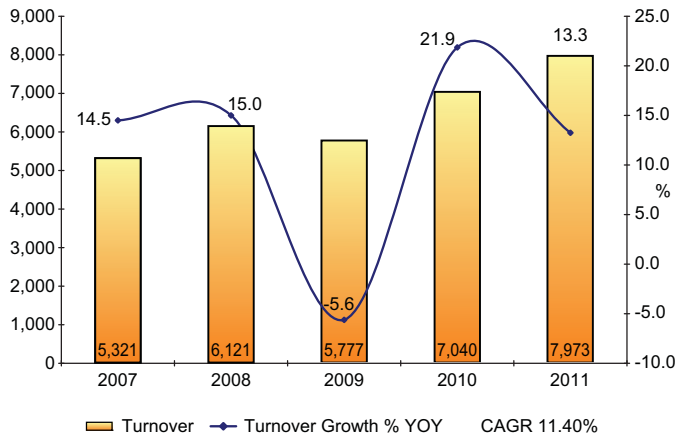
Mr. S. K. Palekar is B.Sc., M.Sc. (Physics) from Mumbai University & MMS (Marketing) from Jamnalal Bajaj Institute of Management Studies. He secured 1st rank both in M.Sc (Physics) & MMS (Marketing). He is currently the Chairperson of Executive Education Centre of S P Jain Institute of Management & Research at Mumbai. He brings with him 35 years of experience in all aspects of marketing – like sales, advertising, market research, brand management – and also of general management. He has hands on experience in FMCG, durables & service Industries. He retired as Senior Vice President of Marketing & Knowledge Management from Eureka Forbes Limited; after serving there for over a decade.

MR. M. K. SRINIVASAN - *CEO & EXECUTIVE DIRECTOR*

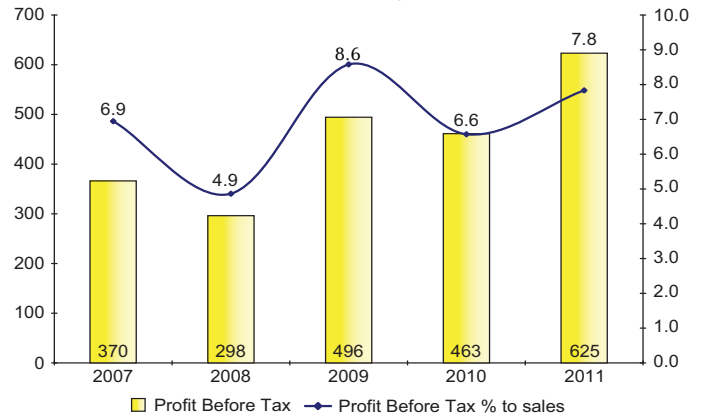
Mr. M. K. Srinivasan is an ICWA and holds a degree in Bachelors and Masters of Commerce from Bombay University. He has diversified experience of over 28 years. He has worked with the Company from Feb' 93 to Aug' 04 in various capacity and was holding the position of Senior Vice President & CFO before moving out to serve Arcelor Mittal Group in overseas assignments. He served as CFO, Arcelor Mittal Trinidad from August 2004 to August 2006 and as Chief Executive Officer of Arcelor Mittal Zeneca, Bosnia from August 2006 to September 2009. He has been appointed as CEO & Executive Director since March 2010.

FINANCIAL PERFORMANCE INDICATORS

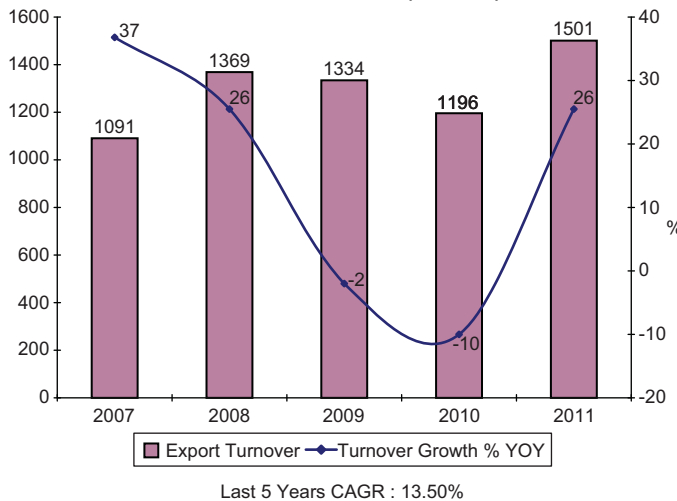
TURNOVER (Rs. Mns)



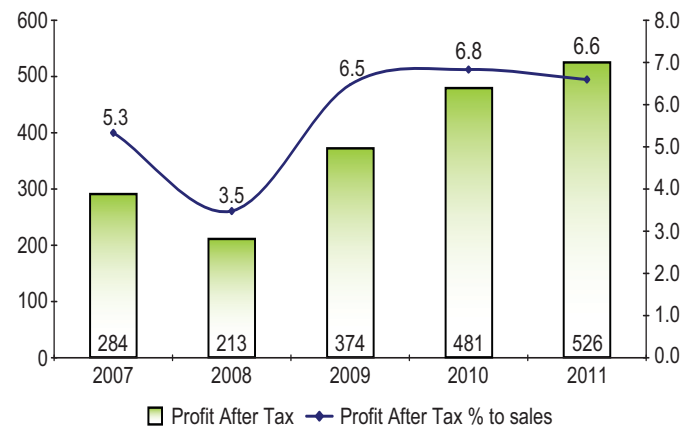
PROFIT BEFORE TAX, EXCEPTIONAL & EXTRAORDINARY ITEMS (Rs. Mns)



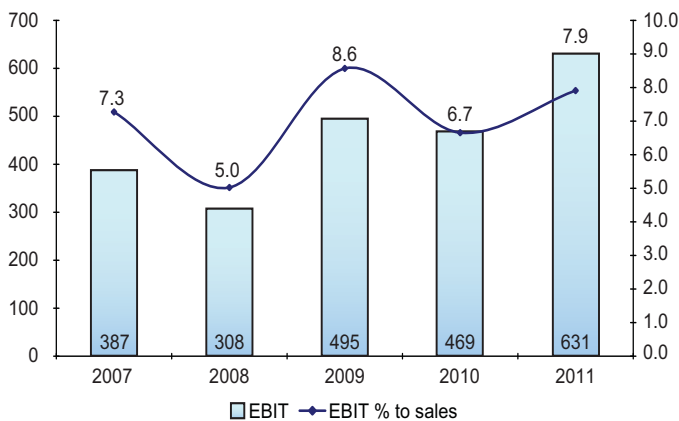
EXPORT TURNOVER (Rs. Mns)



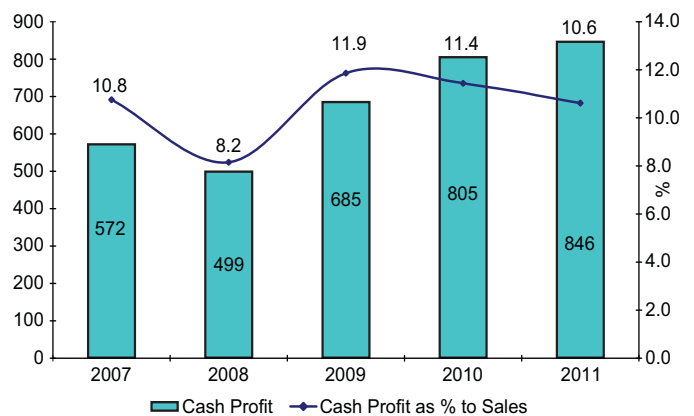
PROFIT AFTER TAX, EXCEPTIONAL & EXTRAORDINARY ITEMS (Rs. Mns)



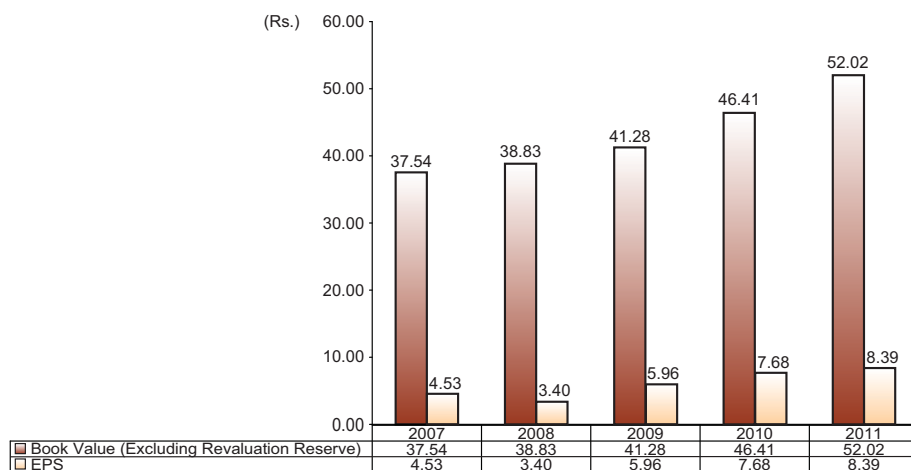
EARNING BEFORE INT & TAX (EBIT) (Rs. Mns)



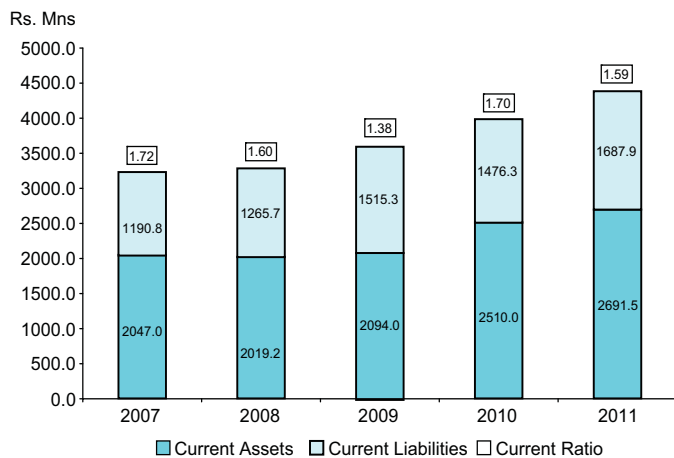
CASH PROFIT (Rs. Mns)



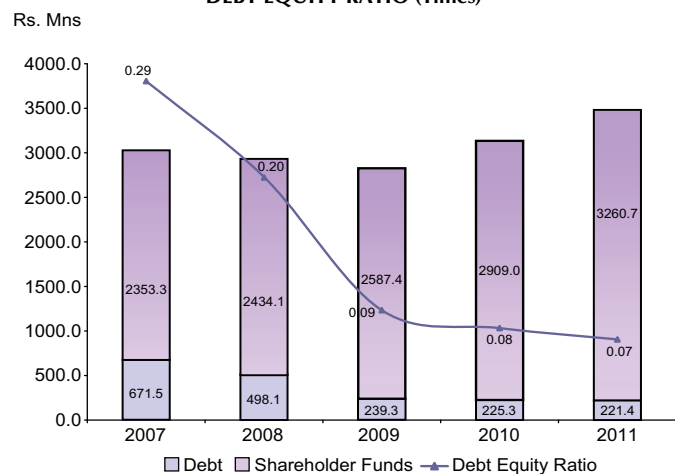
EPS AND BOOK VALUE PER SHARE



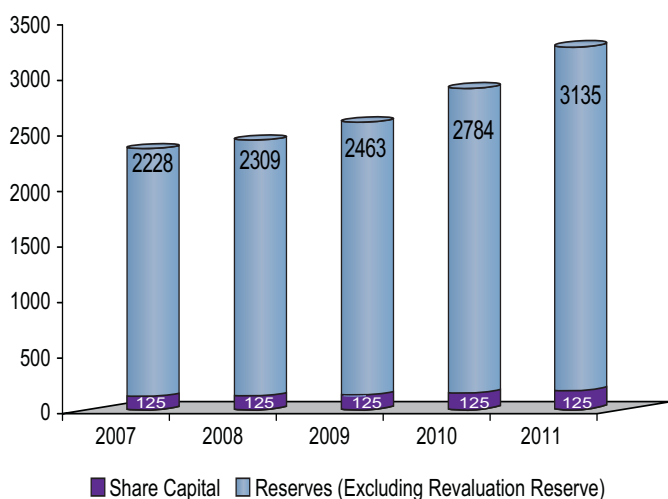
CURRENT RATIO (Times)



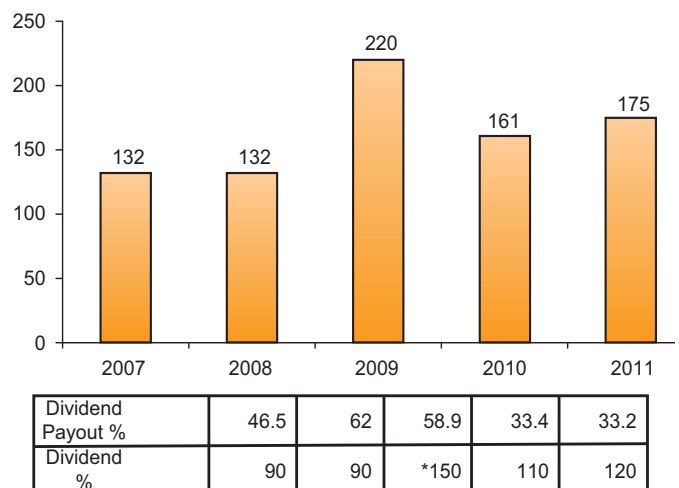
DEBT EQUITY RATIO (Times)



NET WORTH GROWTH (Rs. Mns)



DIVIDEND PAYOUT (Rs. Mns)



*Includes 50% Platinum Jubilee Dividend.

FINANCIAL HIGHLIGHTS

	(Rs. in Million)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
OPERATING RESULTS										
Net Sales	7973.0	7040.1	5776.9	6120.9	5320.6	4646.7	3982.9	3617.8	3525.3	2988.9
Other Income	136.8	83.2	91.1	117.3	107.4	114.8	96.6	56.6	44.5	34.9
EBDIT	951.0	792.7	818.6	609.0	676.8	665.0	643.7	568.9	615.4	608.6
Depreciation & Amortisation	320.4	324.0	311.5	286.2	288.6	230.7	249.8	224.7	223.5	211.1
EBIT	630.6	468.7	507.1	322.8	388.2	434.3	393.9	344.2	391.9	397.5
Profit before Tax, Exceptional & Extraordinary Items	624.7	462.7	495.8	297.7	369.7	428.1	386.8	336.5	379.1	357.7
Exceptional & Extraordinary Items- Net of Tax	29.4	153.3	—	—	(31.8)	120.8	(8.0)	—	—	—
Provision for Tax	128.1	134.8	122.0	84.8	54.1	149.7	102.1	95.4	100.0	106.2
Net Profit after Tax	526.0	481.2	373.8	212.9	283.7	399.2	276.7	241.1	279.1	251.5
EBDIT to Sales %	11.93%	11.26%	14.17%	9.95%	12.72%	14.31%	16.16%	15.72%	17.46%	20.36%
EBIT to Sales %	7.91%	6.66%	8.78%	5.27%	7.30%	9.35%	9.89%	9.51%	11.12%	13.30%
PBT to Sales %	8.20%	8.75%	8.58%	4.86%	6.35%	11.81%	9.51%	9.30%	10.75%	11.97%
Earning Per Share	8.39	7.68	5.96	3.40	4.53	6.37	4.41	3.85	4.45	4.01
Cash Earning Per Share	13.50	12.84	10.93	7.96	9.13	10.05	8.39	7.37	7.89	7.17
Equity Dividend %	120	110	**150	90	90	90	70	60	*150	50
FINANCIAL POSITION										
Equity Share Capital	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4	125.4
Reserves & Surplus	3162.9	2811.2	2490.1	2336.3	2257.3	2113.1	1842.4	1669.8	1514.2	1499.7
Shareholders Funds	3288.3	2936.6	2615.5	2461.7	2382.7	2238.5	1967.8	1795.2	1639.6	1625.1
Loan Funds	221.5	225.3	239.3	498.1	671.5	337.8	162.9	130.2	102.6	91.8
Deferred Tax Liability (Net)	25.2	52.6	67.7	69.0	85.2	83.9	60.2	89.9	96.2	75.0
Net Fixed Assets (Incl. Capital Work in Progress)	1897.7	1786.9	2033.5	2105.5	2145.1	1967.0	1351.5	1365.0	1142.1	1277.9
Investments	633.8	394.5	310.3	169.8	138.1	5.2	82.5	98.0	311.0	3.6
Net Working Capital	1003.5	1033.2	578.7	753.5	856.2	688.0	757.0	551.8	381.2	482.8
Miscellaneous Expenditure	—	—	—	—	—	—	—	0.5	4.2	27.6
Capital Employed	3535.0	3214.6	2922.5	3028.8	3139.4	2660.2	2191.0	2015.3	1838.5	1791.9

** Includes One Time Dividend @ 50%

* Includes One Time Dividend @ 100%

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 62nd Annual Report along with the Audited Statement of Accounts for the year ended December 31, 2011.

PERFORMANCE DURING THE YEAR

Your Company's performance during the year is summarized below:

	(Rupees in Million)	
	2011	2010
Net Sales	7973.0	7040.1
Profit before Tax & Extraordinary Items	624.6	585.5
Less: Provision for Current Tax	167.5	152.8
Provision for Deferred Tax	(39.4)	(18.0)
Extraordinary Items (Net of Tax)	29.4	30.5
Profit after Tax	525.9	481.2
Add: balance of profit for earlier years	1239.3	966.2
Excess provision for dividend tax for earlier year	–	0.8
Profit available for appropriation	1765.2	1448.2
Transfer to General Reserve	52.6	48.1
Proposed Dividend on Equity Shares & Dividend Tax thereon	174.3	160.8
Balance Carried forward	1538.3	1239.3

During the year under review, the net sales were Rs. 7973.0 Mn as compared to Rs. 7040.1 Mn in the previous year. Profit Before Tax & Extraordinary Items was Rs. 624.6 Mn as compared to Rs. 585.5 Mn in the previous year.

After providing for Income Tax of Rs. 128.1 Mn, Net Profit after Tax & Extraordinary Items was Rs. 525.9 Mn. Further, after transferring an amount of Rs. 52.6 Mn to General Reserve, the amount available for appropriation was Rs. 1712.6 Mn including amount brought forward of Rs. 1239.3 Mn of previous year. The Earning per Equity Share (EPS) including extraordinary items was Rs. 8.39 and the Earning per Equity Share (EPS) excluding extraordinary items was Rs. 7.92.

DIVIDEND

Your Directors recommend payment of dividend of Rs.2.40 per equity share, i.e. @ 120% on the Equity Capital for the year ended December 31, 2011. The said Equity dividend will absorb a sum of Rs. 174.3 Mn including the dividend distribution tax & cess thereon.

FIXED DEPOSITS

The Company did not invite or accept deposits from public and/or shareholders during the year under review. As of December 31, 2011, there was no fixed deposit pending with the Company.

STATUTORY DISCLOSURES

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 forms part of this report as Annexure I.

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

DIRECTORS' REPORT (contd.)

However, as per the provisions of Section 219 (b) (iv) of the said Act read with Clause 32 of the Listing Agreement, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company at the registered office of the Company.

DIRECTORS

Mr. P. V. Narayanan and Mr. Jukka Moisio, retire by rotation at this Annual General Meeting and being eligible have offered themselves for re-appointment.

Mr. Vibhu Talwar resigned as Director from the Board w.e.f. May 7, 2011. The Board places on record its appreciation for the guidance and support provided by Mr. Vibhu Talwar during his tenure as Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) In the preparation of the annual accounts for the year ended December 31, 2011 the applicable Accounting Standards have been followed and there are no material departures.
- ii) Accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended December 31, 2011 and of the profit of the Company for that period.
- iii) Proper and sufficient care has been taken 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) Annual accounts for the year ended December 31, 2011 have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A separate report on Corporate Governance forms part of this report.

Certificate from the Statutory Auditors of the Company regarding compliance with the Corporate Governance requirements as stipulated under Clause 49 of the Listing Agreement is attached.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms part of this Annual Report for the year ended December 31, 2011.

AUDITORS' REPORT

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self explanatory and therefore do not call for any further comments.

AUDITORS

The present Auditors of the Company, M/s S. V. Ghatalia & Associates, Chartered Accountants, have expressed their unwillingness to be re-appointed as Auditors of the Company on their retirement at the forthcoming Annual General Meeting. The Board records its appreciation for the assistance and guidance provided by them during their tenure with the Company. The Board recommends the appointment of M/s S. R. Batliboi & Co., Chartered Accountants, as Auditors of the Company from the conclusion of the 62nd Annual General Meeting until the conclusion of the 63rd Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

DIRECTORS' REPORT (contd.)

COST AUDITORS

The Board of Directors have appointed M/s. R. Nanabhoy & Co., Cost Accountants for conducting the audit of the cost accounting records maintained by the Company for the products covered under Chapter 48 and Chapter 76 of the Central Excise Tariff Act, as may be applicable to the Company for the calendar year 2012.

INDUSTRIAL RELATIONS

The industrial relations during the year under review continued to be cordial. The Directors place on record their sincere appreciation of the services rendered by employees at all levels.

ACKNOWLEDGEMENT

Your Board of Directors wish to express its sincere appreciation for the excellent support and co-operation received from Huhtamaki Group, Shareholders, Customers, Vendors, Banks and all other business associates.

By Order of the Board
For **THE PAPER PRODUCTS LIMITED**

SURESH GUPTA
Chairman & Managing Director

Mumbai
21st March, 2012

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - 1

A. CONSERVATION OF ENERGY

2011 witnessed very steep increases in Energy costs. Increase in prices of Fuel, Gas and Power Tariff was uniformly high across all the four plants. The adverse impact of such a steep increase in Energy costs were mitigated to a significant extent by the Company's continuing thrust on conserving energy and reducing waste of all types, wherever possible.

Certain basic energy conservation techniques like maintaining the power factor at Unity; using optimum rating of motors at our application sites; use of capacitors; managing compressed air systems efficiently and continuous training on energy conservation have become strongly institutionalized.

In addition to the ongoing efforts, the following energy conservation measures were implemented:-

- 1) Use of VFD (Variable Frequency Drivers) in appropriate areas.
- 2) Use of solar energy for office and street lighting.
- 3) Use of high energy efficient lighting systems like LED's in specific office spaces.
- 4) Inter-locking of auxiliary equipments to the main machines to improve equipment life and reduce energy consumption.
- 5) Use of waste heat recovery techniques to increase inlet air temperatures for oil heating systems.
- 6) Converting existing AC Motor control systems to DC in a phased manner.
- 7) Use of alternate fuel to FO in Thermo packs.

The Company continues to conduct regular audits of the equipments, electrical consumptions and initiates steps for modernizing and optimizing the utility systems. Specialised training is imparted to reduce changeover times which result in saving in machine idle time and waste reduction, leading to reduction in energy consumption as well as waste.

B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

The Company's Research & Development Centre at Thane, a recognized R&D Centre by the Department of Science & Technology, Government of India continues to carry out various R&D activities aimed at providing the end customer with superior flexible packaging solutions on a continuous basis. This R&D Centre helps various large and small FMCG manufacturers to evaluate their packaging solutions that help them reach their products to the end consumer in a wholesome manner. Regular studies on shelf life, impact of material changes in the flexible laminations on barrier and performance characteristics, evaluation of alternate structures etc. provide valuable feedback to our customers in developing appropriate packaging solutions. The Company also continuously updates it's technology base. Old equipments are routinely replaced with contemporary technology with major improvements in product quality, reduce waste and high throughputs. During the year, new high speed printers and laminators with multiple capabilities were inducted into the operations and absorbed successfully.

The Company also focused on new Coating technologies for sealing, enhancing barriers and improving the performance of the laminations in general.

Special laminate structures were successfully developed and supplied for the most sensitive applications – wet dairy products.

New materials like - special grades in extrusion lamination, films with lower densities and thicknesses to meet the sustainability objectives of large customers, new pouching formats for improved convenience of the end user, new concepts in reclosable packaging, extension of Cold Seal applications to bakery products and a wider range of confectionery products were some of the notable innovations your Company developed and implemented during the year.

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - 1 (contd.)

In line with the Company's historical focus on innovation due to which your Company wins numerous awards on a routine basis every year, this year also we won 7 awards for innovation in packaging.

The expenditure on R & D during the year under report is as below :

a) Capital	Rs. Nil
b) Recurring	Rs. 10.091 Mn
c) Total	Rs. 10.091 Mn

C. FOREIGN EXCHANGE EARNINGS & OUTGO

- a) Foreign exchange earnings from the exports of the Company's products & services amounted to Rs. 1410.926 Million.
- b) The outflow of foreign exchange on account of import of goods and expenses on Travelling, Commission on Exports, Royalty and Technical Service charges amounted to Rs. 1098.708 Million.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

PPL believes that good Corporate Governance is essential to achieve long term corporate goals and enhance stakeholders' value. Thus, PPL's philosophy on Corporate Governance is aimed at the attainment of highest level of transparency, accountability and compliance of laws in all facets of operations, leading to best standards of Corporate Governance.

It is PPL's belief that good ethics make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards. The implementation of PPL's code for prohibition of Insider Trading exemplifies this spirit of good ethics.

The Company complies with the requirements of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, entered into with the Stock Exchanges where its shares are listed.

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended December 31, 2011.

BOARD OF DIRECTORS

The Board of Directors of the Company (hereinafter referred as the Board) comprises of a combination of Executive and Non-Executive Directors. The Board of Directors, as on December 31, 2011 comprised 9 Directors (excluding Alternate Director) of whom two are Executive and seven are Non-Executive Directors with five Directors being Independent. The Chairman of the Board is an Executive Director and more than half of the Board members (excluding Alternate Director) are Independent. The composition of the Board is in line with requirement of Clause 49 of the Listing Agreement. The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgement in any manner. The Directors are eminently qualified and experienced professionals in business, finance and corporate management

The policy formulation, evaluation of performance and the control function vest with the Board, while the Board Committees oversee operational issues. The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and financial results. Directors attending the meetings actively participate in the deliberations at these meetings.

The composition of the Board and attendance at Board Meetings and the last Annual General Meeting (AGM) held during the year under review is given below:

S. No.	Name of the Director	Category	No. of Board Meetings held during the FY 2011/ Tenure	No. of Board Meetings attended	Attendance at Last AGM
1	Mr. Suresh Gupta Chairman & Managing Director	Executive	5	4	Yes
2	Mr. M. K. Srinivasan CEO & Executive Director	Executive	5	3	Yes
3	Mr. K. C. Narang	Non-Executive, Independent	5	5	Yes
4	Mr. Jukka Moisio*	Non-Executive	5	2	Yes
5	Mr. Johann Sippel * w.e.f. 16 th March, 2011	Non-Executive	3	1	Yes
6	Mr. Arunkumar R. Gandhi	Non-Executive, Independent	5	2	No
7	Mr. P.V. Narayanan	Non-Executive, Independent	5	5	Yes
8	Mr. Ramesh Kumar Dhir	Non-Executive, Independent	5	5	Yes
9	Mr. S. K. Palekar w.e.f. 16 th March, 2011	Non-Executive, Independent	3	3	Yes
10	Mr. Vibhu Talwar upto 7 th May, 2011	Non-Executive	3	0	No
11	Mr. Timo Salonen* (Alternate to Mr. Jukka Moisio)	Non-Executive	5	0	No

* Nominated as Directors by the foreign promoters

During the year 2011, five Board Meetings were held on 28th January, 2011, 16th March, 2011, 27th April, 2011, 27th July, 2011 and 2nd November, 2011 with time gap not exceeding 4 months between two such meetings and the Annual General Meeting was held on 27th April, 2011.

Apart from physical meetings, the Board also considered and approved certain matters by circular resolutions, which were noted at the next Board Meeting.

CORPORATE GOVERNANCE (contd.)

Directorships and Committee Memberships / Chairmanships in other public limited companies are given below:

Name of the Director	As on 31st December, 2011			
	Other Directorship(s) ¹	Committee positions in other Companies (excluding PPL) ²		
		Member	Chairman	Total
Mr. Suresh Gupta	Nil	Nil	Nil	Nil
Mr. K. C. Narang	Nil	Nil	Nil	Nil
Mr. M. K. Srinivasan	Nil	Nil	Nil	Nil
Mr. Jukka Moisio	Nil	Nil	Nil	Nil
Mr. Johann Sippel	Nil	Nil	Nil	Nil
Mr. Arunkumar R. Gandhi	10	3	2	5
Mr. P.V. Narayanan	1	Nil	Nil	Nil
Mr. Ramesh K. Dhir	Nil	Nil	Nil	Nil
Mr. S. K. Palekar	1	Nil	Nil	Nil
Mr. Timo Salonen	Nil	Nil	Nil	Nil

¹The number of Directorships excludes Directorships of private limited companies, foreign companies, companies licensed under Section 25 of the Companies Act, 1956 and Alternate Directorships.

²Committee includes only Audit Committee and Shareholders' Grievance Committee of public limited companies (excluding foreign companies and section 25 companies) in terms of Clause 49 of the Listing agreement.

Information provided to the Board:

The annual calendar of the Board & Committee Meetings is agreed upon at the beginning of the year. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to deliberate on relevant points and arrive at an informed decision. All relevant information related to the working of the Company, including the information required under Clause 49 I (C) (i) of the Listing Agreement is made available to the Board. In addition to matters which require to be placed before the Board for its noting and / or approval, information is also provided on various other significant matters.

Review of legal compliance reports:

During the year, the Board periodically reviewed reports placed by the management with respect to compliance of various laws applicable to the Company. The Internal Auditors also review compliance status and report to the Audit Committee.

Relationship between Directors inter-se:

Mr. Vibhu Talwar a Non - Executive Director of the Company is nephew-in-law of Mr. Suresh Gupta, Chairman and Managing Director of the Company. Other than the aforesaid there are no inter-se relationship amongst the Directors.

COMMITTEES OF THE BOARD:

The Board has constituted various Committees, viz., the Audit Committee, the Remuneration Committee, the Shareholders' / Investors' Grievance Committee and the Share Transfer Committee.

a) Audit Committee:

- The Audit Committee comprises of three Non-Executive Independent Directors, all of them are financially literate and two of them possess accounting and/or financial management expertise.

During the Year 2011, five Audit Committee meetings were held on 28th January, 2011, 16th March, 2011, 27th April, 2011, 27th July, 2011 and 2nd November, 2011. The time gap between two consecutive meetings of the Audit Committee was not more than four months.

CORPORATE GOVERNANCE (contd.)

The composition of the Audit Committee and the attendance of Directors at its meetings is given hereunder:

Name of the Director	Qualification	Meetings attended / held during FY 2011
Mr. K. C. Narang, Chairman	B. A., LLB., FCA	5/5
Mr. A. R. Gandhi	FCA (India) and FCA (England & Wales)	3/5
Mr. P. V. Narayanan	Post Graduate in Chemistry	5/5

- (ii) The terms of reference of the Audit Committee are in line with clause 49 II (C) and (D) of the Listing Agreement and Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee include the following:

- Overseeing Company's financial reporting process and the disclosure of its financial information.
- Recommending appointment, re-appointment or removal of the statutory auditors, fixing of audit fees and approving payments for any other services.
- Reviewing with the management the quarterly and annual financial statements with primary focus on:
 - a. Matters required to be included in the Director's Responsibility Statement,
 - b. Accounting policies and practices,
 - c. Compliances with accounting standards,
 - d. Accounting based on exercise of judgement by Management,
 - e. Qualifications in the draft Audit Report,
 - f. Compliance with the Listing Agreement and legal requirements concerning financial statements,
 - g. Significant adjustments arising out of audit, if any,
 - h. The going concern assumption,
 - i. Related party transactions.
- Reviewing with the management, external and internal auditors the adequacy and compliance of internal control systems.
- Reviewing Company's financial and risk management policies.
- Reviewing the internal audit function and reports and major findings of the internal auditors.
- Pre-Audit and Post-Audit discussion with the Statutory Auditors to ascertain any area of concern.

The Chairman of the Committee was present at the Annual General Meeting of the Company held in 2011 for addressing the shareholders queries, if any.

The CMD, CEO, CMO, CFO, the Statutory Auditors and the Internal Auditors are invited by the Committee to attend the meetings. Operating managers are also invited to attend as and when it is required.

The minutes of the Audit Committee meetings are placed before the Board. The Compliance Officer of the Company acts as Secretary to the Audit Committee. Mr. Anand Daga has been appointed as the Company Secretary of the Company w.e.f. 29th December, 2011.

- (iii) The Committee relies on the expertise and knowledge of the management, Internal Auditors and independent Statutory Auditors in carrying out its responsibilities. It also uses external expertise, if required. Management is responsible for the preparation, presentation and integrity of the Company's financial reporting principles. Management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with Accounting Standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal control.

CORPORATE GOVERNANCE (contd.)

M/s. S. V. Ghatalia & Associates, Chartered Accountants, are the Company's independent Statutory Auditors. They are responsible for performing an independent audit of the financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

b) Shareholders /Investors Grievance Committee:

The Committee comprises of two Non-Executive Directors. During the Year 2011, one Shareholders/Investors Grievance Committee meeting was held on 16th March, 2011 in which both the directors were present.

The composition of the Committee is given hereunder:

Name of the Director	Designation
Mr. K. C. Narang	Chairman
Mr. Ramesh K Dhir	Member

The Company has attended to all the Investor's grievances / queries / information requests except for the cases where the Company was constrained due to pending legal proceedings or Court / statutory orders. The Company endeavors to reply to all letters / complaints received from shareholders within a week of receipt of the same.

There were no investor complaints pending at the beginning and at the end of the year. The status of complaints, if any, is also reported to the Board. The Compliance Officer and his team along with the registrar and share transfer agent of the Company address general queries of the shareholders to their satisfaction.

Details of investors complaints received during 2011:

Nature of Complaint	Received	Replied/resolved	Pending	Remarks
Non-receipt of Dividend	45	45	–	–
Non-receipt of share Certificate after transfer/ Exchange/Sub divided/cosolidated/Annual Report	2	2	–	–
Total	47	47	–	–

c) Remuneration Committee:

With a view to review and recommend to the Board the remuneration payable to the Executive Directors from time to time, a Remuneration Committee of the Board was constituted which comprises of three Independent Directors. The Members of the Committee are as under:

Name of the Director	Designation
Mr. A. R. Gandhi	Chairman
Mr. K. C. Narang	Member
Mr. Ramesh K Dhir	Member

The meeting of the Remuneration Committee was held on 27th July, 2011, in which all the Directors were present.

The remuneration paid to Mr. Suresh Gupta, Chairman & Managing Director, and Mr. M. K. Srinivasan, Chief Executive Officer & Executive Director, for the year 2011 are as under

(Amt. Rs.)					
Name of the Directors	Salary	HRA	Perquisites	Commission	Total
Mr. Suresh Gupta	12,597,363	5,352,204	2,704,127	–	20,653,694
Mr. M. K. Srinivasan	7,189,038	1,935,000	1,024,477	–	10,148,515

Notes:

1. Perquisites includes Company's contribution to provident fund, medical and leave travel allowance etc. as well as monetary value of perquisites as per Income Tax Rules.

CORPORATE GOVERNANCE (contd.)

2. Salary includes incentive of Rs. 3,677,055/- paid to Mr. Suresh Gupta and Rs. 1,809,738/- paid to Mr. M. K. Srinivasan under the Management Incentive Program based on Company performance and achievement of specific targets.
3. The above does not include gratuity and leave encashment benefits as the provisions for these are determined for the Company as a whole and therefore separate amounts for the Directors are not available.
4. The Chairman & Managing Director and the CEO & Executive Director of the Company are entitled to options under "Option Rights Plan" and shares under the "Share Ownership Plan" of Huhtamaki Oyj (the ultimate Holding company) which entitles the holder of the option rights to subscribe to the shares of the ultimate holding company at a future date, at a price fixed based on the fair market price of the shares during specified period plus certain percentage of market value on the exercise date and the recipient of grants under share ownership plan is entitled to receive shares at nil cost respectively. The schemes detailed above are assessed, managed and administered by the ultimate holding company and there is no cost charged to the Company. The charge, taken by Huhtamaki Oyj in its accounts for the year ended December 31, 2011 for these options and shares is Rs. 8,604,838/- (previous year Rs. 7,193,393/-)
5. The above remuneration of Mr. Suresh Gupta, Chairman & Managing Director of the Company does not include Rs. 14,055,522/- (Previous Year Rs. 11,812,969/-), paid by Huhtamaki Oyj, the parent company, for his role as Executive Vice President, Global Flexibles Packaging, Huhtamaki Oyj.
6. Details of service contracts, notice period and severance fees of the Executive Directors:

	Mr. Suresh Gupta	Mr. M. K. Srinivasan
Date of contract	6 th July, 1999 (renewed and modified on 22 nd June 2001, 24 th June 2004, 27 th April 2007 & 3 rd March 2010)	25 th March, 2010
Notice Period	90 days	90 days
Severance fees	i. Salary and other emoluments for a period of 90 days in lieu of notice. and ii. Base salary for a period equal to one month's base salary for every year of completed service.	Salary and other emoluments for a period of 90 days in lieu of notice.

Remuneration to Non Executive Directors

Non-Executive Directors are paid sitting fees for attending Board / Committee Meetings as approved by the Board within the limits prescribed under the Companies Act, 1956.

Details of Sitting Fees paid to the Directors during the year 2011 are as follows:

Amount in Rupees

Names of the Directors	Board Meetings	Committee Meetings	Total
Mr. K C Narang	75,000	90,000	165,000
Mr. Arunkumar R Gandhi	30,000	60,000	90,000
Mr. P V Narayanan	75,000	75,000	150,000
Mr. Ramesh Dhir	75,000	15,000	90,000
Mr. S. K. Palekar	45,000	0.00	45,000
Total	300,000	240,000	540,000

CORPORATE GOVERNANCE (contd.)

The Commission payable to the Non-Executive Independent Directors for the year 2011 are as follows:

Names of the Directors	Rupees
Mr. K. C. Narang	1,100,000
Mr. Arunkumar R. Gandhi	1,000,000
Mr. P. V. Narayanan	675,000
Mr. Ramesh K. Dhir	525,000
Mr. S. K. Palekar	396,000
Total	3,696,000

Commission payable to each of the Independent Directors as authorized by the Members at 57th Annual General Meeting held on April 27, 2007, is limited to a fixed amount per year as determined and approved by the Board based on their contribution at the Board and Committee meetings. The total amount of commission to Non-Executive Independent Directors is within the limit of 1% of the net profits of the company for the year, calculated as per the provisions of the Companies Act, 1956.

The total compensation payable to Independent Directors and the method of calculation of the limits as laid down in the Companies Act, are disclosed separately in the financial statements:

None of the Non-Executive Directors (except Mr. K. C. Narang, who holds 1,50,000 equity shares in his personal capacity) are holding shares in the Company. The Company has not granted any stock options to its Directors.

d) Share Transfer Committee

The Board of Directors has delegated the powers to approve the transfer of shares to a Share Transfer Committee. The Committee comprised of Mr. Suresh Gupta, Chairman & Managing Director, Mr. M. K. Srinivasan, CEO & Executive Director and Mr. Johann Sippel, Director.

The report of the Practising Company Secretary on the Reconciliation of Share Capital of the Company as required by SEBI is obtained every quarter and furnished to the Stock Exchanges. The Report is also placed before the Board and noted by them as required under the applicable law.

Share Transfer System

Documents for transfer of shares in physical form can be lodged with Sharepro Services (India) Pvt. Ltd., the R&T Agents of the Company. The Board of Directors has delegated the powers to approve the transfer of shares to Share Transfer Committee. The Committee attends to share transfer formalities at least once in fortnight.

MANAGEMENT

Management Discussion and Analysis

This Annual Report has a detailed section on Management Discussion and Analysis (MDA).

Disclosures by Management

The particulars of transactions between the Company and its related parties as per the Accounting Standard are set out in Note 5 of Schedule 16 forming part of the accounts. These transactions are not likely to have any conflict with the Company's interest.

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and interested Directors neither participate in the discussion, nor do they vote on such matters.

CMD / CEO / CFO Certification

Mr. Suresh Gupta, Chairman & Managing Director, Mr. M. K. Srinivasan, CEO & Executive Director & Mr. Parag Vyavahare, Chief Financial Officer, have issued necessary certification to the Board in terms of Clause 49(V) of the Listing Agreement and the same was taken on record by the Board at its meeting held on 31st January, 2012. A copy of this certificate is provided as Annexure A to this report.

CORPORATE GOVERNANCE (contd.)

Code of Conduct

As required under Clause 49 of the Listing Agreement, the Company has laid down Code of Conduct for Directors and Senior Management Personnel of the Company. The same has been posted on the Company's website www.pplpack.com. The Company has received affirmation of compliance from Directors & Senior Managerial Personnel of the Company for the financial year ended December 31, 2011. A declaration to this effect signed by the Chairman & Managing Director of the Company is provided as Annexure B to this report.

DISCLOSURES

Disclosures Regarding Appointment or Reappointment of Directors

- A. Pursuant to the Articles of Association of the Company, at every Annual General Meeting of the Company, one-third of the directors, whose office is subject to retirement, are liable to retire.

Accordingly, Mr. P V Narayanan and Mr. Jukka Moisio being longest in office shall retire by rotation, and being eligible have offered themselves for re-appointment.

- B. The brief resumes of the above-mentioned Directors are as follows:

Mr. P V Narayanan is a Post-Graduate in Chemistry and Diploma in Marketing Management. He has 46 years of experience in the field of packaging covering various positions of eminence. He has been conferred with the Honorary Membership by the Asian Packaging Federation. He has been awarded the Fellow of Institute of Packaging. (F.Inst.Pkg) UK and Chartered Scientist (CS) by the Science Council, UK. He is an advisor of Cognizance Packaging Solutions Pvt. Ltd. Mr. Narayanan is a member of the Board of APEDA (Agricultural & Processed Food Products Export Development Authority), Ministry of Commerce & Industry, Government of India. He has been an Independent Director of the Company since March 2002.

Mr. Jukka Moisio holds Masters degree in Science and (Econ) and MBA and has worked with Ahlstrom Corp (1991 – 2008) before joining Huhtamaki Oyj in the year 2008. He is holding the position of CEO and Chairman of Group Executive Team of Huhtamaki Oyj. He has been nominated as Director by Huhtavefa B.V. on PPL Board of Directors w.e.f. 23rd April 2008.

Means of Communication

The Company has always promptly reported to all the Stock Exchanges where the securities of the Company are listed, all the material information including declaration of quarterly / half-yearly and annual financial results in the prescribed formats and through press releases etc.

The financial results and other statutory information are communicated to the shareholders by way of advertisement in one English daily and one Marathi language daily newspaper, as per the requirements of the Listing Agreement entered with Stock Exchanges.

Financial results are normally published in "Business Standard" in English & "Sakal" in Marathi.

The said results are also made available on the Company's website: www.pplpack.com. Official press releases, Company information, Annual Reports and the extracts of media coverage are also displayed on the Company's website.

As the financial results are published in leading newspapers as well as hosted on the Company's website, the results are not sent to the households of the individual shareholders.

Insider Trading Regulations

The Company has notified and adopted the PPL Code of Conduct for Prohibition of Insider Trading made pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992. The Company Secretary of the Company is the Compliance Officer for the purpose of these Regulations.

The Company Secretary of the Company who was the Compliance Officer has resigned w.e.f. 30.11.2010 and Mr. Parag Vyavahare, Chief Financial Officer of the Company, has been designated as the Compliance Officer for the purpose of these

CORPORATE GOVERNANCE (contd.)

regulations, w.e.f. 12.12.2010. Mr. Anand Daga has been appointed as the Company Secretary of the Company w.e.f. 29th December, 2011.

Details of capital market related non-compliance, if any

There has been no non-compliance by the Company of any legal requirements during the last three years; nor has there been any penalty, stricture imposed on the company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets pertaining to this period.

Risk Management

The Company has in place mechanism to inform Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by the Executive Management.

Adoption/Non-adoption of Non-Mandatory Requirements of Clause 49 of the Listing Agreement

- The Company has not provided for tenure of Independent Directors.
- The Company has set up the Remuneration Committee.
- The Company does not send Half-yearly financial performance to each household of shareholders, as it is displayed on Company's website.
- The Audit qualifications if any are displayed in the financial reports of the Company. There are no audit qualifications for the year under review.
- The Company does not have any formal training program for Board Members.
- There is no mechanism for evaluating the performance of non-executive Board Members.
- The Company does not have a "Whistle Blower Policy" for the time being, however no personnel has been denied access to the Audit Committee.

ANNUAL GENERAL MEETINGS

The details of last three Annual General Meetings held were as under:

Year	Date	Time	Location	Special Resolutions passed
2008	28.04.2009	4.30 PM	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020	NIL
2009	27.04.2010	4.00 PM	- Do -	NIL
2010	27.04.2011	4.00 PM	- Do -	NIL

GENERAL SHAREHOLDER INFORMATION

Details of ensuing Annual General Meeting

Day & Date	Time	Venue
Friday, May 4, 2012	4.00 pm	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020

Financial Calendar:

Financial Year: Calendar Year (1st January to 31st December)

CORPORATE GOVERNANCE (contd.)

Schedule of the Board Meetings for declaration of Financial Results (tentative and subject to change):

Quarter ended	Date of Board Meetings
March, 2012	4 th May, 2012 (Friday)
June, 2012	31 st July, 2012 (Tuesday)
September, 2012	30 th October, 2012 (Tuesday)
December, 2012	Last week of January 2013

Book Closure Date

Pursuant to Section 154 of the Companies Act, 1956, the Register of Members will remain closed from 26th April, 2012 to 4th May, 2012 (both days inclusive).

Dividend Payment Date

Dividend at the rate of Rs. 2.40 per share has been recommended by the Board and is subject to the approval from the shareholders at the ensuing AGM, the same will be paid on or after Tuesday, 15th May, 2012:

- to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end-of-the-day on Wednesday, 25th April, 2012; and
- to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the company on or before the closing hours on Wednesday, 25th April, 2012.

Dividend History of the Company

Year	AGM Date	Dividend Rate Rs. (%)
2008	28.04.2009	Rs. 1.80 (90%)
2009	27.04.2010	Rs. 3.00 * (150%)
2010	27.04.2011	Rs. 2.20 (110%)

* Includes one time Platinum Jubilee dividend of Re. 1/- per equity share.

Listing of Shares on Stock Exchanges

The Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The details of the same are as follows:

Stock Exchange	Stock Code/Symbol
Bombay Stock Exchange Limited (BSE)	509820
The National Stock Exchange of India Limited (NSE)	PAPERPROD

The ISIN of Company's equity shares is INE275B01026.

Annual Listing fees for 12 months ended March 31, 2011 have been paid to the BSE and NSE.

Company Identification Number (CIN)

All the forms, returns, balance sheets, charges & all other documents, papers etc. filed by the Company with the Registrar of Companies are available for inspection on the official website of MCA www.mca.gov.in, under the Company Identification Number (CIN): L21011MH1950FLC145537.

Auditor's Certificate On Corporate Governance

As required under Clause 49 of the Listing Agreement, the Auditor's Certificate regarding the compliance of provisions of the Corporate Governance norms is attached with this report.

CORPORATE GOVERNANCE (contd.)

Stock Data

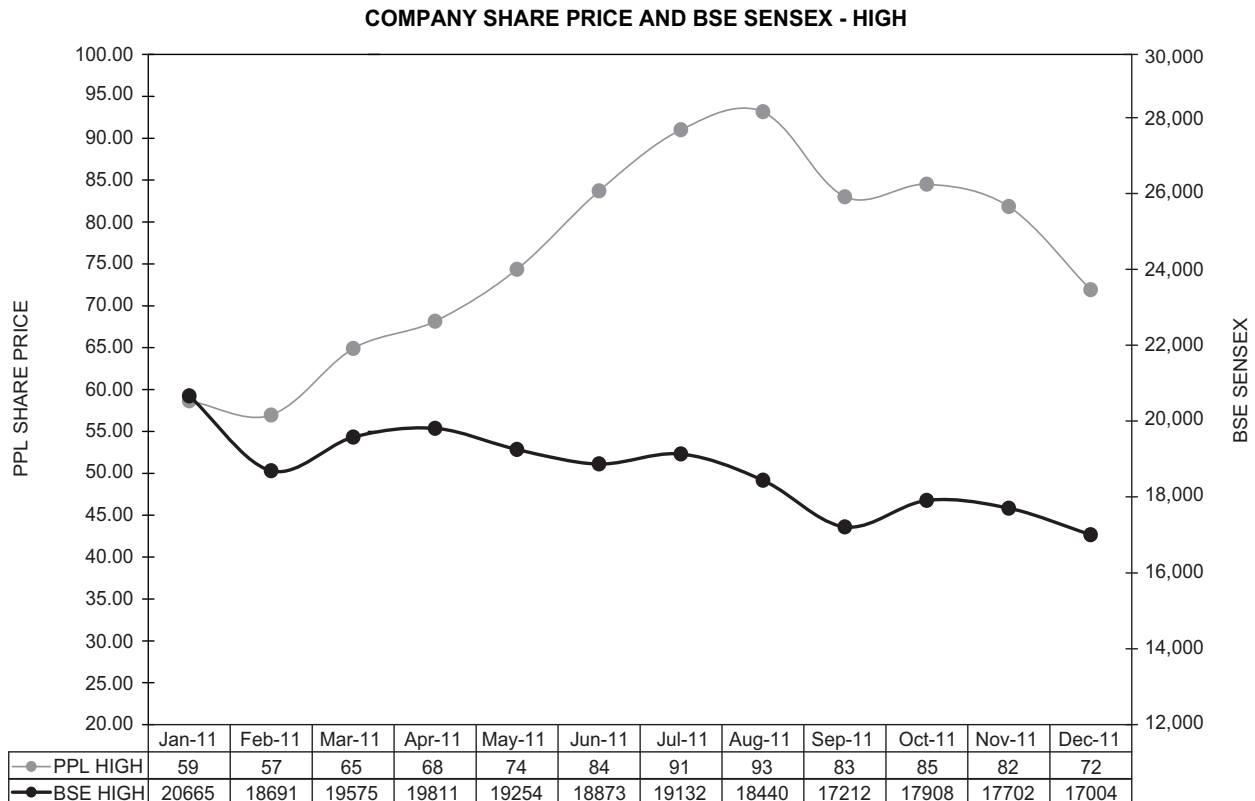
The table herein below gives the monthly high and low prices and volume of the Company's shares traded at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange (NSE) during the period from January 2011 to December 2011.

Month & Year	BSE			NSE		
	High (Rs./share)	Low (Rs./share)	Volume (No. of Shares)	High (Rs./share)	Low (Rs./share)	Volume (No. of Shares)
January 2011	58.65	51.00	350,373	58.25	51.30	401,502
February 2011	56.95	50.35	341,794	59.20	50.50	365,542
March 2011	64.90	52.00	590,268	65.00	52.25	840,206
April 2011	68.15	56.40	1,803,618	68.60	56.20	2,969,881
May 2011	74.35	64.05	1,376,790	74.40	64.35	2,441,650
June 2011	83.70	65.50	1,741,556	83.55	65.70	3,255,759
July 2011	91.00	72.55	1,959,564	91.00	72.00	4,005,664
August 2011	93.15	75.05	705,894	93.25	75.25	1,562,157
September 2011	83.00	73.05	328,856	82.90	73.60	559,434
October 2011	84.50	70.80	561,963	86.60	70.20	1,150,116
November 2011	81.85	62.55	491,453	82.00	62.90	913,344
December 2011	71.90	58.10	540,625	71.80	58.10	954,831

Note:

- Volume is the total monthly volume of trade (in numbers) in shares of "The Paper Products Limited" on respective exchanges.

The chart herein below shows the comparison of the Company's share price movement vis-à-vis the movement of the BSE Sensex:



CORPORATE GOVERNANCE (contd.)

DISTRIBUTION OF SHAREHOLDING

Following is the distribution pattern of shareholding of the Company as on 31st December 2011:

Distribution of shareholding by ownership:

Sr. No.	Category	No. of Shareholders*	No. of Shares	% of Total Holding
1.	Indian Promoters	10	1,833,987	2.93
2.	Foreign Promoters – Huhtavefa B.V.	1	38,095,166	60.77
3.	Foreign Institutional Investors	9	839,325	1.34
4.	NRI's & OCB's	270	596,431	0.95
5.	Bodies Corporate	556	5,364,571	8.56
6.	Banks/ Financial Institutions	5	25,400	0.04
7.	Insurance Companies	1	227,745	0.36
8.	Mutual Funds	8	3,325,516	5.30
9.	Resident Individuals	13224	12,366,542	19.73
10.	Trust	1	12,507	0.02
	Total	14085	62,687,190	100.00

* No of shareholders based on number of folios/demat accounts as per register of members.

Distribution of shareholding by number of shares held:

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares
Up to – 500	10,038	71.27	1,741,213	2.78
501 – 1000	1,692	12.02	1,387,483	2.22
1001 – 2000	1,124	7.98	1,700,346	2.71
2001 – 3000	408	2.89	1,048,861	1.67
3001 – 4000	184	1.31	653,105	1.04
4001 – 5000	174	1.23	820,435	1.31
5001 - 10000	241	1.71	1,733,797	2.77
10001 and above	224	1.59	53,601,950	85.50
Total	14,085	100.00	62,687,190	100.00

Following is the List of Top Ten Shareholders (other than Promoters) of the Company as on 31st December 2011:

Sr. No.	Name of Shareholder	No. of Shares Held	% of Total Shareholding
1	HDFC Trustee Company Ltd. A/c HDFC MID	2,886,272	4.60
2	Shree Capital Services Limited	896,147	1.43
3	India Optima Fund	671,572	1.07
4	Stockhome India Limited	600,000	0.96
5	Bit Byte Investment Services Pvt. Ltd.	460,000	0.73
6	UTI-MID Cap Fund	366,700	0.58
7	Thathi Infin Lease Services Pvt. Ltd.	290,000	0.46
8	Pulkit Commercials Pvt. Ltd.	230,000	0.37
9	The New India Assurance Company Ltd.	227,745	0.36
10	Newa Investments Pvt. Ltd.	185,605	0.30
	Total	6,814,041	10.87

CORPORATE GOVERNANCE (contd.)

PLEDGE OF SHARES

No pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders as on December 31, 2011.

DEMATERIALISATION OF SHARES

At present, 97.70% of the Company's shares are held in electronic form and the Company's shares can only be traded in compulsory demat segment in the stock exchanges where it is listed.

The table herein below gives the break up of shares in physical and demat form as at December 31, 2011 :

No. of Shares in physical segment	1,444,253	2.30%
No. of Shares in demat segment	61,245,937	97.70%
Total	62,687,190	100.00%

OUTSTANDING GDRS/WARRANTS/CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY

The Company has not issued any ADR, GDR or Warrants and there are no Convertible instruments outstanding and hence there is no likely impact on equity.

DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS

The Company has not obtained any public funding in the last three years.

ELECTRONIC CLEARANCE SCHEME (ECS) FOR DIVIDEND

To avoid risk of loss / interception of dividend warrants in postal transit and / or fraudulent encashment, shareholders are requested to avail of the ECS facility where dividends are directly credited in electronic form to their respective bank accounts. This also ensures faster credit of dividend. Shareholders who desire receipt of their dividend through ECS can obtain the form from the Registrar & Transfer agent of the Company.

Shareholders may also submit their bank details to Registrar and Transfer Agent. This will enable the Company to incorporate this information on dividend warrants to minimize the risk of fraudulent encashment.

ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

All correspondence may please be addressed to the Registrar and Transfer Agent, SHAREPRO SERVICES (INDIA) PRIVATE LIMITED at the address given below.

In case any shareholder is not satisfied with the response or do not get any response within reasonable period from the Registrar and Transfer Agent, they may approach the Compliance Officer at the Registered Office of the Company or email their queries/ grievances to investor.communication@pplpack.com.

Registered Office:

The Paper Products Limited
Regent Chambers, 13th Floor,
Nariman Point,
Mumbai – 400 021
Tel: +91 22 2282 0969, +91 22 2283 1889
Fax: +91 22 2283 2860
Website: www.pplpack.com
Email: investor.communication@pplpack.com

Registrar and Transfer Agent (R&TA)

Sharepro Services (India) Pvt. Ltd.
UNIT : PPL
13 AB, Samhita Warehousing Complex, 2nd Floor
Sakinaka Telephone Exchange Lane
Off Andheri-Kurla Road
Sakinaka, Andheri East
Mumbai - 400072
Tel: +91 22 6772 0300
+91 22 6772 0351/2/3
Fax: +91 22 2837 5646
Website: www.shareproservices.com
Email: sharepro@shareproservices.com

CORPORATE GOVERNANCE (contd.)

COMPLIANCE OFFICER

Mr. Parag Vyavahare, Chief Financial Officer was the Compliance Officer of the Company till 30th January, 2012.

Mr. Anand Daga, Company Secretary & Head – Legal is the Compliance Officer of the Company w.e.f. 31st January, 2012.

LOCATIONS

Registered Office: Regent Chambers, 13th Floor, Nariman Point, Mumbai –400021

Corporate Office: L.B.S. Marg, Majiwade, Thane (Maharashtra) – 400601

Plants:

Thane	L.B.S. Marg, Majiwade, Thane (Maharashtra) - 400601
Silvassa	Survey No. 33/1, At Post Umerkoi, Via Silvassa (U. T. of Dadra & Nagar Haveli) - 396230
Hyderabad	Plot No.139 & 148, Sri Venkateshwara Co-op. Industrial Estate, Bollaram, Medak District (Andhra Pradesh) - 502325
Rudrapur	Plot No. 70-73, Sector 4, IIE Pantnagar, Rudrapur, Udhamsingh Nagar (Uttarakhand) – 263153

Annexure A

CMD/CEO/CFO certification (As per clause 49(v) of the Listing Agreement)

31st January 2012

To
The Board of Directors
The Paper Products Ltd.

We hereby certify that in the preparation of the accounts for the year ended December 31, 2011,

- (a) We have reviewed financial statements and the cash flow statement for the year 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.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, and further state that there were no deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the auditors and the Audit Committee
 - a. That there are no significant changes in internal controls over financial reporting during the year.
 - b. That there are no Significant changes in accounting policies during the year.
 - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

Suresh Gupta
(Chairman & Managing Director)

M. K. Srinivasan
(CEO & Executive Director)

Parag Vyavahare
(Chief Financial Officer)

CORPORATE GOVERNANCE (contd.)

Annexure B

Certificate of Compliance with the Code of Conduct for Board of Directors and Senior Management Personnel

The Members of The Paper Products Limited

As required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have complied with the Code of Conduct of the Company for the year ended December 31, 2011.

For **The Paper Products Limited**

Mumbai
31st January, 2012

Suresh Gupta
Chairman & Managing Director

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER CLAUSE 49 OF LISTING AGREEMENT

To The Members of The Paper Products Limited

We have examined the compliance of conditions of corporate governance by The Paper Products Limited, for the year ended on December 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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 **S.V. GHATALIA & ASSOCIATES**
Firm registration number: 103162W
Chartered Accountants

Mumbai
21st March, 2012

per Sudhir Soni
Partner
Membership No.: 41870

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Twenty years of economic reforms have permanently changed the way India lives. Cumulative effect of changes in the last two decades resulted in per capita income growing at its fastest rate since Independence. We are now the third largest economy in terms of purchasing power. Changes came in doses, in different sectors at different times — but kept the economy rolling forward. The great Indian middle class supported steep increases in outlay, investment and consumption.

2011 was a very challenging year for India, as in other countries. Turbulence and volatility were the theme of 2011. Even as economies around the world tried to recover from the meltdown of 2008, natural disasters in South America, Japan and Thailand, revolutions in West Asia and North Africa, debt crisis and threat of collapse of the Eurozone have created uncertainties in the global economy. Two of the largest economic powers of the world – Japan and Europe – were badly affected. Signs of a deeper global recession have emerged during the second half of 2011.

While the developed world allowed interest rates to sink to near zero level to energise their economies, emerging economies had to increase interest rates to rein in inflation, especially in food and energy costs. Growth rates in India and China have slowed down.

Despite signs of global economic slowdown, commodity prices and energy costs continue to remain high due to rising crude price and shortages in supplies arising from disruption in production of key raw materials in Japan and Thailand.

While the global developments started exerting pressure on our economy as well, the Indian polity was also beset with scandals that led to a major movement by the Civil Society against corruption in public offices. Hence, policy issues took a back stage. The GDP Growth slipped in the second half of 2011 and the media and industry perceives it as “policy paralysis”.

Indian corporates need high growth to sustain investments made/planned in anticipation of an annual 8 – 9% growth in GDP. Slow-down in demand in several sectors led to sluggish volume growth, pushing up costs and drop in margins.

Successive interest rate increases and tightening of liquidity by the RBI forced business houses to do a fine balancing between Growth – Profits – Cash. Even fast growing segments, for example, Pharma and FMCG were under pressure and “Profitable Growth” became an operational challenge. Same was the case for PPL.

Huhtamaki Oyj increased its shareholding in the Company from 58.9% to 60.8% during the year, demonstrating Huhtamaki’s confidence in and support to Indian operations.

FINANCIAL OVERVIEW

(A) Results of Operations

Sales

Your Company ended 2011 with Net Sales of INR 7973 Mn against INR 7040 Mn for 2010 - a value growth of 13.3%. Volumes in Domestic Flexible Laminates and Tube Laminates remained static while Labelling volumes grew by 25%. Exports volumes grew by 19%. The Specialized Cartons business was turned around by optimizing the Product mix.

Other Income

Other Income was INR 136.8 Mn against INR 83.2 Mn for the previous year. It includes INR 42.2 Mn of dividend from Mutual Funds, INR 16.8 Mn from sale of fixed assets (Net), INR 6.0 Mn from write back of fixed assets provision (Net) and INR 3.9 Mn of provision for sales tax written back.

Raw Material

Input costs rose from 70.5% of net sales in 2010 to 70.7% of net sales in 2011.

2011 was marked by product shortages and supply disruptions due to natural disasters during the first half of the year.

MANAGEMENT DISCUSSION & ANALYSIS (contd.)

Though PET film prices normalized in early 2011 due to new capacities coming on stream, the reduction in costs was more than offset by price increases in specialty resins, solvents, pigments and adhesives which were in tight supply. Even as the supply position began easing towards the later part of 2011, depreciation of the rupee pushed up the cost of imports. Energy costs rose on the back of rising crude prices, shortage in supplies of coal and tariff increases. Manufacturing costs and freight rates rose steeply as a consequence.

Managing costs and supplies remained a challenge in 2011 and is a challenge for 2012.

Profit before Taxation

Profit before tax was INR 624.6 Mn against INR 462.7 Mn for 2010 - an increase of 35%.

Provision for Taxation

Provision for taxation for the year is INR 128.1 Mn (including deferred tax) on Profits before tax. The effective tax rate for the year is 20.5%.

(B) Financial Position

Reserves and Surplus

Reserves and Surplus increased by INR 351.7 Mn after providing for dividend (including tax thereon) amounting to INR 174.32 Mn for the year 2011.

Fixed Assets

Addition to fixed assets of INR 311.7 Mn primarily includes Plant and Machinery.

Inventories

Inventories amounted to INR 843.7 Mn at the end of 2011 as against INR 892.1 Mn at the end of the previous year. The drop is due to measures taken to control working capital.

Inventories at the end of 2011 represents 39 days of sale value.

Sundry Debtors

Sundry Debtors amounted to INR 1295.9 Mn at the end of 2011 as against INR 1188.3 Mn at end 2010.

Debtors at the end of 2011 represents 57 days of 'sale value'.

Cash and Bank Balances

Cash and bank balances at the end of the year amounted to INR 222.8 Mn

Loans and Advances

Loans and Advances of INR 182.4 Mn at the year-end largely comprise balances and deposits with Customs, Port Trust etc. and prepaid expenses.

Current Liabilities

Sundry Creditors for raw materials and packing materials at the end of 2011 amount to INR 1053.9 Mn while other liabilities stood at INR 364.6 Mn.

Provisions

Provisions of INR 240.5 Mn at end 2011 include provision for employee benefits of INR 43.1 Mn.

MANAGEMENT DISCUSSION & ANALYSIS (contd.)

Net Working Capital

As at 31st December, 2011, Net Working Capital is INR 1003.5 Mn against INR 1033.2 Mn as at 31st December, 2010. The drop is due to measures taken to control working capital.

Return on Capital Employed

Return on Capital Employed was 18.8% for 2011 against 15.4% for 2010.

MARKET

Despite the slowing down of growth in several sectors and economic gloom, India's billion plus consumers cushioned the adverse impact on consumer goods. According to a recent CII study, between 2010 and 2020, the Indian consumer market is poised to grow 3.6 times. Rising incomes, nuclear families, urbanization and a younger and more affluent population continue to be the key drivers on the demand side. In addition to this, the rural marketing efforts of FMCG manufactures have increased the size of the market.

From packaged foods to personal care products, almost every category has been clocking robust growth. Further, most large and small FMCG players, whether organized and unorganized, have undertaken price hikes to improve their margins on the basis of strong demand and general inflation. Companies hope new launches and rising rural demand will drive sales growth further, but are cautious on margins.

Food constitutes about 33% of the overall consumption spend. With the demographic changes well in place, the food and grocery markets present new opportunities for both FMCG and retail companies. Both segments are expected to entice the consumer to "trade up". In the coming years, FMCG companies could expect enhanced penetration, larger volumes and premium products with better realizations.

Modern retail networks with their end-to-end cold chains will not only reduce the number of intermediaries in the supply chain but also reduce wastages and improve earnings for the farmer. Retail prices may not necessarily fall in tandem, but availability of fresh fruits, vegetables and poultry products would become a reality. These are expected to make demands on the packaging industry for packaging specifically suited to these products.

OPPORTUNITIES

Growth in consumer spend, growing rural demand, changing demographics, emergence of a fast growing market for convenience goods, retail trade and quest for quality products are expected to sustain increase in the demand for packaging in the medium to long term.

Flexible packaging continues to be the preferred packaging medium as it is light, uses less material, is an efficient packaging format for transportation. It can – in selective cases – be made in re-closable format which is easy to store and dispose. Besides, it can protect the product from moisture and contamination, retain aroma and lend gloss and graphic appeal to the consumer.

Flexible Packaging industry is expected to grow in the near future at 15% per annum. It is estimated that Flexible Packaging accounts for about 22% of the total packaging market. Small pack sizes have helped grow the rural demand because of affordable price points.

Food on display – whether frozen or at normal temperature – will need appropriate packaging. Branded foods use specialized packaging as a promotional medium. This would not only improve business prospects for packaging but also raise the bar for quality packaging. Besides normal known functions, packaging will also play a role in safe transportation, storage and handling as technology improvements take root in the supply chain. Necessity will also spur emerging ideas such as Active Packaging Technologies and use of new Barrier materials.

MANAGEMENT DISCUSSION & ANALYSIS (contd.)

RISKS AND CONCERNS

In the near term, political uncertainties, inflation, high interest rates, rising commodity prices and perceived slowdown on policy matters are management's major concerns.

High growth rate in flexible packaging continues to attract new entrants. Existing manufacturers are also adding capacities and upgrading facilities. As a consequence, competitive pressure continues to intensify leading to margin erosion.

PPL is responding to the above through 'NASP' and continuous efforts to contain costs and seek new customers and new markets.

We seek growth – but profitable growth. The Company undertook a review of every business, realigned specific strategies, focused on internal efficiencies and improvement in customer service.

Union Budget 2012-13 has proposed a 2% increase in excise duty and service tax. Price adjustments will be effected in a calibrated manner.

Budget also has proposals regarding fresh compliance needs applicable to all corporates.

INTERNAL CONTROLS

PPL views Internal Control as a tool for improving operational performance and ensuring reliability of reporting mechanism. Both Statutory and Internal Auditors review internal controls every year and new areas of business operations are added to enhance the scope of review. Internal Control systems cover following aspects:

- Financial propriety of business transactions
- Accurate financial reporting of transactions as per applicable Accounting Standards and policies
- Safeguarding assets of the Company
- Compliance with relevant statutes, listing agreement provisions, management authorizations, procedures and policies
- Review of information technology and other business systems so as to suggest ways and means of improvement. The Audit Committee meets the Internal and Statutory Auditors to review the findings and be assured of the effectiveness of Controls

Systems

The ERP system stabilized in more areas during the year leading to improved quality of reporting. The system is also emerging as a decision making tool. Continuous training and learning during the year have raised the performance levels of most modules and strengthened analytics for business decisions.

Risk Management

All risks — Technology, Market, Environment, Forex, Energy cost, Investments, People – need to be cognized and managed.

Your Company has an effective risk management and minimization procedure along with a structure in place to identify and mitigate various identifiable risks from time to time. Risks are reviewed by the Board - besides, controls are initiated with specific responsibility assigned to concerned personnel.

CAPEX AND OPERATIONS

Phase one of the Company's Rudrapur's plant was a success . The government's decision to extend the concessional benefits to expansions has encouraged the Company to invest further in Rudrapur . Capital expenditure of INR 380 Mn which started in early 2011 has been completed in Q-1 of 2012.

The new line at Hyderabad aims at exploiting the growing Southern market and resulted in capital outlays of INR 64 Mn during the year.

MANAGEMENT DISCUSSION & ANALYSIS (contd.)

Management's focus has been on improving equipment reliability – especially equipments that are more than 10 years old, improving throughputs, reducing job change over times and reducing waste.

On the basis of a thorough audit of the equipment health, a few key machines were revamped across all plants.

Daily review of operations – including forecasting, helped to raise operational efficiency and brought in waste reduction.

All plants were certified for ISO 22000 compliance during 2011.

As part of Huhtamaki Global Flexibles' Global Synergy programme, overseas and Indian teams visited plants in different countries, exchanged information on best practices and set benchmarks for performance of the production facilities. All four plants of PPL benchmark themselves on key parameters not only between themselves but also with Huhtamaki plants in Europe and Asia.

NASP

(New Applications, Structures, Products and Processes – NASP) continues to be the Company's flagship programme to counter competitive pressures. During the year, the Company made key organisational changes to further strengthen the process, sought newer materials, explored alternate processes and is working on new structures and packaging formats with major customers.

Management also continually tracked material cost/availability issues and innovated structures to support emerging trends.

PPL was supported in its NASP efforts by the 'global innovations team' of Huhtamaki Flexibles Global. The Company is working on numerous projects with customers with a global footprint with active help and support from the Global NPD team.

AWARDS

Your Company continues to maintain its record of winning awards for Packaging innovation and excellence. During 2011, 7 IFCA STAR awards were received for speciality laminates, shrink sleeves and specialized cartons.

PEOPLE

Our people have always been our pride and will always be our biggest asset.

In addition to meeting their set performance targets, our people contribute ideas that provide us with distinct competitive advantage.

Along with our investments in state-of-the-art technology for producing high quality Flexible Packaging, we have consistently invested time and energy in growing our people. However, like any other industry leader, we have been facing attrition and challenges in retaining talent.

Number of employees as at 31st December 2011 were 1485 compared to 1448 at the end of 2010. Increase of 37 is largely attributable to addition of the new line in Rudrapur.

In keeping with the times, we have embarked on a review of our HR practices and our HR strategy has been re-engineered with special emphasis on:

- Sharper role focus and career plans for individuals
- Cross functional and cross cultural exposure to develop leaders
- Improving resource and facility management to provide a healthy and conducive work environment
- And developing a strong Performance Management System to help us identify, nurture and reward high performers and support and correct the weaker areas .

We have set ourselves high benchmarks.

PPL's new HRMS (HR data Management System) has been christened as "PeoPLe".

MANAGEMENT DISCUSSION & ANALYSIS (contd.)

HEALTH, SAFETY AND ENVIRONMENT

The Huhtamaki Group as well as PPL place a very high premium on Safety. Ensuring a high level of awareness of safety and diligently following safety practices are important focus areas across the Company. We follow the philosophy – ‘Safety is an attitude to be practised in all facets of our working’.

Progressively, we are taking advantage of the safety features being built in by machinery manufacturers into their products, thereby making safety less human dependant. At the same time, we continue to lay emphasis on training for safety as an ongoing process and conduct regular audits to reinforce the seriousness imparted to safety.

Proactive workplace monitoring, noise monitoring and health checkups continued. All statutory requirements have been complied.

FINALLY

As we seek profitable growth, NASP, productivity, throughput increases, asset utilization to near nameplate capacities, effective procurement and supply chain management would be special focus areas for 2012.

Products that affect the lives of people everyday present an opportunity for packaging. Further, in a flat world, packaging can be a game changer in the demand-supply equation. Children and young adults influence family purchases besides being spenders themselves. Besides normal channels, theme based promotions are additionally routed through packaging. All this bodes well for your Company. Outlook for Packaging in the short to medium term continues to be positive.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates regarding future performance may be "forward looking statements" within the meaning of applicable securities laws and regulations and are based on currently available information. The management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to future events and uncertainties, which could cause actual results to differ materially from those that may be indicated by such statement.

AUDITORS' REPORT

To The Members of
The Paper Products Limited

1. We have audited the attached Balance Sheet of The Paper Products Limited ('the Company') as at December 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ("the Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. 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;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - v. On the basis of the written representations received from the directors, as on December 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 December 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.V. GHATALIA & ASSOCIATES
Firm registration number: 103162W
Chartered Accountants

per Sudhir Soni
Partner

Membership No.: 41870

Mumbai
31st January, 2012

ANNEXURE TO THE AUDITORS' REPORT

referred to in paragraph [3] of our report of even date

Re: The Paper Products Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (iii) (b) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (f) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

ANNEXURE TO THE AUDITORS' REPORT (contd.)

- (c) According to records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:-

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount Rs. in '000
Income Tax Act, 1961	Tax and Interest	2007-08 and 2008-09	Commissioner of Income Tax (Appeals)	7,923
	Tax and Interest	2001-02	High Court of Mumbai	5,108
State and Central Sales Tax Acts	Tax	2004-05	Commissioner of VAT	14,800
	Tax	2007-08	Deputy Commissioner of Sales Tax	472
	Tax	1997-98, 2001-02 and 2005-06	Joint Commissioner of Sales Tax (Appeals)	8,677
	Tax	2006-08	Assistant Commissioner of Sales Tax	3,322
Finance Act, 1994 – Service Tax	Tax and Penalty	2002-2010	Custom, Excise and Service Tax Appellate Tribunal	2,175
Central Excise Act, 1944	Tax	1998-2004	Supreme Court	134,694
	Tax	2005-08	Assistant Commissioner of Central Excise	50,483
	Tax and Penalty	1997-2000, 2004-05	The Commissioner of Central Excise	1,034
	Tax and Penalty	1989-90, 1996-2008	Custom, Excise and Service Tax Appellate Tribunal	327,714

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

ANNEXURE TO THE AUDITORS' REPORT (contd.)

- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money through public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **S.V. GHATALIA & ASSOCIATES**

Firm registration number: 103162W

Chartered Accountants

per Sudhir Soni

Partner

Membership No.: 41870

Mumbai
31st January, 2012



BALANCE SHEET

As at 31st December 2011

(Rs. in Thousands)

	Schedule	2011	2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	125,383	125,383
Reserves and Surplus	2	3,162,895	2,811,229
		3,288,278	2,936,612
Loan Funds			
Unsecured Loans	3	221,451	225,309
		221,451	225,309
Deferred Tax Liability (Net)			
(Refer Schedule 16 Note 3 b)		25,212	52,639
		3,534,941	3,214,560
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	4,683,130	4,397,563
Less: Accumulated Depreciation		2,943,866	2,644,604
Net Block		1,739,264	1,752,959
Capital Work in Progress including Capital Advances		158,363	33,920
		1,897,627	1,786,879
Investments			
	5	633,767	394,481
Current Assets, Loans and Advances			
	6		
Inventories		843,734	892,068
Sundry Debtors		1,295,927	1,188,299
Cash and Bank Balances		222,785	108,447
Other Current Assets		146,589	127,576
Loans and Advances		182,448	197,555
		2,691,483	2,513,945
Less: Current Liabilities and Provisions			
	7		
Current Liabilities		1,447,431	1,253,522
Provisions		240,505	227,223
		1,687,936	1,480,745
Net Current Assets			
		1,003,547	1,033,200
		3,534,941	3,214,560
Significant Accounting Policies	15		
Notes to Accounts	16		

The accompanying Schedules referred to above form an integral part of the Accounts.

As per our report of even date attached.

For S.V. Ghatalia & Associates

Firm Registration No. 103162W
Chartered Accountants

per Sudhir Soni
Partner

Membership No. 41870

Mumbai
January 31, 2012

Suresh Gupta
Chairman & Managing Director

Parag Vyavahare
Chief Financial Officer

Anand Daga
Company Secretary & Head Legal

M.K. Srinivasan
Chief Executive Officer & Executive Director

Jukka Moisio
Johann Sippel
K.C. Narang
P.V. Narayanan
R.K. Dhir
S.K. Palekar } *Directors*

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2011

(Rs. in Thousands)

Schedule	2011	2010
INCOME		
Gross Sales	8,617,523	7,613,309
Less:Excise Duty	482,389	449,945
Less:Sales Tax	162,127	123,264
Net Sales	7,973,007	7,040,100
Other Income	136,775	83,218
	8,109,782	7,123,318
EXPENDITURE		
Material Costs	5,636,768	4,965,529
Manufacturing and Operating Expenses	507,910	447,841
Personnel Expenses	642,993	591,007
Administration and Sales Expenses	376,859	354,345
Depreciation and Amortisation	320,456	323,967
Foreign Exchange (Gains)/Losses (Net)	(5,797)	(28,039)
OPERATING PROFIT	630,593	468,668
Financial Expenses	5,947	5,970
PROFIT BEFORE TAX, EXCEPTIONAL AND EXTRAORDINARY ITEMS	624,646	462,698
Exceptional Income / (Expenses) (Refer Schedule 16 Note 23)	-	122,809
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	624,646	585,507
Provision for Current Taxes		
- Current year	173,873	147,500
- Previous years	(6,373)	5,327
Provision for Deferred Taxes	(39,426)	(18,033)
PROFIT AFTER TAX BEFORE EXTRAORDINARY ITEMS	496,572	450,713
Extraordinary Income / (Expenses) (Net of Tax) (Refer Schedule 16 Note 24)	29,417	30,527
NET PROFIT AFTER TAX AND EXTRAORDINARY ITEMS	525,989	481,240
Balance brought forward from last year	1,239,271	966,246
Amount available for appropriation	1,765,260	1,447,486
APPROPRIATIONS		
Transferred to General Reserve	52,599	48,124
Proposed Dividend @ Rs.2.40 per Equity Share	150,449	137,912
(Previous Year Rs.2.20 per Equity Share)		
Provision for Dividend Tax on above	23,874	22,179
(Including write back of Rs.533 Thousand for Year 2010, previous year Rs.726 Thousand for Year 2009)		
Balance carried to Balance Sheet	1,538,338	1,239,271
	1,765,260	1,447,486
Significant Accounting Policies	15	
Notes to Accounts	16	
Earnings Per Share		
Weighted average number of shares	62,687,190	62,687,190
Face value Rs.2/- (Previous Year Rs.2/-) per equity share		
Basic and Diluted Earnings per Share including Extraordinary & Exceptional Items	8.39	7.68
Basic and Diluted Earnings per Share excluding Extraordinary Items	7.92	7.19
Basic and Diluted Earnings per Share excluding Extraordinary & Exceptional Items	7.92	5.60

The accompanying Schedules referred to above form an integral part of the Accounts.

As per our report of even date attached.

For S.V. Ghatalia & Associates

Firm Registration No. 103162W
Chartered Accountants

Suresh Gupta
Chairman & Managing Director

M.K. Srinivasan
Chief Executive Officer & Executive Director

per Sudhir Soni
Partner
Membership No. 41870

Parag Vyavahare
Chief Financial Officer

Jukka Moisio
Johann Sippel
K.C. Narang
P.V. Narayanan
R.K. Dhir
S.K. Palekar } *Directors*

Mumbai
January 31, 2012

Anand Daga
Company Secretary & Head Legal

CASH FLOW STATEMENT

For the year ended 31st December 2011

	(Rs. in Thousands)	
	2011	2010
A. Cash Flow from Operating Activities		
Net Profit before Taxation, Exceptional & Extraordinary Items	624,646	462,698
Adjustments for		
Depreciation	320,456	323,967
Unrealised Foreign Exchange Loss/(Gain)-Net	15,641	4,510
Interest Income	(1,273)	(1,359)
Dividend Income	(42,192)	(16,245)
Financial Expenses (Except Bank Charges)	404	151
Doubtful debts provided / written off / provision written back	(128)	1,954
(Profit)/Loss on Sale of Investments	(77)	13
Fixed Assets Written Off / Provided / Provision written back	(5,952)	15,192
Provision for Sales Tax Written back	(3,897)	(3,148)
Other Write Offs/Provisions	1,121	379
Profit on Sale of Assets (Net)	(16,685)	(1,127)
Operating Profit before Changes in Working Capital	892,064	786,985
Adjustments for (Increase)/Decrease in		
Trade Receivables	(85,006)	(217,831)
Inventories	48,335	(132,775)
Loans and Advances	(8,298)	(3,184)
Adjustments for Increase / (Decrease) in		
Trade Payables	64,027	127,632
Other Current Liabilities	67,762	(126,262)
Cash Generated from Operations	978,884	434,565
Direct Taxes Paid (Net of Refunds Received)	(174,006)	(133,952)
Cash Flow before Exceptional & Extraordinary Items	804,878	300,613
Exceptional Item (Refer schedule 16 note 23)	-	122,809
Cash Flow after Exceptional, but before Extraordinary Items	804,878	423,422
Extraordinary Items (Refer schedule 16 note 24)	43,517	30,527
Net Cash from Operating Activities	848,395	453,949
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(395,138)	(102,329)
Proceeds from Sale of Fixed Assets	20,803	15,167
Purchase of Investments	(1,903,646)	(1,210,807)
Sale of Investments	1,903,724	1,210,794
Dividend Received	42,192	16,245
Interest Received	1,255	1,354
Net Cash from Investing Activities	(330,810)	(69,576)

CASH FLOW STATEMENT (Contd.)

For the year ended 31st December 2011

	(Rs. in Thousands)	
	2011	2010
C. Cash Flow from Financing Activities		
Repayment of Bank Borrowings	–	(14,042)
Repayment of Unsecured Loans	(3,858)	–
Interest Paid	(404)	(151)
Dividends Paid (Including Dividend Tax thereon)	(160,241)	(219,144)
Net Cash Used in Financing Activities	(164,503)	(233,337)
Net Increase in Cash and Cash Equivalents	353,082	151,036
Cash and Cash Equivalents at the Beginning of the Year	501,789	350,753
Cash and Cash Equivalents at the Close of the Year	854,871	501,789
Cash and Cash Equivalents Comprise:		
Cash on Hand	1,766	2,199
Cheques on Hand	3,269	17,317
Balances in Current Accounts with Scheduled Banks	212,731	76,968
Balances in Deposit Accounts with Scheduled Banks	562	7,550
Balances in Unpaid Dividend Bank Accounts*	4,457	4,413
Current Investments	633,717	394,431
Unrealised Loss/(Gain) on Foreign Currency Cash and Cash Equivalents	(1,631)	(1,089)
	854,871	501,789

* These balances are not available for use by the Company, as they represent corresponding unpaid liabilities.

Notes :

- 1) The above cashflow statement has been prepared under indirect method as per Accounting Standard-3 "Cash Flow Statement"
- 2) Cash and Cash equivalents for the purpose of cash flow statements comprise of cash at Bank and in Hand and short term investments with an original maturity of three months or less.

As per our report of even date attached.

For S.V. Ghatalia & Associates

Firm Registration No. 103162W

Chartered Accountants

per Sudhir Soni

Partner

Membership No. 41870

Mumbai

January 31, 2012

Suresh Gupta

Chairman & Managing Director

Parag Vyavahare

Chief Financial Officer

Anand Daga

Company Secretary & Head Legal

M.K. Srinivasan

Chief Executive Officer & Executive Director

Jukka Moisio

Johann Sippel

K.C. Narang

P.V. Narayanan

R.K. Dhir

S.K. Palekar

} Directors

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

(Rs. in Thousands)				
	2011		2010	
SCHEDULE 1 - SHARE CAPITAL				
AUTHORISED CAPITAL				
150,000,000 (Previous Year 150,000,000)				
Equity shares of Rs.2/- each	300,000		300,000	
700,000 (Previous Year 700,000) 12% Redeemable				
Cumulative Preference Shares of Rs.100/- each	70,000		70,000	
300,000 (Previous Year 300,000) Unclassified				
Shares of Rs.100/- each	30,000		30,000	
	400,000		400,000	
	400,000		400,000	
ISSUED SUBSCRIBED AND PAID-UP CAPITAL				
62,687,190 (Previous Year: 62,687,190) Equity				
Shares of Rs.2/- each fully paid-up.	125,374		125,374	
Add : Amount Received on 1,449 (Previous Year 1449)				
forfeited Shares.	9	125,383	9	125,383
TOTAL	125,383		125,383	
Paid up Share capital includes 7,525,000 (Previous year 7,525,000)				
Bonus Shares of Rs.2/- each issued by capitalisation of reserves.				
Paid up Share capital includes 38,095,166 (Previous year 36,934,100)				
Shares of Rs.2/-each held by holding company Huhtavefa B.V.				
SCHEDULE 2 - RESERVES AND SURPLUS				
SECURITIES PREMIUM ACCOUNT		793,632		793,632
REVALUATION RESERVE		27,576		27,576
CAPITAL REDEMPTION RESERVE		70,000		70,000
GENERAL RESERVE				
Balance as per last Balance sheet	680,750		632,626	
Add: Transferred from Profit and Loss Account	52,599	733,349	48,124	680,750
PROFIT AND LOSS ACCOUNT		1,538,338		1,239,271
TOTAL		3,162,895		2,811,229
SCHEDULE 3 - UNSECURED LOANS				
Sales Tax Deferred Loan (Refer Schedule 16 Note 16)		221,451		225,309
(Amount due within one year Rs.5,526 Thousand, Previous year Rs.3,857 Thousand.)				
TOTAL		221,451		225,309

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

SCHEDULE 4 – FIXED ASSETS

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK	
	Original Cost As At 01.01.2011	Additions During The Year	Deletions During the year	Original Cost As At 31.12.2011	Opening Balance As At 01.01.2011	On Deletions During The Year	Charge For The Year	Closing Balance As At 31.12.2011
TANGIBLE ASSETS								
Land – Freehold (Refer Note 4)	52,265	–	–	52,265	–	–	–	52,265
– Leasehold	25,945	–	–	25,945	1,530	–	288	24,127
Buildings (Refer note 1)	606,748	22,132	8,349	620,531	255,970	4,610	34,922	334,249
Machinery (Refer note 2)	3,384,003	272,256	14,125	3,642,134	2,206,374	13,310	242,710	1,206,360
Computers	75,870	2,287	932	77,225	52,541	874	10,193	15,365
Motor Vehicles	19,216	595	727	19,084	8,023	517	2,704	8,874
Furniture, Fixtures, Office Equipments & Technical Library	94,329	4,149	2,030	96,448	57,569	1,883	6,874	33,888
Sub Total	4,258,376	301,419	26,163	4,533,632	2,582,007	21,194	297,691	1,675,128
INTANGIBLE ASSETS								
Non compete fees	20,000	7,500	–	27,500	20,000	–	1,875	5,625
Computer Softwares	114,775	1,708	–	116,483	42,376	–	20,403	53,704
Club Membership	4,412	1,103	–	5,515	221	–	487	4,807
Sub Total	139,187	10,311	–	149,498	62,597	–	22,765	64,136
Grand Total	4,397,563	311,730	26,163	4,683,130	2,644,604	21,194	320,456	1,739,264
Previous Year	4,546,074	111,515	260,026	4,397,563	2,558,231	237,594	323,967	1,752,959

1. Buildings include

- Buildings on leasehold land
 - Ownership flats in Co-operative Societies on freehold land
 - Ownership flats in Co-operative Societies on leasehold land
- Machinery includes Electrical Fittings being expenditure incurred on installing High Tension Line for drawing power from the Electricity Department, Dadra and Nagar Haveli Grid to the Silvassa Plant though ownership of the same vests with the Electricity Department.
 - Machinery includes Electrical Fittings being expenditure incurred on installing overhead line & metering yard for laying high tension line for drawing power from Central Power Distribution Company of Andhra Pradesh Ltd's Grid to the Hyderabad plant though ownership of the same vests with Central Power Distribution Company of Andhra Pradesh Ltd
 - Capital work in progress includes capital advance of Rs.74,557 Thousands (Previous year Rs.31,408 Thousands).
 - Freehold land at Thane was revalued on 31.07.1985 based on independent valuation report.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

		(Rs. in Thousands)			
		2011		2010	
Face Value Rs		Nos		Nos	
SCHEDULE 5 – INVESTMENTS (AT COST)					
LONG TERM INVESTMENTS – TRADE					
GOVERNMENT SECURITIES – 6 Year National Savings Certificates –Series VIII		50		50	
		50		50	
CURRENT INVESTMENTS–NON TRADE– UNQUOTED					
UNITS OF MUTUAL FUNDS:					
– HDFC Cash Management Fund- Treasury Advantage-Wholesale Daily Dividend (23,095 Units purchased and 2,338,066 Units sold during the year)	10	–	–	2,314,971	23,223
– ICICI Prudential Flexible Income Premium Plan (8,762 Units purchased and 500,951 Units sold during the year)	100	–	–	492,189	52,042
– Birla Sun Life Savings Fund - Institutional Daily Dividend Reinvest (8,561,736 Units purchased and 11,073,042 Units sold during the year)	10	–	–	2,511,306	25,130
– Reliance Medium Term fund - Daily Dividend Reinvest (2,624 Units purchased and 248,174 Units sold during the year)	10	–	–	245,550	4,198
– Tata Floater Fund - Daily Dividend (16,513,313 Units purchased and 18,461,497 Units sold during the year)	10	1,659,174	16,651	3,607,358	36,202
– UTI Treasury Advantage Fund - Institutional Plan - Daily Dividend Reinvest (132,576 Units purchased and 152,847 Units sold during the year)	1000	–	–	20,271	20,276
– HDFC Cash Management fund - Savings Plan - Daily Dividend Re Invest (44,151 units purchased during the year and 4,785,376 units sold during the year)	10	–	–	4,741,225	50,430
– Birla Cash Manager Institutional Premium-Daily Dividend Reinvestment (12,014,742 units purchased and 13,016,013 units sold during the year)	10	–	–	1,001,271	10,016
– BSL Quarterly Interval - Series 4 - Dividend payout (Nil units purchased and sold during the year)	10	2,000,000	20,000	2,000,000	20,000
– ICICI Prudential Interval Fund II Quarterly Interval Plan F Institutional (2,037,287 units purchased during the year)	10	4,092,162	40,922	2,054,875	20,549

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

		(Rs. in Thousands)			
		2011		2010	
	Face Value Rs	Nos		Nos	
– Tata Fixed Income Portfolio Fund Scheme A3 Institutional Monthly Dividend (102,595 units purchased and 4,173,808 units sold during the year)	10	–	–	4,071,213	40,712
– UTI Fixed Interval Fund-Series II - Quarterly Institutional Plan VI - (117,951 units purchased and 2,173,258 units sold during the year)	10	–	–	2,055,307	20,553
– Reliance Quarterly Interval Fund - Series II - IP - Dividend Plan (72,509 units purchased and 2,111,770 units sold during the year)	10	–	–	2,039,261	20,401
– Reliance Quarterly Interval Fund - Series III - IP - Dividend Plan (112,241 units purchased and 2,139,867 units sold during the year)	10	–	–	2,027,626	20,289
– Birla Sunlife Short Term FMP Series 3 Dividend payout (2,024,935 units sold during the year)	10	–	–	2,024,935	20,249
– UTI Short Term Income Fund Institutional Income Option - Dividend Reinvest (14,393 units purchased and 1,011,633 units sold during the year)	10	–	–	997,240	10,161
– ICICI Prudential Interval Fund II Qtrly Interval Plan D Institutional Dividend (2,833,960 units purchased during the year)	10	2,833,960	28,340	–	–
– Tata Fixed Income Portfolio Fund Scheme B3 Institutional Qtrly Dividend (4,998,301 units purchased during the year)	10	4,998,301	50,000	–	–
– UTI Fixed Income Interval Fund-Qtrly Plan SeriesIII-IDP (11,067,400 units purchased during the year)	10	11,067,400	110,708	–	–
– DS BlackRock FMP-Series 21-3M-DPO (3,000,000 units purchased during the year)	10	3,000,000	30,000	–	–
– Birla Sunlife Short Term FMP Series 27- Dividend payout (8,048,720 units purchased during the year)	10	8,048,720	80,487	–	–
– HDFC FMP 92 D December 2011 (2)-DIV-Series XIX (4,000,000 units purchased during the year)	10	4,000,000	40,000	–	–
– DS BlackRock FMP -Series 22-3M-DPO (2,036,983 units purchased during the year)	10	2,036,983	20,370	–	–
– Templeton Floating Rate Income Fund - Super Institutional – DDR (13,292,860 units purchased and 8,241,410 units sold during the year)	10	5,051,450	50,618	–	–
– Kotak Flexi Debt Fund - Institutional – DDR (14,630,369 units purchased and 6,469,271 units sold during the year)	10	8,161,098	82,009	–	–

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

(Rs. in Thousands)

	Face Value Rs	2011		2010	
		Nos		Nos	
– UTI-Floating Rate Fund-Short Term Plan-IP-DDR (62,130 units purchased and 48,962 units sold during the year)	1,000	13,168	13,178	–	–
– Templeton India Ultra Short Bond Fund-Super I P (5,037,527 units purchased during the year)	10	5,037,527	50,434	–	–
			633,717		394,431
TOTAL			633,767		394,481
Aggregate Value of Unquoted Investments			50		50
Aggregate Value of Mutual Fund Units			633,717		394,431
			633,767		394,481
Net Asset Value (NAV) of Mutual fund Units			634,451		395,304

UNITS OF MUTUAL FUNDS PURCHASED & SOLD DURING THE YEAR

	Face Value Rs.	Total Nos. Of Units	Total Purchase Cost (Rs.)	Total Nos. Of Units	Total Purchase Cost (Rs.)
– Birla Cash Plus Institutional Premium - Daily Dividend Reinvestment	10	2,599,771	26,048	5,489,842	55,006
– ICICI Pru Institutional Liquid Plan - Super Insti Daily Div Reinvest	100	–	–	1,299,881	130,017
– IDFC Cash Fund - Inst Plan B - Daily Div Reinvest	10	1,893,006	20,042	–	–
– Reliance Liquid Fund - Treasury Plan - Inst - Daily Dividend	10	–	–	4,252,250	65,006
– Tata Liquid Fund Super High Investment Plan - Daily Div Reinvst	1,000	88,950	99,136	125,637	140,025
– UTI Liquid Cash Plan Inst - Daily Div Reinvest	1,000	14,921	15,211	49,052	50,005
– HDFC FMP 90D Jun 2010 - Div Series XIII - Div Payout	10	–	–	2,000,000	20,000
– HDFC FMP 100D Aug 2010 (2) - Div Series XIV - Div Payout	10	–	–	2,000,000	20,000
– Reliance Fixed Horizon Fund - XV Series 1- Div payout	10	–	–	2,000,000	20,000
– BSL Floating Rate Fund - LT- Inst- Weekly Div Reinvest	10	–	–	2,023,842	20,264
– UTI FIIF - Series 2 - Qtly Interval Plan VII - IP - Div	10	1,527,206	15,276	–	–
– UTI Fixed Income Interval Fund - Monthly Plan II - IP - Dividend	10	1,515,612	15,156	–	–
– UTI Fixed Income Interval Fund - Quarterly Plan III - IP - Dividend	10	3,200,400	32,004	–	–
– DS BlackRock FMP-3M Series 30 -DDR	10	3,000,000	30,000	–	–
– DS BlackRock FMP-3M Series 36 -DPO	10	3,000,000	30,000	–	–

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

	Face Value Rs.	Total Nos. Of Units	Total Purchase Cost (Rs.)	Total Nos. Of Units	Total Purchase Cost (Rs.)
- DS BlackRock FMP-3M Series 37 -DPO	10	2,036,983	20,370	-	-
- DS BlackRock FMP-3M -Series 8-DPO	10	3,000,000	30,000	-	-
- DS BlackRock FMP -Series 9-DPO	10	2,036,983	20,370	-	-
- Reliance Money Manager Fund- Institutional Optional -DDD	1,000	83,277	83,391	-	-
- Kotak Flexi Floater Long Term -DDR	10	5,000,482	50,404	-	-
- DSP Black Rock Money Manager Fund - Institutional Plan -DDR	1,000	20,354	20,370	-	-
- Kotak Liquid Fund - IPP - DDR	10	4,124,229	50,431	-	-
- ICICI Prudential Banking & PSU Debt Fund - Prem Plus Dly Dividend	10	1,526,247	15,371	-	-
- SBI-Premier Liquid Fund-IP-DDR	10	4,036,561	40,497	-	-
- HDFC Floating Rate Income Fund- Short Term Plan-Wholesale	10	2,979,232	30,033	-	-
- Birla Sun Life Short Term FMP Series 16 Dividend Pay out	10	4,589,968	45,900	-	-
- HDFC FMP 92D Jun 11(1)-D	10	3,003,335	30,033	-	-
- IDFC Money Manager Fund -TP- Super Inst Plan C- Daily Dividend	10	3,043,977	30,444	-	-
			750,489		520,323

(Rs. in Thousands)

	2011	2010
SCHEDULE 6 - CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES		
Raw Materials	408,644	352,510
Goods in Transit - Raw Materials	15,037	124,440
Stores and Spares	50,221	45,046
Loose Tools	102,511	94,465
Work in Process	199,833	215,673
Finished Goods	67,488	59,934
TOTAL	843,734	892,068
SUNDRY DEBTORS (Unsecured)		
Debts Outstanding for more than Six Months	-	-
Considered Good	-	-
Considered Doubtful	13,936	14,299
	13,936	14,299
Other Debts		
Considered Good	1,295,927	1,188,299
Considered Doubtful	235	-
	1,296,162	1,188,299
	1,310,098	1,202,598
Less: Provision for Doubtful Debts	14,171	14,299
TOTAL	1,295,927	1,188,299
(Refer Schedule 16 Note 19 for debts due from Companies under the same management)		

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

(Rs. in Thousands)

	2011	2010
CASH AND BANK BALANCES		
Cash on Hand	1,766	2,199
Cheques on Hand	3,269	17,317
Balances with Scheduled Banks:		
Current Accounts	212,731	76,968
Fixed Deposit Accounts	562	7,550
Unpaid Dividend Accounts	4,457	4,413
TOTAL	222,785	108,447
OTHER CURRENT ASSETS (Unsecured, Considered Good)		
Claims Recoverable	121,612	96,146
Interest Accrued on Investments and Deposits	59	41
Others (Includes DEPB licence available Rs.16,441 Thousand (Previous year Rs.16,629 Thousand))	24,918	31,389
TOTAL	146,589	127,576
LOANS AND ADVANCES (Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	3,612	3,548
Loans/Advances to Staff	6,381	5,004
Advances to Suppliers	2,831	8,484
Prepaid Expenses	19,734	15,987
Balances with Customs, Port Trust, etc	121,241	133,784
Deposits	28,649	30,748
TOTAL	182,448	197,555
(Refer Schedule 16 Note 20 for amounts due from Companies under the same management)		
GRAND TOTAL	2,691,483	2,513,945
SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
- Micro, Small and Medium Enterprises (Refer Schedule 16 Note 18)	3,507	2,297
- Others	1,050,422	938,737
Advances from Customers	24,451	21,598
Unclaimed Dividend *	4,457	4,413
Unclaimed Matured Debentures *	-	37
Other Liabilities	364,594	286,440
TOTAL	1,447,431	1,253,522
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
PROVISIONS		
Proposed Dividend	150,449	137,912
Dividend Tax	24,407	22,905
Provision for Taxation - Net of Advance Tax Paid Rs.1,284,604 Thousand (Previous year Rs.1,110,598 Thousand)	22,526	26,932
Provision for Employee Benefits	43,123	39,474
TOTAL	240,505	227,223
GRAND TOTAL	1,687,936	1,480,745

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

For the year ended 31st December 2011

	(Rs. in Thousands)	
	2011	2010
SCHEDULE 8 - SALES		
Gross Sales	8,695,666	7,703,343
Less: Rebates and Discounts	78,143	90,034
	8,617,523	7,613,309
Less: Excise Duty & Sales Tax	644,516	573,209
Net Sales	7,973,007	7,040,100
SCHEDULE 9 - OTHER INCOME		
Rent	376	314
Profit on Sale of Fixed Assets (Net)	16,685	1,127
Dividend Income - from Mutual Funds (Non Trade)	42,192	16,245
Profit on Sale of Investments	77	—
Doubtful Debts Provision Written Back	128	—
Provision for Sales Tax Written back	3,897	3,148
Interest Received on Deposits (Includes tax deducted at source - Rs.125 Thousand Previous Year Rs.155 Thousand)	1,273	1,359
Fixed Assets Provision Written Back (Net)	5,952	—
Miscellaneous Income	66,195	61,025
TOTAL	136,775	83,218
SCHEDULE 10 - MATERIAL COSTS		
Raw Materials and Packing Materials Consumed	5,565,167	4,972,276
Stores, Spares and Other Materials Consumed	62,430	57,434
(Increase)/Decrease in Stocks		
Closing Stock		
Finished Goods	67,488	59,934
Work in Process	199,833	215,673
	267,321	275,607
Less: Opening Stock		
Finished Goods	59,934	64,442
Work in Process	215,673	147,051
	275,607	211,493
	8,286	(64,114)
Excise Duty on Increase/(Decrease) in Finished Goods Stock		
Excise Duty on Closing Finished Goods Stock	5,176	4,291
Less: Excise Duty on Opening Finished Goods Stock	4,291	4,358
	885	(67)
TOTAL	5,636,768	4,965,529
SCHEDULE 11 - MANUFACTURING AND OPERATING EXPENSES		
Power and Fuel	243,092	216,241
Repairs - Plant and Machinery	100,932	81,607
- Building	10,880	8,270
- Others	15,318	15,784
Other Manufacturing Expenses	137,688	125,939
TOTAL	507,910	447,841

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

For the year ended 31st December 2011

	(Rs. in Thousands)	
	2011	2010
SCHEDULE 12 - PERSONNEL EXPENSES		
Salaries, Wages and Bonus	537,857	500,092
Contribution to Provident and Other Funds (Refer Schedule 16 Note 22)	39,256	34,563
Staff Welfare Expenses (For Director's Remuneration Refer Schedule 16 Note 2)	65,880	56,352
TOTAL	642,993	591,007
SCHEDULE 13 - ADMINISTRATION AND SALES EXPENSES		
Rent	5,395	3,437
Rates and Taxes	9,673	9,715
Travelling and Conveyance	44,271	36,761
Directors Travelling Expenses	4,995	2,581
Legal and Professional Charges	50,169	42,288
Communication Costs	13,326	13,740
Payment to Auditor - as Auditor		
- Statutory Audit	3,430	2,931
- Reimbursement of Expenses	146	123
- Certification work	142	100
	3,718	3,154
Directors Fees	540	420
Insurance	16,590	13,349
Donation	135	227
Printing and Stationery	7,130	6,766
Commission on Sales - Others	16,333	10,900
Freight and Forwarding Expenses	139,641	140,128
Doubtful Debts Provided / Written Off	-	1,954
Loss on Sale of Investments	-	13
Fixed Assets Provided / Written Off	-	15,192
Other Write Offs / Provisions	1,121	379
Miscellaneous Expenses	63,822	53,341
TOTAL	376,859	354,345
SCHEDULE 14 - FINANCIAL EXPENSES		
Bank Charges / Commission	5,543	5,819
Interest		
- To Banks	22	40
- To Others	382	111
	404	151
TOTAL	5,947	5,970

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

SCHEDULE 15 - SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention (with the exception of freehold land which has been revalued), on the accrual basis of accounting and comply with the Companies (Accounting Standards) Rules 2006 (as amended) issued by the Central Government and relevant provisions of the Companies Act, 1956 to the extent applicable. The accounting policies have been consistently followed by the company.

Use of Estimates

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in India which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

II. FIXED ASSETS

- Fixed assets are stated at cost (or revalued amounts as the case may be) less accumulated depreciation & impairment losses, if any.
Cost of fixed assets comprises of purchase price, duties, levies and any directly attributable cost of bringing each asset to its working condition for the intended use.
- Financing costs relating to borrowed funds attributable to the acquisition of qualifying fixed assets upto the completion of construction or acquisition of such fixed assets are included in the gross book value of the asset.
- Cenvat credit availed for excise duty and countervailing duty availed for customs duty payments made on fixed assets is reduced from the cost of fixed assets.
- Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the residual useful life of the asset.
- Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire fixed assets before the balance sheet date.

III. DEPRECIATION

Tangible Assets

Buildings are depreciated on written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956 except those specified below.

Other fixed assets are depreciated on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 except those specified below.

Following assets are depreciated at the rates higher than those prescribed in Schedule XIV to the Companies Act, 1956 as in management's judgement, their estimated useful lives are shorter than those prescribed under Schedule XIV to the Companies Act, 1956.

Asset	Method of Depreciation	Rate
Computers	Straight Line Method	25.00%
Motor Vehicles	Straight Line Method	19.00%
General Furniture	Straight Line Method	9.50%
Office and Other Equipments	Straight Line Method	19.00%
Cellphones and Photocopiers	Straight Line Method	31.67%
Airconditioning Equipment used in manufacturing process	Straight Line Method	10.34%
Administrative Buildings	Written Down Value Method	10.00%
Electrical Fittings	Straight Line Method	10.34%

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

Depreciation on exchange fluctuations capitalised till 31 December 2006 to fixed assets is provided over the residual useful life of the fixed assets. Depreciation on additions/deletions to fixed assets is provided prorata from the date of addition/ till the date of deletion.

Leasehold Land - Premium paid for acquisition of leasehold land is amortised over the period of lease.

Intangible Assets

ERP Software is amortised over a period of 60 months commencing from the month in which software is put to use. Specialised Software is amortised over a period of 36 months commencing from the month in which such expenditure is incurred. All upgradations/ enhancements are generally charged to profit and loss account, unless they bring significant additional benefits.

Corporate Club membership fees paid are amortised over the period of use.

Non compete fees paid are amortised over the period of restriction.

IV. FOREIGN CURRENCY TRANSACTIONS

- 1 Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.
- 2 Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end are translated at the year end at the closing exchange rate and the resultant exchange differences are recognised in the profit and loss account.
- 3 Non-monetary foreign currency items are carried at cost.
- 4 The premium or discount on forward exchange contracts covered by AS-11 The Effects of Changes in Foreign Exchange Rates is recognised over the period of the contracts in the profit and loss account. Exchange gain or loss on forward exchange contracts covered by AS-11 The Effects of Changes in Foreign Exchange Rates is recognised in the profit and loss account.
- 5 In compliance with the Institute of Chartered Accountants of India (ICAI) announcement dated 29th March, 2008 on accounting for Derivatives, the mark to market valuation loss on forward contracts entered into, to cover the forecast transactions is charged to profit and loss account.

V. INVENTORIES

- 1 Inventories are valued at lower of cost and net realisable value.
- 2 The cost of manufactured inventories is the direct cost of manufacture plus appropriate allocated overheads & excise duty where ever applicable.
- 3 The cost of bought out inventory is computed using the Weighted Average method .
- 4 The cost of loose tools is amortised over its estimated useful life.

VI. REVENUE RECOGNITION

- 1 Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. It is recognised when significant risks and rewards of ownership of goods have passed to the buyer.
- 2 Gross sales are inclusive of Excise Duty and Sales Tax .
- 3 Sales returns are accounted for in the year of return.
- 4 Dividend income is recognised when the right to receive dividend is unconditional at the balance sheet date.
- 5 Interest on investments is accounted on a time proportion basis taking into account the amounts invested and the rate of interest.

VII. RETIREMENT BENEFITS

- 1 Defined Contribution Plans

Contributions payable to the recognised provident fund, which is a defined contribution Plan, are charged to the profit and loss account as incurred.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

2 Defined Benefit Plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the lower of the net total of the present value of the defined benefit obligation at the balance sheet date minus any past service cost minus fair value of plan assets as at balance sheet date and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

Family Pension and Long Term Service Award plan are defined benefit plans and are valued based on actuarial valuation.

3 Other Long term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are determined on the basis of valuations, as at balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account.

4 Other short term employment benefits

Company provides short term benefit of sick leave to its employees with certain accumulation provisions and same being short term and expected to be utilised within twelve months are provided on undiscounted basis.

VIII. INVESTMENTS

Long term investments are valued at cost and an appropriate provision is made for diminution, which is other than temporary, in their value.

Current investments are valued at cost or market value, whichever is lower.

IX. RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure of a revenue nature is charged off in the year in which it is incurred and expenditure of a capital nature is capitalised to fixed assets.

X. TAXATION

Income tax expense comprises current income tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

XI LEASES

Operating Leases

Lease payments under operating leases are recognised as an expense in the statement of profit and loss account on a straight line basis over the lease term.

XII IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets.

After impairment, depreciation is provided on their revised carrying amount of the asset over its remaining useful life.

XIII PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

XIV. EARNINGS PER SHARE (EPS)

Basic EPS is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti dilutive.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

SCHEDULE 16 - NOTES TO THE ACCOUNTS

1 SECURED LOANS

Working Capital facility taken from Banks are secured by hypothecation of inventories and book-debts.

2 a) DIRECTORS' REMUNERATION

	For The Year Ended 31 December 2011	For The Year Ended 31 December 2010
Salary, Allowances and Perquisites	29,450	34,019
Contribution to Provident Fund	1,352	1,498
Commission to Non Executive Directors	3,696	3,085
	34,498	38,602

Note:

- The above does not include gratuity and leave encashment benefits as the provision for these are determined for the Company as a whole and therefore separate amounts for the directors are not available.
 - Chairman and Managing Director, Chief Executive Officer and Executive Director of the Company are entitled to options under "Option Rights Plan" and shares under the "Share Ownership Plan" of Huhtamaki Oyj (the ultimate Holding company) which entitles the holder of the option rights to subscribe to the shares of the ultimate holding company at a future date, at a price fixed based on the fair market price of the shares during specified period plus certain percentage of market value on the exercise date and the recipient of grants under share ownership plan is entitled to receive shares at nil cost respectively. The schemes detailed above are assessed, managed and administered by the ultimate holding company and there is no cost charged to the Company.
The charge taken by Huhtamaki Oyj in its accounts for the year ended 31st December 2011 for these options and shares is Rs.8,604 Thousand (Previous year Rs.7,193 Thousand)
 - The above remuneration paid/payable to the Chairman and Managing Director of the Company does not include Rs.14,055 Thousand (Previous year Rs.11,812 Thousand) paid by Huhtamaki Oyj, the ultimate parent company for his role as Executive Vice President Flexibles Packaging Global, Huhtamaki Oyj.
- b) Computation of net profit in accordance with Sections 198, 349 and 350 of the Companies Act, 1956 and commission payable to Directors:

	For The Year Ended 31 December 2011	For The Year Ended 31 December 2010
Profit before Taxation and Extraordinary Items	624,646	585,507
Add : Wealth Tax	707	365
	625,353	585,872
Less: Capital Profit on sale of fixed assets	10,236	135,810
Net Profit as per section 349 to be considered for managerial remuneration	615,117	450,062
Add : Remuneration to Directors	34,498	38,602
Net Profit as per section 198 to be considered for managerial remuneration	649,615	488,664
Maximum Managerial Remuneration payable as per above profit:		
To Working Directors @ 10% P.A.	64,962	48,866
To Non-Executive Directors @ 1 % P.A.	6,496	4,887
	71,458	53,753
Commission provided for Non-Executive Directors	3,696	3,085
	3,696	3,085

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

The Company depreciates its fixed assets as enumerated in Schedule 15 Policy III wherein estimated useful lives for certain assets are lower than implicit estimated useful lives prescribed by Schedule XIV of the Companies Act, 1956. Thus, the depreciation charge in the books is higher than the minimum prescribed by the Companies Act, 1956. This higher depreciation charge has been considered as deduction for the Computation of Managerial Remuneration above.

- 3 a) Provision for taxes is based on the results for the year ended 31 December 2011 in accordance with the provisions of the Income Tax Act, 1961. The final tax liability will be determined on the basis of the results of the operations for the year 1 April 2011 to 31 March 2012, being the tax year of the Company.

	As at 31 December 2011	As at 31 December 2010
b) Break up of Deferred Tax Liability (Net)		
Deferred Tax Asset arising on account of timing differences in:		
-Provision for doubtful debts	4,598	4,750
-Provision for retirement benefits	13,642	12,812
-Effect of expenditure debited to Profit & Loss account but allowed for Tax purposes in following years	17,464	13,127
	35,704	30,689
Deferred Tax Liability arising on account of timing differences in:		
-Depreciation	60,916	83,328
Deferred Tax Liability (Net)	25,212	52,639

4 SEGMENT REPORTING

The Company's sole business segment is consumer packaging and all activities of the Company are incidental to this sole business segment. Given this fact and that the Company services its domestic and export markets from India only, the financial statements reflect the information required by AS-17 Segment Reporting for the sole business segment of consumer packaging.

Total Capital employed in the business and as such in the segment. 3,534,941 3,214,560

Secondary segments for the Company are geographic, namely domestic and exports.

The entire business assets of the Company are situated in India.

Revenue from geographic segments is based on the domicile of customers.

	For The Year Ended 31 December 2011	For The Year Ended 31 December 2010
Net Sales to External Domestic Customers	6,471,994	5,844,225
Net Sales to External Export Customers	1,501,013	1,195,875
Total Net Sales to External Customers	7,973,007	7,040,100
Debtors outstanding in respect of export segment as at the year end	264,047	198,273

5 RELATED PARTY TRANSACTIONS

- a) Related party where control exists :
- | | |
|-------------------------|-----------------------------|
| Ultimate Parent Company | Huhtamaki Oyj., Finland |
| Holding Company | Huhtavefa B.V., Netherlands |
- b) Other Related Parties with whom transactions have taken place during the year :
- | | |
|---------------------|--|
| Fellow Subsidiaries | Huhtamaki New Zealand Ltd., New Zealand. |
| | Huhtamaki Vietnam Ltd, Vietnam |
| | Huhtamaki Australia Ltd., Australia |
| | Huhtamaki Deutschland GmbH and Co.KG., Germany |
| | Huhtamki South Africa Ltd., South Africa |
| | Huhtamaki (Thailand) Ltd., Thailand |

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

- d) Key Managerial Personnel
- Mr. Suresh Gupta
Chairman and Managing Director
- Mr. M. K. Srinivasan
Chief Executive Officer and Executive Director
- Mr. C. N. Murthy
Executive Director and Chief Operating Officer
(Till 8th December 2010)
- e) Relatives of Key Managerial Personnel
- Mr. Suresh Gupta
Mrs. Kumkum Gupta-Wife, Ms. Ratna Gupta-Daughter,
Ms. Shivani Gupta-Daughter
- Mr. C. N. Murthy
Mrs. Jayanthi Murthy-Wife
- f) Details of transactions with related parties that have taken place during the year :

	31 December 2011	31 December 2010
1) Ultimate Parent Company		
a) Software and Expense Reimbursements Charge	5,573	1,951
b) Remuneration paid by Huhtamaki Oyj to Mr. Suresh Gupta as EVP - Flexibles Packaging Global, Huhtamaki Oyj. (Including Rs.4,196 Thousand pertaining to 2009 received in 2010)	14,055	16,009
2) Holding Company		
Dividend Paid		
- Huhtavefa B.V., Netherlands	81,255	110,802
3) Fellow Subsidiaries		
Purchase of Goods		
- Huhtamaki Deutschland Gmbh and Co.KG., Germany	529	326
- Huhtamaki New Zealand Ltd., New Zealand.	367	70
- Huhtamaki South Africa Ltd., South Africa	156	-
Sale of Goods		
- Huhtamaki New Zealand Ltd., New Zealand.	715	2,833
- Huhtamaki South Africa Ltd., South Africa	-	1,949
- Huhtamaki Australia Ltd., Australia	109,214	25,868
Commission Expenses on Sales		
- Huhtamaki South Africa Ltd., South Africa	2,565	1,529
Expense Reimbursements - Charge		
- Huhtamaki (Thailand) Ltd., Thailand.	34	-
- Huhtamaki Australia Ltd., Australia	67	-
- Huhtamaki Deutschland Gmbh and Co.KG., Germany	6,410	-
- Huhtamaki New Zealand Ltd., New Zealand.	52	-
Expense Reimbursements - Recovery		
- Huhtamaki New Zealand Ltd., New Zealand.	-	325
Balances due to		
- Huhtamaki Oyj., Finland	-	463
- Huhtamaki Deutschland Gmbh and Co.KG., Germany	6,410	51
- Huhtamaki South Africa Ltd., South Africa	156	-
Balances due from		
- Huhtamaki New Zealand Ltd., New Zealand.	776	569
- Huhtamaki Australia Ltd., Australia	17,757	12,333

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

(Rs.in Thousands)		
	For The Year Ended 31 December 2011	For The Year Ended 31 December 2010
4) Payments to Key Managerial Personnel and their Relatives		
Remuneration Paid to Key Managerial Personnel		
Mr. Suresh Gupta, Chairman and Managing Director	20,654	20,752
Mr. M.K.Srinivasan, Chief Executive Officer and Executive Director	10,148	5,950
Mr. C.N.Murthy, Executive Director and Chief Operating Officer	—	8,815
	30,802	35,517
Dividend Paid to Key Managerial Personnel and Their Relatives		
Mr. Suresh Gupta	2,599	3,543
Mrs.Kumkum Gupta	552	753
Ms Ratna Gupta	443	604
Ms Shivani Gupta	441	601
Mrs.Jayanthi Murthy	—	12
Mr. M.K.Srinivasan	—	2
	4,035	5,515
6 LEASES		
	For The Year Ended 31 December 2011	For The Year Ended 31 December 2010
Assets obtained on lease		
Company has taken office facilities and residential facilities under cancellable and non cancellable operating lease agreements. Company renews such leases in the normal course of business.		
Total rental expenses under cancellable operating leases	5,747	3,916
Above includes rent for guest houses classified under miscellaneous expenses	366	1,146
Total rental expenses under non-cancellable operating leases	—	675
7 CONTINGENT LIABILITIES		
	For The Year Ended 31 December 2011	For The Year Ended 31 December 2010
i) Excise Duty		
a Matters in Appeal - Duty	501,367	498,157
- Penalties	12,558	7,924
b Show cause notices - Duty	294,866	259,674
- Penalties	9	—
ii) Service Tax		
a Show cause notices - Service Tax	10,889	9,788
b Matters in Appeal - Service Tax	2,105	3,060
- Penalties	70	685
iii) Sales Tax demands in appeal	20,894	34,742
iv) Income Tax demands in appeal	5,494	—
v) Claims against the company not acknowledged as debts	12,083	12,144
Note for (i) to (v): Future cash outflows / uncertainties, if any, in respect of the above are determinable only on receipt of judgements / decisions pending with various forums / authorities.		

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

	(Rs. in Thousands)	
	For The Year Ended 31 December 2011	For The Year Ended 31 December 2010
vi) Bank guarantees issued by bankers on behalf of the Company	14,862	17,567
vii) Contracts remaining to be executed on capital account and not provided for (net of advances)	96,147	177,764
viii) Letters of Credit issued by banks on behalf of the company for import of goods	81,615	67,831
ix) The company has obtained EPCG Licences issued under and subject to conditions in Chapter 5 of the foreign trade Policy 2004-2009. These Licences entitle the company to import Capital goods at concessional rates of Customs duty and accordingly duty concession obtained is Rs 38,315 Thousand (Previous year Rs Nil Thousand). In accordance with the terms of the EPCG Licence, the company has an export obligation of Rs 328,832 Thousand (Previous year Rs Nil Thousand) to be discharged over a period of 8 years. As at the year end the company has discharged export obligation of approximate value of Rs 86,224 Thousand (Previous year Rs Nil Thousand)		

8 RESEARCH AND DEVELOPMENT EXPENSES

The details of Research and development expenses incurred and included under various heads in Profit and Loss Account as certified by the management are as follows:

	For The Year Ended 31 December 2011	For The Year Ended 31 December 2010
Operating Expenses		
Repairs and Stores Consumed	496	332
Personnel Expenses		
Salaries, Wages and Bonus	2,162	4,024
Contribution to PF and Other funds	83	219
Staff welfare Expenses	253	418
Other Expenditure		
Product Development Expenses	2,678	706
Conveyance, Electricity, Printing and Stationery, Travelling, Car and Vehicle Expenses, Society Charges, Professional fees, etc.	2,381	261
Miscellaneous Expenses	258	66
Depreciation	1,780	1,780
Total	10,091	7,806

This information is given pursuant to the recognition granted to the Company's Research and Development Center by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their letter No.TUD/4D/RD/963/84-84 dt.06.01.1984 and as renewed from time to time.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

9 PARTICULARS IN RESPECT OF GOODS MANUFACTURED

(Rs. in Thousands)

Description	31 December 2011 Tonnes	31 December 2010 Tonnes
1 Licenced capacity *	Not Applicable	Not Applicable
* Licencing has been abolished vide press note 9 dated 2nd August 1991 and notification no.S.C.477 (E) dated 25th July 1991, issued by the Government of India.		
2 Installed Capacity * *		
a. Laminates and Converted, Coated / Uncoated Paper and Films	40,990.000	35,590.000
b. Cartons	5,000.000	11,000.000
c. Metalised Films	1,000.000	1,000.000
d. Polyethylene Films	5,400.000	5,400.000
* * Installed capacities are as certified by the management and have not been verified by the auditors, as this is a technical matter.		

Description	31 December 2011 Tonnes	31 December 2010 Tonnes
3 Production		
a. Laminates and Converted, Coated / Uncoated Paper and Films	29,095.726	28,052.204
b. Cartons	3,607.768	4,947.906
c. Metalised Films \$	750.984	604.784
e. Polyethylene Films #	3,394.384	4,802.818
	36,848.862	38,407.712

\$ Utilised for captive consumption

Utilised for captive consumption. Production does not include jobwork production.

10 TURNOVER AND STOCKS OF GOODS MANUFACTURED

	For The Year ended 31 December 2011		For The Year ended 31 December 2010	
	Tonnes	Value	Tonnes	Value
a. Turnover (Net Sales)				
a. Laminates and Converted, Coated / Uncoated Paper and Films	29,113.116	7,599,013	28,119.776	6,728,131
b. Cartons	3,613.212	363,038	4,936.389	385,877
c. Others	–	89,099	–	16,126
	32,726.328	8,051,150	33,056.165	7,130,134
Less: Rebates and Discounts	–	78,143	–	90,034
	32,726.328	7,973,007	33,056.165	7,040,100

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

(Rs. in Thousands)				
	For The Year ended 31 December 2011		For The Year ended 31 December 2010	
	Tonnes	Value	Tonnes	Value
b. Opening Stock				
a. Laminates and Converted, Coated / Uncoated Paper and Films	237.345	44,757	304.917	45,805
b. Cartons	18.432	1,169	6.915	507
c. Metalised Films	–	–	0.125	27
d. Polyethylene Films	142.856	14,008	195.364	18,103
	398.633	59,934	507.321	64,442
c. Closing Stock				
a. Laminates and Converted, Coated / Uncoated Paper and Films	219.955	44,713	237.345	44,757
b. Cartons	12.988	1,452	18.432	1,169
c. Metalised Films	–	–	–	–
d. Polyethylene Films	174.592	18,557	142.856	14,008
e. Others	–	2,766	–	–
	407.535	67,488	398.633	59,934

Quantitative details for Turnover, Production, Opening Stock and Closing Stock have been converted in Tonnes based on technical estimates by management as products are sold in diverse units of measurement.

11 RAW MATERIALS AND PACKING MATERIALS CONSUMED

	For The Year ended 31 December 2011		For The Year ended 31 December 2010	
	Tonnes	Value	Tonnes	Value
a. Paper	4,055.586	215,830	3,886.067	193,316
b. Paper Board	3,555.765	117,105	4,908.118	143,887
c. Films	19,048.998	2,660,033	18,506.750	2,541,808
d. Inks, Adhesives and Solvents	10,162.227	1,311,404	9,440.774	1,041,490
e. Polyethylene Granules	7,689.095	712,762	9,450.995	787,887
f. Others*	–	548,033	–	263,888
	44,511.671	5,565,167	46,192.704	4,972,276

* It is not practicable to furnish quantitative information in view of the large number of items which defer in size and nature, each being less than 10% in value of the total.

12 CIF VALUE OF IMPORTS

	For The Year ended 31 December 2011		For The Year ended 31 December 2010	
	Tonnes	Value	Tonnes	Value
a. Raw Materials		879,177		984,591
b. Stores, Spares-Parts and Other Materials		26,886		21,187
c. Capital Goods		154,977		27,003

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

13 CONSUMPTION OF RAW MATERIALS, PACKING MATERIALS, STORES AND SPARES

(Rs. in Thousands)				
	For The Year ended 31 December 2011		For The Year ended 31 December 2010	
	Percentage	Value	Percentage	Value
a. Imported	19.70%	1,108,493	22.05%	1,108,800
b. Indigenous	80.30%	4,519,104	77.95%	3,920,910
	100.00%	5,627,597	100.00%	5,029,710

14 EARNINGS IN FOREIGN CURRENCY (On accrual basis)

	For The Year ended 31 December 2011	For The Year ended 31 December 2010
a. F.O.B. Value of Exports	1,379,566	1,088,748
b. Others	31,360	24,148

15 EXPENDITURE IN FOREIGN CURRENCY (On payment basis)

	For The Year ended 31 December 2011	For The Year ended 31 December 2010
a. Travelling Expenses	5,937	4,407
b. Export agency Commission	12,192	15,260
c. Service charges paid for Technical services availed	11,683	5,765
d. Royalty	1,685	1,169
e. Others	6,171	5,334

- 16** The Company has availed of unsecured interest free Sales tax deferred loan from the Government of Andhra Pradesh for its Hyderabad (Bollaram) factory, in accordance with their sales tax deferral scheme.

221,451 225,309

The above amount is repayable after 14 years from the date of availment of the loan. The loan is repayable annually on 1st April with 1st instalment due on 1st April 2011 having been paid and the last being due on 1st April 2021.

- 17** a) The Company has remitted dividend in Foreign Currency (Euro) to its parent Company M/s. Huhtavefa B.V., Netherlands.

The particulars of dividend declared and paid to above shareholder are as under:

	31 December 2011	31 December 2010
a. Dividend for the year	2010	2009
b. Number of Non-resident Shareholder	1	1
c. Equity Shares held by Non-resident Shareholder	36,934,100	36,934,100
d. Gross Amount of Dividend Remitted	81,255	110,802

- b) Except at point no.17 a) the Company has not directly remitted any amount in foreign currency on account of dividend on equity shares held by Non Resident Indians, Overseas Corporate Bodies and Foreign Institutional Investors. The Company does not have any information if any remittance in foreign exchange has been made by the respective banks and/or custodians, to whom the payment had been made by Company in rupees.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

The particulars of dividend declared during the year and paid to the Non- resident shareholders are as under:-

	31 December 2011	31 December 2010
a. Dividend for the year	2,010	2009
b. Number of Non-resident Shareholders	258	210
c. Equity Shares held by Non-resident Shareholders	1,730,987	1,234,238
d. Gross Amount of Dividend	3,808	3,703

18 DISCLOSURE OF THE AMOUNTS DUE TO THE MICRO, SMALL AND MEDIUM ENTERPRISES

(On the basis of the information & records available with the Management.)

	31 December 2011	31 December 2010
i) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier		
- Principal amount	3,507	2,297
- Interest there on	642	378
ii) The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	—	—
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act 2006	—	—
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	264	94
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small/micro enterprise	642	378

19 SUNDRY DEBTORS INCLUDE AMOUNTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

Huhtamaki Australia Ltd., Australia	17,757	12,333
Huhtamaki New Zealand Ltd. New Zealand	776	569

20 LOANS & ADVANCES INCLUDE AMOUNTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

	31 December 2011 Max. Due at any time during the year	31 December 2010 Max. Due at any time during the year
	Outstanding	Outstanding
Huhtamaki New Zealand Ltd., New Zealand	—	325

21 DISCLOSURE OF DERIVATIVE INSTRUMENTS

	Currency	As at 31 December 2011 Foreign Currency Amount in thousands	As at 31 December 2010 Foreign Currency Amount in thousands
(i) Derivative Instruments Outstanding			
Forward Exchange contracts for the foreign exchange exposures of receivables on account of export of goods & services.	USD	1,200	2,100
	EUR	300	150
Forward Exchange contracts for the foreign exchange exposures for payments to be made against imports.	USD	44	-

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

	Currency	As at 31 December 2011 Foreign Currency Amount in thousands	As at 31 December 2010 Foreign Currency Amount in thousands
(ii) Foreign Exchange Exposures			
Foreign Exchange exposures not covered by a derivative contract for payments to be received on account of Export of Goods	USD	3,694	2,496
	EUR	364	58
	GBP	6	13
Foreign Exchange exposures not covered by a derivative contract for payments to be made against revenue imports & capital imports creditors.	USD	2,368	3,238
	EUR	237	18
	SFR	12	14
	JPY	562	–
	GBP	3	–
Bank balance in EEFC account	USD	128	59
(iii) Derivatives taken to Cover Forecast Exposures			
Forward Exchange contracts taken for the forecast exports receivables on account of export of goods & services.	USD	2,600	5,100
	EUR	700	750
Forward Exchange contracts taken for the forecast imports.	USD	23	70
	EUR	243	1,507
	SFR	25	–
(iv) Mark to market valuation loss on account of forward exchange contracts entered into to cover the forecast transactions pursuant to the ICAI announcement of 29th March 2008 on Accounting for Derivatives.		Rs.in Thousands	Rs.in Thousands
		20,766	4,477

22 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) 'EMPLOYEE BENEFITS'

- (i) Effective 1 January, 2007 the Company has adopted accounting standard 15 (revised 2005) "Employee Benefits". The Company has classified the various benefits provided to employees as under.
- (ii) **Defined Contribution Plans**
Amount recognised as an expense and included in "Personnel costs" for Provident Fund & ESIC contributions in the Profit and Loss account. **26,938** 25,942
- (iii) **Defined Benefit Plans**
The Company has classified the various benefit plans provided to employees as under:
- I Gratuity Plan**
Gratuity is payable to all eligible employees of the Company on superannuation, death and resignation, in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial.
 - II Leave Plan**
Eligible employees can carry forward and encash leave on superannuation, death, and resignation subject to maximum limits as per Company policy.
 - III Long Service Award**
Long Service Award benefit is payable to eligible employees on completion of 25 years of service.
The following table summarises the components of the net benefit expense recognised in the profit & loss account and the funded status and amount recognised in the Balance sheet for the respective plans

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

(iii) Defined Benefit Plans

(Rs. in Thousands)

	Gratuity		Leave Encashment		Pension Plan		Long Service Award	
	2011	2010	2011	2010	2011	2010	2011	2010
I. Change in Benefit Obligation								
Opening defined benefit obligation	100,355	92,624	28,794	26,765	905	970	5,091	5,123
Interest cost	8,133	7,426	2,274	2,180	66	69	426	418
Current Service Cost	9,570	8,908	5,337	5,637	–	–	–	–
Benefit Paid	(7,065)	(7,375)	(3,452)	(1,321)	(150)	(150)	(40)	(240)
Actuarial (gain)/loss on obligations	1,602	(1,228)	(2,300)	(4,468)	(21)	16	740	(210)
Closing defined benefit obligation	112,595	100,355	30,653	28,794	800	905	6,217	5,091
II. Fair Value of Plan Assets								
Fair value of Plan Assets at the beginning of the year	110,317	105,763	–	–	–	–	–	–
Expected Return on Plan Assets	9,305	9,423	–	–	–	–	–	–
Contributions	3,178	5,243	–	–	–	–	–	–
Benefit Paid	(7,065)	(7,375)	–	–	–	–	–	–
Actuarial gain/(loss) on Plan Assets	(3,140)	(2,736)	–	–	–	–	–	–
Fair Value of Plan Assets at the end of the year	112,595	110,317	–	–	–	–	–	–
III. Actual Return on Plan Assets								
Actual Return on Plan Assets	6,165	6,686	–	–	–	–	–	–
Expected Return on Plan Assets	9,305	9,423	–	–	–	–	–	–
Actuarial gain/(loss) on Plan Assets	(3,140)	(2,736)	–	–	–	–	–	–
Actuarial gain/(loss) on obligation	(1,602)	1,228	2,300	4,468	21	(16)	(740)	210
IV. Amount Recognised in the Balance Sheet								
Defined benefit obligation	112,595	100,355	30,653	28,794	800	905	6,217	5,091
Fair Value of Plan Assets	112,595	110,317	–	–	–	–	–	–
Funded Status	–	9,962	(30,653)	(28,794)	(800)	(905)	(6,217)	(5,091)
Unrecognised Actuarial Gain/(Loss)	–	–	–	–	–	–	–	–
Net Asset/(Liability) Recognised in the Balance Sheet	–	9,962	(30,653)	(28,794)	(800)	(905)	(6,217)	(5,091)
V. Expenses Recognised in the Profit & Loss Account								
Current Service Cost	9,570	8,908	5,337	5,637	–	–	–	–
Interest Cost	8,133	7,426	2,274	2,180	66	69	426	418
Expected Return on Plan Assets	(9,305)	(9,423)	–	–	–	–	–	–
Net Actuarial (Gain)/Loss To Be Recognised	4,742	1,509	(2,300)	(4,468)	(21)	16	740	(210)
Expense Recognised in P&L	13,139	8,420	5,311	3,349	45	85	1,166	207

The Company expects to contribute Rs.15,809 Thousand to gratuity in 2012

The principal assumptions used in determining benefit obligations for the Company's plans are shown below.

	2011	2010
Discount Rate	8.50%	8.40%
Rate of Return on Plan Assets	8.00%	9.00%
Salary Escalation	7.25%	7.25%
Employee Turnover	12% for the next 2 years, 5% for the next 1 year, 2.5% for the next 4 years and thereafter reducing 1%	

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows.		
Particulars	Gratuity	
	As on 31st Dec.11	As on 31st Dec.10
Investments in The Paper Products Ltd Employees Gratuity Fund Trust	112,595 100.00%	110,317 100.00%

Amounts for the current and previous periods are as follows.

(Rs. in Thousands)

Particulars	Gratuity			
	2011	2010	2009	2008
Defined benefit obligation	112,595	100,355	92,624	102,677
Plan assets	112,595	110,317	105,763	79,919
Excess of defined benefit obligation over fair value of plan assets.	–	(9,962)	(13,139)	22,759
Experience adjustment on plan assets	(4,243)	–	–	–
Experience adjustment on plan liabilities	(1,148)	–	–	–
Particulars	Leave Encashment			
	2011	2010	2009	2008
Defined benefit obligation	30,653	28,794	26,765	31,884
Plan assets	–	–	–	–
Excess of defined benefit obligation over fair value of plan assets.	30,653	28,794	26,765	31,884
Particulars	Pension			
	2011	2010	2009	2008
Defined benefit obligation	800	905	970	1,173
Plan assets	–	–	–	–
Excess of defined benefit obligation over fair value of plan assets.	800	905	970	1,173
Particulars	Long Service Award			
	2011	2010	2009	2008
Defined benefit obligation	6,217	5,091	5,123	6,310
Plan assets	–	–	–	–
Excess of defined benefit obligation over fair value of plan assets.	6,217	5,091	5,123	6,310

23 EXCEPTIONAL ITEMS IN THE PREVIOUS YEAR COMPRISE OF :

- Income of Rs.139,813/- Thousand being net gain realised on sale of Nagpur Factory Assets (Current Tax includes Rs. 28,600/- Thousand related to the said gain).
- Expenses of Rs. 17,004/- Thousand incurred on Voluntary Retirement Scheme (VRS) at Hyderabad Plant.

24 EXTRAORDINARY ITEMS

- Extraordinary items in the previous year comprise of :
 - The Company had reversed balance provision amounting to Rs.27,949/- Thousand (Net of Nil Tax) created in earlier year towards repairs of certain machineries damaged by flood in 2005, as the same was no longer required.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

As at 31st December 2011

- (ii) Against an insurance claim for fire at Thane plant an advance payment of Rs.10,000/- Thousand was received pending final settlement..
A surplus of Rs. 2,578/- Thousand net of Income Tax of Rs. 2,912/- Thousand and cost of repairs & book value of damaged assets had been recognised.
- b Extraordinary items in the current year comprise of :
Insurance claim for fire at Thane plant was settled ,resulting in surplus of Rs.29,417/- Thousand (Net of Tax of Rs.14,100/- Thousand)
- 25 Previous year's figures are appropriately reclassified to conform with current year's classification.

As per our report of even date attached.

For S.V. Ghatalia & Associates

Firm Registration No. 103162W
Chartered Accountants

per Sudhir Soni

Partner

Membership No. 41870

Mumbai

January 31, 2012

Suresh Gupta

Chairman & Managing Director

Parag Vyavahare

Chief Financial Officer

Anand Daga

Company Secretary & Head Legal

M.K. Srinivasan

Chief Executive Officer & Executive Director

Jukka Moisio

Johann Sippel

K.C. Narang

P.V. Narayanan

R.K. Dhir

S.K. Palekar

} Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

As at 31 December 2011

Statement showing particulars as described in the amendment to Schedule VI to the Companies Act, 1956, vide Notification No. G.S.R.388(E) dated May 15, 1995 :

I REGISTRATION DETAILS		
Registration No.		145537
State Code		11
Balance Sheet Date		31st December, 2011
		(Rs. in Thousands)
II CAPITAL RAISED DURING THE YEAR ENDED 31ST DECEMBER 2011		
Public Issue		—
Rights Issue		—
Bonus Issue		—
Private Placement		—
Others—Preferential Issue		—
III POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS AS AT 31ST DECEMBER 2011		
Total Liabilities		3,534,941
Total Assets		3,534,941
Sources of Funds		
Paid-up Capital		125,383
Reserves & Surplus		3,162,895
Unsecured Loans		221,451
Deferred Tax Liability (Net)		25,212
		3,534,941
Application of Funds		
Net Fixed Assets (Incl.Capital Work-in-Progress)		1,897,627
Investments		633,767
Net Current Assets		1,003,547
		3,534,941
IV PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31ST DECEMBER 2011		
i) Turnover (Net Sales & Other Income)		8,109,782
ii) Total Expenditure		7,485,136
iii) Profit before Tax		624,646
iv) Profit after Tax		525,989
v) Earning Per Share (Rs.)		8.39
vi) Dividend Rate %		120%
V GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per monetary terms)		
Item Code No.		
ITC Code	Product Description	
3921 90 99	Shrink Sleeves	
3921 90 96	Printed Polyester / Met Pet / Polyethylene Laminates	
3920 69 12	Printed Polyester / Paper Laminates	

Suresh Gupta
Chairman & Managing Director

Parag Vyavahare
Chief Financial Officer

Anand Daga
Company Secretary & Head Legal

M.K. Srinivasan
Chief Executive Officer & Executive Director

Jukka Moisio
Johann Sippel
K.C. Narang
P.V. Narayanan
R.K. Dhir
S.K. Palekar } *Directors*

Mumbai
January 31, 2012

This image shows a full page of blank, lined paper. It features approximately 28 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.

NOTES

This image shows a single page from a notebook or ledger. It features approximately 28 evenly spaced horizontal blue lines across its entire width, providing space for writing. The margins are uniform on all sides.



The Paper Products Ltd.

Registered Office: Regent Chambers, 13th Floor, Nariman Point, Mumbai - 400 021

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty-Second Annual General Meeting of the Members of The Paper Products Limited will be held on Friday, the 4th May, 2012 at 4.00 P.M. at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020, to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December, 2011, the Profit & Loss Account for the year ended as on that date, and the Reports of the Directors' and Auditors' thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. P V Narayanan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jukka Moisio, who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s. S. R. Batliboi & Co., Chartered Accountants, Mumbai (ICAI Registration No. 301003E) be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company in place of M/s. S. V. Ghatalia & Associates, Chartered Accountants, Mumbai, the retiring Auditors of the Company, on such remuneration as may be fixed by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of the Section 198, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accord its approval for the reimbursement of one-time amount of Rs. 722,123/- (Rupees Seven Lac Twenty Two Thousand One Hundred and Twenty Three Only) incurred by Mr. Suresh Gupta, Chairman and Managing Director of the Company towards undergoing medical treatment outside India whilst on Company's work and travelling, lodging & boarding and other incidental expenses of Mrs. Kumkum Gupta."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the Ordinary Resolution passed by the members of the Company through Postal Ballot on 3rd March, 2010, reappointing Mr. Suresh Gupta as the Managing Director & CEO of the Company w.e.f. 1st January, 2009, (Mr. Suresh Gupta was designated as the Chairman & Managing Director of the Company w.e.f.

10th March, 2010), the Clause [I.f] of the said resolution relating to the medical expenses payable to Mr. Suresh Gupta be and is substituted as under:

The Company will pay medical insurance coverage premium for him and his family (dependent spouse) for hospitalization in India. Medical expenses incurred in India including hospitalization for him and his family will be paid/ reimbursed as per the Company's Scheme. Further, the Company will pay medical insurance coverage premium and/ or actual medical expenses incurred by him for hospitalization abroad, in case of non-availability of mediclaim cover and also the travelling, lodging and boarding expenses of one attendant."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sub-section (4) of Section 309 and other applicable provisions of the Companies Act, 1956, and in accordance with Article 123 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the payment of a sum not exceeding one percent of the net profits of the Company in each financial year, computed in the manner prescribed under Section 198 read with Sections 349 and 350 and other applicable provisions of the Companies Act, 1956, to and amongst the Directors of the Company not being Managing/Whole-time Director(s)/Executive Director(s) of the Company, in such amounts and proportions and in such manner as the Board of Directors may from time to time determine, for each year, for a period of five years commencing from 1st January 2012."

By Order of the Board
For **The Paper Products Limited**

Place: Mumbai

Date: 21st March, 2012

Anand Daga
Company Secretary & Head - Legal

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Register of Members and Share Transfer Books will remain closed from Thursday, 26th April 2012 to Friday, 4th May 2012 (both days inclusive) for Annual General Meeting and for determining the shareholders who are entitled to receive dividend on equity shares. In respect of shares held in electronic form, dividend will be paid on the basis of beneficial ownership as of Wednesday, 25th April 2012 as per details furnished by the depositories for this purpose.
3. All correspondence relating to transfer of shares, change of address, dividend mandates etc. quoting their folio numbers should be sent to the Registrar & Transfer Agents (R&T Agents) only at the following addresses:

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED	
UNIT: PPL 13AB, Samhita Warehousing Complex, 2nd floor, Sakinaka Telephone Exchange Lane, Off Andheri – Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072. Tel. Nos.: (022) 6772 0300 / 6772 0351 / 2 / 3 Fax No.: (022) 2837 5646 Email: sharepro@shareproservices.com	UNIT: PPL 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai: 400 021. Tel. No.: (022) 2288 1569 / 2288 4527 / 6772 0700 Fax No.: (022) 2282 5484 Email: sharepro@vsnl.com
Website: www.shareproservices.com	

4. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, as amended, dividend for the financial year ended 31st December, 2004 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date on which such dividend was due for the payment for the first time, is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed the dividend warrant(s) for the Financial Year ended 31st December 2004 or for any of the subsequent Financial Years are requested to send their claims to the Registered Office of the Company. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie in respect thereof with the Company as well as IEPF.
5. Members who hold shares in physical form
 - a) are requested to inform R & T Agents of the Company, their email address, Income Tax Permanent Account Number (PAN) / General Index Register Number (GIR), if any, allotted to them by the Income Tax Authorities.
 - b) can avail the facility of nomination in the prescribed form. The nominee shall be the person in whom all rights of transfer shall vest in the event of the death of the shareholder(s). A minor can be nominee provided the name of the guardian is mentioned in the nomination form. The facility of nomination is not available to non-individual shareholders such as Societies, Trusts, Bodies Corporates, Partnership Firms, Kartas of Hindu Undivided Families and holders of Powers of Attorney. For further details members may please contact the Company's Secretarial Department at the Registered Office or the R&T Agents of the Company.
 - c) are requested to notify to the R&T Agents of the Company, any change in their addresses, quoting their folio numbers.
 - d) are requested to note that, in order to avoid any loss / interception in postal transit and also to get prompt credit of dividend through Electronic Clearing Services (ECS), they should submit their ECS details. Alternatively, members may provide details of their bank account quoting their folio numbers to the R&T Agents to enable them to print such details on the dividend warrants.
 - e) under multiple folios are requested to submit their application to R&T Agents for consolidation of folios into single folio.
6. Members holding shares in dematerialised form
 - a) may contact their Depository Participant(s) for recording nomination in respect of their shares.
 - b) may please note that their bank details as furnished by the respective depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change / deletion in such bank details. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants.
7. Members are requested to bring their copies of the Annual Report to the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6

Mr. Suresh Gupta was reappointed as the Managing Director & CEO of the Company with effect from 1st January, 2009 and was designated as the Chairman and Managing Director of the Company with effect from 10th March, 2010. Mr. Suresh Gupta fell ill in Vienna (Austria) while he was on official tour to Germany, UK and Austria and was hospitalized for some time in Vienna. Mrs. Kumkum Gupta, his spouse travelled to Vienna to take care of him while he was hospitalised. Mr. Suresh Gupta

has incurred an amount of Rs. 722,123/- (Rupees Seven Lac Twenty Two Thousand One Hundred Twenty Three Only) towards his hospitalization and his wife's travel and other incidental expenses during her stay at Vienna. As Mr. Suresh Gupta had to incur these expenses whilst on official tour, the Remuneration Committee of the Board has recommended and your Board of Directors has approved the reimbursement of aforesaid expenses incurred by Mr. Suresh Gupta. Notwithstanding the fact that the Company is of the view that the reimbursement of medical and other incidental expenditure incurred by an employee whilst on duty is not a perquisite and is in discharge of Company's obligation, as a matter of abundant caution, sanction of the members is sought to the reimbursement of medical and other incidental expenditure including travelling, lodging and boarding expenses incurred by Mrs. Kumkum Gupta who travelled from Mumbai to Vienna to take care of Mr. Suresh Gupta.

None of the Directors of the Company except Mr. Suresh Gupta are concerned or interested in this resolution. Mr. Suresh Gupta and his family holds 1833987 Shares (2.93%) in your Company.

This explanation, together with the accompanying Notice, is to be regarded as an abstract of the terms pursuant to the provisions of Section 302 of the Companies Act, 1956.

The said payment requires approval of the Members pursuant to Section 310 read with Schedule XIII to the Companies Act, 1956 and the overall remuneration is within the limits prescribed in the said schedule. The Board recommends Resolution No. 6 for your approval.

ITEM NO. 7

Mr. Suresh Gupta was reappointed as the Managing Director & CEO of the Company with effect from 1st January, 2009 and was designated as the Chairman and Managing Director of the Company with effect from 10th March, 2010. Mr. Suresh Gupta is required to travel in India and abroad on Company's business. With a view to take care of the medical expenses incurred outside India of Mr. Suresh Gupta, the Board has proposed to amend the terms of appointment of Mr. Suresh Gupta as set out in item no. 7 of the notice of the Annual General Meeting. The Board recommends the passing of ordinary Resolution.

None of the Directors of the Company except Mr. Suresh Gupta are concerned or interested in this resolution. Mr. Suresh Gupta and his family holds 1833987 Shares (2.93%) in your Company.

This explanation, together with the accompanying Notice, is to be regarded as an abstract of the terms pursuant to the provisions of Section 302 of the Companies Act, 1956. Your Board recommends passing of the Ordinary Resolution as set out in item no. 7 of the notice of the Annual General Meeting.

ITEM NO. 8

Sub-section (4) of Section 309 of the Act provides that remuneration by way of commission can be paid to the Directors who are not in the whole-time employment of the Company. The Company is presently being managed by the Managing Director who functions under the supervision, direction and control of the Board of Directors. The non-Executive Directors play an important role in the management of the Company.

These non-wholetime Directors are entitled to a sitting fee upto Rs. 15,000/- for every Board meeting and committee meeting attended by them. In addition to the sitting fees, the Company for the last several years has been paying these Directors a sum not exceeding one percent of the net profits of the Company in each financial year for their much valued contribution to the Company. The aggregate payment has always been below the sanctioned limit of one percent, the quantum of commission is determined by the Board members excluding the Independent-Non-Executive Directors.



The Company, therefore, thinks it desirable that the non- executive Directors be remunerated by way of a commission every year for the aforesaid reasons, for the period of another five years commencing from 1st January, 2012. The resolution is recommended for your approval.

All the Directors of the Company other than the Managing Director and Whole-time Director, are interested in the resolution to the extent of the commission payable to them in accordance with the aforesaid proposed resolution.

By Order of the Board
For **The Paper Products Limited**

Place: Mumbai
Date: 21st March, 2012

Anand Daga
Company Secretary & Head - Legal



The Paper Products Ltd.

Registered Office : Regent Chambers, 13th Floor, Nariman Point, Mumbai – 400 021.

Dear Member/s,

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by the Companies, vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents to members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the members are given an advance opportunity to register their e-mail address or changes, if any, therein with the Company.

Pursuant thereto, we invite members to register their e-mail address to participate in the Green Initiative by registering their e-mail address with the Company for the purpose of service of documents viz. Annual Report, Notice of General Meetings, Notice of Postal Ballot, Intimation of ECS Credits, etc. by e-mail.

Let's be part of this 'Green Initiative'.

For **The Paper Products Limited**

Anand Daga
Company Secretary & Head - Legal

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(In pursuance of Clause 49 IV (G) (i) of the Listing Agreement)

Particulars	1	2
Name of Director	Mr. P V Narayanan	Mr. Jukka Moisio
Date of Birth	10.03.1941	04.05.1961
Date of Appointment	30.03.2002	23.04.2008
Expertise in specific field	He has 46 years of experience in the field of packaging covering various positions of eminence. He has also been conferred with the Honorary Membership by the Asian Packaging Federation. He has been awarded the Fellow Institute of Packaging (F.Inst.Pkg) UK and Chartered Scientist (CS) by the Science Council, UK. He is an advisor of Cognizance Packaging Solutions Pvt. Ltd. Mr Narayanan is a member of the Board of APEDA (Agricultural & Processed Food Products Export Development Authority), Ministry of Commerce & Industry, Governemnt of India. He has been an Independent Director of the Company since March 2002.	He has worked with Ahlstrom Corp (1991-2008) before joining Huhtamaki Oyj in the year 2008. He is holding the position of CEO and Chairman of Group Executive Team of Huhtamaki Oyj. He has been nominated as Director by Huhtavefa B.V. on PPL Board of Directors w.e.f. 23rd April 2008.
Qualification	He is a Post-Graduate in Chemistry and Diploma in Marketing Management.	He holds Masters degree in Science and Economics and MBA.
Name of other companies in which he holds Directorship*	1) Texplast Industries Ltd.	1) Huhtamaki Americas Inc 2) Huhtamaki Oyj
Name of other companies in which he holds Chairmanship/Membership of Committees of Board ^{\$}	APEDA (Agricultural and Processed Food Products Export Development Authority)	Nil
No. of Shares held in The Paper Products Limited	Nil	Nil
Relationship with other directors	None	None

* Details in this regard exclude directorships held in private limited companies which are not subsidiaries or holding companies of public limited companies, unlimited companies, foreign companies, associations not carrying on business for profit or which prohibits the payment of dividend, statutory entities and also alternate directorships as provided under section 278 of the Companies Act, 1956.

\$ Details in this regard include the Chairmanship/ membership of the Audit Committee and the Shareholders' Grievance of only public limited companies, whether listed or not.



The Paper Products Ltd.

Regd. Office : Regent Chambers, 13th Floor, Nariman Point, Mumbai – 400 021.

DP ID No.:

L.F. No. / CL. ID No. :

ATTENDANCE SLIP

I / We hereby record my / our presence at the 62nd ANNUAL GENERAL MEETING at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020 on Friday, 4th May 2012 at 4.00 P.M.

NAME & ADDRESS OF THE SHAREHOLDER (S)

SIGNATURE OF THE SHAREHOLDER(S) OR THE PROXY ATTENDING THE MEETING

IF SHAREHOLDER, PLEASE SIGN HERE	IF PROXY, PLEASE SIGN HERE

Note :

1. A shareholder / proxyholder wishing to attend the meeting must bring the Attendance Slip to the Meeting and hand over the same at entrance of the meeting hall, duly signed.
2. A shareholder / proxyholder designing to attend the meeting should bring his copy of the Annual Report for reference at the meeting.



The Paper Products Ltd.

Regd. Office : Regent Chambers, 13th Floor, Nariman Point, Mumbai – 400 021.

DP ID No.:

L.F. No. / CL. ID No. :

PROXY FORM

I/We _____ of _____
_____ being a member/members of THE PAPER PRODUCTS
LIMITED hereby appoint _____ of _____
or failing him / her _____ of _____ as my / our proxy to
vote for me / us or on my / our behalf at the 62nd ANNUAL GENERAL MEETING of the Company to be held at Rama Watumull
Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020 on Friday, 4th May 2012
at 4.00 P. M. and at any adjournment thereof.

As witness my / our hand(s) this _____ day of _____ 2012.

Affix
Re. 1
Revenue
Stamp

[Signature of the Shareholder(s)]

No. of Shares held _____

Note :

1. The Proxy Form must be returned so as to reach the Registered Office of the Company, not less than FORTY- EIGHT HOURS before the time fixed for holding the aforesaid meeting.
2. A proxy need not be a member of the Company.



Thane Plant

Corporate Head Quarter THE PAPER PRODUCTS LTD.

LBS Marg, Majiwade, Thane (W) - 400 601, Maharashtra.
Tel: +91 22 21735551 / 5591 Fax: +91 22 21735599 / 5650

CUSTOMER SUPPORT OFFICES

BANGALORE

#91, West Park Road, 17th Cross, Malleswaram
Bangalore - 560055, Karnataka.
Tel: +91 80 23568979 / 23342873 Fax: +91 80 23342872

CHENNAI

Premise No. 16, 8th Main Road, Vijaynagar, Velachari
Chennai - 600042, Tamil Nadu
Telefax: +91 44 28345420 / 421

HYDERABAD

139 & 148, Sri Venkateshwara Co-op. Indl. Estate
Bollarum - 502325, Andhra Pradesh.
Tel: +91 8458 279628 / 279616 Fax: +91 8458 279464

KOLKATA

5th Floor, Laha Paint House, 7 Chittaranjan Avenue
Kolkata - 700072, West Bengal.
Tel: +91 33 22372812 / 22348241 Fax: +91 33 22255654

NEW DELHI

508/510, Ansal Chamber II, 6 Bhikaji Cama Palace
New Delhi - 110066.
Tel: +91 11 26194795 / 26195641 Fax: +91 11 26194389



Rudrapur Plant

MANUFACTURING LOCATIONS

THANE

LBS Marg, Majiwade, Thane (West) - 400601, Maharashtra.
Tel: +91 22 2173 5551 / 2173 5591
Fax: +91 22 2173 5599 / 2173 5650

SILVASSA

Survey No. 33/1, At Post Umerkoi, Via Silvassa
U.T. of Dadra & Nagar Haveli - 396230.
Tel: +91 9725025351 Fax: +91 260 2681003



Silvassa Plant

HYDERABAD

139 & 148, Sri Venkateshwara Co-op. Indl. Estate
Bollarum - 502325, Andhra Pradesh.
Tel: +91 8458 279628 / 279616 Fax: +91 8458 279464

RUDRAPUR

Plot No. 70-33, Sector 4, IIE Pantanagar, Rudrapur
Udhamsingh Nagar - 263153, Uttarakhand.
Tel: +91 5944 250183 / 84 / 85 Fax: +91 5944 250186



Hyderabad Plant

R&D - THANE

LBS Marg, Majiwade, Thane (West) - 400601, Maharashtra.
Tel: +91 22 21735551 / 21735591
Fax: +91 22 21735599 / 21735650



न हि ग्यानेन सदृशम्... ।

There is nothing equivalent to knowledge