



**ICRA Limited**  
An Associate of Moody's Investors Service

March 17, 2011

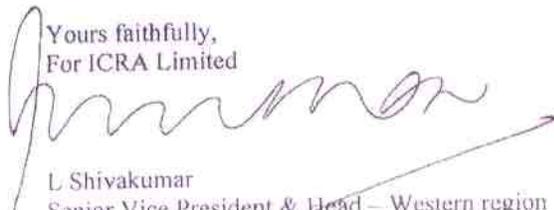
To  
The Board of Directors  
Paramount Printpackaging Limited  
A/309, TTC Industrial Estate  
Mahape Road, Navi Mumbai  
Maharashtra - 400701

Dear Sirs,

Proposed Initial Public Offering of 15,000,000 equity shares of Rs. 10/- each at a premium to be determined by Book Building Process by Paramount Printpackaging Limited (the "Company") ("Initial Public Offer")

We, the undersigned, hereby consent to act as Credit Rating Agency that has provided the IPO Grading for the captioned IPO and to our name being inserted as the Credit Rating Agency providing the IPO Grading in the Draft Red Herring Prospectus to be filed with Securities Exchange Board of India (SEBI), the Red Herring Prospectus and the Prospectus which the Company intends to file with Registrar of Companies, SEBI and the stock exchanges, in respect of the proposed Initial Public Offer. We also authorise you to deliver a copy of this letter of consent to the Registrar of Companies pursuant to the provisions of Section 60 and 60B of the Companies Act, 1956. The consent to be named as an expert is limited solely to the IPO Grading in the form in which it is issued by us without any modification whatsoever to the same. The consent does not purport to cover any other reports or information attributable to us that you may intend to include in the Prospectus, in which case, a separate consent may be obtained from us in respect of such statements for such inclusion in the Prospectus.

Yours faithfully,  
For ICRA Limited



L Shivakumar  
Senior Vice President & Head - Western region  
Authorised Signatory



## Paramount Printpackaging Limited

ICRA has assigned an IPO Grade 2, indicating below average fundamentals, to the proposed initial public offering (IPO) of Paramount Printpackaging Limited (PPL). ICRA assigns IPO gradings on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

The assigned grading takes into account the long track record of the promoters in the packaging industry; improvement in customer base with addition of established FMCG and pharma companies in recent years and positive demand outlook for the company's product portfolio on account of favourable demand scenario for the pharmaceutical industry and FMCG sector. The proceeds of the IPO would be utilized for setting up a new plant at Bhilad in Gujarat for manufacturing high value added products, namely high end duplex board cartons, shippers and printed corrugated box. The demand potential for the same is expected to be favourable on account of impetus in the end-user industries, mainly pharmaceuticals, FMCG, auto-ancillaries, tobacco, and food and beverages.

The grading is however constrained by PPL's modest size and scale of operations; weak net profitability levels due to heavy interest burden and depreciation costs; high working capital intensity in the business and the expected decline in return indicators in the near term given the large expansion and the resultant equity dilution. Also, while the demand potential is favourable, the company would face high project implementation risks in setting up the new project, especially given the large size of the expansion in relation to existing operations of the company as well as the limited progress achieved on the same and the dependence on IPO proceeds for financial closure. ICRA notes that going forward, successful commissioning of the project would augment the revenue size and profitability indicators; however, the same would remain dependent on successful implementation of its new project as well as market acceptance of the products.

### Company Profile

Paramount Printpackaging Limited (PPL) is in the business of manufacturing folding box cartons and has its plant located at New Mumbai. PPL was promoted by members of the Sukhadia family. The promoters were operating through a stationery shop complemented by four manually operated letterpress treadle machines since 1941 through its facility at Fort, Mumbai. The promoters then shifted from stationery printing to packaging in 1982. Subsequently, a new firm in the name of M/s. Paramount Printing Press was formed on November 13, 1985 which was renamed as Paramount Printing Press Private Limited in March, 2006. Subsequently, the company was renamed as Paramount Printpackaging Private Limited in June 2010 and later converted to public limited company in July 2010 with its new name as Paramount Printpackaging Limited. PPL currently has the capacity to convert approximately 400 tons of paper board every month. In terms of finished products, the company has the capacity to produce 20 lakh cartons a day, i.e. 60 crore cartons annually.

### Recent Results

For FY 10, the company reported an operating income of Rs.46.53 crore and Profit after Tax (PAT) of Rs. 1.70 crore. For H1-FY 11, the company has reported an operating income of Rs. 25.78 crore and PAT of Rs. 0.87 crore.

February 2011