



JMR & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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Independent Auditors' Report

To the Members of
THREE M PAPER MFG. CO. PVT. LTD

Report on the Financial Statements

Opinion

We have audited the accompanying Financial Statement of **THREE M PAPER MANUFACTURING CO.PVT.LTD.** ("The Company") Which comprises of the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, the Statement of Cash Flows for the year ended on that date, and notes to Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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





Emphasis of Matters

We draw attention to Note No. 27.3 of Further Notes forming Part of Accounts in relation to refund receivable from revenue authorities for compensation cess paid on coal in proportion to the export, pending application.

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as the company is private Limited Company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial





performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statement have been kept so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors of the Company as on 31st March 2021 taken on record by the Board of Directors of the Company, none of the Company directors is disqualified as on 31st March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and





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- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations as at 31st March, 2021 on its financial position in its financial statements in Note 6 to Financial Statement.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year ended 31st March, 2021.

For JMR & Associates LLP

Chartered Accountants

Firm Reg. No.: 0106912W/W100300

CA. Kintan Maru

Partner

Membership No.:146080



Place : Mumbai

Date : 6th July, 2021.

UDIN : 21146080AAAADS6958



ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Independent Auditors' Report of even date referred to in paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of The Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Three M Paper Manufacturing Co. Pvt. Ltd. ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





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Opinion

In our opinion, to the best of our information and the explanation given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JMR & Associates LLP
Chartered Accountants
Firm Reg. No.: 106912W/W100300

CA. Kintan Maru
Partner
Membership No.: 146080



Place : Mumbai
Date : 6th July, 2021.
UDIN : 21146080AAAADS6958



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ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

- (i) In respect of fixed Assets
- The Company has records of full particulars including quantitative details and situation of fixed Assets. However, the Company is yet to compile all such records into a Single Summarized Fixed Asset Register as necessitated by Paragraph 4(1)(a) of Order.
 - As explained to us, all the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold Land at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- (ii) In respect of its inventories:
- As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- (iii) In our opinion and according to the information and explanations given to us, The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act and accordingly, paragraph (iii) of the Order is not applicable to the Company.





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- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans or provided any guarantee or given any security or made any investments as per provisions of Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73 to 76 of the Act and rules framed there under, and accordingly, the provisions of paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section (1) of section 148 of the Act, related to manufacture of Companies products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said records.
- (vii) In respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Goods and Service Tax which has not been deposited as at March 31, 2021 on account of dispute are given below:

Name of the Statute	Nature of the Dues	Amount Involved (Rs)	Amount Paid (Rs)	Year to which the Amt relates	Forum where dispute is ongoing
The Income Tax Act, 1961	Income Tax	16,10,795	NIL	A.Y 2010-11	High Court of Bombay
The Income Tax Act, 1961	Income Tax & Interest	2,77,24,170	20,00,000	A.Y 2012-2013	Commissioner of Income Tax (A) - 6
The Income Tax Act, 1961	Income Tax & Interest	6,72,305	NIL	Multiple Years	Assistant Commissioner of Income Tax





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CHARTERED ACCOUNTANTS

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial Institutions or government. The Company does not have any dues from debenture holders during the year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, the term loans and working capital loans taken by the Company have been applied for the purposes relating to business of the Company. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.
- (xii) The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.





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CHARTERED ACCOUNTANTS

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors. Accordingly, the provisions of Clause (xv) of Para 3 of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. According, clause 3(xvi) of the Order is not applicable to the Company.

For JMR & Associates LLP
Chartered Accountants
Firm Reg. No.: 0106912W/W100300

CA. Kintan Maru
Partner
Membership No.:146080



Place : Mumbai
Date : 6th July, 2021.
UDIN :21146080AAAADS6958

THREE M PAPER MANUFACTURING. CO. PVT. LTD.

CIN-U22219MH1989PTC052740

Balance Sheet as at March 31, 2021

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	65,502,000	65,502,000
Reserves and surplus	4	308,155,572	290,892,881
		373,657,572	356,394,881
Non-current liabilities			
Long-term borrowings	5	271,690,761	281,768,257
Deferred tax liabilities (Net)	6	79,034,945	72,926,023
Long term liabilities	7	5,000,000	7,500,000
		355,725,706	362,194,280
Current liabilities			
Short-term borrowings	8	263,651,382	265,951,149
Trade payables	9	385,802,117	370,985,043
Other current liabilities	10	24,025,599	25,917,178
Short-term provisions	11	7,533,536	3,052,088
		681,012,634	665,905,458
TOTAL		1,410,395,912	1,384,494,619
ASSETS			
Non-current assets			
Fixed Assets	12		
Tangible assets		707,569,295	738,048,275
Intangible assets		244,849	378,542
		707,814,144	738,426,817
Non-current investments	13	4,100	4,100
Long-term Loans, Advances & Deposit	14	27,286,580	24,653,108
		27,290,680	24,657,208
Current assets			
Inventories	15	267,029,708	265,291,491
Trade receivables	16	289,003,646	265,007,120
Cash and cash equivalents	17	843,440	1,222,618
Short-term loans and advances	14	118,414,294	89,889,365
		675,291,088	621,410,594
TOTAL		1,410,395,912	1,384,494,619

Summary of Significant accounting policies
Notes forming Part of Account
In terms of our report of even date

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FOR JMR & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. 0106912W/W100300

CA. KINTAN MARU

Partner

Membership No. 146080

Place : Mumbai

Date: 06th July, 2021

UDIN: 21146080AAAADS6958



For and on behalf of the Board of Directors of
FOR THREE M PAPER MFG. CO. PVT. LTD.

* HD Shah *

HITENDRA SHAH

Director

DIN- 00448925



RUSHABH SHAH

Director

DIN-01874177

THREE M PAPER MFG. CO. PVT. LTD.

CIN-U22219MH1989PTC052740

Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	18	1,632,870,144	1,845,420,692
Other operating income	19	18,012,325	29,319,689
Other income	20	4,331,374	9,409,044
Total (I)		1,655,213,843	1,884,149,425
Expenses			
Cost of raw materials and components consumed	21	902,487,843	1,069,176,702
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	2,917,810	11,780,916
Employee benefits expense	23	90,942,750	103,972,059
Finance costs	24	61,981,887	65,765,598
Depreciation and amortization expense	12	55,590,017	55,293,443
Other expenses	25	517,921,924	588,749,420
Total (II)		1,631,842,231	1,894,738,138
Profit/(Loss) before tax (I-II)		23,371,612	(10,588,713)
Profit/(Loss) before tax		23,371,612	(10,588,713)
Prior Period Income		-	3,730
Tax Expenses			
- Current Tax		3,500,000	-
- MAT Credit		(3,500,000)	-
- Deferred Tax Credit	6	6,108,921	19,943,503
		6,108,921	19,943,503
Profit/(Loss) for the year (A+B)		17,262,691	(30,528,486)

Earnings per equity share:

Basic	26		
Diluted		35.36	(62.54)
		NA	NA

Summary of Significant accounting policies

Notes forming Part of Account

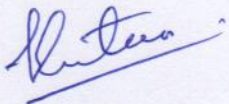
In terms of our report of even date

For and on behalf of the Board of Directors of
FOR THREE M PAPERS MFG. CO. PVT. LTD.

FOR JMR & ASSOCIATES

Chartered Accountants

Firm Registration No. 0106912W/W100300



CA. KINTAN MARU

Partner

Membership No. 146080



H D Shah

HITENDRA SHAH

Director

DIN- 00448925





RUSHABH SHAH

Director

DIN-01874177

Place : Mumbai

Date: 06th July, 2021

UDIN: 21146080AAAADS6958

THREE M PAPER MANUFACTURING COMPANY PVT. LTD.

CIN-U22219MH1989PTC052740

Cash Flow Statement for the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Cash Flow from Operating Activities		
Net Profit before taxation	2,33,71,612	(1,05,88,713)
<u>Adjustments for:</u>		
Depreciation on fixed assets	5,55,90,017	5,52,93,443
Interest expense	5,97,65,262	6,57,65,598
Bad Debt	3,02,47,380	-
Loss due to Tansit / Fire / Natural Calamities	5,13,499	20,20,089
Provision / (Reversal) for Doubtful Debts	(3,98,433)	22,70,314
Provision for Gratuity	9,65,682	-
Sundry balances written off	5,15,937	20,78,584
Prior Period Income	-	3,730
Corporate Social Responsibility Provision / (Reversal)	(10,07,305)	10,07,305
<u>Deduct:</u>		
Unrealized Foreign Exchange Difference Loss / (Profit)	(11,35,444)	(11,46,587)
Sundry Liabilities written off	(7,86,772)	(15,06,305)
Interest Income	(6,48,408)	(9,09,278)
Operating Profit before Working Capital changes	16,69,93,027	11,42,88,180
<u>Adjustments for :</u>		
(Increase) /Decrease in inventories	(12,24,718)	5,53,96,838
(Increase) /Decrease in trade receivables and other assets	(5,25,17,460)	1,15,79,600
(Increase) /Decrease in loans and advances	(2,79,87,275)	(31,11,137)
Increase/(Decrease) in trade payables	43,68,047	(3,78,51,113)
Increase/(Decrease) in other current & Non Current liabilities	95,72,539	(19,56,525)
Cash Generated from Operations	9,92,04,160	13,83,45,844
Income tax Paid	(2,50,758)	(69,56,638)
Net Cash inflow from/(outflow) from Operating activities (A)	9,89,53,402	13,13,89,206
Cash Flow from Investing Activities		
Purchase of fixed assets, including WIP and Intangibles Assets	(2,49,77,344)	(2,81,00,242)
Interest received	2,87,288	5,57,541
Net Cash inflow from/(outflow) from Investing activities (B)	(2,46,90,056)	(2,75,42,701)
Cash Flow from Financing Activities		
Proceeds from Borrowings (net of repayments)	(3,37,16,644)	(1,75,01,845)
Interest & Other Borrowing Cost paid	(5,82,04,440)	(6,75,16,092)
Net Cash inflow from/(outflow) from Financing activities (C)	(9,19,21,084)	(8,50,17,937)
Net increase /(decrease) in cash and cash equivalents (A+B+C)	(1,76,57,738)	1,88,28,568
Cash and Cash Equivalents at the beginning of the year	(19,85,00,131)	(21,73,28,699)
Cash and Cash Equivalents at the closing of the year	(21,61,57,869)	(19,85,00,131)

FOR JMR & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. 0106912W/W100300

Kintan Maru

CA. KINTAN MARU

Partner

Membership No. 146080

Place : Mumbai

Date: 06th July, 2021

UDIN: 21146080AAAADS6958



For and on behalf of the Board of Directors of
FOR THREE M PAPER MFG. CO. PVT. LTD.

H D Shah

HITENDRA SHAH

Director

DIN- 00448925

Rushabh Shah

RUSHABH SHAH

Director

DIN-01874177



THREEM PAPER MFG. CO. PVT. LTD.

CIN-U22219MH1989PTC052740

Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

1 Description Of Business

Three M Paper Mfg. Company Private Ltd has been incorporated on 26th July, 1989. The Company is in the activity of Manufacturing of Mill Board & Duplex Board which are used for Packaging of products. The Company is also engaged in the activity of generation of Wind Energy.

2 Summary Of Significant Accounting Policies

2.1 System of Accounting:

The Financial Statements are prepared under the Historical Cost Convention on an Accrual Basis of accounting in accordance with Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act 2013 and the relevant provision thereof.

2.2 Use of Estimates

In Preparation of Financials Statements, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the assumptions are based on historical experience and other factors that are considered to be relevant. Actual Results may differ from these estimates.

The Estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which estimate is revised and future period affected. Significant judgements and estimates about the carrying amount of assets and liabilities includes Useful life of Tangible and Intangible assets, investments, employee benefits and other provisions and recoverability of deferred tax assets.

2.3 Property, Plant & Equipment:

Property, Plant & Equipment are stated at cost, net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use are capitalised. Expenditure related to and incurred during implementation of project is included under Capital Work-in-Progress and the same is capitalized by allocating to various fixed assets on completion of the project. Borrowing Cost during the period of construction is added to the cost of Qualifying assets. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and cost of the assets can be measured reliably. Leasehold Improvements are Amortised in accordance with the Actual Lease Period of the specific Leased Premises. Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized over their estimated useful economic life over a period of four years using Straight line Method.

2.4 Depreciation & Amortization:

Depreciation is provided on Straight Line basis over the useful life of assets which is stated in Schedule II of Companies Act, 2013 or based on Technical Estimate made by the company. The company has prepared Component based Fixed Asset Register and depreciated all class of assets individually, except for Building & Plant & Machinery wherein Fixed Assets have been recorded & depreciated on block of year basis rather than depreciating them individually as past records were unavailable. The details of Estimated life are as under:

Category of Assets	Useful Life (Years)
Building	30-60
Furniture & Fixture	10
Vehicles*	10
Windmill	19
Computers & Softwares	03
Plant & Machinery used in Mfg of Paper*	19
Plant & Machinery	19

*For these class of assets based on internal assessment and independent technical evaluation carried out by external valuers the company estimates the useful life as given above best represents the period over which Company expects to use these assets. Hence the useful life for these assets are different from the useful life as prescribed under Part C of Schedule of Companies Act, 2013



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Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

2.5 Revenue Recognition:

- i) Sale of Goods is recognised on dispatch to Customers and Sales include Transport Charges, Insurance and other incidental charges charged to Customers and are net of returns. Credit Notes for Rate differences, quality and quantity rebates are accounted for as and when negotiations are completed with customers.
- ii) Revenue arising from Sales of Wind Energy is recognised in the Succeeding month of Generation, when such Wind Energy is invoiced to Customer.
- iii) Revenue from export benefits arising from Duty Free Import Authorization (DFIA scheme), Duty Drawback scheme, Merchandise export incentive scheme (MEIS) are recognized on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.
- iv) Dividend income is recognized when the right to receive payment is established.
- v) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- vi) Interest is recognized on delayed payment by Trade Receivables as & when debit note are raised by Company on such Trade Receivables

2.6 Inventories:

The Company has adopted the policy of valuing the inventories in line with the Accounting Standard 2 ('AS-2') "Valuation of Inventory" notified by The Ministry of Corporate Affairs. All the inventories are valued at lower of cost or net realisable value, which is certified by the management. The cost is determined on First In First Out (FIFO) basis. Cost includes the purchase price, non-refundable taxes and delivery and handling costs.

2.7 Employees Retirement Benefits:

Defined contribution plan

The Company makes Provident Fund contributions to regulatory authorities for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund authorities. The Company does not expect any shortfall in the foreseeable future.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to gratuity fund and the Company recognizes the liability for gratuity benefits payable in future based on an independent actuarial valuation.

2.8 Income Tax & Deferred Tax:

Provision for tax is made on the basis of taxable income of the current accounting period in accordance with the provisions of Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date as per Accounting Standard - 22 "Accounting for Taxes on Income" notified by The Ministry of Corporate Affairs. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) obligation in accordance with the tax laws, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax during the specified period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.



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CIN-U22219MH1989PTC052740

Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

2.9 Operating Lease

Lease rentals in respect of assets taken on operating are charged to the Profit and Loss Account on Straight line basis over the period of lease term. The accounting for the lease has been done in accordance with the Accounting Standard 19 "Lease" notified by The Ministry of Corporate Affairs.

2.10 Contingent Liabilities & Provisions

Provisions are recognised in respect of present probable obligation, the amount of which can be reliably estimated which are reviewed at each Balance Sheet date.

Provisions of Commission pertaining to Export Sales of Current Year are recognised in the year when conditions of such Commission are achieved by respective agents

Contingent liabilities are disclosed by way of note to the financial statements after careful evaluation by management of the facts and legal aspects of the matter involved. As a prudent accounting policy, Contingent Assets are neither recognized nor

2.11 Purchases

Purchase of Goods is recognised on receipt into factory premises and Purchases include non refundable Taxes and other incidental charges charged by Suppliers and it is net of the Purchase Returns, Discounts & Quality rebates.

2.12 Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction. Any income or expense on account of exchange difference either on settlement is recognised in the Profit & Loss account. Any difference on settlement of foreign liabilities relating to aquisition of fixed assets are also recognised to Profit & Loss Account as mandated by AS - 11 (revised) issued by The Ministry of Corporate Affairs. Monetary items are translated at Closing Rates at the year end.

2.13 Borrowing Cost

Borrowing Cost includes Interest and other cost which is directly attributable to loans. The costs which are directly attributable to acquisition, construction and production of Fixed Asset that necessarily takes a substantial period of time to get ready for its intended use or sale and are capitalised as part of cost of respective assets. The Interest Costs of Loans which are for Expansion and Working Capital Purpose both are capitalized as attributable to Qualifying Assets. All other costs are directly charged to Profit & Loss a/c and recognised as an Expense.

2.14 Segment Reporting

The company is presently engaged in the business of manufacturing and selling of paper products. Disclosure relating to primary and secondary business segments under the Accounting Standard on Segment Reporting - AS17 have been made for a single product and for two geographical segments - local and exports.



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

3 - Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised shares 1,000,000 equity Shares of Rs 100/- each	100,000,000	100,000,000
Issued, subscribed and fully paid-up shares 655,020 equity Shares of Rs 100/- each	65,502,000	65,502,000
	65,502,000	65,502,000

a. Name of shareholders holding more than 10% of Share Capital

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Hitendra Shah	395,490	60.38%	395,490	60.38%
Prafulla Shah	92,680	14.15%	92,680	14.15%
Total	488,170		488,170	

b. Reconciliation of the shares outstanding

Particulars	Equity Shares	
	Number	Rs.
Opening Share Capital as on 1st April 2020	655,020	65,502,000
Add : Shares Issued during the year	-	-
Less : Shares bought back during the year	-	-
Closing Share Capital as on 31st March 2021	655,020	65,502,000

- c. There are no shares allotted on Right basis attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.
- d. There are no shares allotted on Preference basis attaching to each class of shares including restriction on distribution of dividend and the repayment of capital.
- e. There are no shares reserved for issue under option and contracts/ commitments for the sale of shares/disinvestment, including the terms and amount.
- f. No Shares were issued as fully paid up for the purpose of amalgamation , for consideration other than cash.
- g. There are no class of shares allotted as fully paid up by way of Bonus shares.



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

4 - Reserves and surplus

Particulars	As at March 31, 2021	As at March 31, 2020
A. Securities Premium Account		
Opening Balance	22,500,000	22,500,000
Add : Securities premium Credited on Share issue	-	-
Closing Balance	22,500,000	22,500,000
B. General Reserves		
Opening Balance	52,900,100	52,900,100
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	52,900,100	52,900,100
C. Surplus		
Opening balance	215,492,781	246,021,267
(+) Net Profit/(Net Loss) for the current year	17,262,691	(30,528,486)
Amount available for Appropriation	232,755,472	215,492,781
(-) Transfer to Reserves	-	-
Closing Balance	232,755,472	215,492,781
Grand Total	308,155,572	290,892,881



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

5 - Long-term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
SECURED (Refer note 25 (7))		
Term loans from Banks		
(i) From HDFC Banks Ltd (Extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank. Interest Rate @ 8.25% p.a.)	15,444,060	-
Term loans from NBFC		
(i) From Tata Capital Financial Services Limited (Secured By Equitable Mortgage of Fixed Assets of the company, Hypothecation of Plant & Machinery, Electrical Installation, Furniture & Fixture and Floating charge on all other assets of the Company. Interest Rate @ 12.50% p.a.)	38,210,639	54,055,677
Non Current Portion of Car Loan		
(i) From Kotak Mahindra Prime Limited (Secured Against Vehicle) Interest Rate @ 9.25 %	-	368,580
Total	53,654,699	54,424,257

Particulars	As at March 31, 2021	As at March 31, 2020
UN-SECURED		
Loans and advances		
Loans From Directors		
Inter Corporate Loans	215,013,315	214,467,840
Loans From Banks	2,000,000	2,000,000
Loans From NBFC	849,272	6,957,860
Total	173,475	3,918,300
	218,036,062	227,344,000
TOTAL OF SECURED AND UN-SECURED		
	271,690,761	281,768,257

6 - Deferred tax liability (Net)

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liability		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	106,509,009	106,314,981
Deferred tax asset		
Provision for Bonus	760,984	348,614
Provision for Gratuity	213,013	-
Unabsorbed Depreciation	26,500,068	33,040,344
Gross Deferred tax asset	27,474,064	33,388,958
Net Deferred tax liability / (Asset)	79,034,945	72,926,023
Deferred Tax Charge / (Credit) for the year	6,108,921	19,943,503



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

7 - Other long-term liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Others Liabilities		
(a) Trade Deposits (Unsecured Trade Deposits)	5,000,000	7,500,000
Total	5,000,000	7,500,000

8 - Short Term Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
A) Secured Credit facilities from Banks		
(i) Cash Credit From HDFC Bank Ltd (Secured By Hypothecation of all tangible movable assets including Stock of Raw Materials, Finished Goods. Book Debts, Money Receivable and mortgage on the Fixed Assets of the Company. Interest @ 9.40 %)	87,308,026	94,515,904
(ii) Cash Credit From DBS BANK LTD (Secured By Hypothecation of all tangible movable assets including Stock of Raw Materials, Finished Goods. Book Debts, Money Receivable and mortgage on the Fixed Assets of the Company. Interest @ 9.80 %)	129,693,283	105,206,845
B) Secured Term loans from Banks		
HDFC Bank Ltd (Extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank. Interest Rate @ 8.25% p.a.)	2,197,936	-
C) Unsecured Credit facilities from NBFC		
(i) Tata Capital Financial Services Limited (Interest @ 13.00%)	15,154,883	20,198,799
D) Current Maturities of Secured Term Loans (Refer note 25 (7))		
(i) From Tata Capital Financial Services Limited (Secured By Equitable Mortgage of Fixed Assets of the company, Hypothecation of Plant & Machinery, Electrical Installation, Furniture & Fixture and Floating charge on all other assets of the Company. Interest Rate @ 12.50% p.a.)	19,072,917	10,495,123
Current Portion of Vehicle Loan		
(i) From HDFC Bank Limited (Secured Hypothecation of Vehicle) Interest Rate @ 8.80 %	-	254,066
(ii) From Kotak Mahindra Prime Limited (Secured Hypothecation of Vehicle) Interest Rate @ 9.25 %	368,580	367,440
E) Current Maturities of Unsecured Loans		
(i) Loan from Non Banking Financial Corporation	3,747,169	24,999,935
(ii) Loan from Banks	6,108,588	9,913,037
Total	263,651,382	265,951,149



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

9 - Trade Payable

Particulars	As at March 31, 2021	As at March 31, 2020
Payable for Goods		
Sundry Creditors for goods	210,741,738	206,566,259
Others		
Sundry Creditors for Expenses	175,060,379	164,418,785
Total	385,802,117	370,985,043

10- Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(b) Other Current Liabs		
Advance From Customers	840,839	1,470,278
Employee & Related Statutory Dues	7,663,424	5,851,293
Accrued Expenses	1,478,715	5,617,790
Sundry Creditors - Payable for Capital Expenditure	8,294,671	8,203,828
Statutory Dues Payable	5,747,950	4,773,989
Total	24,025,599	25,917,178

11- Provisions

Particulars	Short-term	Short-term
	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax	3,800,000	-
Bonus	2,767,854	3,052,088
Gratuity	965,682	-
Total	7,533,536	3,052,088



Three M Paper Mfg. Co. Pvt. Ltd.

Notes to financial statements for the year ended March 31, 2021

12 - Fixed assets

PARTICULARS	Gross Block					Accumulated Depreciation			Net Block	
	As at April 1, 2020	Additions during the Year	Deletions during the Year	Loss by Fire/ Disposals	As at March 31, 2021	As at April 1, 2020	Depreciation charge for the year	Adjustment due to Fire/ Deletion	As at March 31, 2021	As at March 31, 2020
Tangible Assets										
Air Conditioner	1,863,054	111,500	-	-	1,974,554	1,577,984	56,548	-	1,634,532	285,069
Computer	4,355,717	177,664	-	-	4,533,381	2,888,094	497,645	-	3,385,739	1,467,623
Factory Building	91,892,779	668,017	-	-	92,560,796	36,793,154	259,014	-	37,052,168	55,099,626
Factory Building -Road Work	7,940,038	-	-	-	7,940,038	2,491,173	323,332	-	2,814,505	5,448,865
Fax Machine	124,948	-	-	-	124,948	124,948	-	-	124,948	-
Furniture & Fixture	13,225	-	-	-	13,225	6,448	-	-	6,448	-
Fur. & Fix.-Factory Renovation	2,055,095	-	-	-	2,055,095	1,415,871	217,919	-	1,633,790	6,777
Laboratory Equipment	1,714,514	-	-	-	1,714,514	1,699,223	-	-	1,699,223	639,224
Leasehold Land	1,461,026	-	-	-	1,461,026	66,410	-	-	15,291	15,291
Office Equipment	1,820,581	723,855	-	-	2,544,436	1,345,948	22,137	-	1,372,479	1,394,616
Plant & Machinery - Electric Inst.	33,991,493	-	-	-	33,991,493	28,050,412	202,416	-	1,548,364	474,634
Plant & Machinery	783,354,872	22,188,098	-	-	805,542,970	347,709,813	997,104	-	29,047,516	996,073
Vehicles	10,115,882	69,535	-	-	10,185,417	5,051,144	35,293,353	-	383,003,166	5,941,081
Vehicles - Tractor	3,059,003	1,021,429	-	-	4,080,432	2,431,889	811,741	-	4,322,532	435,645,059
Co-Gen Plant	304,726,530	-	-	-	304,726,530	249,100	249,100	-	2,680,989	5,064,738
Windmill	30,599,811	-	-	-	30,599,811	93,329,122	15,044,998	-	108,374,120	627,114
Total	1,279,088,568	24,960,098	-	-	1,304,048,666	541,040,293	55,439,078	-	596,479,371	707,569,296
Intangible Assets										
Computer software	2,862,489	17,246	-	-	2,879,735	2,483,947	150,939	-	2,634,886	378,542
Total	2,862,489	17,246	-	-	2,879,735	2,483,947	150,939	-	2,634,886	378,542
Total (A + B)	1,281,951,057	24,977,344	-	-	1,306,928,401	543,524,240	55,590,017	-	599,114,257	707,814,144
Previous year	1,257,264,911	28,100,242	(207,041)	3,414,096	1,281,951,057	490,052,667	55,293,433	1,821,660	543,524,240	738,423,297
										767,212,245

(Currency: Indian Rupees)



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

13 - Non-current investments

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Investments (Unquoted)		
(a) Investment in Equity instruments		
40 Equity Shares of Rs.25/-each of The Bassein Catholic Co-op.Bank Ltd.	1,100	1,100
100 Equity Shares of Rs.25/-each of The Kalupur Commercial Co-op.Bank Ltd.	2,500	2,500
50 Equity Shares of Rs.10/-each of Saraswat Co-Op Bank Ltd	500	500
Less : Provision for dimunition in the value of Investments	4,100	4,100
Total	4,100	4,100

14 -Loans and advances

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Security deposits				
Unsecured, considered good				
	27,286,580	24,653,108		
	27,286,580	24,653,108	-	-
Capital Advances				
Capital Advances			17,412	-
		-	17,412	-
Advance recoverable in cash or kind				
Advances to Suppliers			10,956,804	11,022,008
Loans given to others			216,000	216,000
	-	-	11,172,804	11,238,008
Other loans and advances				
Balance with Revenue Authorities			99,515,854	73,876,695
Others			1,608,351	1,171,862
Prepaid expenses			2,589,937	876,797
Loans to Employees			3,509,936	3,226,169
	-	-	107,224,078	79,151,523
Provision against Govt Dues Receivable			-	(500,166)
Total	27,286,580	24,653,108	118,414,294	89,889,365

15 - Inventories (valued at lower of cost and net realizable value)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Inventories		
-Raw Materials	157,745,818	147,482,561
-Steam Coal & Other Fuel	25,373,214	24,488,540
-Consumable Stores	26,216,628	32,957,936
-Packing Material	4,934,965	4,172,062
-Finished Goods	13,568,533	26,761,822
-Semi Finished Goods	36,625,550	26,647,500
-Work-in-Progress	2,565,000	2,781,070
Total	267,029,708	265,291,491
(Below Stock in Transit Amounts are already included in above Stock in Trade)		
	As at	As at
	March 31, 2021	March 31, 2020
-Raw Materials	21,933,898	272,080
-Consumable Stores	1,168,207	461,975
Total	23,102,105	734,055



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

16 - Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables outstanding for a period less than six months Unsecured, considered good	277,684,618	220,541,347
	277,684,618	220,541,347
Trade receivables outstanding for a period exceeding six months Unsecured, considered good	14,399,327	47,944,507
	14,399,327	47,944,507
Less: Provision for Doubtful Debts	(3,080,300)	(3,478,733)
Total	289,003,646	265,007,120

17 - Cash and cash equivalent

Particulars	As at March 31, 2021	As at March 31, 2020
a. Balances with banks	107,119	493,924
b. Cash on hand	736,321	728,694
Total	843,440	1,222,618



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

18 - Revenue from operations

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from operations		
Sale of products		
Finished goods	1,630,604,772	1,844,097,997
Wind Energy	2,265,372	1,322,695
Revenue from operations (net)	1,632,870,144	1,845,420,692

19 - Other operating revenue

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Export Incentive	18,012,325	29,319,689
Total	18,012,325	29,319,689

20 - Other income

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Insurance Claim Received	740,085	200,245
Interest	648,408	909,278
Scrap sales	-	352,860
Sundry Balances Written back	786,772	1,506,305
Foreign Exchange Fluctuation	2,104,559	6,050,921
Other Misc. Income	51,550	389,434
Total	4,331,374	9,409,044



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

21 - Cost of raw material and components consumed

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Inventory at the beginning of the year		
Add: Purchases	147,482,561	182,934,739
Add: Import Purchases	414,611,376	631,733,048
Add: Purchase In Transit	364,559,323	270,955,000
Add :Direct Expenses	21,933,898	272,080
Less: Sale of Raw Material	132,112,290	139,398,986
Less: Inventory at the end of the year	(20,465,786)	(8,634,590)
	(157,745,818)	(147,482,561)
Cost of raw material and components consumed	902,487,843	1,069,176,702

Details of Raw materials purchased

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Item Description		
Waste Paper	620,487,966	665,706,585
Chemicals	180,616,631	237,253,543
Total	801,104,597	902,960,128

Details of Raw materials inventory

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Item name		
Waste Paper	145,040,182	133,477,124
Chemicals	12,705,636	14,005,437
Total	157,745,818	147,482,561



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

22 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Inventory at the beginning of the year	56,190,392	68,398,697
	56,190,392	68,398,697
Inventory at the end of the year	52,759,083	56,190,392
Goods destroyed in Transit	52,759,083	56,190,392
Goods destroyed due to Cyclone	-	427,389
	513,499	-
Total	2,917,810	11,780,916

Details of inventory

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Finished Goods	13,568,533	26,761,822
Semi Finished Goods	36,625,550	26,647,500
Work In Progress	2,565,000	2,781,070
Total	52,759,083	56,190,392

23 - Employee benefit expenses

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Salaries and incentives	78,642,770	92,386,063
(b) Leave Encashment	349,214	373,493
(c) Gratuity Paid	1,200,000	600,000
(d) Contributions to - Provident fund	2,262,008	2,638,485
Employees Development Linked Insurance Plan	93,133	105,349
Maharashtra Labour Welfare Fund	20,544	19,932
(e) Provision for - Gratuity	965,682	-
Bonus	2,735,383	2,605,326
(f) Staff welfare expenses	4,674,016	5,243,411
Total	90,942,750	103,972,059

24 - Finance Cost

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interests	59,765,262	64,185,197
Other Borrowing Costs	2,216,625	1,580,401
Total	61,981,887	65,765,598



Three M Paper Mfg. Co. Pvt. Ltd.
Notes to financial statements for the year ended March 31, 2021

25 - Other Expenses

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Consumption of Stores and Spare parts	34,754,578	37,350,230
Consumption of Packing Material	28,955,978	32,945,176
Power and Fuel	202,246,777	266,422,564
Other Factory Overheads	36,026,421	35,304,810
Bad Debts	30,247,380	-
Rates & Taxes	2,609,485	1,222,343
Office Rent	1,224,278	604,303
Lease Rentals of Plant & Machinery	10,354,366	10,421,766
Insurance	2,947,980	2,029,187
Legal and Professional	6,154,935	10,671,697
Repairs & Maintenance	25,587,112	36,157,681
Postage & Courier Charges	402,393	474,678
Travelling & Conveyance Expenses	592,498	1,254,042
Vehicle Expenses	414,479	500,893
Printing and Stationery	703,274	785,213
Auditor's Remuneration (Refer Note No 27.7)	577,500	555,000
Sales Tax Expenses	204,022	779,580
Selling & Distribution Expenses	115,020,138	126,209,303
Sales Commission	12,635,827	10,527,870
Telecommunication Charges	587,305	704,852
Donation	75,100	263,541
Windmill Expenses	100,456	97,631
Sundry balances written off	515,937	2,078,584
Loss due to Tansit / Fire / Natural Calamities	513,499	2,052,462
Bank Charges	3,977,104	4,306,974
Interests under Various Laws	615,295	473,850
Provision / (Reversal) for doubtful debts	(398,433)	2,270,314
Miscellaneous Expenses	276,241	2,284,876
Total	517,921,924	588,749,420

26 - Earnings per share

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Basic earnings per share		
Profit/(Loss) attributable to Equity shareholders	17,262,691	(30,528,486)
Weighted average number of equity shares	488,170	488,170
Basic earnings per share	35.36	(62.54)
Face value per share	10	10



THREEM PAPER MFG. CO. PVT. LTD.

CIN-U22219MH1989PTC052740

Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

27 Further Notes Forming Part of Accounts

- 1 In the opinion of the Board and to the best of their knowledge and belief, the Current Assets, Loans and Advances payable or receivable are approximately of the value stated, if realised in the ordinary course of the business and the provisions for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
- 2 Unsecured Loans, Loans and Advances, Sundry Debtors and Sundry Creditors are subject to Balance confirmations, reconciliation and consequential adjustments. Hence the balances reflected in the annexed accounts are made up of only the ledger balances as appearing in the books of accounts of the Company.
- 3 In terms of the Circular No. 79/53/2018-GST dated 31st December, 2018 issued by the Central Board of Indirect Taxes and Customs, New Delhi, the Company is in the process of filing refund application with the Revenue Authorities for compensation cess paid on coal in proportion to the exports made by the company. Pending approval, a sum of Rs.48,20,458/- has been accounted by the company in the books of account during the year. The management is confident of receiving such refund in due course.
- 4 In the absence of any intimation received from vendors regarding the status of their registration under "Micro, Small and Medium Enterprises Development Act, 2006", the company is unable to comply with the disclosures required to be made under the said Act.
- 5 Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'

a. General Description

i. Contribution to Provident Fund (Defined Contribution)

The Company's provident fund scheme is a defined contribution plan. The expenses charged to the Statement of Profit and Loss under the head Contribution to Provident Fund is Rs. 22,62,008/- (PY Rs. 26,38,485/-).

ii. Gratuity (Defined benefit plan)

The Company has a defined benefit gratuity plan. The Company during the year provided Rs. 9,65,682/- (P.Y. : Rs. NIL) towards gratuity. The Employees Gratuity Fund scheme is managed by The Life Insurance Corporation of India and contribution made during the year is Rs. 12,00,000/- (P.Y : Rs. 6,00,000/-). Gratuity Obligation has been accounted as per Actuarial Valuation in Line with AS-15 Employee Benefits.

b. The following tables set out disclosures prescribed by AS 15 in respect of company's

i. Changes in the present value of defined benefit obligation representing reconciliation of opening

Particulars	Year ended March 31, 2021 (Rs.)
Opening defined benefit obligation	
Interest Cost	14,284,004
Current service cost	1,022,803
(Benefits paid)	1,043,788
Actuarial (gain) / loss	(352,740)
Closing defined benefit obligation	(2,877,309)
	13,120,546

ii. Changes in the present value of Assets

Particulars	Year ended March 31, 2021 (Rs.)
Fair Value of Plan Assets as at 1st April	
Expected Return of Plan Assets	10,628,793
Employer Contribution	801,300
Less : Benefits paid	1,200,000
Actuarial Gain / (Loss) on plan Assets	(352,740)
Fair Value of Plan Assets as at 31st March	(122,489)
	12,154,864



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Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

iii Expense recognised in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2021 (Rs.)
Current service cost	
Interest cost on benefit obligation	1,043,788
Expected return on plan assets	1,022,803
Actuarial (gain)/loss	(801,300)
Net Cost	(2,754,820)
	(1,489,529)

iv Movements in the liability recognized in the Balance Sheet

Particulars	Year ended March 31, 2021 (Rs.)
Opening Net Liability	
Net Benefit Expense	3,655,211
Less : Contribution paid	(1,489,529)
Closing Liability / (Asset)	(1,200,000)
	965,682

v Actuarial assumption:

Particulars	Year ended March 31, 2021 (Rs.)
Discount rate	
Salary escalation	6.79%
Expected Rate of Return on Plan Assets	4.00%
Withdrawal Rate	6.32%
	2.00%

* The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

6 Minimum Lease Payments outstanding as of March 31, 2021 in respect of this asset are as under

Particulars	Year Ended March 31, 2021 (Rs.)
A) Total of Future Minimum lease payment under non-cancellable operating lease for the following period.	
Not later than one year	
Later than one year and not later than five years	10,354,366
B) Lease payment recognised in Statement of Profit & Loss	14,105,285
	10,354,366

The Company has taken plant & Machinery (Hot Dispenser) on operating Lease. The lease rental expenses are recognised in statement of profit & loss account on **straight line basis** is Rs.1,03,54,366/-



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Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

7 Contingent Liabilities and Commitments

Contingent liabilities not provided for in respect of

Particulars	As at 31st March, 2021 Rs.
Disputed income tax & Penalty demand in respect of which the Company has applied before Bombay High Court	1,610,795
Disputed income tax & Penalty demand in respect of which the Company has preferred an appeal and pending before the office of CIT(A).	25,724,170
Disputed income tax & Penalty demand in respect of which the Company has applied for rectification.	672,305
Total	28,007,270

8 Auditors Remuneration :

Particulars	Current Year Rs.	Previous Year Rs.
1. Statutory & Tax Audit Fees	375,000	300,000
2. GST Audit Fees	100,000	125,000
3. Fees for Taxation matters	50,000	40,000
4. Cost Audit Fees	135,000	135,000
Total	660,000	600,000

9 Other terms of long term and short term borrowings :

Particulars	ROI	Particulars	Pending Instalments as on 31 March 2021	End Date	Monthly installments (Rs. in Lakhs)
Secured					
HDFC Bank	8.25%	ECGL Loan	32	7-Oct-24	5.55
Kotak Mahindra Prime Ltd	9.25%	Car Loan	11	1-Feb-22	0.35
Tata Capital Financial Services Pvt Ltd.	12.50%	Term Loan	33	1-Dec-23	14.18
Tata Capital Financial Services Pvt Ltd.	12.50%	Term Loan	33	1-Dec-23	7.29
Tata Capital Financial Services Pvt Ltd.	12.50%	Term Loan	33	1-Dec-23	5.32
Tata Capital Financial Services Pvt Ltd.	12.50%	Term Loan	5	1-Jan-24	6.39
Unsecured					
HDFC Bank	15.50%	Business Loan	18	6-Sep-22	1.75
ICICI Bank Ltd	15.00%	Business Loan	4	5-Jul-21	1.36
Capital First Ltd / IDFC	15.00%	Business Loan	9	2-Dec-21	2.65
Kotak Mahindra Bank Ltd	15.00%	Business Loan	3	15-Jun-21	2.08
Yes Bank Ltd	15.50%	Business Loan	7	8-Oct-21	1.75
Aditya Birla Finance Ltd	16.00%	Business Loan	5	5-Aug-21	1.76
IVL Finance Ltd	16.00%	Business Loan	6	5-Sep-21	1.76
Tata Capital Financial Services Pvt Ltd.	15.00%	Business Loan	13	5-Apr-22	1.76
Total					53.93



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Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

10 Additional information pursuant to the provision of Schedule III to the Companies Act, 2013 as certified by the Directors.

I. Installed Capacity and Production of Paper and Paper Boards:

Particulars	Current Year Qty	Previous Year Qty
a. Installed Capacity	66,000 TPA	66,000 TPA
b. Production	47,151 TPA	56,946 TPA

II. Turnover, Opening and Closing Stock of Goods:

Particulars	Turnover		Closing Stock		Opening Stock	
	Qty (In MTS)	Rupees	Qty	Rupees	Qty	Rupees
Current Year						
Paper and Paperboard (M.T)	47,651	1,630,604,772	399	13,568,533	943	26,761,822
Wind Energy (kwh)	625,169	2,265,371	-	-	-	-
Previous Year						
Paper and Paperboard (M.T)	56,859	1,844,097,997	943	26,761,822	858	27,909,997
Wind Energy (kwh)	357,486	1,322,698	-	-	-	-

III. Consumption of Raw Materials:

Particulars	Current Year		Previous Year	
	Qty (M.T.)	Rupees	Qty (M.T.)	Rupees
Waste Paper	51,901	703,821,879	60,853	811,225,386
Chemicals	8,257	198,665,965	10,729	257,951,316
	60,158	902,487,844	71,582	1,069,176,702

IV. Consumption of Imported and Indigenous Materials

Particulars	Current Year		Previous Year	
	% of Total Consumption	Rupees	% of Total Consumption	Rupees
1. Raw Material				
Imported	51.19%	461,996,050	39.60%	423,383,449
Indigenous	48.81%	440,491,793	60.40%	645,793,253
	100.00%	902,487,844	100.00%	1,069,176,701
2. Stores & Spares Parts				
Imported	4.85%	1,686,885	10.09%	3,768,016
Indigenous	95.15%	33,067,693	89.91%	33,582,214
	100.00%	34,754,578	100.00%	37,350,230

V. C.I.F. value of Imports

Particulars	Current Year Rs.	Previous Year Rs.
1. Raw Material & Consumables	378,739,698	273,638,191
2. Capital Goods	1,764,601	1,097,304



THREEM PAPER MFG. CO. PVT. LTD.

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Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

VI. Earnings in Foreign Exchange

Particulars	Current Year Rs.	Previous Year Rs.
1. FOB Value of Exports	349,339,498	306,658,109

VII. Expenditure incurred in Foreign Currency

Particulars	Current Year Rs.	Previous Year Rs.
1. Travelling Expenses	-	495,287
2. Commission	10,030,316	10,618,800

11 Unhedged foreign currency exposure

Purpose	Currency	As at March 31, 2021		As at March 31, 2020	
		Amount in foreign currency	Amount in Rupees	Amount in foreign currency	Amount in Rupees
Receivables	US Dollar	866,440	63,422,953	929,624	66,776,699
Payables	US Dollar	396,985	29,821,148	155,661	11,740,351

12 Appointment of Company Secretary

The Company is not required to have a whole-time company secretary from 1st April, 2020 in terms of a Notification dated 3rd January, 2020 in respect of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 issued by the Ministry of Corporate Affairs.

13 Segment Reporting

The operations of the Company are limited to one segment viz. Paper Boards. The products being sold under this segment are of similar nature and comprises of paper products only. Geographical revenues is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

Particulars	Current Year Rs.	Previous Year Rs.
India	1,259,309,378	1,530,443,211
Outside India	371,295,395	313,654,787
Total	1,630,604,772	1,844,097,997

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.



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Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

- 14 Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as follows:

i. List of related parties

Name of the Party	Relationship
Hitendra Dhanji Shah	Director
Rushabh Hitendra Shah	Director
Prafulla Hitendra Shah	Director
Harsha Rushabh Shah	Director's Relative

ii. Transactions with Related Parties :

Name of Party	Nature of Transaction	Current Year Rs.	Previous Year Rs.
Hitendra Dhanji Shah	Remuneration	8,028,800	11,228,800
Rushabh Hitendra	Remuneration	4,828,800	6,828,800
Prafulla Hitendra Shah	Remuneration	1,628,800	2,028,800
Harsha Rushabh Shah	Salary	262,500	300,000
Hitendra Dhanji Shah	Interest	16,995,557	16,499,188
Rushabh Hitendra	Interest	1,952,233	1,544,980
Prafulla Hitendra Shah	Interest	1,397,550	1,132,075

iii. Balance Outstanding of Related Parties :

Name of Party	Receivable/ Payable	Current Year Rs.	Previous Year Rs.
Hitendra Dhanji Shah	Payable	178,038,358	174,337,645
Rushabh Hitendra	Payable	17,803,590	27,171,562
Prafulla Hitendra Shah	Payable	19,171,368	12,958,634
Director's Remuneration - Hitendra Dhanji Shah	Payable	617,000	152,687
Director's Remuneration - Rushabh Hitendra Shah	Payable	388,000	-
Director's Remuneration - Prafulla Hitendra Shah	Payable	155,000	68,007
Harsha Rushabh Shah	Payable	24,800	24,800



THREEM PAPER MFG. CO. PVT. LTD.

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Significant Accounting Policies and Notes Forming Parts of Accounts for the year ended 31st March, 2021

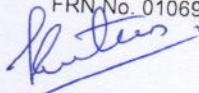
15 Impact of COVID - 19 on Business Operations

During the current financial year, business environment was severely impacted by COVID-19. However, the impact on the company has been minimal due to various sustainable actions taken by the management. During the ensuing Financial Year 2021-22, the second wave and the extended lockdown are impacting the operations. However, considering the ongoing vaccination drive company expects to have normalcy resumed for the year as a whole and minimize the impact due to COVID-19.

16 Previous year figures have been regrouped/ reclassified wherever necessary.

Signature to Notes 1 to 27

As per our Report of Even Date
FOR JMR & ASSOCIATES LLP
Chartered Accountants
FRN No. 0106912W/W100300

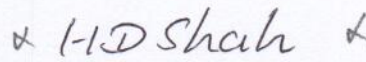


CA. KINTAN MARU
Partner
Membership No 146080

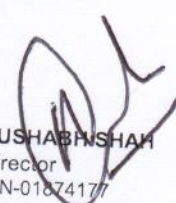
Place: Mumbai
Date : 06th July, 2021
UDIN: 21146080AAAADS6958



For and on behalf of the Board of Directors of
FOR THREE M PAPER MFG. CO. PVT LTD



HITENDRA SHAH
Director
DIN-00448925



RUSHABH SHAH
Director
DIN-01674177