



### THREE M PAPER BOARDS LIMITED

Our Company was incorporated as “Three-M-Paper Manufacturing Company Private Limited” at Mumbai as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 26, 1989, issued by the RoC. Pursuant to conversion of the company from private to public, under section 43A(1A) of the Companies Act 1956, the name of our Company was changed from “Three-M-Paper Manufacturing Company Private Limited” to “Three-M-Paper Manufacturing Company Limited” by deleting the word Private, and a fresh certificate of incorporation consequent to change of name was issued on July 01, 1998. Pursuant to reconversion of the company from public to private, the name of our Company was changed from “Three-M-Paper Manufacturing Company Limited” to “Three-M-Paper Manufacturing Company Private Limited” and a fresh certificate of incorporation consequent to change of name was issued on October 05, 1999. Subsequently, the name of our Company was changed from “Three-M-Paper Manufacturing Company Private Limited” to “Three M Paper Boards Private Limited” and a fresh certificate of incorporation issued by RoC recording the change in name was issued on January 11, 2024. Subsequently, our Company was converted to a public limited company and the name of our Company changed to ‘Three M Paper Boards Limited’ and a fresh certificate of incorporation dated January 29, 2024 was issued by the RoC. The CIN of our Company is U22219MH1989PLC052740. For further details, please refer to chapter titles “History and certain corporate matters” beginning on page 149 of the Draft Red Herring Prospectus.

**Corporate Identity Numbers: U22219MH1989PLC052740**

**Registered Office:** A33 & 34, Floor-2, Royal Industrial Estate, Wadala, Mumbai-400031, Maharashtra, India.

**Website:** [www.threempaper.com](http://www.threempaper.com) **E-Mail:** [account@threempaper.com](mailto:account@threempaper.com) **Tel. No:** +91 22-6812 5757

**Company Secretary and Compliance Officer:** Ms. Sneha Parth Shah

#### NOTICE TO INVESTORS: ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS (THE “ADDENDUM”)

**PROMOTERS OF OUR COMPANY: MR. HITENDRA DHANJI SHAH, MRS. PRAFULLA HITENDRA SHAH & MR. RUSHABH HITENDRA SHAH**

INITIAL PUBLIC OFFER OF UPTO 57,72,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (“EQUITY SHARES”) OF THREE M PAPER BOARDS LIMITED (“OUR COMPANY” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH 2,90,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 54,82,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS IS HERE INAFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 30.00 % AND 28.50 % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND MARATHI EDITION OF [●], REGIONAL NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE (“BSE SME”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.

#### Potential bidders may note the following:

Potential Bidders may note that in order to assist the Bidders to get a complete understanding of the updated information, the relevant portions of the sections titled Definitions And Abbreviations, Summary Of The Offer Document, Risk Factors, The Issue, General Information, Capital Structure, Objects Of The Issue, Basis For Issue Price, Our Business, Our Management, Financial Information, Restated Financial Statements, Financial Information, Financial Indebtedness, Management’s Discussion And Analysis Of Financial Condition And Results Of Operations, Legal And Other Information, Outstanding Litigation And Material Developments, Issue Structure, Issue Procedure, Other Information, Material Contracts And Documents For Inspection have been updated and included in this Addendum.



All other updates to the Draft Red Herring Prospectus in this regard will be carried out in the Red Herring Prospectus and the Prospectus.

The changes in this Addendum are to be read in conjunction with the Draft Red Herring Prospectus and accordingly, the corresponding references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements and updates the information in the Draft Red Herring Prospectus, as applicable. However, this Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Red Herring Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Red Herring Prospectus and the Prospectus. Please note that all other details / information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, along with other factual updates, as may be applicable, in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC and the Stock Exchanges. Investors should not rely on the Draft Red Herring Prospectus or this Addendum for any investment decision, and should read the Red Herring Prospectus, as and when it is filed with the RoC and the Stock Exchanges before making an investment decision with respect to the Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States absent registration under the U.S. Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act (as defined in Regulation S under the U.S. Securities Act (“Regulation S”)) and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in the Draft Red Herring Prospectus as “U.S. QIBs”; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”) pursuant

to Section 4(a) of the U.S. Securities Act and (b) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

This addendum which has been filed with the Stock Exchanges shall be made available to the public for comments, if any, for a period of at least 21 days, from the date of such filing with SEBI and will be available on their website, the websites of the Stock Exchange i.e., www.bsesme.com, the website of the Company [www.threempaper.com](http://www.threempaper.com) and the website of the BRLM, i.e., Comfort Securities Limited at [www.comfortsecurities.co.in](http://www.comfortsecurities.co.in). All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Mumbai Date: June 19, 2024	For THREE M PAPER BOARDS LIMITED On behalf of the Board of Directors Sd/- Ms. Sneha Parth Shah Company Secretary and Compliance Officer				
<b>BOOK RUNNING LEAD MANAGER</b>			<b>REGISTRAR TO THE ISSUE</b>		
					
<b>Comfort Securities Limited</b> SEBI Registration Number: INM000011328 Address: A Wing, Hetal Arch, Malad West, Mumbai - 400064, Maharashtra, India Telephone Number: +91 22 6894 8500 Email Id: <a href="mailto:compliance@comfortsecurities.co.in">compliance@comfortsecurities.co.in</a> Investors Grievance Id: <a href="mailto:merchantbanking@comfortsecurities.co.in">merchantbanking@comfortsecurities.co.in</a> Website: <a href="http://www.comfortsecurities.co.in">www.comfortsecurities.co.in</a> Contact Person: Ms. Muskan Gupta CIN: U67120MH2002PLC136562			<b>Bigshare Services Private Limited</b> SEBI Registration Number: INR000001385 Address: S6-2, 6th Floor, Pinnacle Business Park, Andheri (East), Mumbai - 400093, Maharashtra, India Telephone Number: 022 6263 8200 Email Id: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Investors Grievance Id: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> Contact Person: Mr. Babu Rapheal C CIN: U99999MH1994PTC076534		
<b>ISSUE PROGRAMME*</b>					
<b>ANCHOR INVESTOR BIDDING DATE *</b>	[•]	<b>BID / ISSUE OPENS ON *</b>	[•]	<b>BID / ISSUE CLOSES ON **#</b>	[•]

\* Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date.



\*\* Our Company, in consultation with the BRLMs, may decide to close the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

# The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Day.

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**THREE M PAPER BOARDS LIMITED**

Corporate Identity Numbers: U22219MH1989PLC052740

REGISTERED OFFICE		CONTACT PERSON	TELEPHONE AND EMAIL		WEBSITE	
A33 & 34, Floor -2, Royal Industrial Estate, 5-B Naigaon Cross Road, Wadala, Mumbai, Maharashtra, India, 400031		Ms. Sneha Parth Shah	Tel. No: +91 22 6812 5757 Email Id: <a href="mailto:compliance@threempaper.com">compliance@threempaper.com</a>		<a href="http://www.threempaper.com">www.threempaper.com</a>	
<b>PROMOTERS OF OUR COMPANY: MR. HITENDRA DHANJI SHAH, MRS. PRAFULLA HITENDRA SHAH &amp; MR. RUSHABH HITENDRA SHAH</b>						
DETAILS OF THE ISSUE				ELIGIBILITY AND SHARE RESERVATION AMONGST QIBS, NIIS AND RIIS		
TYPE	FRESH ISSUE SIZE	OFFER FOR SALE	TOTAL ISSUE SIZE	QIB	NII	RII
				Not more than 50% of the Issue size	Not less than 15% of the Issue size	Not less than 35% of the Issue size
Fresh Issue	Fresh Issue of up to 57,72,000 Equity Shares aggregating up to ₹ [●] lakhs	Nil	Issue of 57,72,000 Equity Shares aggregating up to ₹ [●] lakhs	The issue is being made in terms of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 through Book Building Process in accordance with Regulation 229(2) and 253(1) of the SEBI ICDR Regulations. For further details, see "Other Regulatory and Statutory Disclosures" on page 207. For details in relation to share reservation among QIBs, NIIs and RIIs, see "Issue Structure" on page 228.		
<b>DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION: NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES</b>						
<b>RISK IN RELATION TO THE FIRST ISSUE</b>						
The face value of the Equity Shares is ₹10/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager as stated in chapter titled "Basis for Issue Price" beginning on Page 92 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.						
<b>GENERAL RISKS</b>						
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on Page 30 of this Draft Red Herring Prospectus.						
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>						
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.						
<b>LISTING</b>						
The Equity Shares Issued through this Draft Red Herring Prospectus are proposed to be listed on SME Platform of BSE Limited ( <b>BSE SME</b> ) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received "in-principle" approval letter [●] dated [●] from BSE Limited ("BSE") for using its name in the Red Herring Prospectus / Prospectus for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").						
<b>BOOK RUNNING LEAD MANAGER TO THE ISSUE</b>						
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE		
 <b>Comfort Securities Limited</b>		Ms. Muskan Gupta		Email: <a href="mailto:merchantbanking@comfortsecurities.co.in">merchantbanking@comfortsecurities.co.in</a> Tel. No: 022 6894 8500		
<b>REGISTRAR TO THE ISSUE</b>						
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE		
 <b>Bigshare Services Private Limited</b>		Mr. Babu Rapheal C		Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Tel. No: 022 6263 8200		
<b>BID / ISSUE PERIOD</b>						
ANCHOR INVESTOR BIDDING DATE *	[●]	BID / ISSUE OPENS ON *	[●]	BID / ISSUE CLOSES ON **#	[●]	

\* Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date.

\*\* Our Company, in consultation with the BRLMs, may decide to close the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

# The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Day.

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## Table of Contents

<b>SECTION I: GENERAL INFORMATION</b> .....	6
<b>DEFINITIONS AND ABBREVIATIONS</b> .....	6
<b>SUMMARY OF THE OFFER DOCUMENT</b> .....	7
<b>SECTION II: RISK FACTORS</b> .....	10
<b>SECTION III- INTRODUCTION</b> .....	18
<b>THE ISSUE</b> .....	18
<b>GENERAL INFORMATION</b> .....	19
<b>CAPITAL STRUCTURE</b> .....	20
<b>OBJECTS OF THE ISSUE</b> .....	22
<b>BASIS FOR ISSUE PRICE</b> .....	25
<b>OUR BUSINESS</b> .....	33
<b>OUR MANAGEMENT</b> .....	46
<b>OUR PROMOTOR AND PROMOTOR GROUP</b> .....	48
<b>SECTION V: FINANCIAL INFORMATION</b> .....	50
<b>RESTATED FINANCIAL STATEMENTS</b> .....	50
<b>FINANCIAL INDEBTEDNESS</b> .....	56
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</b> .....	57
<b>OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS</b> .....	63
<b>OTHER REGULATORY AND STATUTORY DISCLOSURES</b> .....	64
<b>ISSUE STRUCTURE</b> .....	66
<b>ISSUE PROCEDURE</b> .....	68
<b>SECTION IX: OTHER INFORMATION</b> .....	69
<b>MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION</b> .....	69
<b>DECLARATION</b> .....	70

## SECTION I: GENERAL INFORMATION

### DEFINITIONS AND ABBREVIATIONS

The following definition will be included in the Draft Red Herring Prospectus:

#### Issue related terms

Term	Description
Addendum	The addendum to the Draft Red Herring Prospectus dated March 30, 2024 filed with the Stock Exchanges and issued in accordance with the SEBI ICDR Regulations.
Issue/ Issue Size/ Initial Public Offering/ IPO / Offer / Offer Size / Public Offer / Offer	Public Issue of upto 57,72,000 Equity Shares of face value of ₹ 10/- each fully paid of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●] Lakhs aggregating up to ₹ [●] lakhs by our Company.
Market Maker Reservation Portion	The reserved portion of 2,90,000 Equity Shares of ₹ 10 each at an Offer price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Offer
Net Issue	The Issue excluding the Market Maker Reservation Portion of 54,82,000 Equity Shares of Face Value of ₹ 10 each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs by our Company
Underwriter	The Underwriters in this case being, Comfort Securities Limited
Underwriting Agreement	The agreement dated June 07, 2024 entered between the Underwriter, BRLMs and our Company

## SUMMARY OF THE OFFER DOCUMENT

### DETAILS OF THE ISSUE

The following table summarizes the details of the Offer size. For further details, see 'The Offer' and 'Offer Structure' on pages 51 and 228, respectively:

The Issue consists of	
Fresh Issue	Upto 57,72,000 Equity Shares aggregating up to ₹ [●] Lakhs
Of which	
Reserved for the Market Maker	Upto 2,90,000 Equity Shares aggregating up to ₹ [●] Lakhs
Net Issue to the Public	Upto 54,82,000 Equity Shares aggregating up to ₹ [●] Lakhs

### AUDITOR QUALIFICATIONS NOT GIVEN EFFECT IN THE RESTATED FINANCIAL STATEMENTS

There are no audit qualifications which have not been given effect in the restated financial information for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 and for the period ended September 30, 2023.

### SUMMARY OF OUTSTANDING LITIGATIONS

#### Litigations involving the Company:

Nature of Cases	Number of Cases	Total Amount Involved (Rs. in Lakhs)
<b>Proceedings against our Company</b>		
Civil	2	Not Ascertainable
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Criminal	1	Not Ascertainable
Tax	Nil	Nil
Disciplinary actions by the SEBI or Stock Exchanges	Nil	Nil
Outstanding cases before the Consumer Forum	Nil	Nil
<b>Proceedings by our Company</b>		
Civil	1	1352.27
Criminal	1	6.03
Tax	8	300.7
<b>Proceedings against our Director</b>		
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Disciplinary actions by the SEBI or Stock Exchanges	Nil	Nil
<b>Proceedings by our Director</b>		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	5	32.73
<b>Proceedings against our Promoter</b>		
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Disciplinary actions by the SEBI or Stock Exchanges	Nil	Nil
<b>Proceedings by our Promoter</b>		
Civil	Nil	Nil

Nature of Cases	Number of Cases	Total Amount Involved (Rs. in Lakhs)
Criminal	Nil	Nil
Tax	1	2.16
<b>Proceedings against our Subsidiaries</b>		
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Disciplinary actions by the SEBI or Stock Exchanges	Nil	Nil
Outstanding cases before the Consumer Forum	Nil	Nil
<b>Proceedings by our Subsidiaries</b>		
Civil	Nil	Nil
Criminal	Nil	Nil

## SUMMARY OF CONTINGENT LIABILITIES

Following is the summary of the Contingent Liabilities and Commitments of the Company:

(₹ in lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>I. Contingent Liabilities</b>				
(i) Disputed income tax and penalty demands in respect of which the Company has filed an appeal before the Bombay High Court and the same is pending disposal.	16.11	16.11	16.11	16.11
(ii) Disputed income tax and penalty demands in respect of which the Company has preferred an appeal before CIT (A) and the same is pending disposal.	257.24	257.24	257.24	257.24
(iii) Disputed Custom Duty demands in respect of which the Company has filed an Appeal before Commissionerate, Pune.	8.21	8.21	-	-
(iv) Disputed income tax and penalty demands in respect of which the Company has filed an application for rectification and the same is pending disposal.	-	-	6.72	6.72
(v) On account of guarantees given to bankers	-	-	48.00	38.00
<b>II. Commitments</b>				
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	-	-	7.56	-
(b) uncalled liability on shares and other investments partly paid	-	-	-	-
(c) other commitments	-	-	-	-
<b>Total</b>	<b>281.56</b>	<b>281.56</b>	<b>335.63</b>	<b>318.07</b>



## SUMMARY OF RELATED PARTY TRANSACTIONS

### Details of transactions with related parties and balances

(Rs. In Lakhs)

Name of Party	Nature of Transaction	For the Period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Hitendra Dhanji Shah	Remuneration	60.00	120.00	120.29	80.29
Rushabh Hitendra Shah	Remuneration	36.00	72.00	72.29	48.29
Prafulla Hitendra Shah	Remuneration	12.00	24.00	24.29	16.29
Hitendra Dhanji Shah	Commission	-	-	150.00	-
Rushabh Hitendra Shah	Commission	-	-	100.00	-
Prafulla Hitendra Shah	Commission	-	-	50.00	-
Harsha Rushabh Shah	Salary	3.00	6.00	3.60	2.63
Hitendra Dhanji Shah	Interest	32.41	167.32	170.25	169.96
Rushabh Hitendra Shah	Interest	1.36	24.39	20.84	19.52
Prafulla Hitendra Shah	Interest	4.08	16.43	19.95	13.98
<b>Total</b>		<b>148.84</b>	<b>430.13</b>	<b>731.51</b>	<b>350.94</b>

(Rs. In Lakhs)

Name of Party	Receivable/ Payable	For the Period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Hitendra Dhanji Shah HUF - Unsecured Borrowings	Payable	1,285.67	1,531.72	1,741.62	1,780.38
Rushabh Hitendra Shah -Unsecured Borrowings	Payable	75.48	41.84	187.65	178.04
Prafulla Hitendra Shah -Unsecured Borrowings	Payable	109.95	189.44	231.26	191.71
Director's Commission - Hitendra Dhanji Shah	Payable	-	-	82.73	-
Director's Commission -Rushabh Hitendra Shah	Payable	-	-	61.23	-
Director's Commission -Prafulla Hitendra Shah	Payable	-	-	32.31	-
Director's Remuneration - Hitendra Dhanji Shah	Payable	6.60	7.17	7.40	6.17
Director's Remuneration - Rushabh Hitendra Shah	Payable	4.14	-0.85	4.50	3.88
Director's Remuneration - Prafulla Hitendra Shah	Payable	1.58	1.37	1.60	1.55
Harsha Rushabh Shah – Salary	Payable	0.50	0.50	0.30	0.25
<b>Total</b>		<b>1,483.92</b>	<b>1,771.19</b>	<b>2,350.60</b>	<b>2,161.98</b>

## SECTION II: RISK FACTORS

1. *There are outstanding legal proceedings involving our Company, Promoters and Directors. Any adverse decision in such proceeding may have a material adverse effect on our business, results of operations and financial condition.*

There are certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition.

A summary of the pending civil and other proceedings involving our Company is provided below:

Nature of Cases	Number of Cases	Total Amount Involved (in Lakhs `)
<b>Proceedings against our Company</b>		
Civil	2	Not Ascertainable
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Criminal	1	Not Ascertainable
Tax	Nil	
Disciplinary actions by the SEBI or Stock Exchanges	Nil	Nil
Outstanding cases before the Consumer Forum	Nil	Nil
<b>Proceedings by our Company</b>		
Civil	1	1352.27
Criminal	1	6.03
Tax	8	300.7
<b>Proceedings against our Director</b>		
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Disciplinary actions by the SEBI or Stock Exchanges	Nil	Nil
<b>Proceedings by our Director</b>		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	5	32.73
<b>Proceedings against our Promoter</b>		
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Disciplinary actions by the SEBI or Stock Exchanges	Nil	Nil
<b>Proceedings by our Promoter</b>		
Civil	Nil	Nil
Criminal	Nil	Nil
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<b>Proceedings against our Subsidiaries</b>		
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Disciplinary actions by the SEBI or Stock Exchanges	Nil	Nil
Outstanding cases before the Consumer Forum	Nil	Nil
<b>Proceedings by our Subsidiaries</b>		

Nature of Cases	Number of Cases	Total Amount Involved (in Lakhs`)
Civil	Nil	Nil
Criminal	Nil	Nil

For the details of the cases please refer the chapter titled “Outstanding Litigations and Material Developments” beginning on page no. 198 of this Draft Red Herring Prospectus

2. ***There have been some instances of non-filing/ delays / incorrect filings in the past with certain statutory authorities. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely be affected.***

In the past, there have been some instances of non-filings, incorrect filings, or delays in filing statutory forms with the Statutory Authorities. These issues have subsequently been rectified by filing the required forms along with the payment of additional fees as specified by the authorities. The instances in question pertain to submissions to EPF, GST, and Tax Deducted at Source (TDS). The reasons for such delays include the pandemic period, portal issues, and short deductions concerning TDS. Except as mentioned in this Prospectus, till date, there has been no penalty levied on the Company for such delays/default. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company or its Directors / Officers in relation to the same, our business, financial condition and results of operations could be adversely affected.

4. ***The Company is yet to place orders for 86% of its plant & machinery for our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machinery may delay our implementation schedule and may also lead to increase in price of these plant & machinery, further affecting our revenue and profitability.***

As on date of the Draft Red Herring Prospectus, we have placed orders for plant & machinery amounting Rs. 315.40 Lakhs and have made advance payment of Rs. 224.27 Lakhs (USD 270,000) towards the same out of internal accruals. Further, we have identified the type of plant and machinery required to be bought for our proposed manufacturing facility, and for which orders are yet to be placed which are amounting to Rs. 1,004.94 Lakhs as detailed in the “Objects of the Issue” beginning on page 79 of this DRHP. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of equipment, among others, which may have an adverse effect on our business and results of operations.

Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of the Project, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 79 of this DRHP.

5. ***We generate our major portion of sales from our operations in certain geographical regions especially Maharashtra, Karnataka, Goa and Delhi and internationally also. For the year ended March 31, 2023 and period ended September 30, 2023 our Company generated 82.04% and 89.96% from Domestic Sales and 17.96% and 10.04% from International Sales respectively of our revenue from operation cumulatively. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

We generate major sales from our customers domestically situated at Maharashtra, Karnataka, Goa and Delhi. These 4 states contribute 74.62% of total sales for the year ended March 31, 2023 and 76.16% for the period ended September 30, 2023.

For the year ended March 31, 2023 and period ended September 30, 2023 our Company generated 82.04% and 89.96% from Total Domestic Sales and 17.96% and 10.04% from International sales respectively of our revenue from operation cumulatively.

Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience to expand our operations in other parts of India and overseas markets, should we decide to further expand our operations. Factors such as competition, regulatory regimes, business practices, culture and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside the above states and international market may adversely affect our business prospects, financial conditions and results of operations. However, our Company at present is supplying goods on pan India basis and has started strengthening its customer base in other states but we are yet to scale our operations in these regions. While our management believes that the Company has requisite expertise to mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

The Area Wise Break-Up of Sales is as follows:

(Rupees in Lakhs)

Particulars	Sept. 30, 2023	% of Total sales	FY 23	% of Total sales	FY 22	% of Total sales	FY 21	% of Total sales
Domestic Sales	11,796.38	89.96%	26,848.60	82.04%	18,634.79	59.56%	12,795.87	77.51%
International Sales	1316.51	10.04%	5876.61	17.96%	12655.25	40.44%	3712.95	22.49%
<b>Total Sales</b>	<b>13,112.89</b>	<b>100%</b>	<b>32,725.21</b>	<b>100%</b>	<b>31,290.04</b>	<b>100%</b>	<b>16,508.82</b>	<b>100%</b>

The Break-Up of Domestic Sales is as follows:

(Rupees in Lakhs)

Particulars	SEPTEMBER 30, 2023	% of Total Sales	FY 2022-23	% of Total Sales	FY 2021-22	% of Total Sales	FY 2020-21	% of Total Sales
Andhra Pradesh	56.54	0.43%	-	0.00%	-	0.00%	-	0.00%
Daman and Diu	-	0.00%	-	0.00%	-	0.00%	21.99	0.13%
Delhi	57.02	0.43%	1,241.63	3.79%	-	0.00%	-	0.00%
Goa	719.26	5.49%	1,952.14	5.97%	1,310.05	4.19%	1,444.53	8.75%
Gujarat	301.31	2.30%	376.15	1.15%	96.44	0.31%	144.87	0.88%
Himachal Pradesh	-	0.00%	15.32	0.05%	-	0.00%	-	0.00%
Karnataka	403.51	3.08%	874.77	2.67%	41.15	0.13%	1.77	0.01%
Kerala	33.2	0.25%	-	0.00%	-	0.00%	-	0.00%
Madhya Pradesh	16.01	0.12%	16.13	0.05%	-	0.00%	63.66	0.39%
Maharashtra	8807.35	67.17%	20352.13	62.19%	16617.98	53.11%	10793.05	65.38%
Punjab	115.08	0.88%	152.05	0.46%	144.42	0.46%	116.8	0.71%
Tamil Nadu	235.14	1.79%	151.16	0.46%	-	0.00%	6.42	0.04%
Telangana	556.47	4.24%	691.95	2.11%	-	0.00%	-	0.00%
Uttar Pradesh	-	0.00%	15.78	0.05%	-	0.00%	-	0.00%
West Bengal	103.48	0.79%	359.01	1.10%	-	0.00%	-	0.00%

**7. *We are mainly dependent on imports for supply of our major raw material; i.e., waste paper.***

Our Company meets its demand of raw material i.e., waste paper by importing the same mainly from the United States of America, United Kingdom, Central Europe, Middle East, etc. This strategy has proven effective in maintaining a steady supply of high-quality waste paper, essential for our production processes. However, this heavy reliance on international suppliers comes with inherent risks. Over dependence on imports and lack of back - up arrangements from Indian suppliers may adversely affect our profitability in case the trade relations of India with any of these countries get strained in the future or the suppliers face any sort of problems due to internal issues of their countries.

**8. *Certain documents filed by us with the Registrar of Companies and certain corporate records and other documents, are not traceable.***

In the past, certain documents related to the increase in our cumulative paid-up equity share capital from 50 to 2,90,010 equity shares have become untraceable. This is due to a fire incident that occurred at our then-registered office located at E/2, Ranjit Photo Studio, 01st Floor, Above Akashdeep Textiles, Dadasaheb Phalke Road, Opp. Halari Wadi, Dadar East, Mumbai – 400014, Maharashtra, India on February 21, 2020. As a result of this fire, all physical and soft records of the Company, including minutes binders, ROC forms, and statutory registers, were destroyed.

Despite efforts to retrieve these ROC forms/documents/information from the Registrar of Companies, Mumbai, we were unable to recover the necessary records. Consequently, our Company obtained a search report from Dhruti Satia & Co., Practicing Company Secretary, dated March 13, 2024 (UDIN: A045096E003577878), and have relied upon the information provided in this report. The loss of these documents may impact our ability to fully verify historical corporate actions and could lead to potential legal or regulatory challenges. Any such issues could adversely affect our business, financial condition, and results of operations.

**9. *Our Company is dependent on third party transportation providers, with whom we have no formal arrangements, for the delivery of our raw materials and goods and any disruption in their operations or a decrease in the quality of their services or an increase in the transportation costs could adversely affect our Company's reputation and results of operations.***

We rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of raw material from our suppliers from domestic as well as from International market and for transportation from our finish products to our customers which includes export. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any transport service providers and engage them on a need basis. Additionally, availability of transport solutions in the market we operate in is typically fragmented. We do not enter into written documentation in relation to the transportation services we hire which poses various additional risks including our inability to claim insurance. Further, the cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost effective manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of whether related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

Although we have not experienced any disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby affecting our operations and profitability.

**10. *We have experienced negative cash flows from operating, investing and financing activities in the past.***

We have in the past, and may in the future, experience negative cash flows from operating, investing and financing activities. The following table sets forth our net cash inflow/(outflow) from operating, investing and financing activities for the periods / years indicated:

(₹ in lakhs)

Particulars	For the six months ended September 30, 2023	For the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Net cash flows from / (used in) operating activities	567.84	2,353.22	(1,032.00)	1,193.02
Net cash flows from / (used in) investing activities	223.09	(1,826.04)	(565.69)	(382.37)
Net cash flows from / (used in) financing activities	(790.29)	(544.85)	1,616.08	(814.44)

We had net cash outflow from operating activities of ₹ 1,032.00 lakhs during the 12 months period ended March 31, 2022. Any negative cash outflows from operating activities over extended periods, or significant cash outflows in the short term from investing and financing activities, could have an adverse impact on our cash flow requirements, business operations and growth plans. As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further details, see “Management's Discussion and Analysis of Financial Condition and Results of Operations - Cash Flows” on page 185.

**11. *We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals.

Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations.

All regulatory approvals have been received by the Company except for the approval for the revised plan and the fire NOC renewal, which has been applied for to the Deputy Engineer, MIDC Kherdi, Chiplun, Ratnagiri. The risk associated with the non-receipt of the Fire NOC approval is significant. Without this approval, the company may face operational disruptions, including potential delays or halts in production. Additionally, the company could be subjected to legal and regulatory penalties, which could impact its financial stability and reputation. Furthermore, the absence of a valid fire NOC may hinder the company's ability to secure insurance coverage for its assets and operations, increasing its vulnerability to fire-related risks and liabilities. For further details, please see chapters titled “Key Industry Regulations and Policies” and “Government and Other Statutory Approvals” at pages 198 and 203 respectively of this DRHP.

**12. *Exchange rate fluctuations may adversely affect our results of operations as we import a significant value of raw materials from various countries internationally. Exposed to foreign currency exchange rate fluctuations may adversely impact our results of operations, cash flows and cause our financial results to fluctuate.***

Exchange rate fluctuations may adversely affect our results of operations, cash flows, and financial results as we import a significant portion of our raw materials from various countries. Our financial statements are prepared in Indian Rupees; however, a substantial part of our raw material purchases are through imports, leading to exposure to foreign currency exchange rate fluctuations, particularly the U.S. Dollar.

The company imports wastepaper as its primary raw material. The value of imported raw materials was Rs. 4,586.68 lakhs, Rs. 11,586.36 lakhs, Rs. 9,218.22 lakhs, and Rs. 3,776.40 lakhs for the six months period ending September 30, 2023; March 31, 2023; March 31, 2022; and March 31, 2021, respectively. These imports constituted 65.02%, 59.75%, 52.72%, and 47.14% of the total purchases for the respective periods. Changes in relevant exchange rates could therefore affect our import costs and operating results. Fluctuations in exchange rates between the U.S. Dollar and the Indian Rupee, among other currencies, may adversely impact our business, results of operations, and financial condition.

Additionally, the company exports its products to international customers. The value of exported goods was Rs. 1,316.51 lakhs, Rs. 5,876.61 lakhs, Rs. 12,655.25 lakhs, and Rs. 3,712.95 lakhs for the six months period ending September 30, 2023; March 31, 2023; March 31, 2022; and March 31, 2021, respectively. These exports accounted for 10.04%, 17.96%, 40.44%, and 22.49% of total sales for the respective periods. Thus, our company is exposed to foreign exchange fluctuations.

We have earned gains from foreign currency fluctuations amounting to ₹56.07 lakhs, ₹194.12 lakhs, ₹267.37 lakhs, and ₹21.05 lakhs for the six months period ended September 30, 2023; Fiscal 2023; Fiscal 2022; and Fiscal 2021, respectively, based on our Restated Financial Statements. These gains occurred when market exchange rates at the time of payments were favourable compared to the rates at the time of transaction initiation.

Furthermore, policies of the Reserve Bank of India (RBI) may change, potentially limiting our ability to hedge foreign currency exposures effectively, which could adversely affect our business, financial condition, results of operations, and cash flows. Although we closely monitor our foreign currency exposure, this may not sufficiently protect us from potential foreign exchange-related losses. Our use of derivatives subjects us to market and credit risk, including counterparty credit risk and the risk of financial losses if exchange rates move contrary to expectations or if our risk management procedures are inadequate. This could adversely affect our results of operations, liquidity, and financial condition.

For further information on our exchange rate risk management, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Quantitative and Qualitative Disclosures about Risk – Market Risk - Foreign Currency Risk” on page 195.

**13. *We do not have long term agreements with suppliers for our raw materials. Our inability to obtain raw material in a timely manner, in sufficient quantities and / or at competitive prices could adversely affect our operations, financial condition and / or profitability.***

We do not have long-term agreements with suppliers for our raw materials, and an increase in the cost or a shortfall in the availability of such raw materials could adversely affect our business, results of operations, and financial condition. The production quantity and cost of our products are dependent on our ability to source raw materials and packaging materials at acceptable prices while maintaining a stable and sufficient supply of key raw materials, including wastepaper and chemicals. We source these materials both domestically and internationally to ensure that our products meet the desired quality and environmental standards.

Our inability to procure raw materials in a timely manner, in sufficient quantities, and at competitive prices could adversely affect our operations, financial condition, and profitability. Typically, we do not enter into long-term contracts with our suppliers; prices for raw materials are based on ongoing quotes from various suppliers, resulting in no fixed terms and conditions. Fluctuations in the price, availability, and quality of raw materials could materially affect our cost of sales and ability to meet customer demands regarding pricing and quality.

There can be no assurance that we will always succeed in protecting our business from the volatility of raw material prices. If suppliers discontinue production or fail to adhere to delivery schedules or required quality standards, our production schedule and product quality could be compromised. Strong demand, capacity limitations, or other issues faced by suppliers may result in occasional shortages or delays in the

supply of raw materials. Furthermore, there is no guarantee that our suppliers will continue to be associated with us on reasonable terms, or at all.

If we fail to secure sufficient quantities of raw materials at acceptable quality and prices in a timely manner, our business, financial performance, and cash flows may be adversely affected. Additionally, if there are significant increases in raw material prices and we are unable to pass these costs on to our customers or find alternative suppliers at competitive prices, our business operations and financial performance could be negatively impacted. Such factors may also delay the delivery of our products to customers, risking the loss of customers or repeat orders.

**19. *Our Company has availed unsecured loans from promoters / Directors which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.***

Our Company has availed unsecured loans in the past from our directors or shareholders from time to time to meet the business requirements. Such loans have been unsecured and repayable on demand. Such unsecured loans from directors and shareholders carry an interest at the rate of 10% p.a.

Name of lender	Amount outstanding as on (Rs. in lakhs)
Hitendra Dhanji Shah	1,010.72
Prafulla Hitendra Shah	121.80
Rushabh Hitendra Shah	61.45
<b>Total</b>	<b>1,193.97</b>

For further details of unsecured loans of our Company, refer Chapter titled “Financial Indebtedness” on page 180.

If any or all of the above lenders seek repayment of any such unsecured loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may affect our business, cash flows, financial condition and results of operations.

**20. *We do not own our Registered Office from where our operations are being conducted and have been taken on lease. Also, the factory premises is availed on long term lease of 95 years from MIDC. Any difficulty in seeking renewal or extension of such lease terms may cause disruption in our operations.***

Our Registered Office is located on leased premises. These lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. Additionally, the said lease agreements also have annual escalation clauses for rent payments.

Also, our factory premises is on leased for 95 years from MIDC. Any difficulty in seeking renewal or extension of such lease terms may cause major disruption in our operations.

There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing facilities on terms favourable to us, or at all. Failure to identify suitable premises for relocation of existing operations, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations.

**21. *Our Company’s name and logo are not registered trademark.***

Despite our efforts, our company is yet to secure any intellectual property rights. Our attempt to register the trademark for our corporate name "Three M Paper Manufacturing Co. Pvt Ltd", in Class 16 encompassing paper, cardboard, and related goods, initiated in 2012. It faced opposition from a third party in 2017. Regrettably, failure to respond within the stipulated timeframe led to the abandonment of the application by the registrar of trademarks.



Consequently, the absence of statutory protection from a registered trademark exposes us to risks of infringement and passing-off by third parties, preventing us from asserting our rights against such actions. This situation may necessitate altering our corporate name, thereby incurring additional costs and potentially harming our reputation and business operations. Furthermore, litigation to safeguard our intellectual property could be both costly and time-consuming. The lack of a registered trademark may undermine our competitive standing and brand recognition, adversely impacting our revenue, financial stability, and operational outcomes. Although we have not encountered litigation related to trademarks in the past three years, the risk of infringement claims persists, which could further affect our business and financial condition. Currently, the company has not pursued reapplication for the trademark.

## SECTION III- INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue <sup>(1)</sup></b>	Issue of upto 57,72,000 Equity Shares of face value of ₹ 10 each fully paid up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
<b>Out of which:</b>	
<b>Market Maker Reservation Portion</b>	2,90,000 Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	54,82,000 Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
<b>Out of which:</b>	
<b>A. QIB Portion</b>	Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>i. Anchor Investor Portion</b>	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)</b>	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Out of which:</b>	
<b>a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>b) Balance of QIB Portion for all QIBs including Mutual Funds</b>	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>B. Non-Institutional Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>C. Retail Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post - Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,34,65,360 Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Issue *</b>	Upto 1,92,37,360 Equity Shares of face value ₹ 10 each
<b>Objects of the Issue</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 79 of this Draft Red Herring Prospectus.

\* Subject to finalization of the basis of allotment

<sup>(1)</sup> Public issue upto [●] Equity Shares face value of ₹ 10.00 each for cash at a price of ₹ [●] per Equity Share of our Company aggregating to ₹ [●] Lakhs. This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section “Issue Structure” beginning on page 228 of this Draft Red Herring Prospectus.

## GENERAL INFORMATION

Name	Date of Change	Nature of / reason for change
<b>Jain &amp; Trivedi, Chartered Accountants</b> 613, 6th floor Hubtown Solaris, N S Phadke Marg, Andheri East, Mumbai – 400069, Maharashtra, India <b>Email Id:</b> <a href="mailto:ca@jaintrivedi.com">ca@jaintrivedi.com</a> <b>Membership No.:</b> 148097 <b>Firm Registration No:</b> 113496W <b>Peer Review No.:</b> 014109	August 02, 2023	Appointed as the auditor of the company due to casual vacancy by resignation of M/s. JMR & Associates LLP
<b>JMR &amp; Associates LLP, Chartered Accountants</b> Boman House, Office No. 4, 1st Floor, 2nd Homji Street, P. M. Road, Fort, Mumbai - 400 001, Maharashtra, India <b>Email Id:</b> <a href="mailto:info@jmrassociates.com">info@jmrassociates.com</a> <b>Membership No.:</b> 146080 <b>Firm Registration No:</b> 0106912W/W100300 <b>Peer Review No.:</b> 014330	June 11, 2018	Appointed as the auditor of the company due to casual vacancy caused by the change in constitution of the erstwhile partnership firm to LLP.

## UNDERWRITING

The Underwriting Agreement is dated June 07, 2024. The Underwriter have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number and e-mail address of the Underwriter	Indicative number of Equity Shares to be underwritten *	Amount underwritten (in ₹ lakhs)	% of Offer underwritten
<b>Comfort Securities Limited</b> SEBI Registration Number: INM000011328 Address: A Wing, Hetal Arch, Malad West, Mumbai - 400064, Maharashtra, India Telephone Number: +91 22 6894 8500 Email Id: <a href="mailto:compliance@comfortsecurities.co.in">compliance@comfortsecurities.co.in</a> Investors Grievance Id: <a href="mailto:merchantbanking@comfortsecurities.co.in">merchantbanking@comfortsecurities.co.in</a> Website: <a href="http://www.comfortsecurities.co.in">www.comfortsecurities.co.in</a> Contact Person: Ms. Muskan Gupta CIN: U67120MH2002PLC136562	57,72,000	[●]	100.00%

Our Board of Directors, at its meeting held on March 30, 2024 approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

## CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Prospectus, is set forth below.

(in ₹, except share data)			
Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A	<b>Authorised Share Capital</b>		
	2,50,00,000 Equity Shares having Face Value of ₹ 10 each	25,00,00,000	-
B	<b>Issued, Subscribed and Paid up Share Capital before the Offer</b>		
	1,34,65,360 Equity Shares having Face Value of ₹ 10 each	13,46,53,600	-
C	<b>Present Issue<sup>(1)</sup></b>		
	Issue of up to 57,72,000 Equity Shares having Face Value of ₹ 10 each	5,77,20,000	[●]
D	<b>Issued, Subscribed and Paid up Share Capital after the Issue</b>		
	1,92,37,360.00 Equity Shares having Face Value of ₹ 10 each *		19,23,73,600
E	<b>Securities Premium Account</b>		
	Before the Issue (in ₹ lakhs)		Nil
	After the Issue* (in ₹ lakhs)		[●]#

\* To be updated upon finalization of the Issue Price and subject to the Basis of Allotment

# before adjustment of expenses towards the Issue

(1) The Issue has been authorised by our Board pursuant to the resolution passed at its meeting dated March 01, 2024 and has been authorised by our Shareholders pursuant to the shareholders' resolution dated March 23, 2024. For further information, see "The Issue" and "Other Regulatory and Statutory Disclosures" on pages 51 and 207, respectively.

### Notes to the Capital Structure

#### 1. History of Equity Share Capital of our Company

The following table sets forth the history of the Equity Share capital of our Company:

Date of allotment	No of equity shares allotted	Face Value per Equity Share (₹)	Offer price per Equity Share (₹)	Form of consideration	Nature of allotment	Cumulative number of equity shares	Name of allottees
On Incorporation <b>July 26, 1989</b>	50	100	100	Cash	Incorporation	50	Subscribers to Memorandum of Association <sup>i</sup>

**(b) Details of Equity Shares Locked-in for one (1) year**

The details of lock-in of shares for 1 (one) year are as under:

Name of Shareholder	Pre-Issue Shareholding		Post-Issue Shareholding	
	Category	No of Shares Held	Lock-in for 3 Years	Lock-in for 1 Year
Hitendra Dhanji Shah	Promoters	91,34,760	38,47,246	52,87,514
Prafulla Hitendra Shah	Promoters	20,53,600	Nil	20,53,600
Rushabh Hitendra Shah	Promoters	14,35,000	Nil	14,35,000
Hitendra Dhanji Shah (HUF)	Promoter Group	6,80,000	Nil	6,80,000
Harsha Rushabh Shah	Promoter Group	50,000	Nil	50,000
Jagdish Dhanji Gada	Promoter Group	40,000	Nil	40,000
Sarla Jagdish Gada	Promoter Group	72,000	Nil	72,000
<b>Total</b>		<b>1,34,65,360</b>	<b>38,47,246</b>	<b>96,18,114</b>

## OBJECTS OF THE ISSUE

### Details of objects of the Issue

#### 1. Capital expenditure for installation of new machinery, modernisation of certain processes under existing manufacturing facility and installation of plastic fired low pressure boiler

The proposed installation of new machinery and modification of existing machinery will be carried out at the same location as our existing manufacturing unit is located. The addition of new plant and machinery will result in a reduction of power consumption costs, improvement in product quality, and an increase in cutting capacity.

Sr. No.	Capital Expenditure	Nature / Purpose	Description of machinery	Amount (in USD) ^	Amount (₹ in lakhs)	Supplier	Purchase Order / Details of quotation	Expected date of supply	% of total cost of Capex
1.	Plant & Machinery	Quality Improvement – Improve surface smoothness, enhance opacity, consistent thickness, also increase in capacity.	Multi Zone CCR (NIPCO) Hot nip Calender	220,000	182.60	M/s. Beaujady Trading Co. Ltd. China	PUR/THREE M/HARD NIP CALENDER dated January 16, 2024	14-07-2024	11.02%
2.			Fix Crown Soft nip Calender	160,000	132.80		PUR/THREE M/SOFT NIP CALENDER dated January 16, 2024	30-06-2024	8.01%
3.		Speed Improvement – Increase cutting capacity of board to meet enhanced production	Full-Synchrofly Sheet Cutter Machine	175,000	145.25	Zee Jiang Hao Sheng Printing Machinery Co. Ltd., China	Quotation No.: 240160101G dated January 16, 2024	[●]	8.76%
4.			For captive consumption of power and low pressure steam for production	Plastic fired low pressure boiler	NA	630.00	Triveni Boiler Private Limited	TBPL/3MPC/01-24/74C Dated January 29, 2024	[●]
5.			Back pressure Turbine	NA	72.00	NCON Turbotech	Quotation no. 2024-25-3MP-108 dated January 30, 2024	[●]	4.34%
6.	Factory Building	Increase in capacity for storage	Expanding factory building	NA	49.50	SSA Steels	PO/HO/HS S/23-24/0156 dated	30-06-2024	2.99%

							January 16, 2024		
7.	Miscellaneous accessories	Increase in capacity for storage	Civil work for factory building including cement, steel and labour	NA	60.00	[●]	Management Estimates	[●]	3.62%
8.	Civil works and accessories	NA	[●]	NA	50.00	NA	Management Estimates	[●]	3.02%
9.	Miscellaneous accessories	NA	[●]	NA	50.00	NA	Management Estimates	[●]	3.02%
	<b>Total</b>				1,372.15			[●]	82.78%
	<b>Add: Customs duty</b> <sup>1</sup>				38.50			[●]	2.32%
	<b>Add: GST @ 18%</b> <sup>2</sup>				247.00			[●]	14.90%
	<b>Total</b>				1657.65			[●]	100.00%

^ Currency conversion rate has been considered as ~ USD 1 = INR 83

<sup>1</sup> Payable on Basic Amount

<sup>2</sup> Payable on Basic + Customs Duty

Based on the Proforma Invoice received from M/s. Beaujady Trading Co. Ltd. China and SSA Steels, Pune, Our company has already placed orders and paid advance of ₹ 224.27 Lakhs (USD 270,000) for purchase of machinery from its internal accrual/unsecured loan. This payment is made towards Hard Nip Calender and Soft Nip Calender. Our company will reimburse/recouped such advances out of the gross proceeds of the issue.

## 2. Funding working capital requirements of our Company

### Key justification for holding levels

Key assumptions for working capital projections made by our Company:

Sr. No.	Particulars	Assumptions
<b>Current Assets</b>		
5	Other Current Assets	The projections for other current assets are justified by the company's increased inventory levels and higher revenue from operations. Consequently, balances with revenue authorities, such as GST input credit, TDS, and advance income tax, are expected to rise in Fiscals 2024 and 2025 impacting other current assets.
<b>Current Liabilities</b>		

## 3. Prepayment or repayment of all or a portion of outstanding borrowing availed by our Company

\* In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has

*obtained the requisite certificate dated March 14, 2024 from M/s. Piyush Kothari & Associates.(UDIN: 24158407BKBIHE2964)*



## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the Lead Managers on the basis of an assessment of market demand for the Equity Shares issued through the book building method and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times of the face value. Investors should also refer to “Our Business”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 129, 30 and 185 respectively, to have an informed view before making an investment decision.

### Qualitative factors

We believe that some of the qualitative factors which form the basis for computing the Issue Price are:

- 34-year-old strong brand in Duplex Paper
- Experienced promoters and a proven track record
- Diversified product portfolio focused on various consumer segments and markets
- Plan to utilize waste for power generation for captive use
- Extensive network connecting diverse customers and dealers alongside collaborations with raw material suppliers.
- Effective procurement and supply chain management through bulk purchasing, leveraging economies of scale, and strategic importation, enhancing cost efficiency and competitiveness.
- Consistent track record of profitable growth and strong financial performance.
- Our company uses 100% waste paper as raw material in the manufacturing process.
- Our products are used in FMCG and pharmaceutical sectors that are non-cyclical in nature

For further details, see “Our Business - Our Strengths” on page 129.

### Quantitative factors

Certain information presented below relating to our Company is derived from the Restated Consolidated Financial Statements. For further information, see “Restated Financial Statements” on page Annexure 1.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

#### 1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”) As per Restated Financial Statements

Financial year / period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2021	26.35	26.35	1
March 31, 2022	50.01	50.01	2
March 31, 2023	100.99	100.99	3
<b>Weighted Average</b>	<b>71.56</b>	<b>71.56</b>	<b>6</b>
September 30, 2023 *	91.89	91.89	
September 30, 2023 ^	4.47	4.47	

\* The EPS for the Six months period ended September 30, 2023 is not annualised and is computed without giving effect of Conversion of Loan into Equity, Stock Split and Bonus Issue.

^ The EPS for the Six months period ended September 30, 2023 is not annualised and is computed after giving effect of Conversion of Loan into Equity, Stock Split and Bonus Issue.

Notes:

1. Earnings per share calculations have been computed as below:

- Basic earnings per share (Rs.) = Net profit after tax, as restated for calculating basic EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year
- Diluted earnings per share (Rs.) = Net profit after tax, as restated for calculating diluted EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year

2. *Weighted average number of equity shares outstanding during the year/period and Weighted average number of diluted equity shares outstanding during the year/period has been adjusted such that as if the partly paid up equity shares were made fully paid-up equity shares at the beginning of the earliest period reported*
3. *The Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.*
4. *Basic EPS and Diluted EPS for six months ended September 30, 2023 and fiscal 2023, 2022 and 2021.*
5. *The figures disclosed above are derived from the Restated Financial Statements of the Company.*

## 2. Price / Earning (“P/E”) ratio in relation to Issue Price of ₹ [●] per Equity Share:

Particulars	(P/E) Ratio at the Floor Price* (no. of times)	(P/E) Ratio at the Floor Price* (no. of times)
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	[●]	[●]
P/E ratio based on the Weighted Average Basic & Diluted EPS	[●]	[●]

## Industry Peer Group P/E Ratio

Particulars	P/E Ratio
Highest [Shree Ajit Pulp and Paper Ltd]	27.00
Lowest [N R Agarwal Industries Ltd]	9.45
Average	16.12

Note: The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “Comparison with Listed Industry Peers” below.

## 3. Return on Net Worth (RoNW):

Financial year / period ended	RoNW (%)	Weight
March 31, 2021	4.62%	1
March 31, 2022	8.06%	2
March 31, 2023	14.00%	3
Weighted Average	<b>10.46%</b>	<b>6</b>
September 30, 2023 *	11.30%	

\* The RoNW for the six months period ended September 30, 2023 is not annualised.

Notes:

1. *Return on Net Worth (%) = Net profit after tax, as restated / Adjusted Net worth at the end of the period or year*
2. *Adjusted Net worth has been calculated as sum of Equity Share Capital and Reserves and surplus (comprising of Securities Premium, Foreign Currency Translation Reserve and Surplus of Profit and Loss Account) and ₹ [●] per Equity Share (₹ 10 towards face value and ₹ [●] towards securities premium) paid by the shareholders of [●] Equity Share post the last balance sheet date of September 30, 2023.*
3. *The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.*
4. *The figures disclosed above are derived from the Restated Financial Statements of the Company.*

## 4. Net Asset Value (NAV) per Equity Share

Net Asset Value per Equity Share	(Amount in ₹)
As on March 31, 2023	721.45
As on September 30, 2023	813.34
After the Issue	[●]

Notes:

1. Net Asset Value per share represents Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.
2. Net worth has been calculated as sum of Equity Share Capital and Reserves and surplus (comprising of Securities Premium and Surplus of Profit and Loss Account)
3. The figures disclosed above are derived from the Restated Financial Statements of the Company.
4. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

## 5. Comparison with listed industry peers

Name of the Company	Face Value per Equity Share (₹)	P/E	Total Income (₹ in lakhs)	Basic Earnings Per Share (₹)	Diluted Earnings Per Share (₹)	Net Worth (₹ in lakhs)	RoNW (%)	Net Asset Value per Equity Share (₹)	Closing share price as on [●](₹ per equity share)
Three M Paper Boards Limited	10	[●]	13,187.86	91.89	91.89	5,327.57	22.60	713.37	[●]
<b>Listed Peers *</b>									
N R Agarwal Industries Ltd	10	9.45	71,479.40	46.05	46.05	71,420.09	21.94	419.64	435.00
Kuantum Papers Ltd	1	11.90	61,283.02	12.35	12.35	104,842.00	20.56	120.14	147.00
Shree Ajit Pulp and Paper Ltd	10	27.00	14,504.08	7.11	7.11	20,658.92	3.70	385.66	192.00

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial statements of the respective company for the half year ended September 30, 2023 submitted to stock exchange(s).

*\*As on the date of this Draft Red Herring Prospectus, our company specializes in the production of Duplex Paper Boards derived from 100% recycled wastepaper. Since, there is no listed entity presently engaged exclusively in the manufacturing of Duplex Paper Boards, hence it is difficult to categorize the exact comparable peers for determining the basis of issue price. However, for the sake of comparison, we have considered peer companies from the Paper Industry, as aforesaid.*

P/E Ratio for the peer group has been computed based on the closing market price of equity shares on the Stock Exchange as on March 27, 2024, divided by the diluted EPS for the year ended March 31, 2024.

## 6. Key Performance Indicators (“KPI”).

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 30, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by Peer review Auditors by M/s. Piyush Kothari & Associates, Chartered Accountants dated March 30, 2024 (UDIN: 24158407BKBIHZ1943).

The KPIs of our Company have been disclosed in the chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. [\*] and [\*] of

this Draft Red Herring Prospectus, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page no. 1 of this Draft Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Issue as per the disclosure made in the chapter titled “Objects of the Issue” beginning on page no. [\*] of this Draft Red Herring Prospectus, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**a. Key performance indicators of our company**

Amt. (₹ in Lakhs)  
Except as mentioned.

Key Financial Performance	Sept 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from Operations	13,187.86	32,974.92	31,600.49	16,552.14
EBITDA	1,174.86	2,166.30	1,754.76	1,455.36
EBITDA Margin %	8.91%	6.57%	5.55%	8.79%
PAT	601.90	661.53	327.56	172.63
PAT Margin / Net Profit Ratio %	4.56%	2.01%	1.04%	1.04%
ROE %	11.30%	14.00%	8.06%	4.62%
Return on Capital Employed %	8.28%	15.44%	12.93%	12.13%
Debt-Equity Ratio (times)	1.44	1.73	1.92	1.43
Net fixed asset turnover ratio (times)	1.70	4.23	4.51	2.34
Current Ratio (times)	1.31	1.22	1.21	0.99
Net Profit Ratio (%)	4.56%	2.01%	1.04%	1.04%

As Certified by M/s. Piyush Kothari & Associates, Chartered Accountants dated March 30, 2024 (UDIN: 24158407BKBIHZ1943).

1. The figures are derived from the restated Financial Statements.
2. The Revenue from Operations is revenue from sales of goods and services.
3. EBITDA is calculated as PBT + Finance Expenses + Depreciation.
4. EBITDA Margin % is calculated as EBITDA divided by Revenue from Operations
5. PAT Margin (%) is calculated as PAT divided by Revenue from Operations
6. Return on equity (ROE) % calculated as
  1. Shareholders Equity + Non-Current Liabilities OR
  2. Total Assets Minus Current Liabilities
7. Return on Capital Employed is calculated as EBIT divided by (Networth + Non-Current Liabilities)
8. Debt / Equity Ratio is calculated as (Total Short Term + Long Term Borrowings) divided by Shareholders Equity
9. Net fixed asset turnover ratio (times) is calculated as Total Fixed Assets divided by Revenue from Operations.
10. Current Ratio (times) is calculated as Current Assets divided by Current Liabilities.

**b. Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.**

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Financial Information. We use these KPIs to evaluate our performance. Some of these KPIs are not defined under applicable Indian Accounting Standards and are not presented in accordance with applicable Accounting Standards. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable

accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing results, when taken collectively with financial measures prepared in accordance with applicable Indian Accounting Standards

#### Explanations for the certain financial data based on Restated Financial Statements

Key Financial Performance	Explanations
Financial KPIs	
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Return on equity (%)	Return on equity (ROE) is a measure of financial performance.
Return on capital employed (%)	Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital.
Debt-Equity Ratio (times)	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers.
Net fixed asset turnover ratio (times)	Net fixed asset turnover ratio is indicator of the efficiency with which our company is able to leverage its assets to generate revenue from operations.
Current Ratio (times)	The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year.
Net profit ratio (%)	Net Profit Margin (also known as "Profit Margin" or "Net Profit Margin Ratio") is a financial ratio used to calculate the percentage of profit our company produces from its total revenue.

Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

Key Financial Performance	N R Agarwal Industries Ltd.				Kuantum Papers Ltd.				Shree Ajit Pulp and Paper Ltd.			
	30-09-2023	2022-23	2021-22	2020-21	30-09-2023	2022-23	2021-22	2020-21	30-09-2023	2022-23	2021-22	2020-21
Revenue from Operations	71,032.46	1,76,606.70	1,61,650.60	1,14,563.90	61,098.03	1,30,955.84	83,039.52	40,388.34	14,397.30	37,187.69	41,824.80	26,661.44
PBT	7,783.88	14,774.38	9,461.20	7,761.98	14,471.31	20,296.29	770.42	-3,182.98	612.85	1,585.35	3,504.73	3,488.18
EBITDA	9,887.93	19,734.11	15,423.72	14,094.30	19,192.72	31,939.40	12,280.26	3,074.57	1,162.89	2,955.70	4,691.66	4,589.34
EBITDA Margin (%)	13.92%	11.17%	9.54%	12.30%	31.41%	24.39%	14.79%	7.61%	8.08%	7.95%	11.22%	17.21%
PAT	6,012.85	9,930.35	6,102.15	5,722.88	10,778.44	13,615.18	1,342.26	-1,272.70	380.97	1,128.79	2,505.27	2,465.19
PAT Margin (%)	8.46%	5.62%	3.77%	5.00%	17.64%	10.40%	1.62%	-3.15%	2.65%	3.04%	5.99%	9.25%
Networth	71,420.09	63,563.26	53,604.99	47,649.48	104,842.00	96,681.48	83,047.59	81,725.49	20,658.92	20,277.57	19,198.85	16,744.05
RONW	8.42%	15.62%	11.38%	12.01%	10.28%	14.08%	1.62%	-1.56%	1.84%	5.57%	13.05%	14.72%
ROCE	7.04%	18.13%	17.64%	17.09%	11.02%	18.50%	5.11%	-0.28%	2.11%	6.20%	18.21%	19.32%

Notes:

- i. Revenue from operation means revenue from sale of products and services.
- ii. EBITDA is calculated as Profit before tax + Depreciation + Finance Expenses.
- iii. EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- iv. PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- v. Networth or Shareholders Equity is calculated as Equity Share Capital plus Free Reserves + General Reserve + Securities Premium
- vi. RONW is calculated as PAT divided by Networth
- vii. Return on Capital Employed is calculated as EBIT divided by (Networth + Non-Current Liabilities)
- viii. All the financial information for listed industry peers mentioned above is on a standalone basis and is sourced from the annual reports as available of the respective company for the half year ended Sept 30, 2023 and year ended March 31, 2023, March 31, 2022 and March 31, 2021 submitted to stock exchanges.
- ix. Listed peers are as identified by us on the basis of similar line of business with our Company, however not comparable with size of our Company and not directly comparable with the exact niche line of business.

**7. Weighted average cost of acquisition**

**a. The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares**

The details of the issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue on February 03, 2024 respectively, during the 18 months preceding the date of this RHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days are as follows.

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Total Consideration
December 27, 2023	1,82,480	10.00	137.00	Other than cash	Conversion of loan into equity shares	250.00 Lacs

**b. The price per share of our Company based on the secondary sale / acquisition of shares (equity shares)**

Except as mentioned below, there have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre- Issue share capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Name of Shareholder	Transaction Date	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired/ Sold	Face Value	Total Consideration	Subscribed/ Acquired/ Transferred
Hitendra Dhanji Shah	July 11, 2023	Promoter	43,000	100.00	175.87 Lacs	Transfer
Prafulla Hitendra Shah	July 11, 2023	Promoter	10,000	100.00	40.90 Lacs	Transfer
Rushabh Hitendra Shah	July 11, 2023	Promoter	11,250	100.00	46.01 Lacs	Transfer
Hitendra Dhanji Shah	December 27, 2023	Promoter	1,82,480	10.00	250.00 Lacs	Acquired - Conversion of Loan to Equity Shares

**c. Weighted average cost of acquisition, Floor Price and Cap Price**

Type of Transaction	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph (a) above.	68.50	[●]	[●]
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph (b) above.	20.45	[●]	[●]

**8. The Issue price is [●] times of the face value of the Equity Shares**

The face value of our share is ₹10/- per share and Issue price of ₹ [●] has been determined by our Company, in consultation with the Lead Manager on the basis of an assessment of market demand for the Equity Shares issued through the book building method. Our Company, in consultation with the Lead Manager are justified of the Issue Price in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, Management Discussion and Analysis of Financial Position and Results of Operations” and “Restated Financial Statements” on pages 30, 129, 185 and Annexure 1 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page 30 and you may lose all or part of your investments.



## OUR BUSINESS

Our promoter, Mr. Hitendra Dhanji Shah, has been associated with the paper industry for more than three decades, having wide experience in marketing, management, and administration and having in-depth knowledge of the paper industry.

### SWOT ANALYSIS

#### Strengths:

- **In-house core competency in pulp & paper** – The Company has been engaged in the pulp and paper business for over 30 years. Our promoters possess extensive expertise in operations, marketing, management, and administration, along with a profound understanding of the paper sector. All pulp and paper production are conducted in-house without any outsourcing, ensuring quality and consistency.
- **Low power cost due to in-house coal-based power generation capability** – The Company's 4 MW captive power plant significantly reduces their electricity costs compared to sourcing power from external power distribution companies. This in-house capability ensures more stable and lower-cost energy supply for our operations.
- **Plan to utilize waste for power generation for captive use** – Following our planned capital expenditure program, we will convert operational waste into electricity. This initiative will lower our coal costs and waste disposal expenses, contributing to overall cost efficiency.
- **Utilization of imported coal with stable supply instead of local coal with fluctuating supply** – By sourcing low-cost coal from international markets, the company protects itself from the volatility of domestic coal supply. This stable supply ensures uninterrupted production and cost predictability.
- **Established network of dealers and customers** – The Company's extensive pan-India dealer network, comprising of approximately 25 dealers, enables them to effectively service markets nationwide, ensuring wide distribution and customer reach.
- **30-year-old brand in Duplex Paper** – The Company's long-standing presence in the duplex board industry has cemented their reputation and trustworthiness, marking a significant presence in the market.
- **Established network of raw material suppliers** – Over the past 30 years, the company has built a robust network of raw material suppliers, both locally and internationally. This extensive network ensures a reliable and consistent supply chain.

#### Weaknesses:

- **High initial capital investment** – Establishing new capacity necessitates substantial capital expenditure. The plant and machinery, required for expanding capacity involve high costs. Additionally, the machines are custom-made to fit and synergize with the specific requirements of the entire plant.
- **High pollution control equipment cost to meet stringent environmental norms** – Compliance with stringent environmental regulations necessitates significant investment in advanced pollution control equipment and adherence to regulatory compliances.
- **Dependency on high-cost imported raw material** – The Company's reliance on imported raw materials exposes them to higher costs and potential supply chain disruptions caused by external factors, impacting their overall operations and cost structure.
- **Lack of own collection centers for recovered paper** – All wastepaper to be used as raw material is sourced through recycling companies and other such centers. Without the Company's own collection centers, they depend on third-party suppliers for recovered paper, potentially increasing costs, and supply chain vulnerabilities.

#### Opportunities:

- **Plastic ban leading to increased use of packing paper** – The plastic ban, coupled with heightened environmental consciousness among the public, has spurred demand for environmentally friendly packing paper. This presents significant growth opportunities for the Company's products.
- **High demand for the product in the western region** – There is a notable demand for our products in the western region, driven by a high population, substantial FMCG and pharmaceutical usage, rapid

industrialization, and the presence of numerous packaging-intensive industries. These factors provide us with significant opportunities to expand our market presence and increase sales.

- **Growing export demand for the product due to restrictions in China** – Major economies have reduced their reliance on China, boosting our export potential in international markets.
- **Increased demand due to growth in FMCG** – The fast-moving consumer goods (FMCG) sector's expansion drives demand for our packing paper products, aligning with broader industry growth trends.
- **High cost of jute/cloth-based packaging bags** –The relatively high cost of jute and cloth-based packaging bags makes the Company's paper-based alternatives more attractive and cost-effective for packaging solutions.
- **Increasing awareness among people to reduce the usage of plastic-based bags and packaging material** – Growing environmental awareness and consumer preferences for sustainable packaging solutions further increase the demand for the Company's products.

**Threats:**

- **Stringent environmental norms** – Compliance with increasingly stringent environmental regulations may necessitate additional investments and operational adjustments. The higher costs associated with adhering to these regulatory compliances can impact profitability.
- **Large number of organized and unorganized players** – The presence of numerous competitors, both organized and unorganized, intensifies market competition and pressure on margins.
- **Thin margins** – The paper industry is characterized by thin profit margins, which can be further squeezed by fluctuations in raw material prices and other operational costs.
- **Fluctuation in raw material prices** – With raw material expenses accounting for as high as 63.44% of total revenue in FY 2023, variability in raw material prices, particularly for imported materials, can significantly impact our cost structure and profit margins, as raw materials constitute a major portion of our costs.
- **Fluctuation in foreign currency exchange** – The Company derived 24.94% of its revenue from exports in FY23 and incurred 42.99% of its total expenses on imports in FY 2023. As a company engaged in international trade, they are exposed to risks associated with foreign currency exchange rate fluctuations, which can affect our import costs and export revenues.
- **Limited availability of imported coal and other raw materials** – Any disruptions in the supply of imported coal and other essential raw materials could hinder our production capabilities and business continuity.

The table below displays the details of products sold and their corresponding values for the past three years and up to September 30, 2023.

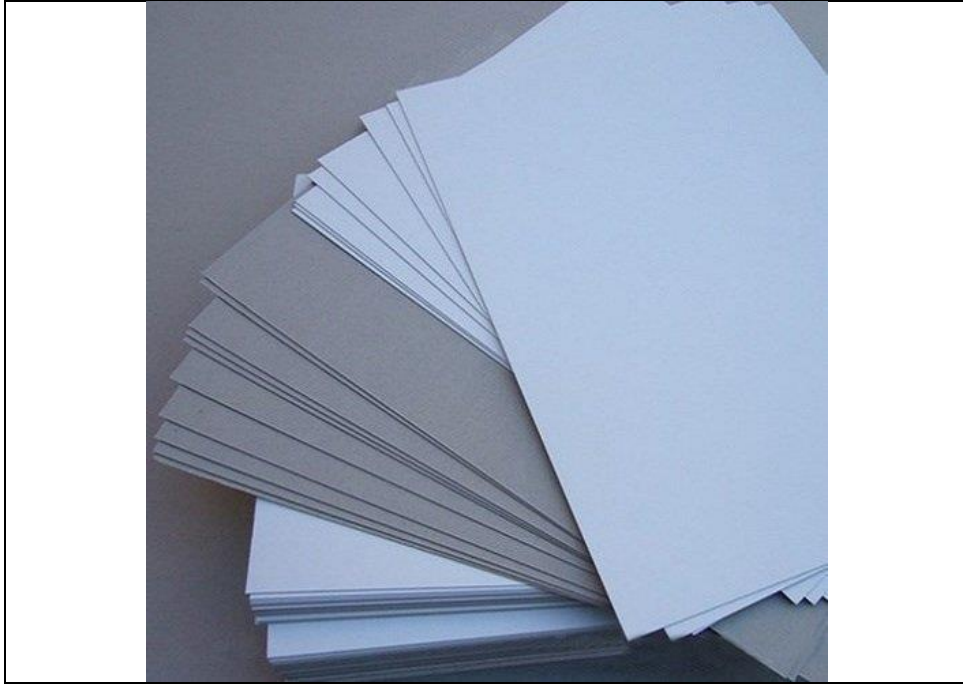
Particulars	1-Apr-20 to 31-Mar-21			1-Apr-21 to 31-Mar-22			1-Apr-22 to 31-Mar-23			1-Apr-23 to 30-Sep-23		
	Outwards			Outwards			Outwards			Outwards		
	Quantity in MTS	Value in Lakhs	% of Total Sales	Quantity in MTS	Value in Lakhs	% of Total Sales	Quantity in MTS	Value in Lakhs	% of Total Sales	Quantity in MTS	Value in Lakhs	% of Total Sales
<b><u>COATED DUPLEX BOARD</u></b>												
DELUXE										54.99	17.87	0.14%
ECO WHITE BACK	2804.27	1,115.57	6.76%	8341.10	4,304.78	14.03%	4113.53	2,538.93	7.86%	0.66	0.35	0.00%
EXCEL DUPLEX BOARD	1.57	0.14	0.00%	388.70	181.68	0.59%	1053.91	499.38	1.55%	918.12	324.53	2.51%
H.W.C. DUPLEX BOARD	16190.09	5,887.83	35.68%	22724.11	12,632.49	41.17%	8503.48	5,021.30	15.55%	1.92	1.02	0.01%
H.W.C. PEARL WHITE BACK	12.00	3.12	0.02%	8.28	3.29	0.01%	1.30 M	0.61	0.00%			
H.W.C. PEARL WHITE GREY BACK	6595.16	2,245.85	13.61%	7201.16	3,209.83	10.46%	1604.64	720.20	2.23%	109.40	44.99	0.35%
H.W.C. WHITE BACK	1658.92	623.17	3.78%	1017.59	485.96	1.58%	612.80	340.87	1.06%			
PRIMA GB							20395.06	9,258.55	28.68%	15784.32	6,154.25	47.52%
ROYAL GB							7194.29	3,595.64	11.14%	5776.05	2,435.12	18.80%
ROYAL WB							7544.38	3,951.62	12.24%	6372.14	2,957.92	22.84%
SUNSHINE DUPLEX BOARD	18398.85	6,196.92	37.56%	19038.23	9,048.68	29.49%	9992.22	5,248.08	16.25%	1359.70	509.82	3.94%
UNCOATED						0.00%			0.00%	49.07	15.46	0.12%
<b>TOTAL COATED DUPLEX BOARD</b>	<b>45660.85</b>	<b>16,072.61</b>	<b>97.41%</b>	<b>58719.17</b>	<b>29,866.70</b>	<b>97.35%</b>	<b>61015.60</b>	<b>31,175.17</b>	<b>96.56%</b>	<b>30426.37</b>	<b>12,461.33</b>	<b>96.22%</b>
<b><u>COATED DUPLEX BOARD Q-II</u></b>												
DUPLEX BOARD II	462.48	96.98	0.59%	683.13	191.56	0.62%	858.66	277.12	0.86%	363.84	97.73	0.75%
EXCEL DUPLEX BOARD II QUALITY				0.59	0.23	0.00%	6.38	2.54	0.01%	1.75	0.51	0.00%
H.W.C. DUPLEX BOARD II QUALITY	535.42	137.63	0.83%	504.06	199.68	0.65%	377.65	157.03	0.49%			
H.W.C. WHITE BACK II QUALITY	66.01	19.27	0.12%	123.12	54.27	0.18%	76.67	36.71	0.11%			
PRIMA II ABOVE FIVE										102.20	23.20	0.18%
ROYAL GB II QUALITY							207.67	79.37	0.25%	64.51	21.54	0.17%
ROYAL WB II QUALITY							76.18	30.54	0.09%	41.09	11.51	0.09%

Particulars	1-Apr-20 to 31-Mar-21			1-Apr-21 to 31-Mar-22			1-Apr-22 to 31-Mar-23			1-Apr-23 to 30-Sep-23		
	Outwards			Outwards			Outwards			Outwards		
	Quantity in MTS	Value in Lakhs	% of Total Sales	Quantity in MTS	Value in Lakhs	% of Total Sales	Quantity in MTS	Value in Lakhs	% of Total Sales	Quantity in MTS	Value in Lakhs	% of Total Sales
<b>TOTAL COATED DUPLEX BOARD Q-II</b>	<b>1063.91</b>	<b>253.88</b>	<b>1.54%</b>	<b>1310.90</b>	<b>445.73</b>	<b>1.45%</b>	<b>1603.22</b>	<b>583.31</b>	<b>1.81%</b>	<b>573.38</b>	<b>154.48</b>	<b>1.19%</b>
<b>COATED DUPLEX BOARD Q-III</b>												
DUPLEX BOARD III	225.42	47.18	0.29%	252.18	81.68	0.27%	280.03	90.03	0.28%	341.92	90.90	0.70%
H.W.C. DUPLEX BOARD III QUALITY	297.71	61.61	0.37%	263.33	81.53	0.27%	581.43	159.57	0.49%	303.41	71.01	0.55%
PRIMA GB III QUALITY										79.88	17.56	0.14%
ROYAL GB III QUALITY										16.48	3.47	0.03%
ROYAL WB III QUALITY										26.06	5.71	0.04%
<b>TOTAL COATED DUPLEX BOARD Q-III</b>	<b>523.12</b>	<b>108.79</b>	<b>0.66%</b>	<b>515.51</b>	<b>163.22</b>	<b>0.53%</b>	<b>861.45</b>	<b>249.60</b>	<b>0.77%</b>	<b>767.74</b>	<b>188.66</b>	<b>1.46%</b>
<b>COATED DUPLEX BOARD Q-IV</b>												
H.W.C. DUPLEX BOARD IV QUALITY	381.28	61.04	0.37%	627.54	181.45	0.59%	377.84	112.67	0.35%	0.12	0.04	0.00%
H.W.C. WHITE BACK IV QUALITY	21.90	4.42	0.03%	76.45	24.04	0.08%	17.40	5.76	0.02%			
ROYAL GB IV QUALITY							132.30	39.35	0.12%	335.25	80.41	0.62%
ROYAL WB IV QUALITY							20.01	5.91	0.02%	47.10	11.34	0.09%
<b>TOTAL COATED DUPLEX BOARD Q-IV</b>	<b>403.18</b>	<b>65.46</b>	<b>0.40%</b>	<b>703.99</b>	<b>205.49</b>	<b>0.67%</b>	<b>547.55</b>	<b>163.69</b>	<b>0.51%</b>	<b>382.47</b>	<b>91.79</b>	<b>0.71%</b>
<b>MILL BOARD (GROUP)</b>												
MILL BOARD							398.53	115.29	0.36%	263.12	54.99	0.42%
<b>TOTAL MILL BOARD (GROUP)</b>							<b>398.53</b>	<b>115.29</b>	<b>0.36%</b>	<b>263.12</b>	<b>54.99</b>	<b>0.42%</b>
<b>GRAND TOTAL</b>	<b>47651.06</b>	<b>16,500.74</b>		<b>61249.57</b>	<b>30,681.14</b>		<b>64426.34</b>	<b>32,287.06</b>		<b>32413.10</b>	<b>12,951.25</b>	

**KEY PRODUCTS SEGMENTS / BUSINESS VERTICALS**

**PRODUCT IN ROLLS AND CUT SHEETS**





### **RAW MATERIALS USED BY THE COMPANY**

The company utilizes two primary raw materials:

1. Wastepaper
2. Chemicals for Coating, Dyeing, and other uses.

## MANUFACTURING PROCESS:

Our manufacturing process for Duplex Board can be summarized as follows:



### **Step 1: Raw Material Procurement**

The process begins with the procurement of wastepaper, received in the form of bales. Different qualities of wastepaper are used for various layers of the duplex board; for example, printed recycled paper is used for the bottom layer, and pure white paper of best quality is used for the top layer. The company has an established network of suppliers from Europe and also sources domestic paper waste.

### **Step 2: Pulping Process**

The wastepaper bales are fed into the pulper through a conveyor system. Water is added to the pulper, where an aggressive rotor agitates the raw materials, transforming them into a slurry. Different qualities of paper are used for different layers of the paper board.

### **Step 3: Stock Preparation: Contaminant Removal**

The slurry undergoes a series of screening processes to remove contaminants from the slurry such as glass, metal (e.g., staple pins), plastic, wood, sand, glue, and cloth. The cleaned slurry is passed through a De-Inking system (if required) in multiple stages to remove ink particles.

### **Step 4: Chemical Treatment**

The cleaned slurry is mixed with chemicals and filler elements specific to its intended layer and use case (e.g., chemicals added to increase strength) to prepare it for the next step of sheet formation.

### **Step 5: Sheet Formation**

The slurry is then dispersed between metal discs. Different conveyors are used for different qualities of layers each originating from different slurries.

### **Step 6: Dewatering, Drying and Pressing**

Water is first removed from the sheets made with slurry using gravity, and then further removed using a vacuum system. The sheet is pressed by rollers to drain additional water and to form sheets. Additionally, the sheet passes through a series of dryers to evaporate the remaining water.

### **Step 7: Starch Application and other Chemical Addition**

Starch is applied to the paper surface to enhance its strength and provide a smoother finish. Different chemicals are mixed with different layers of the paper board depending on the use case of the layer. For example, the middle layers provide strength, the top layer has a shiny, printable surface, and the bottom layer protects the packaged goods. This is followed by another drying phase to remove any additional moisture.

#### **Step 8: Layer Pressing and Calendering**

The different layers of semi-formed sheets are pressed together using large rotors and steam. This process, known as calendering, smooths and compresses the paper by passing a single continuous sheet through multiple pairs of heated rolls, called calenders. During this multi-stage pressing process, the combined layers are subjected to high pressure as they pass through a series of heavy rollers. The application of steam softens the fibers, enhancing the bonding between the layers. This ensures the layers bond firmly and uniformly, creating a consolidated and strong duplex board. The calendering process is crucial for achieving the desired thickness, strength, and durability of the final product, ensuring it meets high-quality standards for various applications.

#### **Step 9: Coating**

Coating layers are applied to both the top and bottom of the paper to improve surface finish and printability. The top layer receives a white and smooth coating, making it suitable for offset printing for folding cartons.

#### **Step 10: Roll Formation**

The final product is formed into jumbo rolls.

#### **Step 11: Roll Conversion and Cutting:**

The large jumbo rolls are converted into smaller rolls or sheets based on order specifications using re-winders and sheet cutters.

#### **Step 12: Quality Check and Packaging**

The cut rolls or sheets are checked for quality compliance based on various parameters, to maintain high standards. Then the sheets are packed according to specific orders.



## OUR CUSTOMERS & SUPPLIERS

The following is the breakup of the top five customers/suppliers of our Company for the periods indicated on consolidated basis:

Category	Six months period ended September 30, 2023		Fiscal					
			2023		2022		2021	
	Amount (₹ lakhs)	Percentage of total sales (%)	Amount (₹ lakhs)	Percentage of total sales (%)	Amount (₹ lakhs)	Percentage of total sales (%)	Amount (₹ lakhs)	Percentage of total sales (%)
Top 1 customer	1,476.12	11.26%	3,016.04	9.22%	3,887.83	12.43%	1,508.31	9.14%
Top 5 customers	4,727.19	36.05%	9,459.41	28.91%	13,497.60	43.14%	5,883.97	35.64%
Top 10 customers	7,151.24	54.54%	15,738.15	48.09%	19,980.02	63.85%	9,411.94	57.01%

Category	Six months period ended September 30, 2023		Fiscal					
			2023		2022		2021	
	Amount (₹ lakhs)	% of total purchases	Amount (₹ lakhs)	% of total purchases	Amount (₹ lakhs)	% of total purchases	Amount (₹ lakhs)	% of total purchases
Top 1 supplier	711.35	10.08%	1,690.36	8.72%	2,693.47	15.40%	950.76	11.87%
Top 5 suppliers	2,602.74	36.89%	6,946.04	35.82%	7,295.21	41.72%	2,986.26	37.28%
Top 10 suppliers	3,814.01	54.06%	9,911.57	51.12%	11,323.35	64.76%	4,304.06	53.73%

### % OF IMPORT IN LAST 3 YEARS

The company imports waste paper as its primary source of raw materials. The company has imported raw materials worth Rs. 4,586.68 Lacs, Rs. 11,586.36 Lacs, Rs. 9,218.22 Lacs, and Rs. 3,776.40 Lacs for the six months period ending Sep 30, 2023; March 31, 2023; March 31, 2022 and March 31, 2021 respectively. The imports are 65.02%, 59.75%, 52.72%, and 47.14% of the total purchases of the company for the six months period ending Sep 30, 2023; March 31, 2023; March 31, 2022 and March 31, 2021 respectively.

### % OF EXPORT IN LAST 3 YEARS

The company exports its products to its international customers. The company has exported goods worth Rs. 1,316.51, Rs. 5,876.61, Rs. 12,655.25 and Rs. 3,712.95 for the six months period ending Sep 30, 2023; March 31, 2023; March 31, 2022 and March 31, 2021 respectively. The exports are 10.04%, 17.96%, 40.44% and 22.49% of the total sales of the company for the six months period ending Sep 30, 2023; March 31, 2023; March 31, 2022 and March 31, 2021 respectively.

## OUR STRENGTHS

## Domestic Sales

(Rupees in Lakhs)

Particulars	SEPTEMBER 30, 2023	% of Total Sales	FY 2022-23	% of Total Sales	FY 2021-22	% of Total Sales	FY 2020-21	% of Total Sales
Andhra Pradesh	56.54	0.43%	-	0.00%	-	0.00%	-	0.00%
Daman and Diu	-	0.00%	-	0.00%	-	0.00%	21.99	0.13%
Delhi	57.02	0.43%	1,241.63	3.79%	-	0.00%	-	0.00%
Goa	719.26	5.49%	1,952.14	5.97%	1,310.05	4.19%	1,444.53	8.75%
Gujarat	301.31	2.30%	376.15	1.15%	96.44	0.31%	144.87	0.88%
Himachal Pradesh	-	0.00%	15.32	0.05%	-	0.00%	-	0.00%
Karnataka	403.51	3.08%	874.77	2.67%	41.15	0.13%	1.77	0.01%
Kerala	33.2	0.25%	-	0.00%	-	0.00%	-	0.00%
Madhya Pradesh	16.01	0.12%	16.13	0.05%	-	0.00%	63.66	0.39%
Maharashtra	8807.35	67.17%	20352.13	62.19%	16617.98	53.11%	10793.05	65.38%
Punjab	115.08	0.88%	152.05	0.46%	144.42	0.46%	116.8	0.71%
Tamil Nadu	235.14	1.79%	151.16	0.46%	-	0.00%	6.42	0.04%
Telangana	556.47	4.24%	691.95	2.11%	-	0.00%	-	0.00%
Uttar Pradesh	-	0.00%	15.78	0.05%	-	0.00%	-	0.00%
West Bengal	103.48	0.79%	359.01	1.10%	-	0.00%	-	0.00%

## International Sales

(Rupees in Lakhs)

Particulars	SEPTEMBER 30, 2023	% of Total Sales	FY 2022-23	% of Total Sales	FY 2021-22	% of Total Sales	FY 2020-21	% of Total Sales
Austria	72.97	0.56%	1436.02	4.39%	3827.03	12.23%	-	0.00%
Bangladesh	755.91	5.76%	1585.23	4.84%	-	0.00%	72.28	0.44%
Canada	-	0.00%	106.03	0.32%	1741.84	5.57%	101.64	0.62%
Cambodia	-	0.00%	-	0.00%	424.6	1.36%	580.44	3.52%
Djibouti	-	0.00%	11.66	0.04%	474.74	1.52%	-	0.00%
France	-	0.00%	-	0.00%	119.04	0.38%	-	0.00%
Hong Kong	12.08	0.09%	-	0.00%	-	0.00%	-	0.00%
Indonesia	-	0.00%	-	0.00%	218.8	0.70%	33.7	0.20%
Malaysia	-	0.00%	11.42	0.03%	165.69	0.53%	-	0.00%
Mauritius	-	0.00%	-	0.00%	18.1	0.06%	-	0.00%
Nepal	-	0.00%	-	0.00%	30.08	0.10%	49.75	0.30%
Philippines	-	0.00%	-	0.00%	104	0.33%	-	0.00%
Qatar	-	0.00%	-	0.00%	-	0.00%	9.84	0.06%
Singapore	-	0.00%	-	0.00%	84.66	0.27%	58.25	0.35%
Sri Lanka	432.18	3.30%	1855.56	5.67%	2172.19	6.94%	1888.6	11.44%
Sweden	-	0.00%	143.82	0.44%	-	0.00%	-	0.00%
Thailand	-	0.00%	28.21	0.09%	873.68	2.79%	152.79	0.93%
Turkey	-	0.00%	308.83	0.94%	-	0.00%	-	0.00%
UAE	21.12	0.16%	81.3	0.25%	131.36	0.42%	57.61	0.35%
United Kingdom	-	0.00%	158.47	0.48%	195.05	0.62%	-	0.00%
Vietnam	22.26	0.17%	150.06	0.46%	2074.38	6.63%	708.04	4.29%

## Sales mix and the geographical presence

The following table sets forth certain information on the relative sales contribution of our product categories in the periods indicated on consolidated basis:

(₹ in lakhs)

Category	Six months period ended September 30, 2023		Fiscal						CAGR (Fiscal 2021 Through Fiscal 2023) (%)
			2023		2022		2021		
	Amount (₹ lakhs)	%age of total sales	Amount (₹ lakhs)	%age of total sales	Amount (₹ lakhs)	%age of total sales	Amount (₹ lakhs) *	%age of total sales	

<b>Sale of Goods</b>									
Paper & Paperboard	12720.88	97.01	32074.83	98.01	30865.29	98.64	16306.05	98.77	40.25
Wind energy	17.46	0.13	23.82	0.07	24.26	0.08	22.65	0.14	2.55
<b>Other Operating revenue</b>									
Export incentive	374.55	2.86	626.56	1.91	400.49	1.28	180.12	1.09	86.51
<b>Total</b>	<b>13112.89</b>	<b>100.00</b>	<b>32725.21</b>	<b>100.00</b>	<b>31290.04</b>	<b>100.00</b>	<b>16508.82</b>	<b>100</b>	<b>40.79</b>

Revenue from the sale of Paper & Paper Board is allocated geographically based on the customer's location. Details regarding geographical revenue are provided below:

Particulars	September 30, 2023	FY 23	FY 22	FY 21
India	10,581.22	23,850.45	15,465.75	12,593.09
Outside India	2,139.66	8,224.38	15,399.53	3,712.95
<b>Total</b>	<b>12,720.88</b>	<b>32,074.83</b>	<b>30,865.29</b>	<b>16,306.05</b>

#### Area Wise Break-Up of purchase of Raw Materials

(Rupees in Lakhs)

Particulars	September 30, 2023	% of total purchases	FY 23	% of total purchases	FY 22	% of total purchases	FY 21	% of total purchases
Domestic purchase of Raw Materials	2,467.92	34.98%	7,803.80	40.25%	8,267.81	47.28%	4,234.65	52.86%
International purchase of Raw Materials	4,586.68	65.02%	11,586.36	59.75%	9,218.22	52.72%	3,776.40	47.14%
<b>Total</b>	<b>7,054.60</b>	<b>100.00</b>	<b>19,390.16</b>	<b>100.00</b>	<b>17,486.03</b>	<b>100.00</b>	<b>8,011.05</b>	<b>100.00</b>

#### Domestic purchase of Raw Materials

(Rupees in Lakhs)

Particulars	September 30, 2023	% of total Pur	FY 23	% of total Pur	FY 22	% of total Pur	FY 21	% of total Pur
Maharashtra	1944.68	27.57%	6485.23	33.45%	7057.22	40.36%	3280.32	40.95%
Gujarat	299.00	4.24%	794.67	4.10%	459.69	2.63%	223.18	2.79%
Rajasthan	25.69	0.36%	108.90	0.56%	336.48	1.92%	446.08	5.57%
Tamil Nadu	85.87	1.22%	115.55	0.60%	144.27	0.83%	76.27	0.95%
Goa	52.61	0.75%	258.49	1.33%	257.19	1.47%	199.27	2.49%
Others	60.07	0.85%	40.97	0.21%	12.95	0.07%	9.53	0.12%

#### International purchase of Raw Materials

(Rupees in Lakhs)

Particulars	September 30, 2023	% of total Pur	FY 23	% of total Pur	FY 22	% of total Pur	FY 21	% of total Pur
USA	1,821.28	25.82%	4,189.30	21.61%	4,809.89	27.51%	2,290.27	28.59%
U.K.	830.59	11.77%	2,493.86	12.86%	626.59	3.58%	172.65	2.16%
Canada	281.65	3.99%	1,077.96	5.56%	692.03	3.96%	0.00	0.00%
Netherlands	252.75	3.58%	660.07	3.40%	0.00	0.00%	0.00	0.00%
Italy	571.51	8.10%	0.00	0.00%	0.00	0.00%	0.00	0.00%
UAE	0.00	0.00%	1,489.54	7.68%	0	0.00%	216.32	2.70%
France	0	0.00%	0	0.00%	1,036.94	5.93%	281.83	3.52%
Saudi Arabia	0	0.00%	0	0.00%	915.19	5.23%	185.40	2.31%
Others	828.89	11.75%	1,675.62	8.64%	1,137.58	6.51%	629.93	7.86%

## EMPLOYEES

Our employees are one of our most important assets and are critical to us maintaining our competitive position. The following table provides a breakdown of our employee based on function as of February 29, 2024:

Department	No. of Employees
Admin and House Keeping	7
Business Development	3
Corporate Development	3
Delivery Infrastructure	13
Finance	12
Humar Resource	2
Operations	164
Purchase and Procurement	5
Quality	13
Sales and marketing	9
<b>Total</b>	<b>231</b>

Additionally, during the month of February 2024, we engaged around 316 personnel on contractual basis. These employees are engaged in various tasks at the factory, including handling and sorting waste papers, packing, housekeeping, security, and loading and unloading of goods etc.

## COMPETITION

In our industry, competition is prevalent, much like in any other sector. We face competition from companies such as N R Agarwal Industries Ltd., Kuantum Papers Ltd., Shree Ajit Pulp and Paper Ltd., and Astron Paper & Board Mill Limited, which either operate in the same line of business as us or offer similar products. Our competitors are primarily centered around the availability of product range, production capacity, and product quality.

### Sales performance of our peers

The comparison of sales figures of our peers are as:

(Amt in Lacs)

NAME	30-09-2023	FY 2022-23	FY 2021-22	FY 2020-21
THREE M PAPER BOARDS LTD	13,187.86	32,974.92	31,600.49	16,552.14
N R AGARWAL INDUSTRIES LTD	71,032.46	1,76,606.70	1,61,650.60	1,14,563.90
KUANTUM PAPERS LTD	61,098.03	1,30,955.84	83,039.52	40,388.34
SHREE AJIT PULP & PAPER LTD	14,397.30	37,187.69	41,824.80	26,661.44

## CORPORATE SOCIAL RESPONSIBILITY

While we are focused on sustained financial performance, our Company has taken up corporate social responsibility (“CSR”) activities and has adopted a CSR policy in compliance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, as notified by the Central Government. In the past three financial years, we have not contributed or spent amount toward CSR activities.

The Company has donated a total of Rs. 8,55,000 in the FY 24 to International Society for Krishna Consciousness (ISKCON) towards eradicating poverty, hunger and malnutrition and promoting health care.

## PROPERTIES

As of the date of this Draft Red Herring Prospectus, the following table sets forth the list of properties owned by us and taken by us on lease that are for a fixed tenure with a rent escalation clause during the tenure of such a lease:

<b>Sr. No.</b>	<b>Particulars of the property, description and area</b>	<b>Owned/ Leased/ License</b>	<b>Name of the Entity/Person Owned the Property</b>	<b>Rent (₹ per month)</b>	<b>Tenure (in years)</b>	<b>Usage</b>
1	Unit No. A-33, Floor -2, Royal Industrial Estate, 5-B Naigaon Cross Road, Wadala, Mumbai, Maharashtra – 400 031, India Carpet Area: 900 Square Feet	License	Mrs. Malti Laxmichand Shah	1,29,375	3 years (up to 13/11/2026)	Registered & Corporate Office
2.	Unit No. A-34, Floor -2, Royal Industrial Estate, 5-B Naigaon Cross Road, Wadala, Mumbai, Maharashtra – 400 031, India Carpet Area: 900 Square Feet	License	Mr. Anil Keshavji Shah	1,29,375	3 years (up to 13/11/2026)	Registered & Corporate Office
3	F1, MIDC Area, Kherdi, Chiplun, Ratnagiri, Maharashtra 415604, India Area: 1,21,410 Square Meters	Leased	MIDC	Nil	95 years lease from 1970	Manufacturing Plant

## OUR MANAGEMENT

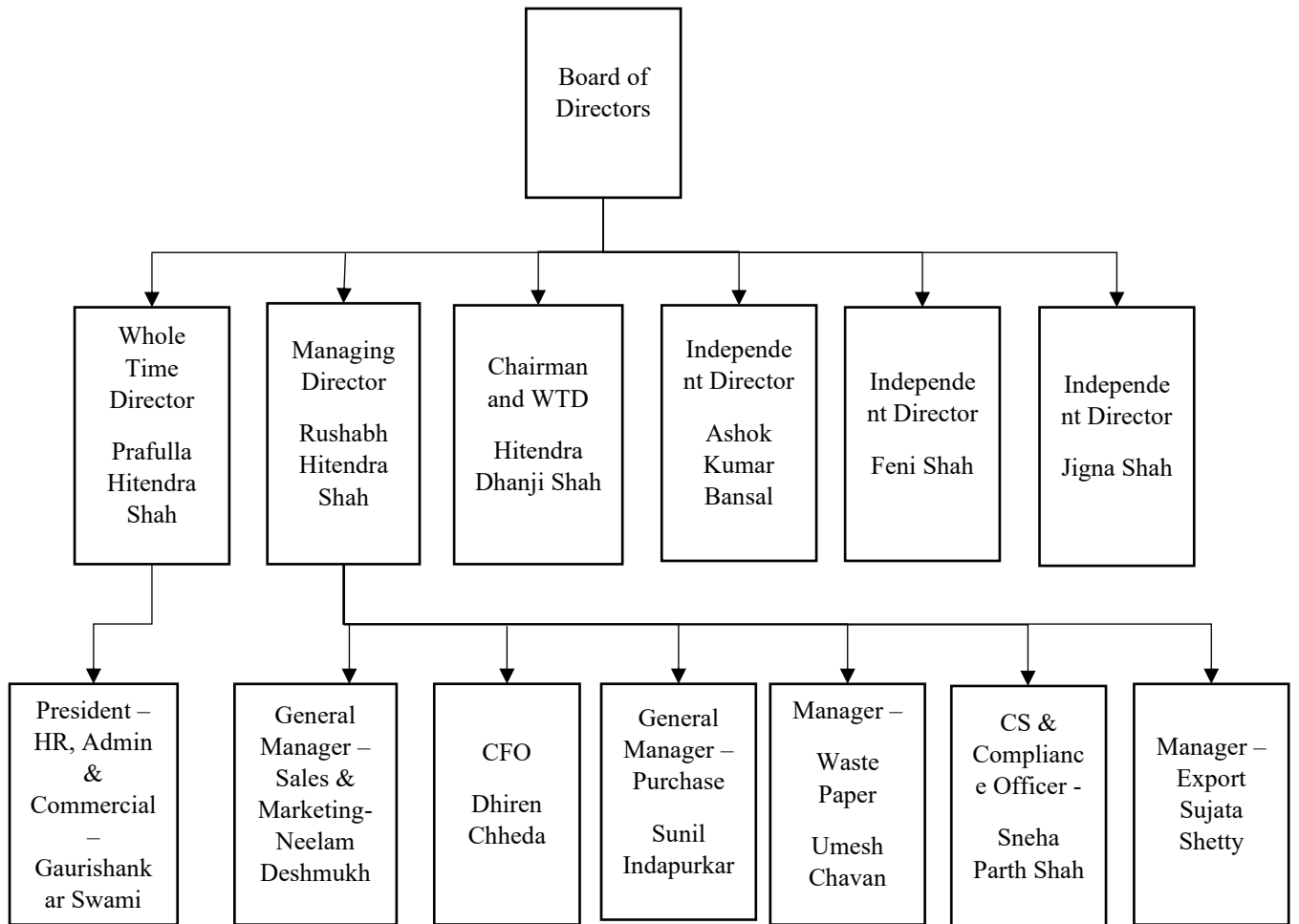
Name, DOB, Father's Name, Designation, Address, Occupation, Term, Period of Directorship, Nationality & DIN	Age (Years)	Other Directorships
<b>Name: Mr. Rushabh Hitendra Shah</b> <b>Date of Birth: November 21, 1984</b>		
<b>Name: Mr. Ashok Kumar Bansal</b>	<b>66</b>	

### Brief Profile of Directors of our Company:

**Hitendra Dhanji Shah** is the Chairman and Whole Time Director of our Company and was appointed on January 11, 2024. He has Passed (11th) Higher Secondary in Science and has more than three decades of experience in managing a paper business. Actively engaged in the Company since its inception, he has contributed to various aspects, including product development, marketing, finance, and administration. As the founder of the business, he acquired a distressed asset, a mill, in 1989 and successfully transformed it, playing a pivotal role in shaping the Company into what it is today. His involvement extends to strategic planning and business development, contributing significantly to the Company's growth.

## MANAGEMENT ORGANISATION STRUCTURE

### KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT



## OUR PROMOTOR AND PROMOTOR GROUP

<b>Hitendra Dhanji Shah - Chairman &amp; Whole Time Director</b>	
Experience	He has an overall experience of more than three decades in the field of product development, marketing, finance, and administration.



## **RELATED PARTY TRANSACTIONS**

For details of related party transactions as per the requirements under Accounting Standard - Related Party Disclosures, read with the SEBI ICDR Regulations, for the 6 months period ended September 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, see “Restated Financial Statements - Statement of Related Party Transactions” on page [•].

**SECTION V: FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

<b>Sr. No.</b>	<b>Financial Statements</b>	<b>Page No.</b>
1	Restated Audited Financial Statements for the six months period ended on September 30, 2023 and financial year ended March 31, 2023, March 31, 2022 and March 31, 2021	[•]



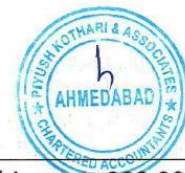
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**Independent Auditor's Report on Restated Financial Statements**

To,  
**The Board of Directors**  
**Three M paper Boards limited**  
**(Formerly Known As "Three M paper Board Private limited" & "Three-M-Paper Manufacturing Company Private Limited")**  
A33 & 34, Floor -2 ,Royal Industrial Estate, 5-B Naigaon  
Cross Road, Wadala, Mumbai City, Mumbai, Maharashtra, India, 400031

We have examined the attached restated financial information of **Three M paper Boards limited (Formerly Known As "Three M paper Board Private limited" & "Three-M-Paper Manufacturing Company Private Limited")** (hereinafter referred to as, "**the Company**") comprising the restated statement of assets and liabilities as at September 30, 2023, March 31, 2023, 2022 and 2021, restated statement of profit and loss and restated cash flow statement for the financial year/period ended on September 30, 2023, March 31, 2023, 2022 and 2021 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the "**restated financial information**" or "**Restated Financial Statements**") annexed to this report and initialed by us for identification purposes. These Restated Financial Statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on SME Platform ("**IPO**" or "**SME IPO**") of BSE Limited ("**BSE**") of the company.

1. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) Section 26 of Part – I of Chapter III of Companies Act, 2013 (the "**Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**");
  - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**Guidance Note**")
2. The Company's Board of Directors is responsible for the preparation of the **Restated Financial Statements** for inclusion in the, Draft Red-Herring Prospectus/ Red-Herring Prospectus/ Prospectus ("**Offer Document**") to be filed with Securities and Exchange Board of India ("**SEBI**"), BSE and Registrar of Companies (Mumbai) in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Statements. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.



3. We have examined such Restated Financial Statements taking into consideration:
- (i) The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed SME IPO;
  - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements;
  - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. The Restated Financial Statements of the Company have been compiled by the management from audited financial statements for the period/ year ended on September 30, 2023, March 31, 2023, 2022 and 2021.
5. Audit for the financial period ended on September 30, 2023 was conducted by us vide report dt. February 01, 2023. Audit for the financial year ended March 31, 2023, was conducted by Jain and Trivedi chartered accountants vide their report dt. September 07, 2023. Audit for financial year ended March 31, 2022 and March 31, 2021 were conducted by JMR and Associates & LLP. Vide report dt. September 06, 2022 and July 06, 2021 respectively. There are no audit qualifications in the audit reports issued by previous auditors and which would require adjustments in the Restated Financial Statements of the Company. The financial report included for these period/years is based solely on the report submitted by him.
6. Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Financial Statements:
- a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year/period ended on September 30, 2023, March 31, 2023, 2022 and 2021.
  - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
  - c) have no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
7. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:





- (i) The “restated statement of asset and liabilities” of the Company as at September 30, 2023, March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (ii) The “restated statement of profit and loss” of the Company for the financial year/period ended as at September 30, 2023, March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (iii) The “restated statement of cash flows” of the Company for the financial year/period ended as at September 30, 2023, March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
  - (iv) The company has made payments to MSME vendors within mutual contractual period which is exceeding the contractual time limit as per MSMED Act, 2006 Hence, the management has not accounted for interest provisions as per MSMED Act, 2006.
8. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial year/period ended as at September 30, 2023, March 31, 2022, 2021 and 2020 proposed to be included in the Offer Document.

**Annexure to Restated Financial Statements of the Company:-**

- I. Summary statement of assets and liabilities, as restated as appearing in ANNEXURE I;
- II. Summary statement of profit and loss, as restated as appearing in ANNEXURE II;
- III. Summary statement of cash flows as restated as appearing in ANNEXURE III;
- IV. Corporate Information, Significant accounting policies as restated and Notes to reconciliation of restated profits and net worth as appearing in ANNEXURE IV;
- V. Details of share capital as restated as appearing in ANNEXURE V to this report;
- VI. Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
- VII. Details of long-term borrowings as restated as appearing in ANNEXURE VII to this report;
- VIII. Details of other long-term liabilities as restated as appearing in ANNEXURE VIII to this report;
- IX. Details of long-term provisions as restated as appearing in ANNEXURE IX to this report;
- X. Details of short-term borrowings as restated as appearing in ANNEXURE X to this report;
- XI. Details of trade payables as restated as appearing in ANNEXURE XI to this report;
- XII. Details of other current liabilities as restated as appearing in ANNEXURE XII to this report;
- XIII. Details of short-term provisions as restated as appearing in ANNEXURE XIII to this report;
- XIV. Details of property, plant & equipment and intangible assets as appearing in ANNEXURE XIV to this report;
- XV. Details of non-current investments as restated as appearing in ANNEXURE XV to this report;
- XVI. Details of deferred tax assets (net) as appearing in ANNEXURE XVI to this report;



- XXVII. Details of long-term loans and advances as restated as appearing in ANNEXURE XVII to this report;
  - XXVIII. Details of current investment as restated as appearing in ANNEXURE XVIII to this report;
  - XIX. Details of inventories as restated as appearing in ANNEXURE XIX to this report;
  - XX. Details of trade receivables as restated as appearing in ANNEXURE XX to this report;
  - XXI. Details of cash and bank balances as restated as appearing in ANNEXURE XXI to this report;
  - XXII. Details of short-term loans and advances as restated as appearing in ANNEXURE XXII to this report;
  - XXIII. Details of other current assets as restated as appearing in ANNEXURE XXIII to this report;
  - XXIV. Details of revenue from operations as restated as appearing in ANNEXURE XXIV to this report;
  - XXV. Details of other income as restated as appearing in ANNEXURE XXV to this report;
  - XXVI. Details of cost of material consumed as restated as appearing in ANNEXURE XXVI to this report;
  - XXVII. Details of direct expenses as restated as appearing in ANNEXURE XXVII to this report;
  - XXVIII. Details of Change in inventories of work in progress , finished goods and stock in trade as restated as appearing in ANNEXURE XXVIII to this report;
  - XXIX. Details of employee benefit expenses as restated as appearing in ANNEXURE XXIX to this report;
  - XXX. Details of finance costs as restated as appearing in ANNEXURE XXX to this report;
  - XXXI. Details of depreciation and amortization expense as restated as appearing in ANNEXURE XXXI to this report;
  - XXXII. Details of other expenses as restated as appearing in ANNEXURE XXXII to this report;
  - XXXIII. Details of bifurcative other income as restated as appearing in ANNEXURE XXXIII to this report;
  - XXXIV. Ageing of trade payables as restated as appearing in ANNEXURE XXXIV to this report;
  - XXXV. Ageing of trade receivables as restated as appearing in ANNEXURE XXXV to this report;
  - XXXVI. Disclosure under AS-15 as restated as appearing in ANNEXURE XXXVI to this report;
  - XXXVII. Summary of significant accounting ratios as restated as appearing in ANNEXURE XXXVII to this report;
  - XXXVIII. Statement of tax shelters as restated as appearing in ANNEXURE XXXVIII to this report;
  - XXXIX. Details of related party transactions as restated as appearing in ANNEXURE XXXIX to this report;
  - XL. Details of contingent liabilities & commitment as restated as appearing in ANNEXURE XXXIX to this report;
  - XLI. Details of Minimum lease payment of asset as under lease as restated as appearing in ANNEXURE XLI to this report;
  - XLII. Details of dues of small enterprises and micro enterprises as restated as appearing in ANNEXURE XLII to this report;
  - XLIII. Additional Information Pursuant To The Provision Of Schedule Iii To The Companies Act, 2013 As Certified By The Directors as appearing in ANNEXURE XLIII to this report;
  - XLIV. Details of Segment reporting as restated as appearing in ANNEXURE XLIV to this report;
  - XLV. Additional Regulatory Information as per Para Y of Schedule III to Companies Act, 2013 as restated as appearing in ANNEXURE XLV to this report;
  - XLVI. Capitalisation Statement as at September 30, 2023 as restated as appearing in ANNEXURE XLVI to this report;
9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

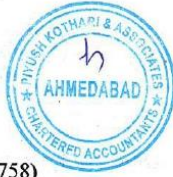




10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the board of directors for inclusion in the offer document to be filed with SEBI, BSE and Registrar of Companies (Mumbai) in connection with the proposed SME IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For PIYUSH KOTHARI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Firm's Registration No. – 140711W)**

*Piyush*  
**Piyush Kothari  
(Partner)  
(M. No. 158407)  
(UDIN -24158407BKBIEB8758)**



**Place: Mumbai  
Date: 03/02/2024**

## **FINANCIAL INDEBTEDNESS**

The statement of loans of the Company as on February 25, 2024 is as Certified by M/s. Piyush Kothari & Associates, Chartered Accountants dated March 15, 2024 (UDIN: 24158407BKBIHD5681).



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### DISCUSSION ON RESULTS OF OPERATIONS

#### FOR THE PERIOD ENDED SEPTEMBER 30, 2023

##### **Income:**

##### **Total Revenue**

Our total revenue amounted to ₹13,187.86 lakhs for the period ended September 30, 2023 which is on account of revenue from operations and other income as described.

##### **Revenue from Operations**

Our revenue from operations for the period ended September 30, 2023 was ₹ 13,112.89 lakhs which is about 99.43% of the total revenue. Out of which ₹ 12,738.34 lakhs comes from sale of goods (Paper & paper board and Wind energy) and ₹ 374.55 lakhs from other operating revenue. Other operating income comprised of revenue from export incentive. The sales volumes remained stable (where volumes sold for half year ended September 30, 2023, is approximately equal to half of volume sold in FY23), however, the overall sales decreased due to reduced selling prices across the paper industry. This was driven by lower raw material prices and intense competition in this fragmented industry.

##### **Other Income**

Our other income for the period ended September 30, 2023 was ₹ 74.97 lakhs which is about 0.57% of the total revenue.

##### **Expenditure:**

##### **Cost of Materials Consumed**

Cost of Materials Consumed for the period ended September 30, 2023 was ₹ 7,627.81 lakhs which aggregated 57.84% of the total revenue.

##### **Direct Expenses**

Direct Expenses for the period ended September 30, 2023 was ₹ 1,162.71 lakhs which aggregated to 8.82% of total revenue.

##### **Change in inventories of Stock in Trade**

Our changes in inventories of stock in trade was ₹ (182.69) lakhs.

##### **Employee Benefits Expenses**

The employee benefits expenses for the period ended September 30, 2023 was ₹ 671.45 Lakhs which is about 5.09% of the total revenue.

##### **Finance Cost**

Financial costs for the period ended September 30, 2023 was ₹ 388.70 Lakhs which is about 2.95% of the total revenue.

##### **Other Expenses**

Other Expenses for the period ended September 30, 2023 was ₹ 2733.72 Lakhs which is about 20.73% of the total revenue.

Reduced Power and Fuel Costs: The company utilized Low Calorific Value (LCV) coal for generating electricity and steam for the plant, which is more cost-effective compared to High Calorific Value (HCV) coal. This resulted in significantly lower power and fuel costs, thereby increasing the operating profit.

Lower Selling Expenses: Due to a significantly lower proportion of export sales, the company substantially reduced selling expenses such as commissions to export dealers, export expenses, and ocean freight.

Reversal of Provision for Doubtful Debts: There was an Rs. 85 lakhs increase in PBT due to the reversal of the provision for doubtful debts.

### **Depreciation and Amortization Expenses**

Depreciation for the period ended September 30, 2023 was ₹ 329.21 lakhs which is about 2.50% of the total revenue.

### **Profit before Tax**

Profit before tax for the period ended September 30, 2023 was ₹ 456.95 lakhs which is about 3.46% of the total revenue. The primary reason for the increase in Profit after Tax (PAT) to Rs. 601.90 lakhs is the Deferred Tax Assets, which amounted to Rs. 247.37 lakhs.

### **Tax Expenses**

Current tax expenditure was ₹ 102.42 Lakhs for the period ended September 30, 2023. Deferred tax charge was ₹ (247.37) Lakhs during the same period.

### **Profit after Tax (PAT)**

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 601.90 lakhs during the period ended September 30, 2023.

### **COMPARISON OF HALF YEAR ENDED SEPTEMBER 30 2023 TO FINANCIAL YEAR ENDED MARCH 31, 2023**

The Company did not prepare financial statements for the half year ending September 30, 2022, as it was not a regulatory requirement at that time. Consequently, we cannot provide a comparison for the half year ended September 30, 2023, against the financial year ended March 31, 2023 as the results are not comparable. This lack of interim financial data precludes a meaningful comparison between these periods.

The Company has not prepared financial statements for the half year ending September 30, 2022. Also, the comparison is not possible for half year ended September 30 2023 to Financial Year ended March 31, 2023

### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 TO FINANCIAL YEAR ENDED MARCH 31, 2022**

#### **Total Revenue**

Our total revenue increased by 4.35% to ₹ 32,974.92 lakhs for the Fiscal 2023 from ₹ 31,600.49 Lakhs for the Fiscal 2022 primarily due to higher growth in sale of paper and paper boards.

#### **Revenue from Operations**

Revenue from operations increased by 4.59% to ₹ 32,725.21 lakhs in the Fiscal 2023 from ₹ 31,290.04 lakhs during the Fiscal 2022. The revenue from operations consists of Sale of Finished products, Income from sale of electricity from wind mill and Export Incentive.

The revenue from sale of goods increased by 3.92%, i.e. from ₹ 30,865.29 lakhs in Fiscal 2022 to ₹ 32,074.83 lakhs in Fiscal 2023. This is increase of ₹ 1,209.54 lakhs. The increase is primarily due to increase in sales prices and change in sale of product mix resulting in higher revenue.

The revenue from sale of electricity from wind mill decreased by 1.81%, i.e. from ₹ 24.26 lakhs in Fiscal 2022 to ₹ 23.82 lakhs in Fiscal 2023. This is decrease of ₹ 0.44 lakhs.

The revenue from other operating activities which consists of Export Incentives increased by 56.45% i.e. from ₹ 400.49 lakhs in Fiscal 2022 to ₹ 626.56 lakhs in Fiscal 2023 primarily due to higher export sales (compared to last Financial Year) in Fiscal 2023.

### **Other Income**

In the Fiscal 2023 it was ₹ 249.71 Lakhs as compared to ₹ 310.45 Lakhs for the Fiscal 2022 which shows a decrease by 19.57%.

The change is primarily on account of foreign Exchange Fluctuation which is decreased to ₹ 194.12 lakhs in Fiscal 2023 from ₹ 267.37 lakhs in Fiscal 2022. This is decrease of ₹ 73.25 lakhs. The primary reason is the fluctuation in the foreign exchange rates at the time of booking of entries and the time of payment/realisation.

Further, the Insurance claim received also decreased to ₹ 5.84 lakhs in Fiscal 2023 from ₹ 6.74 Lakhs in Fiscal 2022. Also, miscellaneous income decreases to ₹ 5.69 lakhs in Fiscal 2023 from ₹ 5.98 lakhs in Fiscal 2022.

Further, the Sundry Balance Written Back increased to ₹ 37.74 lakhs in Fiscal 2023 from ₹ 24.21 Lakhs in Fiscal 2022. Also, miscellaneous income decreases to ₹ 5.69 lakhs in Fiscal 2023 from ₹ 5.98 lakhs in Fiscal 2022. The primary reason is bad debts recovered in Sundry Balance Written Back Account.

### **Expenditure**

#### **Cost of Materials Consumed**

The cost of material consumed in Fiscal 2023 was higher by 4.56% to ₹ 18,273.73 Lakhs in Fiscal 2023 compared from ₹ 17,476.14 lakhs in Fiscal 2022. This is due to increase cost of raw materials prices and changes in composition of purchase of raw materials.

#### **Direct Expenses**

The value of direct expenses in Fiscal 2023 increases by 21.08% to ₹ 2,268.92 Lakhs in Fiscal 2023 compared from ₹ 1,873.96 in Fiscal 2022. As the import of goods has increased in current fiscal year, this has resulted increased in associated cost of imports, i.e. Carriage Inwards on import, Clearing and forwarding charges and customs duty on import resulting in overall increase of Direct Expenses.

#### **Change in Inventories of Stock-in-Trade**

The cost of changes in inventories of finished goods has been increased 43.45% from ₹ (-1,074.51) lakhs in Fiscal 2022 to ₹ (607.61) lakhs in Fiscal 2023. There was flooding, which is one time event in Fiscal 2022 leading to loss of ₹ 1,318.49 lakhs. This is overall increase of Rs. 466.90 Lacs or 43.45% over previous FY.

This increase was driven by heightened closing stock levels of semi-finished and finished goods, coupled with the absence of losses incurred in FY 23 due to floods and cyclones, the loss of which was incurred in FY22. The changes in inventories is the balancing figure and is due to the effect of difference between the opening stock and closing stock.

#### **Employee Benefits Expenses**

The Employee benefits expenses for Fiscal 2023 decreased by 10% to ₹ 1,436.11 Lakhs as compared from ₹ 1,602.05 Lakhs in Fiscal 2022. This is overall reduction of Rs. 165.94 Lacs or 10.36% over previous year. For the Fiscal year 2022, the company has paid remuneration to Directors of Rs. 300.00 Lacs whereas compared to Rs. NIL in the Fiscal 2023. Thus, the employee benefits expenses have reduced as the directors have forgone their remunerations in Fiscal 2023.

#### **Finance Cost**

The Finance Cost increased by 31.56% in Fiscal 2023 to ₹ 964.04 Lakhs from ₹ 732.79 Lakhs in Fiscal 2022 due to increase in the interest cost.

### **Depreciation and Amortization Expenses**

The Depreciation increased by 7.48% to ₹ 604.69 Lakhs in the Fiscal 2023 from ₹ 562.59 Lakhs in the Fiscal 2022 primarily on account of depreciation on account of increase in the Property, Plant & Equipment Account due the capex undertaken.

### **Other Expenses**

The overall other expenses decreased by 5.32% to ₹ 9,437.47 Lakhs in the Fiscal 2023 as compared to ₹ 9,968.09 Lakhs in the Fiscal 2022. This is overall reduction of Rs. 530.62 Lacs or 5.32% over previous year.

Repairs and Maintenance: In FY 22, the company had undertaken major repairs and had incurred significant expenses for repairs and maintenance due to the floods that occurred in the Chiplun factory that year. Consequently, there was a substantial decrease in the cost of repairs and maintenance in FY 23. This reduction led to a decrease in repair and maintenance costs from Rs. 312.17 Lacs in FY 22 to Rs. 100.75 Lacs in FY 23, resulting in a cost reduction of Rs. 211.42 Lacs.

Selling and distribution: The Company efficiently utilized its marketing team, resulting in a considerable reduction in selling and distribution costs. The selling and distribution cost has reduced from Rs. 3,025.44 Lacs in FY 22 to Rs. 2,177.41 Lacs in FY 23. This has resulted in cost reduction of Rs. 848.03 Lacs.

Sales Commission: The sales commission expenses experienced a significant reduction from Rs. 281.01 Lacs in FY 2021-22 to Rs. 74.64 Lacs in FY 2022-23, leading to a cost decrease of Rs. 206.37 Lacs. This reduction can be attributed to two primary reasons. Firstly, the proportion of export sales decreased to 17.96% of total sales in FY 2022-23, down from 40.44% in FY 2021-22, resulting in a sharp decline in commission payable for exports from Rs. 145.11 Lacs to Rs. 66.31 Lacs. Secondly, in FY 2021-22, the company's plant experienced flooding due to heavy rains, causing inventory damage. Consequently, the company had to liquidate certain damaged stock, by paying higher sales commissions of Rs. 135.90 Lacs, which decreased significantly to Rs. 8.34 Lacs in FY 2022-23. As a result, related costs such as commission, export freight, and clearing and forwarding charges incurred on export sales were reduced. These expenses are not incurred on domestic sales.

There was increase in the power and fuel cost, insurance premiums, cost of tools, spares, etc., And Whereas there was reduction in the consumption of packaging materials, other factory overheads, repairs and maintenance, selling and distribution, sales commission, repairs and maintenance.

### **Profit before tax**

For the reasons discussed above, profit before tax was ₹ 597.57 lakhs in Fiscal 2023 compared to ₹ 459.38 lakhs in Fiscal 2022.

### **Tax Expenses**

The total tax expenses has reduced by 148.52% in Fiscal 2023 to ₹ (63.96) Lakhs from ₹ 131.82 Lakhs in Fiscal 2022. This is overall reduction of Rs. 195.78 Lacs or 148.52% compared to the previous year, resulting in tax savings of Rs. 195.78 Lacs. This is due to tax reversal of Deferred Credit Tax and MAT Credit Entitlements. The Deferred Tax was Rs. 131.82 Lacs for the FY 22 and Rs. (-) 63.97 Lacs for the FY 23. This has resulted in decrease of tax expense of Rs. 195.79 Lacs. The MAT Credit Entitlement was Rs. (-) 76.68 Lacs for the FY 22 and Rs. (-) 99.74 Lacs for the FY 23. This has resulted in decrease of tax expense of Rs. 23.07 Lacs. However, there is increase in current tax to ₹ 99.75 Lakhs in the Fiscal 2023 compared to ₹ 76.68 Lakhs in the Fiscal 2022. Thus, the tax cost has decreased significantly as the company has received tax reversals because of excess MAT taxes paid in previous years.

### **Profit after Tax (PAT)**

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 661.53 lakhs in Fiscal 2023 compared to ₹ 327.56 Lakhs in Fiscal 2022.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021**

## **Total Revenue**

Our total revenue increased by 90.91% to ₹ 31,600.49 lakhs for the Fiscal 2022 from ₹ 16,552.14 Lakhs for the Fiscal 2021 primarily due significant increase in the price of duplex paper post covid-19.

## **Revenue from Operations**

The company's financial performance was significantly impacted by COVID-19 disruptions, especially during the first half of the fiscal year. Operations were scaled down due to reduced demand for duplex board. The second half of the year saw a gradual recovery, but the overall income was still affected by the pandemic.

Revenue from operations increased by 89.54% to ₹ 31,290.04 lakhs for the Fiscal 2022 from ₹ 16,508.82 Lakhs for the Fiscal 2021. The revenue from operations consists of Sale of Finished products, Income from sale of electricity from wind mill and Export Incentive.

The revenue from sale of goods increased by 89.29%, i.e. from ₹ 16,306.05 lakhs in Fiscal 2021 to ₹ 30,865.29 lakhs in Fiscal 2022. This is increase of ₹ 14,559.52 lakhs. The increase is primarily due to increase in in the price of duplex paper post covid-19 resulting in higher revenue.

The revenue from sale of electricity from wind mill increased by 7.11%, i.e. from ₹ 22.65 lakhs in Fiscal 2021 to ₹ 24.26 lakhs in Fiscal 2022. This is increase of ₹ 1.61 lakhs.

The revenue from other operating activities which consists of Export Incentives increased by 122.35% i.e. from ₹ 180.12 lakhs in Fiscal 2021 to ₹ 400.49 lakhs in Fiscal 2022 primarily due to higher export sales (compared to last Financial Year) in Fiscal 2022.

## **Other Income**

In the Fiscal 2022 it was ₹ 43.32 Lacs as compared ₹ 310.45 Lakhs for the Fiscal 2022 which shows increase of 616.64%.

The change is primarily on account of foreign Exchange Fluctuation which is increase to ₹ 267.37 lakhs in Fiscal 2022 from ₹ 21.05 lakhs in Fiscal 2021. This is increase of ₹ 246.32 lakhs. The primary reason is the fluctuation in the foreign exchange rates at the time of booking of entries and the time of payment/realisation.

Further, the Insurance claim received also decreased to ₹ 6.74 lakhs in Fiscal 2022 from ₹ 7.40 Lakhs in Fiscal 2021.

Further, the Sundry Balance Written Back increased to ₹ 24.21 lakhs in Fiscal 2022 from ₹ 7.87 Lakhs in Fiscal 2021. The primary reason is bad debts recovered in Sundry Balance Written Back Account. Also, miscellaneous income increased to ₹ 5.98 in Fiscal 2022 from ₹ 0.52 lakhs in Fiscal 2022.

## **Expenditure**

### **Cost of Materials Consumed**

The cost of material consumed in Fiscal 2022 was higher by 126.85% to ₹ 17,476.14 Lakhs in Fiscal 2022 compared from ₹ 7,703.76 lakhs in Fiscal 2021. This is due to increase cost of raw materials prices and changes in composition of purchase of raw materials post covid-19.

### **Direct Expenses**

The value of direct expenses in Fiscal 2022 increases by 41.85% to ₹ 1,873.96 Lakhs in Fiscal 2022 compared from ₹ 1,321.12 in Fiscal 2021. As the import of goods has increased in fiscal year 2022, this has resulted increased in associated cost of imports, i.e. Carriage Inward, Carriage Inwards on import, Clearing and forwarding charges and customs duty on import resulting in overall increase of Direct Expenses. However, there was reduction in other charges in the Fiscal 2022 compared to Fiscal 2021.

### **Change in Inventories of Stock-in-Trade**

The cost of changes in inventories of finished goods has been decreased 3,782.35% from ₹ 29.18 lakhs in Fiscal 2021 to ₹ (-1,074.51) lakhs in Fiscal 2022. There was flooding, which is one time event in Fiscal 2022 leading to loss of ₹ 1,318.49 lakhs. The changes in inventories is the balancing figure and is due to the effect of difference between the opening stock and closing stock.

### **Employee Benefits Expenses**

The Employee benefits expenses for Fiscal 2022 increased by 76.16% to ₹ 1,602.05 Lakhs as compared from ₹ 909.43 Lakhs in Fiscal 2021 due to increase in wages and salaries.

### **Finance Cost**

The Finance Cost increased by 10.07% in Fiscal 2022 to ₹ 732.79 Lakhs from ₹ 665.74 Lakhs in Fiscal 2021. The same is primarily on account of increase in bank charges and interest costs.

### **Depreciation and Amortization Expenses**

The Depreciation increased by 1.20% to ₹ 562.59 Lakhs in the Fiscal 2022 from ₹ 555.90 Lakhs in the Fiscal 2021 primarily on account of depreciation on account of increase in the Property, Plant & Equipment Account due the capex undertaken.

### **Other Expenses**

The overall other expenses increased by 94.19% to ₹ 9,968.09 Lakhs in the Fiscal 2022 as compared to ₹ 5,133.29 Lakhs in the Fiscal 2021.

In FY 22, the company incurred significant expenses for repairs and maintenance due to the floods that occurred in the Chiplun factory that year.

In FY 22, the company's plant experienced flooding due to heavy rains, causing inventory damage. Consequently, the company had to liquidate certain damaged stock by paying higher sales commissions in FY 22, leading to higher costs in that fiscal year.

There was increase in the Consumption of stores, spares and tools, Consumption of Packing Material, Power and fuel, Other Factory Overheads, Legal and professional, Repairs and maintenance, Selling and distribution expenses, Sales commission. And whereas there was reduction in the Bad Debts.

### **Profit before tax**

For the reasons discussed above, profit before tax was ₹ 459.38 lakhs in Fiscal 2022 compared to ₹ 233.72 lakhs in Fiscal 2021.

### **Tax Expenses**

The total tax expenses has increased by 115.77% in Fiscal 2022 to ₹ 131.82 Lakhs from ₹ 61.09 Lakhs in Fiscal 2021 due to current tax and Deferred Credit. However, there is further decrease in MAT Credit Entitlement to ₹ (76.68) Lakhs in the Fiscal 2022 compared to ₹ (39.01) Lakhs in the Fiscal 2021. Thus, the company has received tax reversals because of excess MAT taxes paid in previous years.

### **Profit after Tax (PAT)**

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 327.56 lakhs in Fiscal 2022 compared to ₹ 172.63 Lakhs in Fiscal 2021.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

***State of Maharashtra vs. Omprakash Gorakh Gupta and ors. – S.C.C. 503/2020***

The next date of hearing is June 11, 2024

***Shramjivi Kamgar Union vs. Three M Paper Manufacturing Company Private Limited and ors. – Complaint (ULP) No. 48 of 2023***

The next date of hearing is July 07, 2024.

***Pr. Commissioner of Income Tax - 8 vs. Three M Paper Manufacturing Company Private Limited – Income Tax Appeal (L) No. 1071/ 2019***

Pr. Commissioner of Income Tax – 8 ("Appellant") filed an Income Tax Appeal (L) bearing number 2993 of 2018 before the Hon'ble Bombay High Court ("Court") against Three M Paper Manufacturing Company Private Limited ("Respondent"). An order under u/s 143(3) of the Income Tax Act was passed by the Income Tax Department against the Respondent for a tax liability of ₹14,09,445 pertaining to the Assessment Year 2010-11. However, the Respondent contested the order and preferred an appeal before the Commissioner of Income Tax Appeals – Mumbai. The same was party allowed by Commissioner of Income Tax Appeals – Mumbai. Thereafter, the Department has appealed before the High Court of Bombay against the order of CIT(A)-Mumbai. The next date of hearing is June 24, 2024

***Three M Paper Manufacturing Company Private Limited vs. Government of Maharashtra and Ors. – Regular Case No. 50/2022***

The next date of hearing is June 27, 2024.

***Three M Paper Boards Private Limited vs. The New India Assurance Company Limited – Arbitration Proceedings before the Sole Arbitrator, Justice, Pramod D. Kode (Retd.)***

The next date of hearing is June 24, 2024.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:

1. Our Company was incorporated as “Three-M-Paper Manufacturing Company Private Limited” at Mumbai as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 26, 1989, issued by the RoC. Pursuant to conversion of the company from private to public, under section 43A(1A) of the Companies Act 1956, the name of our Company was changed from “Three-M-Paper Manufacturing Company Private Limited” to “Three-M-Paper Manufacturing Company Limited” by deleting the word Private, and a fresh certificate of incorporation consequent to change of name was issued on July 01, 1998. Pursuant to reconversion of the company from public to private, the name of our Company was changed from “Three-M-Paper Manufacturing Company Limited” to “Three-M-Paper Manufacturing Company Private Limited” and a fresh certificate of incorporation consequent to change of name was issued on October 05, 1999. Subsequently, the name of our Company was changed from “Three-M-Paper Manufacturing Company Private Limited” to “Three M Paper Boards Private Limited” and a fresh certificate of incorporation issued by RoC recording the change in name was issued on January 11, 2024. Subsequently, our Company was converted to a public limited company and the name of our Company changed to ‘Three M Paper Boards Limited’ and a fresh certificate of incorporation dated January 29, 2024 was issued by the RoC. The CIN of our Company is U22219MH1989PLC052740
2. As on the date of this Draft Red Herring Prospectus, the Company has a Paid-up Capital of Rs. 1,346.53 Lakhs and the Post Issue Capital will be of Rs. 1,923.73 Lakhs which is less than ₹ 25.00 Crores.
3. The Company has a track record of at least 3 years as on the date of filling Draft Red Herring Prospectus.
4. The Company has net tangible assets of ₹ 5,326.59 Lakhs and ₹ 4,724.20 Lakhs as on September 30, 2023 and March 31, 2023 respectively.
5. The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for atleast 2 financial years out of preceding three financial years and its net-worth as on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 is at least Rs. 1 Crore.

*(In Rs. Lakhs)*

Particulars	Sept 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
EBITDA	1,174.86	2,166.30	1,754.76	1,455.36
Net worth	5,328.00	4,726.00	4,064.00	3,737.00

6. The Leverage ratio (Total Debts to Equity) of the Company as on September 30, 2023 was 1.44 which is less than the limit of 3:1. The Leverage ratio (Total Debts to Equity) of the Company as on March 31, 2023 was 1.73 which is less than the limit of 3:1.
7. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the Company.
8. The Company confirms that no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any Stock Exchange having nationwide trading terminals.
9. The Company further confirms that the Promoters or directors are not the promoters or directors (other than independent directors) of compulsory delisted companies by the Exchange and neither they are the promoters or directors of such companies on which the consequences of compulsory delisting is applicable/attracted or companies that are suspended from trading on account of noncompliance.
10. Directors are not disqualified/ debarred by any of the Regulatory Authority.
11. The Company confirms that there are no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by our Company and promoters.
12. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);



13. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
14. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
15. The Directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.
16. There is no change in promoters of the Company in preceding one year from date of filing Red Herring Prospectus to BSE SME.
17. The Company confirms that there has not been any change in its name in last 1 year. .
18. The Company has a website [www.threempaper.com](http://www.threempaper.com)
19. 100% of the Promoter's shareholding in the Company are in Dematerialised form.
20. Our Company has facilitated trading in demat securities and has entered into an agreement with both the depositories. Our Company has entered into an agreement with Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialization of its Equity Shares already issued and proposed to be issued.
21. The composition of the board is in compliance with the requirements of Companies Act, 2013.
22. We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of BSE Limited.

## ISSUE STRUCTURE

### Issue Structure:

The Issue comprises of an Initial Public Issue of up to 57,72,000 Equity Shares of face value of ₹10 each fully paid (the “**Equity Shares**”) for cash at a price of ₹ [●] per Equity Shares (including a share premium ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs (“**The Issue**”) by the issuer Company (the “**Company**”)

The Issue comprises a reservation of up to 2,90,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (the “**Market Maker Reservation Portion**”) and a Net Issue to Public of 54,82,000 Equity Shares of ₹ 10 each is hereinafter referred to as the Net Issue. The Issue and the Net Issue will constitute 30.00 % and 28.50 % respectively of the post issue paid up Equity Share Capital of our Company. The Issue is being made through the Book Building Process.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto 2,90,000 Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	1.51% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for Allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
<b>Basis of Allotment <sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares.	Proportionate basis subject to minimum allotment of [●] Equity Shares

		<p>proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p>		
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## **ISSUE PROCEDURE**

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated March 26, 2024 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated March 22, 2024 between CDSL, the Company and the Registrar to the Issue;
- c) The Company's equity shares bear an ISIN: INE0UK501010.

## **SECTION IX: OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Offer Closing Date.

#### **Material Contracts**

5. Underwriting Agreement dated June 07, 2024 between our Company, Book Running Lead Manager and Underwriter.
6. Tripartite Agreement dated March 26, 2024 among NDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated March 22, 2024 among CDSL, the Company and the Registrar to the Issue.

#### **Material Documents**

15. Independent Auditors Examination Report on Restated Financial Statements dated February 03, 2024 by M/s. Piyush Kothari & Associates.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as Amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-  
Hitendra Dhanji Shah  
Chairman And WTD  
DIN: 00448925

Sd/-  
Ashok Kumar Bansal  
Non-Executive and Independent Director  
DIN: 07325904

Sd/-  
Prafulla Hitendra Shah  
WTD  
DIN: 00457076

Sd/-  
Feni Jay Shah  
Non-Executive and Independent Director  
DIN: 10303831

Sd/-  
Rushabh Hitendra Shah  
Managing Director  
DIN: 01874177

Sd/-  
Jigna Ravilal Dedhia Shah  
Non-Executive and Independent Director  
DIN: 10452692

### SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/-  
Dhiren Chunilal Chheda  
Chief Financial Officer

Sd/-  
Sneha Parth Shah  
Company Secretary and Compliance Officer

Date: June 19, 2024

Place: Mumbai