



INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or sent by courier or registered/speed post at the expense of the shareholder will also be accepted.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. The voting period will commence at 9.00 a.m. on **Tuesday, February 24, 2015**. Duly completed Postal Ballot Form should reach the Scrutinizer of the Company not later than the close of working hour i.e. 6.00 p.m. on **Wednesday, March 25, 2015**. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Shareholder(s) has not been received.
4. There will be only one Postal Ballot Form for every folio irrespective of the number of joint Shareholder(s).
5. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/Authority Letter.
6. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed business reply envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not be able to act on the same.
7. A Shareholder need not use all the votes or cast all the votes in the same way.
8. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
9. The Company is pleased to offer e-voting facility as an alternate, to all the Members of the Company, to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

The instruction for the shareholders for e-voting are as under :

(a) In case of Shareholders receiving e-mail from NSDL :

- (i) Open e-mail and open the PDF file viz, "**Kuantum**. pdf" with your client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password;
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>;
- (iii) Click on Shareholder - Login;
- (iv) Insert user ID and password as initial password noted in step (i) above. Click Login;
- (v) Password change menu appears. Change the password with the new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- (vi) Home Page of e-Voting opens. Click on e-Voting: Active Evoting Cycles;
- (vii) Select "EVEN" of Kuantum Papers Ltd;
- (viii) Now you are ready for e-Voting as Cast Vote page opens;
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted;
- (x) Upon confirmation, the message "Vote cast successfully " will be displayed;
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote;
- (xii) For the votes to be considered valid, the Institutional shareholders (other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution /Authority Letter etc together with attested specimen signatures of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at sikkasushil@gmail.com with a copy marked to evoting@nsdl.co.in

(b) In case of Shareholders' receiving Postal Ballot Form by Post:

- (i) Initial password is provided at the bottom of the Postal Ballot Form.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

(c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.

(d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.



KUANTUM PAPERS LIMITED

CIN : L21012PB1997PLC035243

Regd. Office : Paper Mill, Saila Khurd - 144 529, Distt. Hoshiarpur, Punjab
Ph. : 01884-230241, Fax : 01884-230244, E-mail : kuantumcorp@kuantumpapers.com
Website : www.kuantumpapers.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Members,

Notice is hereby given pursuant to Section 110 and other applicable provisions, is any, of the Companies Act, 2013 read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, whereby the Company seeks approval of the members, to the resolutions appended below as special resolutions through Postal Ballot/e-voting.

The explanatory statement pertaining to the said resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto alongwith postal ballot form for your consideration.

The Company has appointed Mr. Sushil Sikka, Practicing Company Secretary, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Please read carefully the instructions printed on the form and return the Postal Ballot Form duly completed and signed in all respects, in the enclosed self-addressed pre-paid postage envelope so as to reach the Scrutinizer of the company not later than the close of working hours i.e. 6.00 p.m. on **Wednesday, March 25, 2015**. Members may choose to vote using e-voting facility, the details whereof are specified under instructions to the Postal Ballot Form.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on 27.03.2015 at the Corporate Office of the Company at Chandigarh. The aforesaid result would be displayed at the Registered Office of the Company, intimated to BSE (where the shares of the Company are listed), published in the news paper, and displayed alongwith the Scrutinizer's report on the Company's website.

RESOLUTIONS:

1. To consider and if thought fit, to pass with or without modifications, the following resolution as SPECIAL RESOLUTION :

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors/Finance Committee of Directors of the Company to mortgage and/or charge all the immovable and movable properties of the Company wheresoever situate, present or future and the whole or substantially the whole of the undertaking of the Company together with the power to enter upon and take possession of certain assets of the Company in certain events of default in favour of Punjab National Bank (PNB), State Bank of Patiala (SBOP), State Bank of India (SBI), State Bank of Bikaner & Jaipur (SBBJ) and Indusind Bank Limited (IBL), to secure the Term/Corporate Loan and/or other borrowings lent and advanced by them to the Company aggregating to Rs. 11,262.13 lacs (i.e. Term Loan /Corporate Loan of Rs. 2,387.50 lacs by PNB, Rs. 4,246.25 lacs by SBOP, Rs. 3,889.38 lacs by SBI, Rs. 94.00 lacs by SBBJ and Rs. 645.00 lacs by IBL) and working capital limits of Rs.10,325.00 lacs by PNB, SBOP and SBI, till date, together with interest, additional interest, compound interest, liquidated damages/penal interest, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to secure the said financial assistance/borrowings availed/to be availed by the Company from PNB, SBOP, SBI, SBBJ and IBL or any other Bank or Financial Institution.

RESOLVED FURTHER that the said loans for which the charge is to be created, shall not, at any time exceed Rs. 500 crore or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

RESOLVED FURTHER that the mortgage/charges created/to be created and/or all agreements/documents executed/to be executed and all acts done or to be done in terms of the above resolution by and with the authority of the Board of Directors/Finance Committee of the Board, be and are hereby confirmed and ratified.

RESOLVED FURTHER that the Board of Directors/Finance Committee of Directors be and is hereby authorized to make or accept any amendment, modification, change or alterations as may be required from time to time in connection with the creation of aforesaid mortgages/charges in favour of PNB, SBOP, SBI, SBBJ and IBL or any other Bank or Financial Institution.

RESOLVED FURTHER that the Board of Directors/ Finance Committee of Directors of the Company be and is hereby authorized to finalise the documents to secure the facilities/borrowings as aforesaid and to do all such things, deeds, matters as may be necessary, desirable and expedient for giving effect to the above resolution."

2. To consider and if thought fit, to pass with or without modifications, the following resolution as SPECIAL RESOLUTION :

"RESOLVED that pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013 and Rules contained therein (including any statutory modification and re enactments thereof for the time being in force) and such other requisite approvals as may be required, Article 116 of the Articles of Association of the Company be amended as follows:

Article 116 be Substituted as follows:

Subject to provisions of Section 196, 197, 198 and 203 and other applicable provisions, rules, schedules, if any of the Companies Act, 2013, the Board of Directors may, from time to time, appoint a Director and one or more Directors to be the Managing Director(s) or whole time Director(s) for a term not exceeding 5 (Five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him/them. In making such appointment the Board shall ensure compliance with the requirements of the Companies Act, 2013 and the relevant rules and shall seek and obtain such approvals as are prescribed by the Act, provided that the Chairman/Managing Director(s) or whole time Director(s) so appointed, whilst holding such office, be subject to retirement by rotation or not be decided by the Board, but his/their appointment(s) shall be automatically come to an end if he/they cease(s) to be the Director(s).

RESOLVED FURTHER that the Board of Directors and the Company Secretary, of the Company, be and are hereby authorized to take such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendments to the Articles of Association and further to do all acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

3. To consider and if thought fit, to pass with or without modifications, the following resolution as SPECIAL RESOLUTION :

"RESOLVED that in partial modification of the ordinary resolution passed by the shareholders at their meeting held on 24.09.2010 and special resolution passed by the shareholders at their meeting held on 08.08.2014 approving the terms and conditions of appointment and revision in the remuneration of Sh. Jagesh K Khaitan, (DIN No. 00026264), Chairman & Managing Director, be and is hereby amended by substituting thereto the following clause instead of the earlier clause:

Shri Jagesh K Khaitan, Chairman & Managing Director, is liable to retire by rotation.

RESOLVED FURTHER that all other terms and conditions of appointment/remuneration of Shri Jagesh K Khaitan, Chairman & Managing Director remains unaltered".

Regd. Office:

Paper Mill, Saila Khurd, Distt. Hoshiarpur, Punjab

Dated : February 13, 2015

By Order of the Board
For Kuantum Papers Ltd
Vivek Trehan
Company Secretary

NOTES :

1. Explanatory Statement as required under Section 102 of the Companies Act, 2013 is annexed.
2. Mr. Sushil K Sikka, Practicing Company Secretary (Membership No. FCS-4241 & CP No. 3582), Proprietor M/s S.K. Sikka & Associates, Company Secretaries, has been appointed as the Scrutinizer for conducting the postal ballot process, in a fair and transparent manner.
3. This Notice is being sent to all the members, whose name appear in the Register of members/list of Beneficial owners, received from the NSDL/CDSL as on February 13, 2015.
4. Shareholders who have registered their e-mail ids with depositories are being sent notice of Postal Ballot by e-mail and shareholders who have not registered their e-mail ids will receive notice of Postal Ballot alongwith Postal Ballot form through post/courier. Shareholders who have received Postal Ballot notice by e-mail and who wish to vote through physical postal ballot form can download Postal Ballot Form from the link www.evoting.nsdl.com or from the website of the Company www.kuantumpapers.com. The shareholders can also seek duplicate postal form from the Company's Registrar and Share Transfer Agent (RTA), **Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi - 110 020**.
5. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Ballot or vice-versa. However in case shareholder cast their vote by Physical Ballot and e-voting both, then the voting done by e-voting shall prevail and voting done through Ballot will be treated as invalid.
6. The voting period for e-voting module ends on March 25, 2015. The e-voting module shall also be disabled by NSDL at 6.00 p.m. on the same day.
7. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on February 13, 2015.
8. The Scrutinizer will submit his report after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on March 27, 2015 at 6.00 P.M. at the Corporate office of the Company- SCO 18-19, First Floor, Sector 8-C, Madhya Marg, Chandigarh-160 009.

Explanatory Statement

Item No. 1

Rule 22 of the Cos. (Management & Administration) Rules, 2014, inter-alia, provides that the Board of Directors shall not, except with the consent of the members through Postal Ballot, sell whole or substantially the whole of the undertaking of the Company as specified under sub-clause (a) of sub-section (1) of Section 180 or where the Company owns more than one undertaking, of the whole of each such undertaking and to secure the borrowings by suitable mortgage/hypothecation on all or any of the Movable and/or immovable properties or Company's assets in favour of lending agencies and trustees, if any.

This Resolution pertains to mortgage and/or charge all the immovable and movable properties of the Company wheresoever situate, present or future and the whole or substantially the whole of the undertaking of the Company together with the power to enter upon and take possession of certain assets of the Company in certain events of default in favour of Punjab National Bank (PNB), State Bank of Patiala (SBOP), State Bank of India (SBI), State Bank of Bikaner & Jaipur (SBBJ) and Indusind Bank Limited (IBL), to secure the Term/Corporate Loan and/or other borrowings lent and advanced by them to the Company aggregating to Rs. 11,262.13 lacs (i.e. Term Loan /Corporate Loan of Rs. 2,387.50 lacs by PNB, Rs. 4,246.25 lacs by SBOP, Rs. 3,889.38 lacs by SBI, Rs. 94.00 lacs by SBBJ and Rs. 645.00 lacs by IBL) and working capital limits of Rs. 10,325.00 lacs by PNB, SBOP and SBI, till date, together with interest, additional interest, compound interest, liquidated damages/penal interest, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to secure the said financial assistance/borrowings availed/to be availed by the Company from PNB, SBOP, SBI, SBBJ and IBL or any other Bank or Financial Institution.

The said loans for which the charge is to be created, shall not, at any time exceed Rs. 500 crore or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

Under Section 180 of the Companies Act, 2013, the above powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution.

Therefore in order to remain compliant with the relevant provisions of creation of security pursuant to Section 180(1)(a) of the Companies Act, 2013, the approval of the members now being sought, by way of Special Resolution.

None of the Directors, Key Managerial Personnel or their relative is concerned or interested in the proposed resolution.

Item No. 2 and 3

In order to comply with the provisions of the Companies Act, 2013 and the rules contained therein, it is proposed to amend Article 116 of the Articles of Association of the Company. The Sections relating to the appointment and qualifications of Directors under Chapter XI of the Companies Act, 2013, have been notified by the Ministry of Corporate Affairs, Govt. of India w.e.f 1.04.2014 which provides for appointment of Independent Directors as not liable to retire by rotation. Since the office of Independent Directors is no longer subject to retire by rotation, therefore, in order to comply with the requirement contained in the Section 152 (6) clause (a) and other related provisions of the Companies Act, 2013 and the rules with regard to the proportion of appointment of Directors liable to retire by rotation which says that not less than two third of the total number of Directors of the Company shall be the persons whose period of office is liable to retirement by rotation, in compliance of the said provisions, it is proposed to amend the Article-116 to empower the Board to appoint Chairman/MD/MTD and to approve their terms of appointment and to determine whether Chairman/Whole-time Director/Managing Director so appointed shall be liable to retire by rotation or not.

In view of the above, it is being proposed that in partial modification of the ordinary resolution passed by the shareholders at their meeting held on 24.09.2010 and special resolution passed by the shareholders at their meeting held on 08.08.2014 approving the terms and conditions of appointment and remuneration of Sh. Jagesh K Khaitan, Chairman & Managing Director, he would be liable to retire by rotation.

Therefore the approval of the members now being sought, by way of Special Resolution for item no. 2 & 3.

None of the Directors, Key Managerial Personnel or their relative is concerned or interested in the proposed resolution in item no. 2.

None of the Directors, Key Managerial Personnel or their relative except Shri Umesh K Khaitan and Shri Pavan Khaitan, being relatives of Shri Jagesh K Khaitan are concerned or interested in the proposed resolution in item no. 3

By Order of the Board
For Kuantum Papers Ltd

Regd. Office:

Paper Mill, Saila Khurd, Distt. Hoshiarpur, Punjab

Dated : February 13, 2015

Vivek Trehan
Company Secretary