



Paving the path for a Better Future

Embracing Sustainability
Encouraging Innovation

Contents

02-45

CORPORATE OVERVIEW

- 02 — An Eco-Conscious Paper Maker
- 04 — At a Glance
- 06 — Our Story of Growth and Transformation
- 08 — Financial Scorecard
- 10 — Chairman’s Message
- 12 — Vice Chairman and MD’s Message
- 14 — Our Marquee Clients
- 16 — A Portfolio of Innovative Offerings
- 18 — Attributes that Set us Apart
- 20 — Decades of Creating Sustainable Value
- 22 — Sustainable Paper Manufacturing Process
- 28 — Driving Innovation with Focus on Quality
- 31 — Progressing towards a Sustainable Future
- 32 — Kuantum for Earth
- 36 — Committed to the Greater Good
- 38 — Our People Our Driving Force
- 40 — A Culture of Robust Governance
- 42 — Certifications and Accolades
- 43 — Board of Directors
- 44 — Key Management Team
- 45 — Corporate Information

46-132

STATUTORY REPORTS

- 46 — Directors’ Report
- 68 — Corporate Governance Report
- 92 — Business Responsibility & Sustainability Reporting
- 123 — Management Discussion & Analysis

133-187

FINANCIAL STATEMENTS

- 133 — Independent Auditors’ Report
- 142 — Balance Sheet
- 143 — Statement of Profit and Loss
- 144 — Statement of Changes in Equity
- 145 — Cash Flow Statement
- 147 — Notes to the Financial Statements



To get a copy of this report online, please log on to: <https://www.kuantumpapers.com>



For digital version of this report, scan this QR Code

Forward-Looking Statements

Some of the information in this report may contain forward-looking statements, which include statements regarding the Company’s expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as “believe”, “plan”, “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, or other similar words. Forward-looking statements are dependent on assumptions or the basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that the actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

At Kuantum Papers, innovation is at the heart of our operations, leading us to stay abreast of best-in-class tech advancements and industry trends. It is this relentless pursuit of innovation in products and processes that has led us to continually enhance our operational efficiency while optimising costs. The successful execution of our backward integration project and capacity expansions, along with recent technological upgrades further demonstrate our focus on driving continuous innovation and improvement.

Rooted in an unwavering belief in sustainability, encapsulated in the motto ‘Kuantum for Earth’, the company is proactively engaged in a series of endeavours with an aim to minimise its ecological footprint and make a lasting impact on the communities that it serves.

Throughout the past year, we continued to collaborate with marquee clients and industry leaders, investing in cutting-edge technology to ensure product excellence. This approach has not only helped us manage rising input costs with agility but has also enabled us to deliver improved operational efficiency and financial performance. As we look forward, the opportunities within our industry are immense. Further, with the National Education Policy (NEP) expected to be implemented in a comprehensive manner soon and the positive socio - economic climate in India, our future prospects are promising.

Embracing sustainability is a core tenet of our business model. Across all our operational aspects, we prioritise integrating sustainable practices. Water Conservation is of paramount importance to Kuantum Papers. We have taken proactive steps to reduce the consumption of water by reusing and recycling water within plant operations and ensuring that all treated wastewater is being utilised for the irrigation of more than 2000 acres of land in nearby fields.

Recognizing the significance of energy conservation in combating climate change, Kuantum Papers has invested in a Co-Generation Power Plant that uses biomass like rice husk, wood dust and wheat straw dust to reduce the usage of fossil fuels and GHG emissions.

The company’s efforts extend to the restoration of damaged ecosystems, encompassing the identification and reforestation of barren lands in close proximity to its facilities. Through our Social Farm Forestry initiatives, we aim to promote green cover, address soil erosion and alleviate groundwater depletion.

Our integrated approach ensures that we meet customer needs, engage with our communities, empower our team members and safeguard the best interests of our stakeholders. This holistic strategy enables us to make well informed strategic decisions that foster long-term growth. As we continue to innovate and implement sustainable practices, we are confident in our ability to pave the path for a better future.



An Eco-Conscious Paper Maker

At Kquantum Papers, our expertise lies in producing high-quality agro and wood-based paper products catering to the needs of our diverse clientele. Established in 1980, we have grown from a modest manufacturing capacity of 30 TPD to an impressive capacity totalling 450 TPD.

For over four decades, we have been manufacturing paper from agro and wood-based sources. Across all our production processes, we prioritise adopting sustainable practices. This approach not only conserves the precious resources but also protects the environment for future generations.

Maintaining a sharp focus on product excellence and steady growth, we have consistently expanded our capacity over the years and optimised production efficiency. Our backward integration and upgradation projects along with collaborations with industry leaders on green technologies have further strengthened our sustainability efforts. In the years ahead, we will continue to drive responsible growth while serving customers, engaging communities and empowering stakeholders.

Vision

To be the leading Paper Makers in an innovative and sustainable manner

Mission

- Innovate continuously to enhance value in our business
- Pursue excellence in a sustainable manner
- Deliver exceptional value to all stakeholders

Values



Ethics & Integrity



Customer Centricity



Team Unity



Consistent Pursuit



Respect for Stakeholders



Future Growth Strategy



Streamlining and enhancing plant operations to boost production capacity by almost 50% and improve cost-effectiveness



Capitalising on the ban on single-use plastics by providing sustainable alternatives in the form of specialty products



Adding specialty paper and tissue paper machines to broaden our product range



Embracing Industry 4.0 technologies, including Internet of Things (IoT), Artificial Intelligence (AI) and cloud computing to enhance operational efficiency and resource management

Delivering Sustainable Excellence

13%
Punjab

1%
Chandigarh

37%
Delhi

4%
Rajasthan

3%
Gujarat

1%
Madhya Pradesh

4%
Maharashtra

Exporting to
22
Countries

1%
Jammu and Kashmir

9%
Haryana

10%
Uttar Pradesh

4%
Bihar

4%
Assam

6%
West Bengal

1%
Jharkhand

1%
Chhattisgarh

1%
Telangana

100+
Dealers

At a Glance

Our Story

Since our inception in 1980, we have prioritised excellence and maintained a trajectory of steady growth. We have continuously expanded our capacity and enhanced production efficiency while following sustainable practices.

44

Years of Manufacturing Excellence

450 TPD

Total capacity

Presence and Distribution

As a leading manufacturer of agro and wood-based paper, we have established a strong presence in India and have also made inroads into the export markets.

Presence in

16

Indian States

6%

Sales from exports

22

Countries where we export

100+

Dealers across India

Sound Finances

We are driven by our commitment to constantly improve our revenues and bottom line to add value to our stakeholders' wealth.

INR 1,217 crores

Revenue

INR 184 crores

Profit After Tax

INR 21.07

Earnings per share

Human Resources

We are a team of passionate performers who are committed to making a positive impact on our operations and the environment. Our people centric policies and healthy work culture make us an Employer of Choice in the industry.

1,357

Employees

267

New hires in FY24

Corporate Social Responsibility

Beyond our core business operations, Kquantum stands as a beacon of Social Responsibility, driven by a deep-seated commitment to empowering and uplifting communities, with a focus on education, health and rural development.

21

Villages Benefitted

11,500

Farmers Benefitted

INR 1.7 crores

CSR Spend

2,000

Acres Farmers Land Irrigated

Environment Related Programmes

Driven by a shared commitment to a brighter, greener tomorrow, the company continues to pave the way towards optimized resource utilization, minimized environmental impact and heightened societal welfare.

7,450 acres

Area covered under social forestry

2,500 m³/day

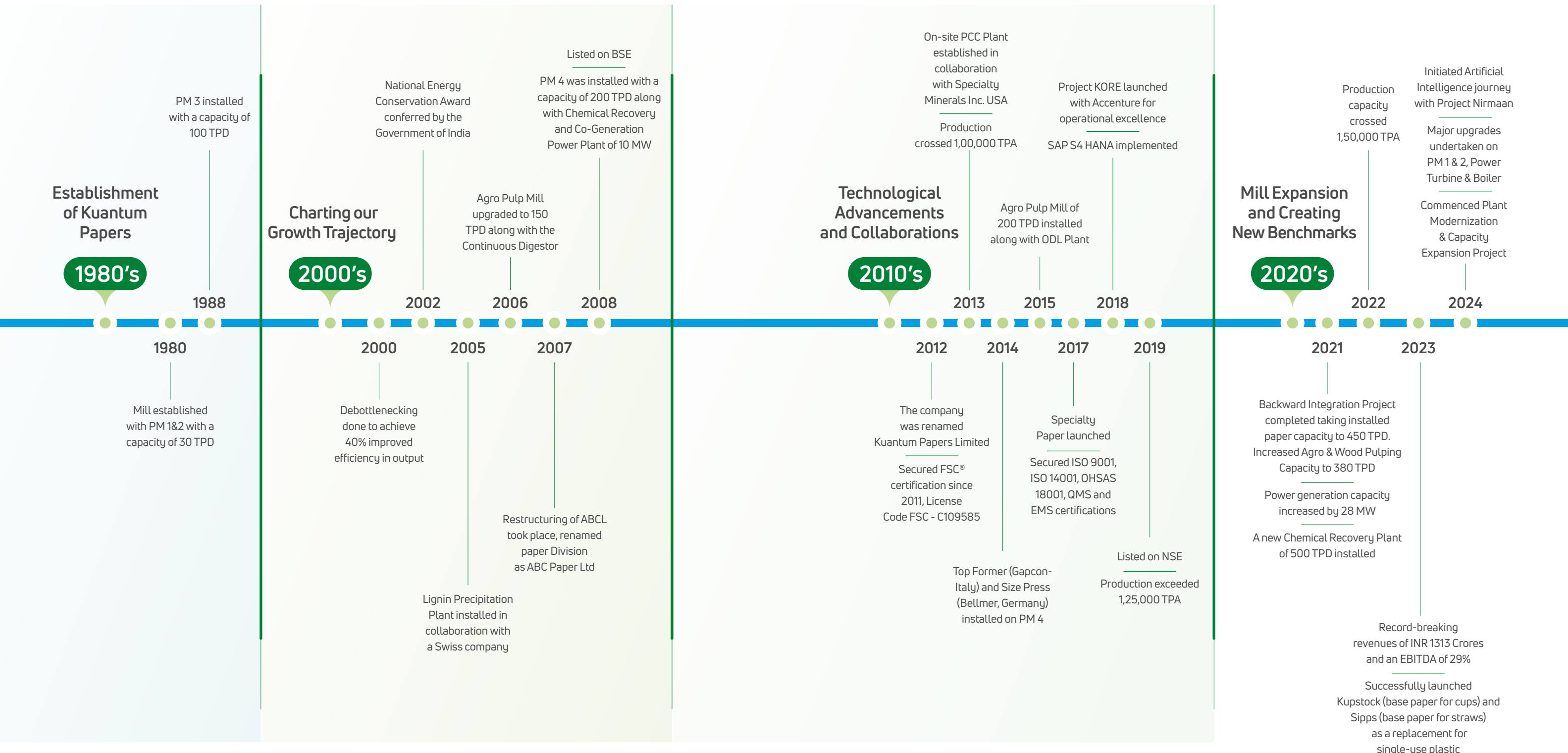
Reduction in freshwater consumption

14.4 lakhs

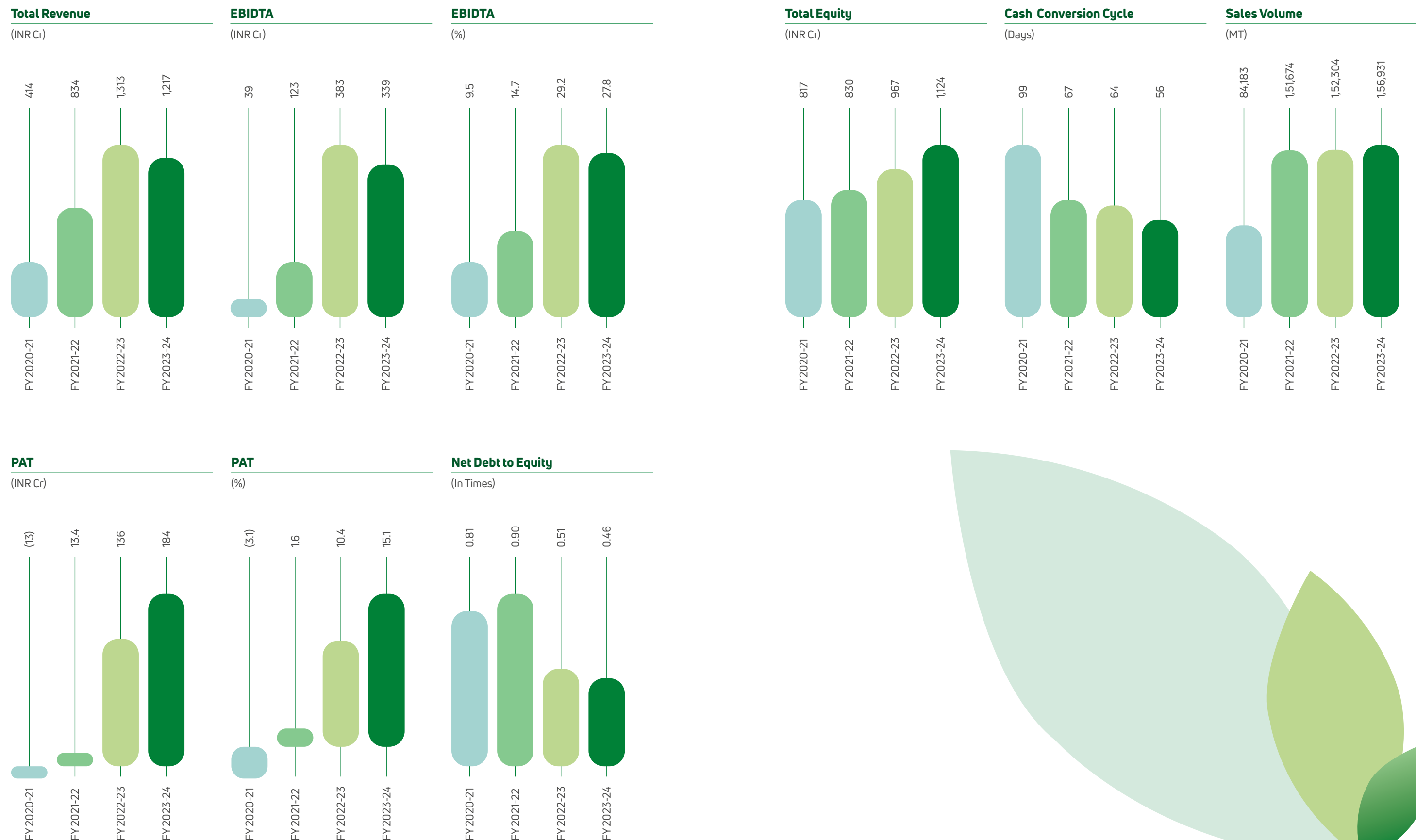
Clonal plants planted in FY24

Our Story of Growth and Transformation

The origin of the Kquantum Papers can be traced back to 1980 in Saila Khurd Distt. Hoshiarpur, Punjab. Since then, we have continued to create value while constantly evolving with time and transforming our business.



Financial Scorecard



Chairman's Message



“Over the years, we have established a diverse portfolio, encompassing a wide range of offerings within the paper industry. As a trusted partner to our clients, our extensive product line including Maplitho, Copier, Specialty and Creamwove papers, caters to varied customer needs.”

Dear Shareholders,

It is a privilege to write to you at the conclusion of FY 2024. It has been a year marked by several headwinds, including geopolitical conflicts and an uncertain macroeconomic environment. Notwithstanding that, we, at Kquantum Papers, marked yet another period of encouraging performance, buoyed by our resilient business model.

Throughout our journey, we have perceived every obstacle as an opportunity to thrive, to do better. Propelled by this optimism, we have successfully navigated many ebbs and flows over the years and aspire to continue to do so in the coming years with even greater zeal.

In this Annual Report, I would like to share our overall performance, business highlights and what we look forward to achieve in the coming years.

Taking a look at the Bigger Picture

Against the backdrop of a global economic slowdown and transient geopolitical concerns, the Indian economy is emerging as a bright spot with steady growth, increasing consumption and robust macroeconomic fundamentals. The thrust of the Government on 'Viksit Bharat 2047' focussing on economic growth, environmental stability and social progress has infused a positive sentiment of inclusive economic participation among all citizens. Prudent monetary policies implemented by the Reserve Bank of India and improved labour force participation have greatly spurred economic activity and growth.

India, as the fastest-growing paper market globally, presents an exciting scenario where paper consumption is expected to surge exponentially in line with the country's economic growth. India's share in the global paper demand has seen impressive growth, with domestic demand increasing consistently on the back of a strong manufacturing sector, the requirement of better-quality packaging in FMCG products as well as elevated demands for upstream market of paper products, including writing and printing paper, tissue paper, and other specialty grades.

Performance Highlights

At Kquantum Papers, our journey from a modest production capacity of 30 TPD to a current capacity of 450 TPD has been remarkable. This growth has been driven by continuous process upgrades and backward integration projects. Over the years, we have established a diverse portfolio, encompassing a wide range of offerings within the paper industry. As a trusted partner to our clients, our extensive product line including Maplitho, Copier, Specialty and Creamwove papers, caters to varied customer needs.

Consistently pursuing manufacturing excellence and operational efficiencies has enabled us to develop innovative products and solutions. By effectively utilising agro-residues such as wheat straw as raw material for paper and rice husk as fuel for power generation, we have not only produced quality products but also achieved cost efficiencies alongwith significantly reducing our carbon footprint. This perfectly

aligns with our objective of sustainable growth with environmental stewardship.

Key Attributes

Operating in a sprawling 259 acres fully backward integrated manufacturing facility at Saila Khurd town of Hoshiarpur district in Punjab, we capitalise on our locational advantage. Favourably positioned in the foothills of the Shivalik mountain range, we utilise abundantly available wheat straw, bagasse and wood chips, to produce high-quality paper. This location ensures a steady supply of raw materials at stable prices. Further, we are able to effectively tap into the high paper consumption market of National Capital Region providing us a price advantage. Excellent connectivity to the National Highway network enables us to supply our products across India.

We leverage a perfect blend of our own agro and wood resources with imported softwood pulp to create superior-quality pulp for paper production. The unique configurations of our four paper machines enable us to manufacture a wide array of products, such as surface-sized, non-surface-sized and value-added specialty papers, catering to the diverse needs of our customers.

Our focus on maintaining superior product quality and adapting to dynamic market demand, has enabled us to command a premium price that is 5% to 7% higher than our competitors. We have developed a distinguished range of branded products that resonate with our customers, reinforcing our market leadership.

Operational Overview

Our Pulp Mill with separate Agro and Wood Pulp streets produces 380 TPD of high quality pulp, feeding our 4 paper machines. We strictly follow a sustainable wood policy, sourcing our wood from environmentally responsible sources.

Our state-of-the-art 700 TPD Chemical Recovery Island is capable of recovering over 95% of Caustic from Black Liquor, which leads to significant cost-savings and helps us deploy a circular economy model in our operations. Further, our advanced Co-Gen Power Plant with a capacity of 38 MW enables us to be totally self-reliant for our power and steam requirements resulting in power generation at a cost lower

than the state provided grid power. The use of bio-mass fuel including rice husk, wild grass, wood and wheat straw dust in our Power Plant goes a long way in reducing GHG emissions.

We operate with an order-based manufacturing approach, producing goods only after receiving advance orders from dealers and distributors. This demand-driven strategy ensures efficient inventory management, with finished goods rarely exceeding three days' production. Additionally, our highly efficient collection model ensures payments are received timely, enabling us to maintain a healthy cash flow.

Committed to Social Responsibility

Beyond business, we prioritise delivering on our social commitments to drive inclusive growth.

We firmly believe that education is the building block of a nation and through our company run high school, we provide quality and affordable education to the children of the vicinity. Additionally, we extend financial assistance to develop infrastructure in government schools and anganwadis.

We are playing a leading role in village infrastructure development through installation of solar lights, construction of prefabricated toilet facilities, sewerage lines and sewage treatment plants in the neighbouring villages. The treated effluent water from our operations is provided free of cost to irrigate over 2,000 acres of farmlands in surrounding villages through a network of pipelines laid at our expense.

In the domain of healthcare, Kquantum regularly organizes free medical check-up camps periodically, benefiting around 2,000 people in the surrounding villages to promote preventive healthcare practices and ensure the well-being of the local population. With a core belief that everyone deserves a fulfilling life, we organised an Artificial Limb Donation and Fitment camp benefitting more than 200 differently-abled people. This initiative was aimed at transforming lives of those in need with the gift of mobility and self-reliance.

Furthermore, the installation of RO systems and the facilitation of an overhead water tank

at Saila Khurd Village has led to improved access to clean drinking water.

Rising against the Challenges

This past year, the paper industry's growth trajectory was impacted by challenges arising from increased import volumes and geopolitical disruptions. A substantial increase in paper imports, primarily from Southeast Asian countries, coupled with the shortage of export outflows due to the Red Sea crisis, exerted pressure on domestic market prices. The convergence of these factors resulted in an oversupply situation, affecting the industry's overall market dynamics and pricing strategies.

However, at Kquantum Papers, we weathered this storm by consistently delivering high-quality products and exceptional customer service. Our approach, which emphasises operational efficiency, sustainable practices and product innovation, has enabled us to successfully navigate the ever-evolving market landscape. We continue to explore the opportunities stemming from the ban on single-use plastics, aligning our product portfolio with the growing demand for eco-friendly alternatives.

Gratitude

I would like to express my heartfelt gratitude to all our stakeholders and partners for their consistent cooperation. We look forward to sustaining our growth momentum by working as one team and focusing on what we do best. By doing so, we aim to maintain our competitive edge and our market position, thereby maximising value creation for all our stakeholders.

As Kquantum Papers continues to chart a course towards a greener future, it remains committed to driving positive changes within the paper industry. By pushing the boundaries of environmental responsibility and innovation, the company looks ahead to a future where sustainability is synonymous with progress and growth.

Best regards,

Jagesh Kumar Khaitan

Chairman

Vice Chairman and MD's Message



“**Project Nirmaan will enable Kquantum Papers to step into a new era of integrating AI into our plant operations for advanced operational and process controls.**”

Enhancing Operational Efficiency through Industry 4.0 and Digitalisation

We embarked on our Industry 4.0 journey in the last financial year with the launch of Project Neev to create a foundation for IT-OT convergence. With the successful implementation of Project Neev which involved the deployment of BTG's data management tool dataPARC in 2023, we launched Project Nirmaan, meaning “building upon”. This project will enable Kquantum Papers to step into a new era of integrating AI into our plant operations for advanced operational and process controls. This project aims to enhance our operational efficiency and bottom-line performance to position us at the forefront of the paper industry.

Further, our net profit surged to INR 184 crores driven by a notable reduction in overall debt. This encouraging financial performance led us to recommend a final dividend of INR 3 per share, demonstrating our commitment to shareholder value creation. I am pleased to share that we continue to maintain our rating of CARE A and CARE A1 for our long term and short term bank facilities respectively, due to our strong operational and financial performance and improvement in financial risk profile.

Mill Upgradation and Expansion Plan

The Board has reviewed and approved capex projects worth INR 735 crores keeping in view the strong fundamentals of the paper industry in India and its growth potential. These projects are directed towards upgrading and modifying our existing 4 paper machines to increase the overall production capacity from the current 450 TPD to 675 TPD. Furthermore, the Utilities section comprising of our Agro and Wood Pulp Mills, Co-Gen Power Plant, Chemical Recovery Plant and Effluent Treatment Plant will also undergo upgradation commensurate with this enhanced paper making capacity. Aligned with our resolve towards fostering environmental stewardship, we will also be expanding our Clonal Propagation Center (Nursery) to nurture the Social Farm Forestry Programme.

This year, we also went live with an ESG Data Governance and Monitoring Software to digitally track and monitor ESG Data Lifecycle and compute carbon footprint for our operations along with deep analytics and reporting aligned to Global Sustainability Standards. This will allow us to enhance ESG performances through data insights and benchmarking, thereby enabling us to successfully achieve our ESG objectives.

Focused Product Innovation

As a company, we are driven by the quest for innovation which has resulted in the development of several high quality and Specialty products during the year.

Our innovation journey has led to the introduction of Kquantum Korra, a superior-quality paper crafted with 90-95% agro pulp which is specifically designed for the

notebook segment. Through extensive R&D efforts over the past year, we have developed this eco-friendly agro furnish based product to meet the needs of the environmentally conscious customer, reinforcing our position as a market leader in sustainable and innovative paper solutions.

Two new notable additions to our product portfolio include Kosmo Litho K2 - a premium quality paper product made exclusively from 100% mill hardwood pulp, designed for high-end printing; and Kosmo Maplitho NS UV- a security paper developed with UV Fibers for enhanced security features.

This year also saw the relaunch of Kquantum Bond - our executive stationery product which has enhanced attributes of superior bulk strength and impressive brightness.

Developing a Strong and Diverse Workforce

At Kquantum Papers, we acknowledge the tireless efforts of our people, which translate into our growth and progress. We encourage employees in pursuing professional executive programs, recognizing their value in enhancing leadership and strategic capabilities. These initiatives continue to help our workforce to excel in their current roles and prepare for future challenges, ensuring they are equipped with the right skills and are adaptable and competitive in the ever-evolving industry landscape. By fostering a culture of growth and innovation, we help our team members adapt to changing market dynamics and contribute to our company's long-term growth. Diversity, Equity and Inclusion (DE&I) are integral to our company's values and operations. We strive to create an environment where everyone feels valued and respected, regardless of their race, gender, age, ethnicity or religion.

Nurturing Partnerships

Over the years, we have cultivated enduring relationships with our clients, suppliers and partners, many of whom have been associated with Kquantum Papers for over three decades. These partnerships are built on a foundation of trust, transparency and mutual growth, inspiring us to work harder to create sustainable value for all our stakeholders.

Our Dealers Conference held last year at Edinburgh and London was themed 'Mhor Brigos' meaning 'Great Strength'. It was aimed at forging even stronger bonds with our business partners and dealers who are instrumental in our growth and success. Paperex 2023 was a resounding success and provided a great platform to showcase our paper making capabilities and network with industry stalwarts and experts.

Setting our Priorities Right

We are pursuing organic growth opportunities through debottlenecking and upgrading our plant operations. This approach aims to increase our production capacity by almost 50%, from the current 450 TPD to 675 TPD. We are also leveraging the power of Industry 4.0 technologies, including the Internet of Things (IoT), Artificial Intelligence (AI) and cloud computing, to drive operational efficiency and optimal resource utilisation.

We prioritise and take care of the ever evolving needs of our customers. Our consistent and timely product deliveries have established us as the preferred choice in the industry. Additionally, we are exploring opportunities presented by the ban on single-use plastics by developing a diverse range of specialty products that align with the increasing demand for sustainable packaging alternatives.

Embracing Sustainability

At Kquantum, we are driven by the approach of circular economy with environmental stewardship woven into the very fabric of our operations. Our endeavours are encapsulated in the motto 'Kquantum for Earth', reflecting a profound dedication to minimizing our ecological footprint and leaving a lasting impact within the communities we operate in.

A cornerstone of our eco-conscious strategy is the on-site Clonal Propagation Center (Nursery), with an enhanced production capacity of 40 lakhs saplings per annum through the installation of new high-tech chambers in our on-site nursery. With an ambitious trajectory to increase this to 1 crore saplings per year, Kquantum Papers aims to cover 50,700 acres of land under Social Farm Forestry by 2028-29, making significant contributions to reforestation and

biodiversity conservation along with ensuring a reliable and sustainable raw material supply. Furthermore, it contributes to socio-economic development of small and marginal farmers working on barren, non-arable lands.

Kquantum prioritizes water conservation through a comprehensive strategy that emphasizes reusing and recycling water within plant operations and ensuring all treated wastewater is utilized for irrigation on over 2,000 acres of land in nearby fields. These efforts have resulted in a remarkable 15% reduction in water consumption over the last three years, with a decrease of 5 m³ per tonne of paper produced in the last year alone. Kquantum envisions to achieve a further 35% reduction in water consumption within the next two years.

Additionally, understanding the crucial role of energy conservation in mitigating climate change, Kquantum operates its Co-Generation Power Plant with biomass fuels like rice husk, wood dust and wheat straw dust. This method reduces its dependence on fossil fuels, minimizing greenhouse gas emissions and thus, its overall carbon footprint.

We have rewritten the narrative of what it means to produce paper sustainably.

Way Forward

The global paper industry is undergoing a transformation, driven by evolving consumer preferences, regulatory changes and technological advancements. To sustain our position in this dynamic landscape, we will continue to adapt our processes, enhance operational efficiencies and invest in best-in-class technologies. We believe that our commitment to environmental sustainability will help us cater to the growing demand for eco-friendly paper products while maintaining the highest standards of quality.

With a strong foundation and a clear vision, we are geared to capitalise on emerging opportunities and ensure that we not only meet the needs of today but also contribute to a greener, more sustainable future.

Warm regards,

Pavan Khaitan

Vice Chairman & Managing Director

Our Marquee Clients



A Portfolio of Innovative Offerings

Maplitho



Kosheen



Kresto

Copier



K.one



Konquer



Kaleela (Color Copier)



Kodexa FS

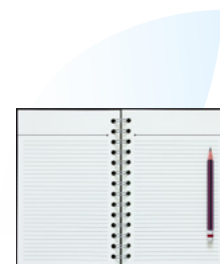
Creamwove



Kuantum Gold



Kappa Premium



Kuantum Korra

Specialty



Kosmo Cartridge



Kosmo Parchment



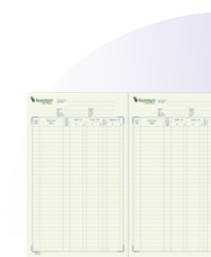
Kosmo Stiffner



Kosmo Enfold



Kosmo Premium

Kosmo Litho
(Color Maplitho)

Kosmo Kodexa



Kosmo Kard



Kosmo Thermic



Kosmo Kupstock



Kosmo Sipps



Krayo (Color)



Krayo Board (Color)



Kreda



Kuantum Bond

Attributes that Set us Apart

Fully Backward Integrated Plant

Our backward integrated plant consisting of Agro & Wood Pulp Mill, 4 Paper Machines, Chemical Recovery Plant, Co - Gen Power Plant and Effluent Treatment Plant which helps us significantly enhance our EBITDA margins through cost savings.

Steady Raw Material Availability

Our strength lies in the flexibility of substitution of raw materials which negates any potential over- reliance on a singular source throughout the year. Our forward-looking Social Farm Forestry Programme is aimed to produce one crore clonal saplings per annum promising a steady stream of wood raw material.

Diverse Product Portfolio

We offer a wide selection of products, spanning across Maplitho, Copier, Specialty and Creamwove paper. We are actively engaged in developing specialty grades, which provide sustainable and innovative solutions for the market.

Robust Dealer Network

We manufacture our products on an order-based system with a formidable distribution channel of 100+ dealers strategically positioned Pan-India, many of whom have been associated with us for three generations.



Operational Excellence

Our investments toward plant infrastructure, debottlenecking, adoption of the latest paper making technologies and digitalization enables us to continuously improve our business processes, optimise costs and stay ahead of the curve.

Customer Oriented Approach

We adopt a market-driven sales strategy, ensuring that our customers receive regular and timely supplies. We continuously work to develop new products as per the diverse needs of our customers and cater to their demand for newer applications of paper.

Proximity to High Consumption Markets

Situated near to the densely populated Northern Region, including the NCR, we are able to tap into a market with high paper consumption.

Focussed Social Farm Forestry Programme

Our Social Farm Forestry programme helps to secure future wood raw material sources sustainably and provide supplementary income to the farmer community.

Decades of Creating Sustainable Value

Inputs



Financial Resources

- Total Equity: INR 1,124 crores
- Long-term debt: INR 374.2 crores



Manufacturing Excellence

- Pulping Capacity (Agro+Wood): 380 TPD
- Paper Machine Capacity: 450 TPD
- Chemical Recovery Plant: 700 Solids TPD
- Co-Gen Power Plant Capacity: 38 MW



Research and Development

- R&D Spend: INR 2.97 crores
- R&D Team Size: 47



Employee Focus

- Workforce: 1,357 employees
- Spend on employee benefits: INR 79.6 crores



Society and Community Relationships

- CSR Expenditure: INR 1.7 crores



Environmental Stewardship

- Water Consumed: 67,17,575 KL
- Energy Consumed: 58,40,743 GJ

Process of Value Creation



Outputs



Financial Resources

- Revenue: INR 1,217 crores
- EBIDTA: INR 339 crores
- EBIDTA Margin: 27.8%
- PAT: INR 184 crores



Manufacturing Excellence

- Capacity Utilisation: 100%
- Total Paper Production Volume: 1,56,956 MT



Research and Development

- Developed sustainable paper products
- Adopted innovative technologies to reduce water and energy consumption



Employee Focus

- Retention Rate: 83.6%
- Training and Learning Hours: 2,748 hours



Society and Community Relationships

- Beneficiary Villages : 21
- Farmers Benefited: 11,500
- Social Farm Forestry: 7,450 acres



Environmental Stewardship

- Water Recycled: 59,99,863 KL
- Renewable Energy Used: 34,56,023 GJ
- Waste Recycled: 25,576 MT

Outcomes

- Consistent financial growth
- Transparent and ethical Corporate Governance

- Advanced manufacturing facilities with full capacity utilisation
- High quality paper production
- Wide range of Product Portfolio

- Specialized teams dedicated to developing new paper technologies
- Enhancing quality of our existing products
- Identifying sustainable alternatives to Single Use Plastic

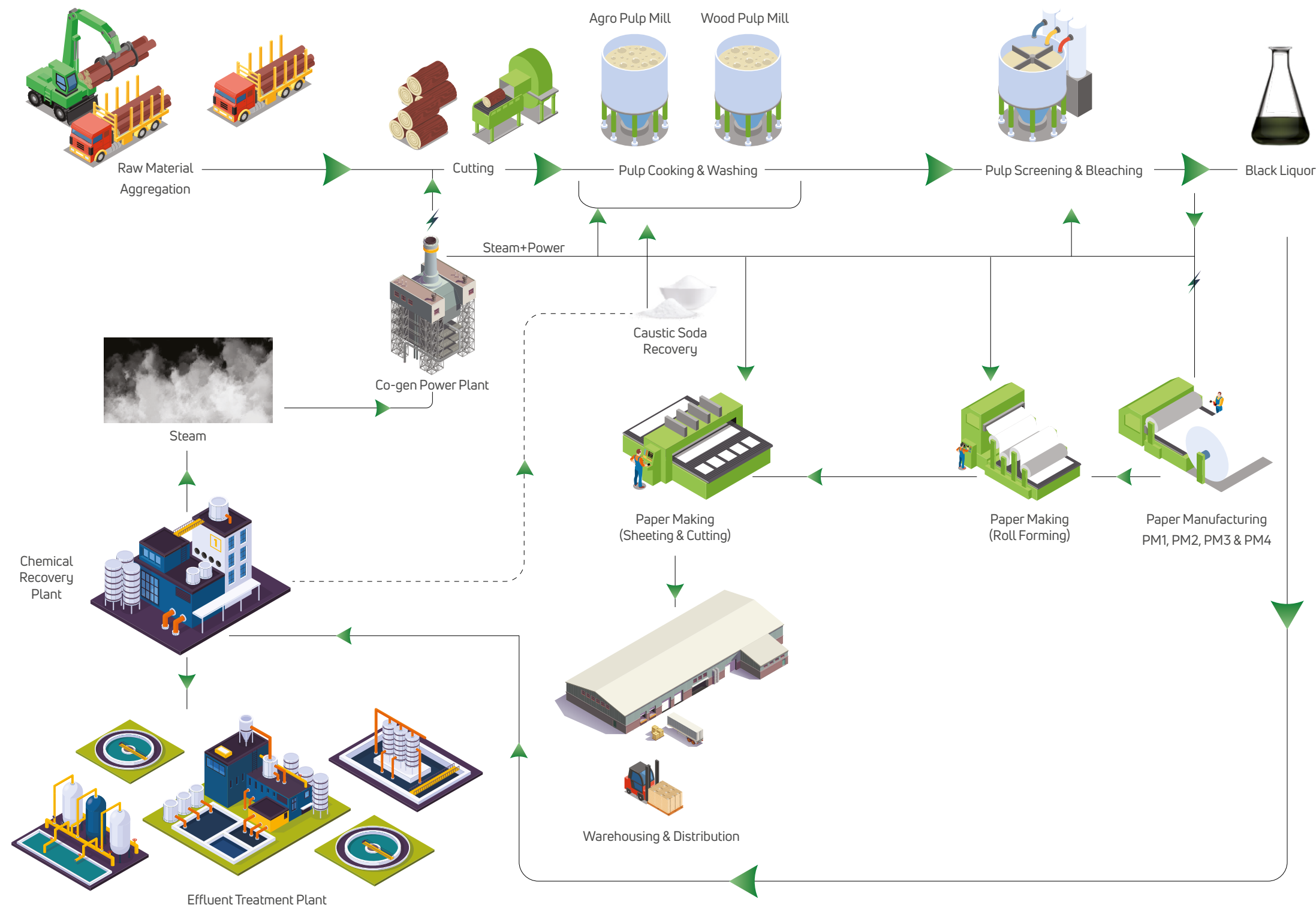
- Improved employee engagement and Learning & Development
- Supportive and inclusive work environment

- Creating Value for society through CSR initiatives
- Focussed on Education, Women Empowerment, Health and Rural Development

- Deploying circularity in operations
- Reduced carbon footprint
- Creating a sustainable future

Sustainable Paper Manufacturing Process

We operate an extensive, fully integrated manufacturing facility spread across 259 acres. By adopting an order-based manufacturing approach, we create a wide range of paper products that meet the needs of a wide dealer network across India. We are able to sustain our competitive edge by expanding our product range and enhancing operational efficiency.



Project Nirmaan Leveraging AI for Sustainable Excellence

Project Nirmaan is a strategic initiative dedicated to optimizing our manufacturing processes while maintaining a firm commitment to environmental stewardship. In collaboration with BTG, we are utilizing Advanced Process Control solutions integrated with Artificial Intelligence and Machine Learning to enhance product quality, operational efficiency, and cost-effectiveness. By aligning our operations with digitalisation efforts, this groundbreaking intervention aims to achieve our sustainability goals through efficient resource management, minimized waste generation and reduced energy consumption.

Sourcing Raw Materials

We operate an integrated pulping facility with separate agro and wood pulping lines, boasting a total capacity of 380 MT of pulp per day for paper manufacturing. Our Agro pulp is made from agro residues which primarily constitutes wheat straw. The wood raw materials are mostly sourced as wood chips and veneer waste which are byproducts of the furniture and plywood industry. Additionally, we source wood from certified sustainable forestry operations that follow rigorous environmental standards. These practices ensure that the wood sources we rely on are managed responsibly, preserving biodiversity and promoting ecological balance.

Did you know?

WE USE

~100%

Wheat straw in our Agro Pulping Street (200 TPD)

93%

Wood Chips & Wood Logs and 7% Bamboo in Wood Pulping Street (180 TPD)



VENEER WASTE CHIPS



WHEAT STRAW



EUCALYPTUS WOOD CHIPS



WOOD CHIPS



BAMBOO CHIPS



POPLAR WOOD CHIPS

Perfectly leveraging indigenous raw materials and reducing dependence on imported wood to maintain quality and improve margins



Pulp Mill

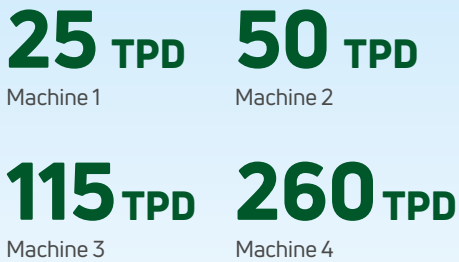
We combine agro, wood and imported pulp to produce top-quality furnish for paper production. Through an innovative backward integration project, we have increased the capacity of Agro Pulp Street from 160 TPD to 200 TPD and boosted the Wood Pulp Street capacity to 180 TPD. This strategic vertical integration allows us to be self-sufficient in meeting our pulp requirements. We have made great strides in replacing imported hardwood pulp with in-house wood pulp for more cost-efficient operations.

380 TPD
Total pulping capacity

Paper Machines

Each of our 4 Paper Machines are configured in a unique way, enabling us to manufacture a diverse array of surface-sized, non-surface-sized and specialty value-added products. Our superior grades of paper coupled with the ability to service customized orders, has led to a demand pull enabling us to operate our machines at full capacity of 450 TPD.

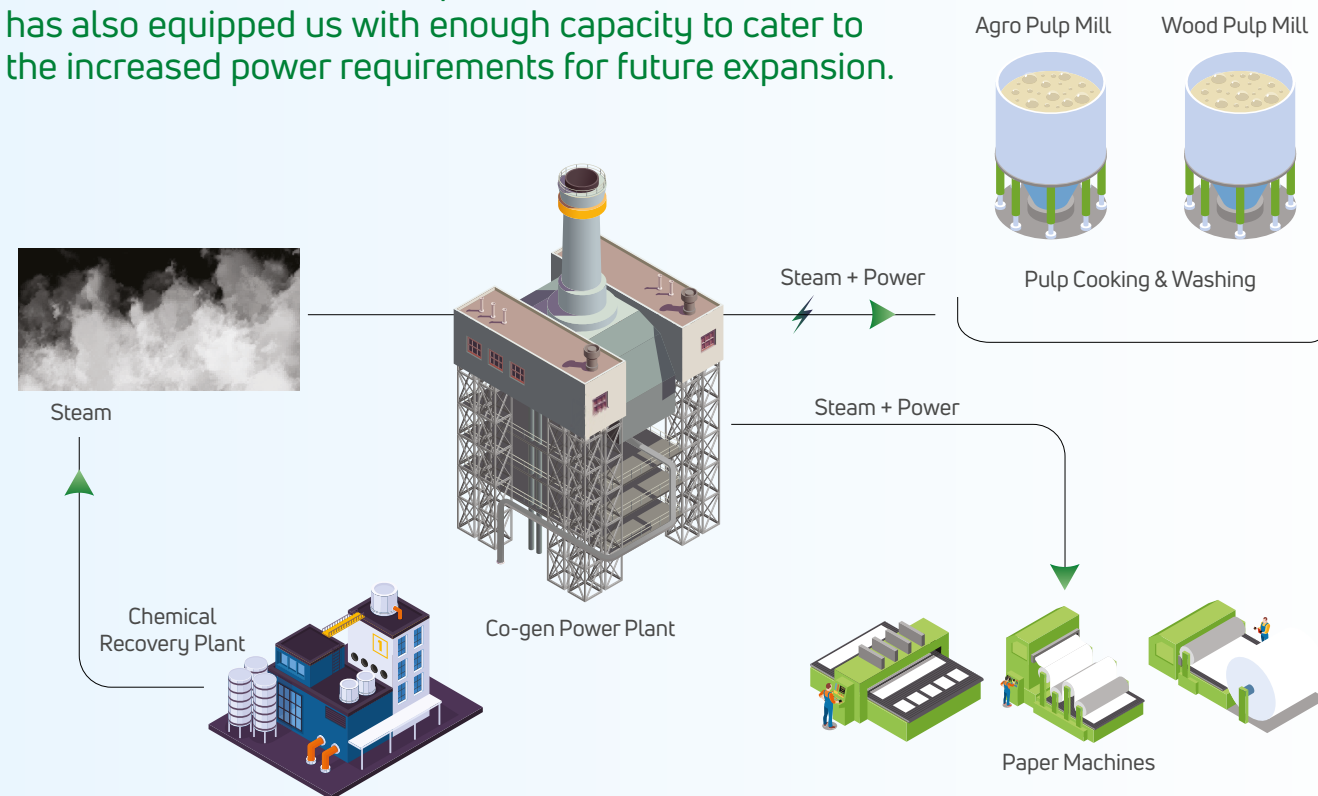
100%
Capacity utilisation



450 TPD
Total Capacity

Co-Gen Power Plant

We operate a captive Co-Generation Power Plant which includes two boilers with capacities of 60 TPH and 130 TPH, and two state-of-the-art turbines totaling a capacity of 38 MW. The Co-Gen plant has enabled us to be self-sufficient for our power and steam needs and has also equipped us with enough capacity to cater to the increased power requirements for future expansion.



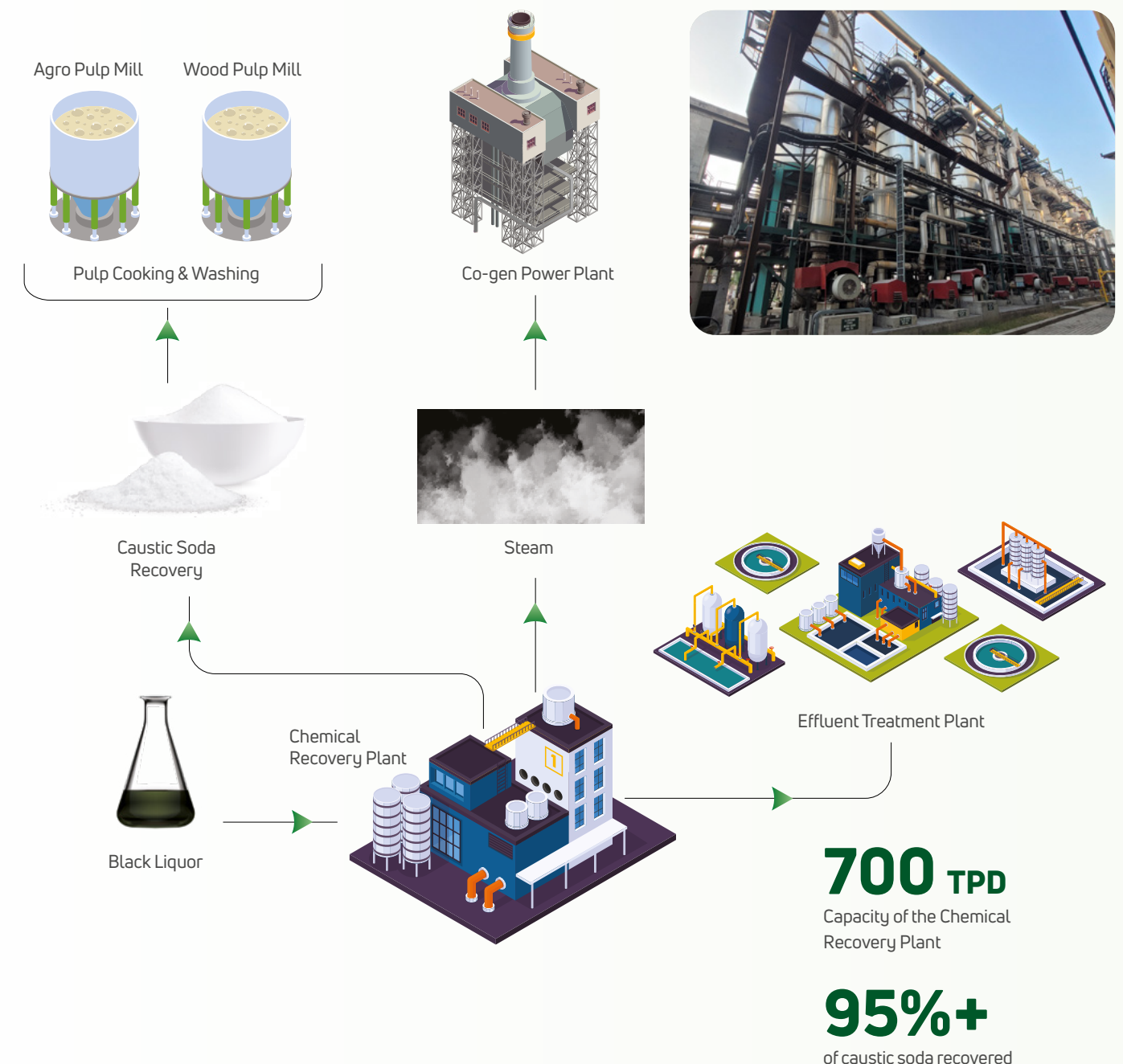
Total Capacity

38 MW
Turbines

190 TPH
Boilers

Chemical Recovery Plant

We have installed a new Chemical Recovery Plant of 500 TPD which is equipped with a first-of-its-kind HERB Recovery Boiler that allows the recovery and recycling of more than 95% of the caustic soda, which is an expensive pulping agent. The total capacity to treat Black Liquor generated from the pulping process now stands at 700 TPD. The steam-to-solid ratio has increased significantly leading to optimised efficiency and making the plant operations even more environment friendly.



700 TPD
Capacity of the Chemical
Recovery Plant

95%+
of caustic soda recovered

Driving Innovation with Focus on Quality

Our state-of-the-art Research & Development (R&D) and Quality Control (QC) facility is the backbone of our operations. Dedicated to innovation and excellence, our facility plays a pivotal role in ensuring the production of high-quality paper while maintaining environmental sustainability and cost efficiency.



Research & Development (Pulp, Paper and Allied Process)

The R&D division focuses on developing new products, optimizing existing processes, implementing advanced technologies, developing products to replace SUP, applying green chemistry principles and conducting environmental analysis to minimise our carbon footprint. Our team of experienced research analysts works tirelessly to innovate and improve our paper production processes.

Research & Development (Plantation)

The plantation laboratory focuses on developing new species for better yield and sustainable paper production. Through innovative research and development, we aim to enhance the quality and quantity of raw materials, ensuring a sustainable supply chain for our paper production processes.

Quality Control (QC)

Our QC facility ensures that every batch of paper produced meets the highest standards of quality. The QC team employs rigorous testing and monitoring procedures throughout the production process. Stringent quality checks are conducted to monitor and assure the quality of raw materials, process parameters and finished products throughout the pulp and paper manufacturing process.

By implementing these comprehensive quality control measures, our QC facility ensures that every batch of paper produced meets the highest standards of quality, consistency, and reliability, ultimately delivering superior products to our customers.

Certifications and Standards

Certified by the Department of Scientific and Industrial Research (DSIR)

ISO 9001:2015 Quality Management System

ISO 45001:2018 Occupational Health & Safety System

ISO 14001:2015 Environmental Management System

BIS Certifications for Copier Paper under IS 14490 and Writing & Printing Paper under IS 1848



Effluent Treatment Plant

Kuantum has an advanced Effluent Treatment Plant, adhering to environmental norms. This includes maintaining consistent parameters of treated effluent and preparing for future demands with ready-to-scale capacity. The upgraded facility is divided into two streams: Low COD Street-1 with Aerobic treatment and High COD Street-2 with Anaerobic treatment.

The treated water is used to irrigate almost 2,000 acres of fields in surrounding villages through a network of pipelines laid by the company. We are committed to supporting our community of farmers and have supplemented their livelihood by providing a reliable source of water for their crops.

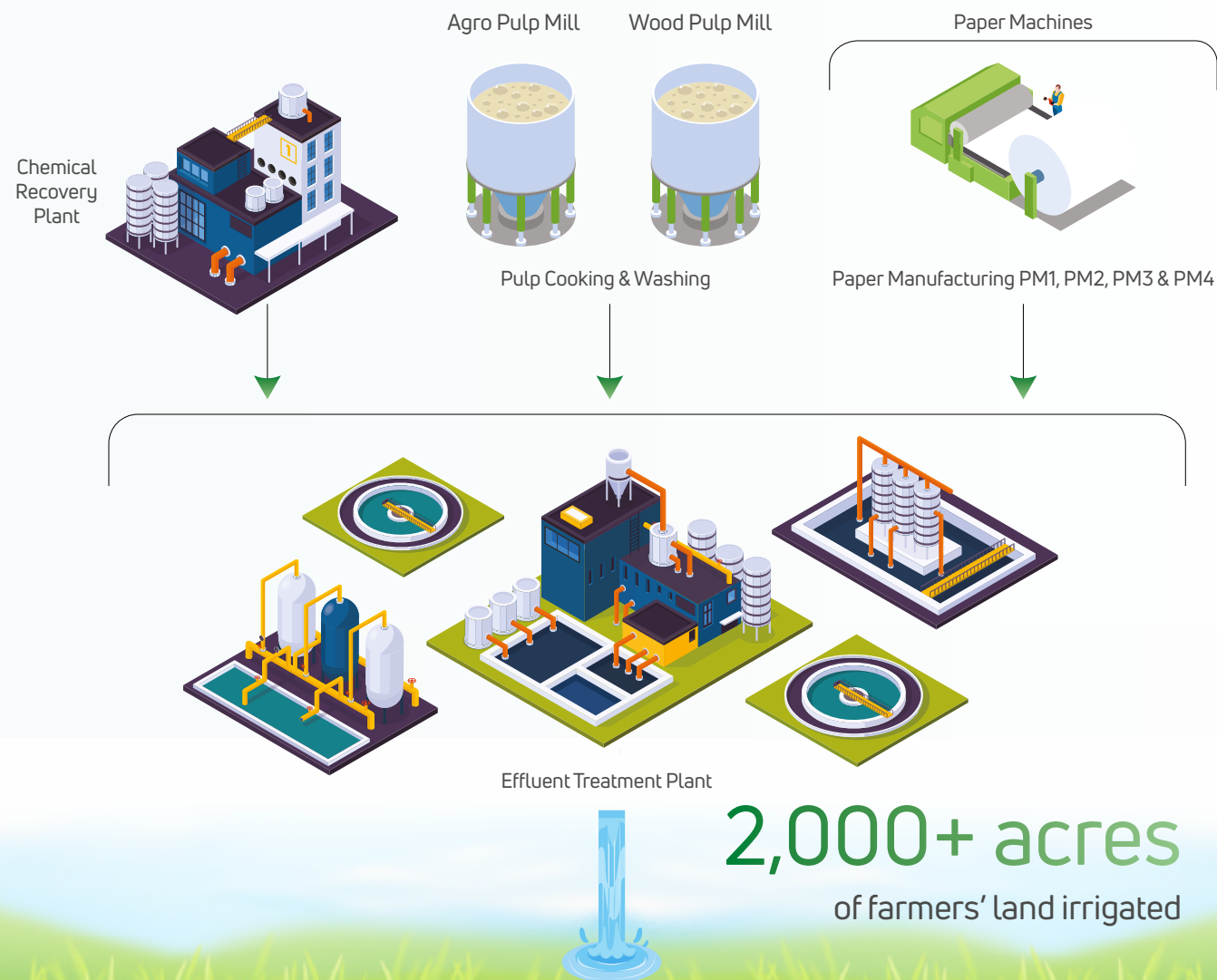
Facilities

Low COD Street

Aerobic Treatment

High COD Street

Anaerobic Treatment



Progressing towards a Sustainable Future

At Kuantum Papers, we put ESG principles at the heart of our operations

Our Environment, Social and Governance (ESG) initiatives are aimed at enabling both the economic prosperity and social well-being of the communities where we operate, while also building a competent workforce and contributing to environmental sustainability.

The Governance component

centres around ethical business conduct, strategic clarity, adherence to codes and principles and transparent board composition.

The Social component

prioritises investments in our people, organisational culture, customer relations and community development.

The Environment component

emphasises responsible resource usage, optimal consumption, waste recycling, afforestation, water conservation, climate resilience and carbon emission reduction.



Kquantum for Earth



Sustainable Sourcing

Kquantum Papers is devoted to forest sustainability and natural resource protection by strictly prohibiting the sourcing of Illegally harvested wood, wood harvested in violation of a traditional or civil right & wood from forests in which genetically modified trees are planted.

Kquantum Papers monitors and verifies the source of raw material and takes appropriate actions to ensure sustainable wood sourcing. It complies with the required standards for pulp and paper manufacture utilising the transfer, percentage, and credit systems and has been certified by the SCS with the FSC® License Code FSC-C109585.

Rooted in an unwavering belief in sustainability, encapsulated in the motto 'Kquantum for Earth', the company is proactively engaged in a series of endeavours with an aim to minimise its ecological footprint and make a lasting impact on the communities that it serves.



Social Farm Forestry

In order to encourage agroforestry in the vicinity, we initiated the Social Farm Forestry Plantation Project more than a decade ago and are cultivating high-quality clonal Eucalyptus, Poplar, Casuarina, Melia and Subabul saplings in our CPC. These clones are distributed to the local farming community at subsidized rates and the farmers are provided training about soil development, pre-planting and post-planting activities as part of the Social Farm Forestry Program, thus enabling an additional source of income to them.

The Social Farm Forestry project additionally aids us in securing raw materials within a defined radius, thereby lowering our overall manufacturing costs and emphasising reliance on multi-year resource availability ensuring a sustainable source of wood raw materials.

Kquantum's on-site Clonal Propagation Centre (CPC)

At the forefront of our eco-conscious strategies is our on-site Clonal Propagation Center (CPC) with a current production capacity of 40 lakhs saplings annually. Kquantum is on the trajectory to grow 1 crore saplings per year and is poised to cover 50,700 acres of plantation by 2028-29, contributing significantly to reforestation and biodiversity conservation efforts.

7,450 acres

Area covered under clonal plantation

11,500

Farmers Benefited

58.7 lakhs

Saplings Distributed



Water Conservation

We recognise the significance of water as a resource and have taken proactive steps to reduce its consumption. We continue to invest in the latest freshwater conservation technology and wastewater treatment processes to protect the environment and ensure the sustainability of our paper operations. We have recently installed High-Rate Solid Contact Clarifiers (HRSCC) for machine water and wet washing of Agro raw materials, enhancing water circulation in our paper machines and pulp mills. Additionally, we have deployed Multi Plate Settlers (MPS) units and Disc filters to maximize water circulation and minimize wastage.

We have also set up closed-loop systems for showers and cleaning systems in our pulp mills and paper machines to further reduce the need for freshwater and minimize wastewater generation.

5 m³/ tonne of paper produced

Reduction in Freshwater Consumption in FY 24



Energy Conservation

Recognizing the significance of energy conservation in combating climate change, Kquantum Papers has invested in a Co-Generation Power Plant that uses biomass like rice husk, wood dust and wheat straw dust. This usage of biofuel effectively reduces greenhouse gas emissions and diminishes our dependence on fossil fuels. At the same time, it does away with the practice of burning stubble in fields.

100%

Captive Power

34.6 lakhs GJ

Energy used from Renewable Sources in FY 24

Recycling Organic Waste

We implement on-site organic waste segregation and utilise a compost-making machine with strict health and safety measures enriching the soil with essential nutrients. The compost improves soil structure and enhances its properties, serving as a natural source of nutrients like nitrogen, phosphorus and potassium for plants. Recently, we have initiated Vermicomposting practice to manage dewatered secondary sludge which contributes to a circular economy, where waste is transformed into a resource, fostering environmental stewardship and promoting long-term ecological balance.

Providing Sustainable alternatives to Single Use Plastic

The Single Use Plastic (SUP) ban imposed on July 1, 2022 by the Govt. of India, has given an impetus to the development of sustainable paper products which provide the rightful replacement to the low utility and high littering SUP's. We have already launched Kquantum Kupstock (base paper for cups) and Kquantum Sipps (base paper for straw) and we are on the path of developing newer grades of innovative and sustainable specialty paper products to substitute SUP's.



Committed to the Greater Good



Before

After

Improving Access to Quality Education

We recognise the transformative potential of education and have taken various measures to guarantee access to affordable education for the children from surrounding villages.

Company-run School Facility

We provide them access to quality education at subsidised fees through a public school managed by Kquantum. Through this programme, we aim to uplift our local community by providing children from diverse socio-economic backgrounds with educational opportunities to help them achieve success in life.

4,800+
Students benefitted



At Kquantum Papers, we prioritise engaging in corporate social responsibility (CSR) initiatives that make a meaningful difference in the lives of our people and communities. From supporting education and empowering underserved communities to promoting environmental sustainability, our efforts are directed towards shaping an equitable future for all.

Infrastructure Support to State Run Schools

We have extended the infrastructure development at the Government High School in Saila Khurd and added new furnished classrooms. Our objective is to address the educational needs of children who would otherwise lack access to such opportunities, promoting inclusive growth.

250+
Students benefitted

Anganwadi Schools

We have constructed Anganwadi schools in surrounding villages prioritising early childhood care and education. This initiative is aimed at offering children in the community with a strong educational and social skills right from the foundation



200+
Children benefitted

Uplifting Women

We extend our support to women in neighbouring villages by helping them in developing their skill set. Through this initiative, we seek to empower these individuals by providing them with opportunities for sustainable livelihoods. We promote self-reliance and economic independence among marginalised groups, contributing to their overall well-being.



Contributing to Rural Development

We are involved in the development of infrastructure and other facilities in surrounding villages. Our efforts encompass a spectrum of initiatives supporting overall community development and sustainable progress.

Sanitation Improvement Projects

We have constructed road and utility facilities like toilets in surrounding areas. We have enhanced sanitation by laying sewerage pipelines and installing sewage treatment plants in villages including Saila Khurd, Bharapur Jattan, Raniala and Saila Kalan.

21
Villages aided

Green Earth Initiatives

We engage in tree plantation initiatives surrounding government schools and Panchayat lands, contributing to a sustainable future. By utilising treated effluent for irrigation in neighbouring villages, we have effectively converted sandy loam soil into fertile land, increasing agricultural productivity in an eco-friendly manner.

Children's Recreation Park Development

A children's park was constructed in Saila Khurd village, with jogging tracks, seating areas, swings and exercise equipment. This programme aimed at enhancing community well-being by providing a safe and enjoyable space for children to play and exercise, promoting a healthier and happier environment for all residents.

Supporting the Differently Abled

With a core belief that everyone deserves a fulfilling life, we organised an Artificial Limb Donation and Fitment camp. This initiative was aimed at transforming lives of those in need with the gift of mobility and self-reliance.

200+
Differently-abled people benefitted

Solar Lights

Solar lights were installed in Raniala, Jassowal and Bharatpur Jattan villages, encouraging renewable energy adoption.



Fostering Good Health

The surrounding villages benefit from free medical check-ups, awareness camps and blood donation drives hosted on our campus from time to time. We also provide community members with Dispensary facilities within factory premises besides operating our ESI Dispensary for employees and villagers.

2,000+
Beneficiaries

Our People Our Driving Force



Talent Acquisition

Our talent acquisition process begins with a thorough job profile analysis through discussions with department heads. Detailed job descriptions guide hiring departments and candidates, ensuring alignment and successful hires. As an equal-opportunity employer, we promote equality and diversity. Our "Kampus Konnect Program" attracts young talent from institutions aligning with our organisational values and goals.

At Kquantum Papers, our success is driven by our dedicated employees. Our approach to human resources is built on creating a supportive and inclusive environment that not only attracts top talent but also nurtures their growth and development. By focusing on comprehensive talent management, performance management, employee engagement, learning and development, diversity and inclusion, and employee welfare, we ensure that our team is motivated, skilled, and committed to achieving our organisational goals.

1,357

Total Workforce

Performance Management

We have a Structured Performance Management and Development System, supporting employees in pursuing professional executive programs to enhance leadership and strategic capabilities. Our team conducts targeted in-house workshops and training programs tailored to each department's needs. Collaborating with industry experts, we offer specialised workshops on advanced technical topics and industry trends, ensuring our employees remain competitive and adaptable in an evolving industry landscape.



Employee Engagement

We prioritise team-building activities to have unity and improve morale. Regular employee engagement activities and social gatherings throughout the year create a positive and cohesive work environment. By offering competitive compensation packages, progressive career paths, and training programs, we ensure long-term retention and employee satisfaction. This approach has helped us maintain one of the lowest attrition rates in the industry.



Diversity and Inclusion

Diversity, Equity, and Inclusion (DE&I) are integral to our values and operations. We create an environment where everyone feels valued and respected, regardless of race, gender, age, ethnicity, or religion. Our policies promote equitable opportunities for all, enhancing employee satisfaction, productivity, and retention. By integrating diverse perspectives, we promote creativity and innovation, resulting in enriched thoughts and solutions.



Learning and Development

Continuous learning is a priority at Kquantum, with personalised training opportunities for professional and personal growth. Our Supervisory Development Program sharpens managerial skills for first-time managers, charting their career paths. Targeted in-house workshops, specialised outsourced workshops on technical topics, and programs on managerial efficiency ensure our employees are equipped with the right skills to excel and adapt in the industry.

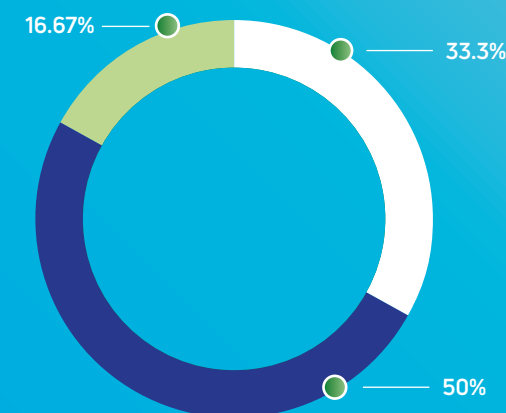
Employee Wellbeing

Our residential colony offers a green, supportive environment, complete with on-site dispensary and healthcare facilities. Advanced sports facilities, a dedicated Kquantum Club Hall, and a company-run school for subsidised education enhance the well-being of employees and their families. Comprehensive medical and life insurance, along with in-house fire brigades and ambulances, ensure safety and security for all.

A Culture of Robust Governance

At Kuantum Papers, we adhere to the highest standards of corporate governance ensuring responsible and ethical business conduct. Our reputation as a reliable business entity is underscored by a transparent and accountable organisational ethos. Embracing exemplary governance practices, we extend these principles to our suppliers, contractors, and partners, maintaining high ethical benchmarks and clear, binding policies for all stakeholders.

Composition of Board of Directors



Executive

2

Independent

3

Non - Executive Non-Independent

1

Board Committees

The Board has instituted the following committees to fulfil statutory duties in compliance with relevant laws. Through extensive evaluations of procedure and policy execution, these Committees oversee critical business functions. Meeting regularly, they execute their entrusted responsibilities, offering strategic counsel that enhances the Board's decision-making prowess.

- Audit Committee
- Corporate Social Responsibility (CSR) Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Finance Committee

Policies

At Kuantum Papers, we have implemented several policies that define the explicit principles and standards that both our personnel as well as stakeholders are expected to adhere to. These policies serve as a framework that facilitates informed decision-making to ensure a culture of transparency, accountability and integrity. The Board has established and enacted clear codes, policies, charters and practices across the organisation. The policies are mentioned below.

Policy for Determining Material Subsidiary	CSR Policy	Related Party Transactions Policy
Anti-Corruption and Bribery Policy	Whistle Blower Policy	Nomination Remuneration and Evaluation
Policy for Determination of Materiality	Policy of Preservation of Documents	Prevention of Sexual Harassment Policy
EHS Policy	Sustainability Policy	Quality Policy
Risk Management Policy	Equal Employment Opportunity	Dividend Distribution Policy
Human Rights Policy	Grievance Redressal Policy	

Code of Conduct

We have enforced a Code of Conduct which outlines our expectations concerning ethics, environmental responsibility, social impact and quality standards for both our suppliers and contractors.

Whistleblower Policy

The Whistleblower Policy aims to protect the anonymity of individuals who register complaints or grievances against any act of misconduct or unethical dealings within the organisation. The complaints or disclosures are thoroughly investigated, ensuring strict confidentiality and protection against retaliation.

Risk Management Policy

This policy aims to recognise and address potential risks inherent in our operations and business activities. The Risk Management Committee oversees the implementation of this system and provides regular updates to the Board on its advancement.

Anti-Corruption and Bribery Policy

This policy outlines our firm stance against bribery and corruption. It promotes vigilance and diligence in identifying, monitoring, and addressing instances of corruption.

Quality Policy

Our quality policy ensures excellence in our operations through continual improvement, innovation, compliance, and exceeding customer expectations.

Certifications and Accolades



Environmental Management System Certificate ISO 14001: 2015 (January 2023)



Quality Management System Certificate ISO 9001: 2015 (January 2023)



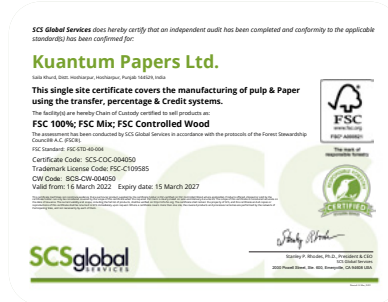
Occupational Health & Safety Management System Certificate OHSAS 45001: 2018 (January 2023)



Quality Management System Certificate ISO 9001: 2015 (R&D) (March 2024)



State Level Energy Conservation Award 2021- 22 and 2022-23 awarded by PEDA



FSC® Certificate – (March 2022)



18th National Award for "Energy Efficient Unit" by Confederation of Indian Industry (CII) - 2017

Board of Directors



Jagesh Kumar Khaitan
Chairman

Jagesh Kumar Khaitan is the Chairman of Kuantum Papers Ltd. He was earlier the Vice Chairman and MD of Amrit Banaspati Co. Ltd. and remained President of Indian Vanaspati Producers Association IVPA. His entrepreneurial spirit and passion has been one of major drivers for the company's growth. He has been the recipient of the prestigious award 'UDYOG RATNA' honored by PHD Chamber of Commerce & Industry, in the year 2005, towards his excellent and dedicated contribution to the State of Punjab.



Pavan Khaitan
Vice Chairman & Managing Director

Pavan Khaitan is a graduate in Commerce from Panjab University and a qualified Chartered Accountant. He joined the company in 1997 as the CEO and has been spearheading various initiatives that have rationalized the cost, enhanced quality, focused on specialty paper and ultimately optimizing the resources to their fullest. Also, he has been recently appointed as President of the Indian Pulp & Paper Technical Association (IPPTA). He has been instrumental in undertaking projects including debottlenecking and overall upgradation of the paper mill.



Drishinder Singh Sandhawalia
Non-Executive,
Non-Independent Director

Drishinder Singh Sandhawalia has over 35 years experience in consulting and working with businesses in the public and private sectors. He works with the leadership and management team. He is seasoned in solving problems of organizational stability and change, evaluation and strategy. His expertise in developing and implementing information technology projects has enabled him to build a reputation as a thought leader and innovator in areas of project and knowledge management.



Shireen Sethi
Director (Independent)

Currently the COO of Netwok1 Media Pvt. Ltd. and has over two decades of experience as a journalist, manager and advisor to many national & global media corporations and has founded multiple successful businesses in the media, technology & education sectors. She has also been working extensively with FICCI advising the trade body in the Technology Commercialization Department and has been instrumental in multiple initiatives of the organization including The India Innovation Growth Program (a JV between Lockheed Martin & Ministry of Science & Tech), Millennium Alliance and DRDO-ATAC 877.



Vivek Bihani
Director (Independent)

Vivek Bihani is an Engineer from BITS, Pilani and an MBA from IIM, Bangalore. He has total work experience of 3 decades. He worked with a leading venture capital firm in the early part of his career, turned an entrepreneur in 1998 and since 2009, is supporting high quality entrepreneurs as part of his 2nd innings in venture capital. As a venture capitalist, during 1992-1998, he worked with TDICI Limited (now called ICICI ventures), a firm that pioneered venture capital in India and has grown to become one of the largest and most successful private equity firms in India.



Bhavdeep Sardana
Director (Independent)

Bhavdeep Sardana, is Master's in Business Administration from Durham University (UK) and Bachelors in Science (Hons) in Chemistry with Chemical Engineering from Northumbria University, Newcastle Upon Tyne (UK). Presently Sr. VP & CEO at Sukhjit Starch & Chemicals Limited and is responsible for successfully implementing repeated expansions at various units. He leads all B2B sales with Paper, Food & Pharma Majors. He actively engages with State Govts and Govt. of India on policies affecting the agro-processing industry and ease of doing business reforms.

Key Management Team



Roshan Garg
Chief Financial Officer

A qualified Chartered Accountant & Company Secretary by profession, he has 30+ years of work experience in Corporate Finance and Accounts in the manufacturing sector. He has been associated with the company since 2002 and has driven improvement in Corporate Governance and the financial accountability structure as well.



Sushil Kumar Khetan
Chief Executive Officer - Operations

A seasoned Chartered Accountant, Company Secretary and a dynamic professional with 3 decades of rich experience in the area of Paper Mill Operations, Paper and Paperboard Projects. A strategic planner with proven ability to improve operations, impact business growth & maximize profits through achievement in cost reductions, productivity, efficiency and quality improvements, internal control and finance management.



Sanjay Khosla
Chief Marketing Officer

An MBA in Marketing, he has more than 30 years of experience in Sales and Marketing, exclusively in the Pulp & Paper industry. He has been with Kquantum for the past 25 years and has been successful in creating a loyal network of 100+ dealers as well as a demand pull for our products in the market.



Prachi Sharma
Vice President-Corporate Strategy

A seasoned Chartered Accountant with strong business acumen and analytical prowess, having more than 2 decades of experience in consulting and manufacturing industries. Her core area of expertise is Strategic Planning, SWOT Analysis, Finance Management and New Business Development. She is a dynamic leader and has a strong ability of driving Growth and Change Management.



Nandivardhan Morareddy
Vice President - Technical Excellence

A manufacturing excellence leader with 27 years of extensive experience in Pulp and Paper operations. He brings a blend of technical leadership and management abilities, specializing in driving operational and technical improvements to minimize waste, reduce costs and maximize quality. His core strength lies in merging creative intellect with robust production and technical skills to achieve sustainable business results.



Vikram Kumar Khaitan
Vice President - Finance

A seasoned Chartered Accountant and Company Secretary with a distinguished career spanning over two decades in the financial sector. With a proven track record in navigating complex financial landscapes, he excels in driving organizational growth, profitability and operational efficiency. His broad experience across diverse manufacturing industries positions him as a solution-oriented professional in financial management, strategic planning, process development, internal controls and corporate governance.

Corporate Information

Board of Directors

Jagesh Kumar Khaitan
Chairman

Pavan Khaitan
Vice Chairman & Managing Director

Drishinder Singh Sandhawalia
Non-Executive,
Non-Independent Director

Shireen Sethi
Independent Director

Vivek Bihani
Independent Director

Bhavdeep Sardana
Independent Director

Senior Executives

Roshan Garg
Chief Financial Officer

Sushil Kumar Khetan
Chief Executive Officer-Operations

Sanjay Khosla
Chief Marketing Officer

Prachi Sharma
Vice President-Corporate Strategy

Nandivardhan Morareddy
Vice President - Technical Excellence

Vikram Kumar Khaitan
Vice President - Finance

Company Secretary

Gurinder Makkar

Statutory Auditors

M/s O P Bagla & Co LLP
Chartered Accountants
New Delhi

Cost Auditors

M/s R J Goel & Co
Cost Accountants
Delhi

Secretarial Auditors

S K Sikka & Associates
Company Secretaries
Chandigarh

Internal Auditors

A Gandhi & Associates
Chartered Accountants
Chandigarh

Bankers

State Bank of India
Yes Bank Ltd
Indian Bank
RBL Bank Ltd

Registered Office & Works

Paper Mill
Saila Khurd 144 529
Distt Hoshiarpur Punjab (India)

Corporate Office

W1A FF, Tower A Godrej Eternia
Plot 70 Indl Area 1
Chandigarh 160002

CIN : L21012PB1997PLC035243

Contact Details

Ph.: 01884-502737
Fax: 01884-502700
Email: kquantumcorp@kquantumpapers.com
Website: www.kquantumpapers.com

Directors' Report

Dear Members

Your Directors take pleasure in presenting the 27th Annual Report on the business and operations together with Audited Financial Statements of your Company for the financial year ended 31st March 2024.

FINANCIAL HIGHLIGHTS

The summarized financial results of the Company for the financial year 2023-24 are given hereunder.

Particulars	(INR in Lakhs)	
	2023-24	2022-23
Sales & other income	1,21,693.66	1,31,316.26
Operating Profit	33,870.49	38,281.71
Interest	4,284.70	7,099.44
Gross Profit	29,585.79	31,182.27
Depreciation	4,824.73	4,543.67
Profit (Loss) before exceptional items and tax	24,761.06	26,638.60
Exceptional items	-	6,342.31
Profit (Loss) after exceptional items	24,761.06	20,296.29
Provision for		
- Current Tax	5,461.74	1,533.07
- Adjustment of Tax-Earlier Years	32.30	(128.68)
- Deferred Tax	884.45	5,276.72
Net Profit (Loss) after tax	18,382.58	13,615.18
Other comprehensive Income (Expense)	(61.72)	(45.52)
Total comprehensive Income/(Loss) for the year (Net of Income Tax)	18,320.86	13,569.66

DIVIDEND

Considering the satisfactory business operations coupled with satisfactory cash flows during the year under review, your Directors have proposed a dividend of INR 3/- (i.e. @300%) per share (previous year INR 3/- per share) on the Equity Shares of INR 1.00 each for financial year 2023-24.

Subject to the provisions of Companies Act, 2013, final dividend on Equity Shares as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid within 30 days of the declaration of same.

Further, in terms of Section 123(3) of the Companies Act, 2013, the Board of Directors had declared and paid interim dividend to the preference shareholders @ 10% per annum on pro rata basis for the period 1st April 2023 to 29th October 2023 amounting to Rs. 1,73,77,049/- (Rupees One Crore Seventy Three Lacs Seventy Seven Thousand and Forty Nine only) and the same is subject to the approval of the shareholders of the Company in ensuing Annual General Meeting. The Company had fully redeemed the Preference Shares amounting to Rs. 30 Crores during the financial year 2023-24.

OPERATIONAL PERFORMANCE HIGHLIGHTS

Though the overall consumption levels of Paper in Domestic Market remained stable, prices have dropped during the year, compared to an extremely favourable and buoyant market in FY 2022-23.

During the year under review, the performance of the Company was satisfactory and the Company achieved a production of 1,56,956 metric tonnes as against 1,52,172 metric tonnes in the previous year. The quantitative figure for the sale of paper was 1,56,931 metric tonnes this financial year as against the sale of 1,52,305 metric tonnes in the previous financial year.

The figures given in the Financial Statements for the current year under review are as under:

The Company recorded a Net Sales Turnover (net of GST) including other income of INR 1,21,693.66 Lakhs (Previous Year INR 1,31,316.25 Lakhs) lower by 7.32 %; Operating Profit at INR 33,870.49 Lakhs (Previous Year INR 38,281.71 Lakhs), lower by 11.52%; Profit before exceptional items INR 24,761.06 Lakhs (Previous Year INR 26,638.59 Lakhs) lower by 7.04%; and the Net Profit after Tax and other comprehensive income (expense) at INR 18,320.86 Lakhs (Previous year INR 13,569.66 Lakhs) up by 35.01% . There were no exceptional items for the financial year ended 31st March, 2024 (Previous Year INR 6,342.31 Lakhs, representing tax adjustments).

INDUSTRY STATUS

Paper Industry is a significant player in the World Economy. Paper usage has been declining in North America and Europe since a long while, while steeply rising in China and other Asian Economies. The four key Paper categories are: Newsprint, Printing and Writing Papers, Paper Boards for packaging applications, Tissue Papers & other Specialty Papers. Packaging grades account for over 55% of consumption, Printing and Writing grades over 35%, Tissue Papers 7-8% and others about 3%. Tissue and Packaging grades are expected to witness higher growth rates, in the future.

The global pulp and paper market size was worth around US\$ 365.60 billion in 2023 and is projected to surpass the valuation of US\$ 434.36 billion by 2031 at a CAGR of 2.35% between 2024 and 2031. Interestingly, within this, the Global Printing Paper Market size was valued at USD 45.6 Billion in 2024 and is expected to reach USD 98.7 Billion by 2033, at a CAGR of 5.9% during the period 2024 – 2033.

Due to increased adoption of paper-based packaging materials, the wrapping & packaging segment is set to lead the paper market. Other significant sectors are sanitary segment backed by rising disposable income and awareness of personal hygiene in emerging economies.

Global Printing Paper Market size was valued at USD 45.6 Billion in 2024 and is expected to reach USD 98.7 Billion by 2033, at a CAGR of 5.9% during the period 2024 – 2033.

The Indian paper industry accounts for about 5% of the world's production of paper. The estimated annual turnover of the industry is INR 80,000 Crore and its tax contribution to the exchequer is around INR 5,000 Crore. The industry provides direct employment to 0.5 million persons, and indirectly to around 1.5 million.

Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw and grasses. In terms of share in total production, approximately 18% are based on wood, 73% on recycled fibre and 9% on agro residues. The geographical spread of the industry, as well as market, is mainly responsible for the regional balance of production and consumption.

The paper Industry holds immense potential for growth in India as the per capita paper consumption in India at around 15-16 kg, which is way behind the global average of 57 kg (200 + kg for developed countries). India is the fastest-growing market for paper globally and it presents an exciting scenario. Paper consumption is poised for a big leap forward in sync with economic growth. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes. Healthy demand for Printing and Writing paper and firm realisations are further expected to drive growth for this segment of paper manufacturing companies.

There was a downtrend observed in the paper industry in FY24 on the back of fall in the realizations despite higher input costs on the back of increased competition from imports. There was a sharp drop in the prices of Packaging board as well as the Maplitho paper and the Coated paper, with also a slight drop in the price of Copier paper.

At the same time, there was some commodity price correction in pulp and coal, and that gave some benefit. However, wood cost which is a basic raw material for integrated pulp manufacturer remained very high and went up sharply by close to ~30 to 35% and therefore impacted the profitability.

However, rebound is expected FY25 onwards as the adoption of New Education policy is likely to boost the demand for WPP segment along with increasing penetration of specialized and conventional packaging in sectors such as FMCG, healthcare, e-commerce, pharmaceuticals, etc. Other key demand factors will include a focus on innovative and attractive packaging and the shift from plastic to paper-based packaging in the FMCG and food & food product sectors.

NATIONAL EDUCATION POLICY 2020

The Government announced the new National Education Policy (the NEP 2020) to focus on providing education that is equitable, accessible, high-quality and affordable. The New Education Policy was implemented in academic year 2023-24. With the gradual implementation of the NEP from academic year 2023-24, rise in the education spend by the Government, and increased thrust on education through initiatives such as Sarva Shiksha Abhiyaan/ Education of All, the Printing & Writing paper demand is expected to increase sharply. The policy acts as a roadmap to revolutionize schooling and higher education in India that will support and foster a lifelong learning culture to maximize the rich talents and resources the country has to offer. The NEP 2020 is a giant leap in a list of initiatives taken by the government in achieving Goal 4 (SDG4) of the 2030. The policy recognises the ever-changing knowledge and employment landscape in our global ecosystem and focuses on curricular and pedagogy reform, aligning it with international standards and making India a vibrant knowledge economy and a nation of thought leaders. The impending changes in the education policy and curriculum, alongwith the introduction of textbooks in 22 languages in alliance with NCERT and Ministry of Education are bound to create a huge demand for Writing and Printing paper to meet the needs of new Indian education system.

BAN ON SINGLE USE PLASTIC

The ban on the use of plastics in a wide variety of applications that has been put in place by the Govt of India with effect from July 01, 2022, has given a big boost to paper production for new paper products, which will provide the most sustainable and right replacement of single use plastics. These new varieties of paper qualities are finding their way into the market, filling up the huge gap left behind by the plastic ban.

PAPER IMPORT MONITORING SYSTEM (PIMS)

To regulate the import of paper as also to promote the flagship schemes like "Make in India" and "Atmanirbhar Bharat," the Government has brought the imports of paper under compulsory registration from the 1st October 2022. The import policy of major paper products, such as newsprint, handmade paper, wallpaper base, duplicating paper, coated paper, uncoated paper, Maplitho and offset paper, excluding currency paper, bank bonds and cheque paper and security printing paper, has been amended from 'Free' to 'Free subject to compulsory registration under Paper Import Monitoring System' by the Directorate General of Free Trade.

FINANCE

(I) Term Loans And Capex Projects/Capacity Enhancement

The backward integration and modernization of its pulping facilities, chemical recovery plant and captive power generation set up in 2021 has enabled the company in sustaining competitiveness in capacity and quality enhancement, cost reduction and improving margins and

profitability of the Company. With the economy and business environment showing a strong growth trend, the benefits will be even more visible in the coming years.

Locking ahead and considering the strong fundamentals of the paper business and its growth potential, the Management has reviewed and re-evaluated the capex projects. Going forward, the proposed cost of the projects had been envisaged at Rs. 735.00 crores. The implementation period of the capex projects ranges from 6 months to 27 months. The project cost of Rs. 735.00 crores is proposed to be funded by loans of Rs. 535.00 crores and internal accruals/ USL of Rs. 200.00 crores. The implementation of projects will lead to enhancement of Paper Production from 450 TPD to 675 TPD with State of Art Technology of Shoe Press, Film Size Press & Calendar Section. The Company has planned setting up of new Displacement Digester System (DDS) for Wood Pulp Mill and upgradation of both Pulp Mills to enhance capacity from 365 TPD to 440 TPD, Upgradation of Power Plant, Recovery Boiler Island, Effluent Treatment facilities, Surface Water & WTP, Expansion of Nursery for Farm Forestry, Colony and other Infrastructure. Projects will be commissioned in a phased manner over a period of 2.25 years and all the projects are expected to be completed by 31st March 2026.

(II) Working Capital

Banks have sanctioned/renewed the working capital limits amounting to INR 15,655 Lakhs (fund based INR 9,000 Lakhs, non-fund based INR 6,655 Lakhs) during the year under review.

(Iii) Fixed Deposits

As on 31 March 2024, your Company had Fixed Deposits of INR Rs. 4266.73 Lakhs. There were no overdue deposits as

on 31 March 2024. The above deposits have been accepted for a period of 1 year to 3 years as per the Fixed Deposit Schemes duly approved by the Board of Directors pursuant to the compliance of the provisions of Sections 73 to 76 of Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules 2014.

Details of Deposits:	₹ In Lakhs
Accepted during the year (excluding renewals) (Accepted including renewals Rs. 2,674.96 Lakhs)	831.53
Remained unpaid or unclaimed as at the end of the year	Nil
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	
(i) at the beginning of the year;	Nil
(ii) maximum during the year;	Nil
(iii) at the end of the year;	Nil
The details of deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

EXTERNAL CREDIT RATING

During the year under review, CARE Ratings Limited (CARE) has reviewed the external credit rating for the Long-Term, Short-Term Bank facilities and Fixed Deposits of the company and has reaffirmed the rating with stable outlook. The updated facility wise rating is as under:

Facilities	Amounts (Rs. In Crores)	Rating	Rating Action
Long Term Bank Facilities	385.16	CARE A; Stable (Single A; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities	66.55	CARE A1 (A One)	Reaffirmed
Total Facilities	451.71		
Fixed Deposit	45.00	CARE A; Stable (Single A; Outlook: Stable)	Reaffirmed

CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF BOARD REPORT

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

HOLDING/SUBSIDIARIES /JOINT VENTURES / ASSOCIATES COMPANIES

Your Company does not have any subsidiary/joint ventures or associate company within the meaning of the Companies Act, 2013. Kapedome Enterprises Limited is the holding company having 66.51% equity capital of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per requirement of Section 135 of the Companies Act, 2013 read with Schedule VII of the said Act and further read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has a duly constituted "Corporate Social Responsibility Committee" consisting of following persons as Members/ Chairman:

- Mr Pavan Khaitan (Chairman)-Non-Independent, Executive Director
- Mr D S Sadhawalia-Non-Independent, Non-Executive Director
- Ms Shireen Sethi-Independent, Non-Executive Director

In pursuance of the Companies Act, 2013 and in alignment with its vision, the Company through its CSR initiatives will continue to enhance value creation in the society and in the areas in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community.

During the year under review, the Company has spent an amount of INR 170.19 Lakhs against the CSR obligation of Rs. 167.41 Lakhs. Details about the CSR policy and initiatives taken by the Company during the year are available on your Company's website www.kquantumpapers.com. The Report on CSR activities is given in **Annexure-1** forming part of this Report.

The Company has spent more than the expenditure required to be spent on CSR Activities under Section 135 of the Companies Act, 2013 read with relevant Rules thereto.

VIGIL MECHANISM / WHISTLE BLOWER

Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called the 'Whistle Blower Policy' for Directors and employees to report concerns of unethical behaviour, actual or suspected, fraud or violation or the Company's code of conduct or ethics policy. In line with this requirement, the Company has framed a "Whistle Blower Policy", which is placed on the Company's website i.e. www.kquantumpapers.com. No complaint has been received during the year under review.

RISK MANAGEMENT

In line with the new regulatory requirements, the company has framed a 'Risk Management Policy' to identify and assess the key risk areas, monitor, and report compliance and effectiveness of the policy and procedure. A Risk Management Committee has also been constituted to oversee this process. Pursuant to Section 134(3) of the Act and Regulation 21 of SEBI (LODR) Regulations, 2015, Risk Management Committee was in place, comprising (i) Mr Pavan Khaitan (Chairman) Non-Independent, Executive Director, (ii) Mr D S Sadhawalia, Non Independent, Non-Executive Director and (iii) Mr Bhavdeep Sardana, Independent Director

During FY 2023-24, two Meetings were held on 29th April 2023 and 25th October, 2023 wherein, relevant mitigation measures identified for the Company were reviewed and discussed.

The Company believes that managing risks helps in optimising returns. A risk management framework have been developed and implemented by the Company for identification of elements of risk if any, which in opinion of Board may threaten the existence of the Company. It aims to identify commodity prices, price fluctuation of raw material and finished goods, Credit Risks, Inflation, Strategic Risks, etc. The effectiveness of risk management framework and system is periodically reviewed by Board of Directors of the Company. At present, in the opinion of the Board of Directors, there exists no risks which may threaten the existence of the Company.

The speed and degree of changes in the global economy and the increasingly complex interplay of factors influencing the business makes Risk Management an inevitable exercise and to cater to the same, your Company has identified major focus areas for risk management to ensure organisational objectives are achieved and has a robust policy along with well-defined and dynamic structure and proactive approach to assess, monitor and mitigate risks associated with the business.

The Risk Management Committee is regularly informed about the potential risks, their assessment and minimisation procedures. The Board frames a plan for elimination / minimisation of the risk and further lays out the steps for implementing and monitoring of the risk management plan The Company is taking all the appropriate steps to avoid the risks that arise in the Company.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's risk management systems and programs comprises of various processes, structures and guidelines which assist the Company to identify, assess, monitor, and manages its risks, including any material changes to its risk profile. To achieve this, the Company has clearly defined the responsibility and authority of the Company's Management and the Risk Management Committee to oversee and manage these Programs. Details of the various risks, which can affect the Company's business and the management's perception, are more elaborately given in the 'Management Discussion & Analysis' attached to this Report.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

Effective and strong internal financial control systems are developed in the Company for all the major processes to ensure reliability of financial reporting, safeguarding of assets and economical and efficient use of resources as also the compliance of laws, regulations, policies and procedures. The Company's internal control systems are reviewed by an independent firm of Chartered Accountants. The firm independently evaluates the adequacy of internal financial controls through periodic reviews that cover all the functions and processes through reviewing major transactions. They report directly to the Audit Committee which ensures complete independence.

The Company has designed and implemented a process driven framework for Internal Financial Controls. For the year ended on March 31, 2024, the Board is of the opinion that the Company has sound Internal Financial Controls commensurate with the size, scale and complexity of its business operations. During the year, such controls were tested and were operating effectively.

All the relevant Function Heads are certifying the compliance to all applicable rules, regulations and laws every quarter to the Board and are responsible to ensure that internal controls over all the key business processes are operative. The scope of the Internal Audit is defined and reviewed every year by the Audit Committee and inputs, wherever required, are taken from the Statutory Auditors.

Based on the report of Internal Auditors, major audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2024. The Statutory Auditors of the Company have audited the financial statements included in this annual report and have issued an attestation report on our internal control over financial reporting (as defined in Section 143 of Companies Act 2013).

CHANGES IN CAPITAL STRUCTURE

During the financial year 2023-24, the Company has fully redeemed unlisted 3,00,00,000 10% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up aggregating to Rs. 30.00 crores (Rupees Thirty Crores Only) at par, out of the profits of the Company, before maturity, in accordance with the provisions of Section 55 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014. Hence, as at 31st March, 2024, the Paid up Preference Share Capital stands Nil.

Apart from above, there was no change in the Share Capital during the year under review. The Company has neither issued any shares with differential voting rights or granted stock options or issued sweat equity or purchased its own shares nor the Company has made any Public/ Rights/ Bonus/Buy back of Equity Shares of the Company. The paid up Equity Share Capital of the Company stood at Rs. 8,72,63,630 divided into 8,72,63,630 equity shares of face value of Re. 1/- each.

KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2024 were as under:

1. Mr. Pavan Khaitan, Vice Chairman & Managing Director
2. Mr. Roshan Garg, CFO
3. Mr. Gurinder Singh Makkar, Company Secretary (W.e.f. 01st December, 2023, in place of Mr. Vivek Trehan, Company Secretary)

RELATED PARTY TRANSACTIONS

During the year under review, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which could have potential conflict with the interest of the Company at large. All contracts / arrangements transactions entered into by the Company during the financial year under review with related parties were at an arm's length basis and in the ordinary course of business. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements

During the year, the Company has not entered into any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of Company on materiality of related party transactions (transactions where the value exceeds Rs. 1,000 Crores or 10% of the annual consolidated turnover, whichever is lower), or which is required to be reported in Form AOC – 2 in terms of section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, as amended.

Statements giving details of all related party transactions were placed before the Audit Committee on a quarterly basis. The Audit Committee as well as all the Directors who were Independent Directors approved the same. The policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at link <https://www.kuantumpapers.com/pdf/RPT-Policy.pdf>.

All the related party transactions are done at arm's length and pertain to FY 2023-24.

Members may refer Notes to the Financial Statements, which sets out related party disclosures pursuant to Ind-AS and Schedule V of Listing Regulations.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators, Courts or Tribunals, which would impact the going concern status of the Company and its operations in future.

AUDIT COMMITTEE

As on date Audit Committee of the Board consists of Four Directors, with three of them being Independent Directors. The Chairman of the Audit Committee is Mr. Vivek Bihani and the Members are Mr Bhavdeep Sardana, Independent Director, Ms Shireen Sethi, Independent Director and Mr. Pavan Khaitan, Executive Director. An Independent Director is the Chairperson of the Committee.

During the year, all the recommendations made by the Audit Committee were accepted by the Board.

DIVIDEND DISTRIBUTION POLICY

Pursuant to the provision of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the top 1,000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in annual report.

Though, now the Company is not covered among top 1,000 listed entities as at 31st March, 2024, yet in terms of Regulation 3(2) of SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, the duly approved Dividend Distribution Policy is in place. The Policy can be accessed on the Company's website at weblink: <https://www.kuantumpapers.com/pdf/Dividend-Distribution-Policy.pdf>.

NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, already framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel. The policy covers Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employees.

The Remuneration Policy of the Company is available at the website of the Company at <https://www.kuantumpapers.com/policies>.

CHANGE IN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2023-24, there had been no changes in directorship.

During the year under review, the Shareholders of the Company, by way of Special Resolution passed through Postal Ballot Process had approved the re-appointment of Mr. Bhavdeep Sardana (DIN:03516261) as an Independent Director for a second consecutive term of five years commencing from 20th December, 2023 to 19th December, 2028, not liable to retire by rotation.

Further the Board of Directors of the Company has during the year 2023-24, re-appointed Mr. Pavan Khaitan as Vice Chairman & Managing Director for a further period of three years w.e.f. 01st April, 2024, subject to the approval of shareholders. The Shareholders of the Company, by way of Special Resolution passed on 25th May, 2024, through Postal Ballot, has duly approved his re-appointment w.e.f. 01st April, 2024.

Further, in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Jagesh Kumar Khaitan, Director shall retire by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

Further, on account of superannuation of Mr. Vivek Trehan, he ceased to be Company Secretary & Compliance Officer, i.e. a Key Managerial Personnel of the Company. The Company duly placed on record appreciation for services rendered by him during his long association with the Company. Mr. Gurinder Singh Makkar was appointed as Company Secretary & Compliance Officer in his place, during the year under review.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 so as to qualify themselves to act as Independent Director under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant rules.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

In terms of Regulation 25(8) of SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company.

Further, the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company are registered on the

Independent Director Databank maintained by the Indian Institute of Corporate Affairs (IICA) and hold valid certificate of registration.

INDUCTIONS & TRAINING OF BOARD MEMBERS

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company familiarized the Independent Directors in the following areas:

- Nature of the industry in which the entity operates;
- Business model of the entity;
- Roles, rights, responsibilities of independent directors

Presentations are made to the Board/Committees of the Board on regular intervals which, inter alia, cover business strategies & reviews, operations, Industry developments, management structure, quarterly and year to date financial results, budgets/business plans, review of Internal Audit and risk management framework.

Your Company follows a structured familiarisation programme through various reports and internal policies for all the Directors with a view to update them on the Company's policies on a regular basis. Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Executive Directors on the Company's manufacturing, marketing, finance and other important aspects. All our Directors are aware and also updated, whenever required, of their role, responsibilities and obligations under the provisions of the Companies Act, 2013 and Rules made there under an Agreement/ Regulation 25 of the Listing Regulations, 2015. The details of the Familiarisation Programmes for Independent Directors are made available on Company's website at the web link: <https://www.kquantumpapers.com/pdf/Familiarisation-Programme.pdf>

PERFORMANCE EVALUATION OF THE DIRECTORS AND MEETING OF INDEPENDENT DIRECTORS

Nomination, Remuneration and Evaluation Policy has been framed by the Nomination and Remuneration Committee. This Committee has laid down the criteria for performance evaluation of the individual Directors as well as the Board. The framework of performance evaluation of the Directors captures the following points.

- Performance of the directors and key attributes of the Directors that justify his/her extension/continuation on the Board of the Company.
- Participation of the Directors in the Board proceedings and their effectiveness.
- Fulfilment of the independence criteria and their independence from the management as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) in case of Independent Directors.

The Board adopted a formal mechanism for evaluating its performance as well as of its Committees and individual Directors including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligation, governance issues, participation and effectiveness.

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees on the evaluation criteria defined by the Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors. The Board's functioning was evaluated on various aspects, including inter-alia the structure of the Board, meetings of the Board, functions of the Board, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning. The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of Meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/ Committee Meetings and guidance/support to the Management outside Board/ Committee Meetings.

The criteria for evaluation of Board include whether Board meetings were held in time, all items which were required as per law or SEBI (LODR) Regulations, 2015 to be placed before the Board, have been placed, the same have been discussed and appropriate decisions were taken, adherence to legally prescribed composition and procedures, timely induction of additional/ women Directors and replacement of Board members/Committee members, whenever required, whether the Board regularly reviews the investors grievance redressal mechanism and related issues, Board facilitates the independent directors to perform their role effectively etc. The criteria for evaluation of committee include taking up roles and functions as per its terms of reference, independence of the committee, policies which are required to frame and properly monitored its implementation, whether the committee has sought necessary clarifications, information and explanations from management, internal and external auditors etc. Based on such criteria, the evaluation was done in a structured manner through peer consultation & discussion.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors. The same was also discussed in the meetings of NRC and the Board.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated

During the year under review, a meeting of Independent Directors was held on 01st February, 2024. The performance of the Non-Independent Directors and the Board as a whole vis-à-vis the performance of the Chairman of the Company was reviewed by the Independent Directors.

DISCLOSURES ON BOARD EVALUATION:

i. Observations of Board Evaluation carried out for the year:

In conformity with the evaluation policy and laid down parameters, the overall contribution of each Director was assessed as satisfactory and appreciable. The suggestions, participation, involvement and constant efforts of each director in the light of the business operations and overall growth and development of the Company was really significant.

ii. Previous year's observations and actions taken:

There were no observations of the Board with regard to the previous year. However, it has been the endeavor of the Board of Directors of the Company to attain the highest level of transparency, accountability and integrity as well as utmost applicable legal and ethical standards in the functioning of the Company with a view to create value that can be sustained continuously for the benefit of its stakeholders.

iii. Proposed actions envisaged:

The Company proposes to hold more trainings, presentations and interactions enabling the Directors to uphold highest standards of integrity & probity and strict adherence of the Companies Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, and other rules and regulations besides Company's Code of Conduct as also to strive for constructive, effective and value-added deliberations at the meetings as also to consistently strive to implement best corporate governance practices reflecting its strong value system and ethical business conduct.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors separately met on 01st February, 2024.

The Independent Directors at their separate meeting, reviewed the performance of the Board, Chairman of the Board and of Non-Independent Directors, as required under the Act and the Listing Agreement. The Independent Directors at their separate meeting also assessed the quality, quantity and timelines of flow of information between your Company Management and the Board of Directors of your Company.

All the Independent Directors were present at the Meeting.

NOMINATION, REMUNERATION AND EVALUATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee, approved a policy for selection, appointment, remuneration and evaluation of Directors, Key Managerial Personnel and Senior Management. Details of the Nomination and Remuneration Committee are given in the Corporate Governance Report. The Nomination, Remuneration and Evaluation Policy as approved by the Board is placed on the Company's website i.e. www.kuantumpapers.com.

DISCLOSURE OF COMPLAINTS OF SEXUAL HARRASMENT AND CHILD LABOUR

The Company's Policy on Prevention of Sexual Harassment at workplace is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed there under.

Internal Complaints Committees have also been set up to redress complaints received regarding sexual harassment. The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The following is a summary of sexual harassment complaints received and disposed off during the year 2023-24:

Sr. No.	Category	No. of complaints during financial year 2023-24	No. of complaints pending as at end of year 2023-24
1	Child labour / forced labour / involuntary labour	The Company does not hire Child Labour, Forced Labour or involuntary Labour (No Case Reported)	Not Applicable
2	Sexual Harassment	No reported case	Not Applicable
3	Discriminatory Employment	No reported case	Not Applicable

STATEMENT AS TO INTERNAL COMPLAINTS COMMITTEE

In terms of Companies (Accounts) Amendment Rules, 2018, it is hereby stated that the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

STATEMENT ON COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

The Board meets at regular intervals to discuss and decide on Company's business operations, policies and strategy apart from other Board businesses.

During the year, 5(Five) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. Details of the number of meetings of Board of Directors and committees thereof and the attendance of the Directors in such meetings are provided under the Corporate Governance Report that forms part of the Annual Report.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time. Pursuant to the circular relating to the "enforcement of SEBI Order regarding appointment of directors by listed companies" dated June 20, 2018, none of the director of the Company, is debarred from holding the office of director pursuant to any SEBI order.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'),

Management Discussions and Analysis report ("MD&A Report") providing a detailed overview of your Company's performance, industry trends, business and risks involved is provided separately and forms part of Annual Report.

COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following are the Committees statutorily constituted by the Board and function according to their respective roles and defined scope:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance which forms part of the Annual Report.

Apart from above statutory committees, the Board of Directors has also a non-statutory committee viz. Finance Committee.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website at www.kquantumpapers.com.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or to the Board as required under Section 143(12) of the Act and the rules made thereunder.

DEMATERIALISATION OF SHARES

As on March 31, 2024, 99.25% Equity Shares were in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited and rest 0.75% were in physical form.

INSURANCE:

The properties/assets of your Company are adequately insured.

INDIAN ACCOUNTING STANDARDS

The financial statements of your Company are prepared in accordance with the Indian Accounting Standards ('Ind- AS') pursuant to the Ministry of Corporate Affairs notification dated February 16, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015

STATUTORY AUDITORS & AUDITOR'S REPORT

M/s O P Bagla & Co. LLP, Chartered Accountants, (Firm Registration No. 000018N/N500091), Statutory Auditors of the company were appointed for a period of five years by the shareholders of the Company to hold office from the conclusion of the 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting.

As required under Section 139 of the Companies Act, 2013, the Company has received a written consent from the Auditors to their continued appointment and also a certificate from them to the effect that their existing appointment is in accordance with the conditions prescribed under the Companies Act, 2013 and rules made thereunder.

The Auditors report for the financial year 2023-24 does not contain any qualification, reservation or adverse remark. The Notes on Accounts referred to in the Annexure to the Statutory Auditor's Report are self-explanatory and do not call for any comments.

The details relating to fees paid to the Statutory Auditors are given in the Financial Statements and Corporate Governance Report in the Annual Report.

APPLICABILITY AND MAINTENANCE OF COST RECORDS

In terms of Companies (Accounts) Amendment Rules, 2018, a Disclosure is hereby made that maintenance of cost records as specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

COST AUDITORS

M/s R.J. Goel & Co., Delhi were appointed as Cost Auditors for conducting the cost audit of the Company for the year ended 31st March 2024. The Company's Cost Audit Report for the year ended 31st March 2023 was duly filed during the financial year 2023-24 within stipulated period. The Board of Directors has on the recommendation of Audit Committee, appointed the said firm as Cost Auditors of the Company for the financial year 2024-25. For

the year 2023-24, the Cost Audit report shall be duly filed within prescribed time.

SECRETARIAL AUDITORS

M/s S.K. Sikka & Associates, Company Secretaries were appointed as Secretarial Auditors to conduct Secretarial Audit of the Company and have submitted the Secretarial Audit Report for the year ending 31st March, 2024 which is annexed to this Board's Report as **Annexure-4**.

As per amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in addition to the above-mentioned Secretarial Audit Report, listed company is also required to obtain an Annual Secretarial Compliance Report from a practicing Company Secretary w.r.t. the compliances of all applicable SEBI Regulations, amendments, circulars or guidelines etc. by the Company. Accordingly, the same has been obtained and filed with the concerned Stock Exchanges. The said Secretarial Audit Report or Report on annual secretarial compliances does not contain any qualification, observation reservation or adverse remark made by the Secretarial Auditor.

Further pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, read with Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, the Company is required to obtain a certificate from Practicing Company Secretary that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said Certificate has been obtained from the M/s S.K. Sikka & Associates, Company Secretaries, which is given at **Annexure-7** and forms part of Board's Report..

Pursuant to Section 204 of the Companies Act, 2013 M/s S.K. Sikka & Associates, Company Secretaries have been appointed as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ending 31st March 2025.

DIRECTORS AND OFFICERS INSURANCE (D & O)

As per the requirements of Regulation 25 (10) of the SEBI further read with Regulation 3(2) of Listing Regulations, applicable to the Company, the Company has taken Directors and Officers Insurance Policy (D & O) for all of its Directors.

UNCLAIMED SUSPENSE ACCOUNT

Details pertaining to the shares in 'Unclaimed Suspense Account' in Compliance with the terms of SEBI (LODR) Regulations, 2015 are given in the Report on Corporate Governance annexed with this report.

RESOLUTION AND MATTERS APPROVED THROUGH POSTAL BALLOT DURING FINANCIAL YEAR

During the year under review, only one Special Resolution was passed through postal Ballot i.e. the Shareholders of the Company, by way of Special Resolution passed through Postal

Ballot Process had approved the re-appointment of Mr. Bhavdeep Sardana (DIN:03516261) as an Independent Director for a second consecutive term of five years commencing from 20th December, 2023 to 19th December, 2028, not liable to retire by rotation.

DECLARATION REGARDING CODE OF CONDUCT

Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company and the declaration in this regard made by CEO/ Vice Chairman & Managing Director of the Company is annexed at **Annexure-9** and forms part of this Annual Report. The said code is available at the Company's website i.e. www.kquantumpapers.com.

DISCLOSURE ABOUT THE RECEIPT OF COMMISSION

Details of Remuneration including Commission received only from the Company by Managing/Whole Time directors are given in Corporate Governance Section which forms part of Annual Report. In terms of Section 197(14) of the Act and rules made there under, during the year under review, no director has received any commission from the holding company. The Company is not having any subsidiary and hence the same is not applicable to the Company.

CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed at **Annexure-5** and **Annexure-6** respectively and form part of the Annual Report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As required under the provision of the Section 124 & 125 and other applicable provisions of the Act, dividends that remain unpaid / Unclaimed for a period of consecutive 7 years, are required to be transferred to the account administered by the Central Government viz. Investor Education and Protection Fund ("IEPF"). Further, according to the said Rules, the shares on which Dividend has not been encashed or claimed by the Members for 7 consecutive years or more shall also be transferred to the demat account of the IEPF Authority. In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the abovestated unpaid dividends and shares requiring transfer to Investor Education and Protection Fund during the year 2023-24, has been duly transferred.

INDUSTRIAL RELATIONS

The industrial relations remained very cordial and responsive during the year under review.

EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the Financial Year March 31, 2024 is uploaded on the website of the Company and can be accessed at www.kquantumpapers.com under the weblink i.e. <https://www.kquantumpapers.com/pdf/Form-MGT-7-2023-24.pdf>

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to general reserves. Capital Redemption Reserve have been created in accordance with Companies Act, 2013 at the time of redemption of preference shares by transferring amount equal to nominal value of preference shares so redeemed from surplus balance of profits.

CAUTIONARY STATEMENT

Certain Statements in this Annual Report may constitute "forward looking statements". These forward-looking statements are subject to a number of risks, uncertainties and other factors which could cause actual results to differ materially from those suggested by forward looking statements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings & outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure-2** which forms part of this Report. No foreign technology has been availed by the Company.

PERSONNEL

Relationships with the employees remained cordial throughout the year in the Company. The Directors express their appreciation for the contribution made by the employees at all levels to the operations and in establishing operational efficiencies of the Company during the year under review.

PARTICULARS OF EMPLOYEES

The information required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the statement annexed herewith as **Annexure-3** and forms part of this Report. The information required pursuant to the provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of INR 102 Lakhs per annum if employed throughout the year and INR 8.50 Lakhs per month if employed for part of the year, is given in the statement annexed herewith as **Annexure-3**.

As per the provisions of Section 136 of the Act, the reports and Financial Statements are being sent to share holders of the Company and other stakeholders entitled thereto, excluding the Statement containing other Particulars of Employees. Any shareholder interested in obtaining such details may write to the Company Secretary of the Company.

LISTING OF SECURITIES

The securities (Equity Shares) of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to the BSE and NSE up to the financial year 2024-25.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There had been no loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 requiring particulars. Details of loans from Banks/FIs/ Directors, are provided in Financial Statements and Notes thereto.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors including financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2023-24.

Accordingly, pursuant to Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability state that:

- (i) in the preparation of the annual accounts for the year ended 31 March 2024, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures;
- (ii) such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2024 and of the profit of the company for the year ended on that date.
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

As at 31st March, 2024, the Company is not covered amongst top 1000 listed entities based on market capitalisation, yet in terms of Regulation 34(2)(f) further read with Regulation 3(2) of the Listing Regulations, Business Responsibility and Sustainability Report (BRSR) of the Company for FY 2023-24 is annexed at **Annexure-10** of Board's Report and forms part of Annual Report of the Company.

INSOLVENCY & BANKRUPTCY CODE, 2016

There were no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016, which impacts the business of the Company.

DIFFERENCE IN AMOUNTS OF VALUATIONS, IF ANY

There were no instances where your Company required the valuation for one time settlement or while taking any loan from the Banks or Financial Institutions. The Company has not made any onetime settlement during the Financial Year 2023-24 with Banks or Financial Institution.

ACKNOWLEDGMENT

Your Directors convey sincere thanks to the various agencies of the Central and State Governments, Banks and other concerned agencies for all the assistance and cooperation extended to the Company for their continued support. The Directors also deeply appreciate and acknowledge the trust and confidence the vendors, suppliers, dealers, customers, shareholders and investors reposed in the Company. Your Directors also place on record their appreciation for the dedicated services rendered by the workers, staff and officers of the Company.

For and on behalf of Board of Directors of
Kvantum Papers Limited
(CIN: L21012PB1997PLC035243)

Jagesh Kumar Khaitan

Place: Chandigarh
Dated: 29th May, 2024

Chairman
DIN: 00026264

ANNEXURE-1

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 134 (3) (a) of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

(i) Vision

In pursuance of the Companies Act, 2013 and in alignment with its vision, the Company through its CSR initiatives continues to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community. The Company's Vision Statements to actively contribute to the social and economic development of the communities of the area in which we operate. In doing so, build a better, sustainable way of life for the underprivileged, and raise their overall standard of living. In addition, we are committed to conserving and preserving the environment.

(ii) Strategy

Though mandated, Kuantum Papers Ltd. takes its social responsibility conscientiously and proactively.

Our emphasis has been on environment conservation, reforestation, pollution control, optimum utilization of treated water with recycling with in campus and also by farmers for irrigation purpose. We have been spearheading a focused CSR drive targeted at community upliftment and development separately for some years now. Kuantum is now carrying these initiatives forward as part of the CSR program.

The CSR Committee, in consultation with the Board, provides the strategic direction for the company's external CSR drive, and the thrust areas for the CSR work, along with ensuring effective monitoring as well.

Objectives and overview of projects or programs proposed to be undertaken.

- (a) The objective of the Company is to contribute to the promoting education, including special education and employment enhancing vocation skills, skill development and technical education, rural development, environment protection, health care, social welfare, so as to promote sustained growth for the society and community and in particulars take up the activities as included in Schedule VII of the Companies Act, 2013.

- (b) The CSR Committee facilitates the Annual CSR action plan containing the clear terms of reference outlining the key tasks, duration of assignment, allocation of budget for different projects, method of implementation and review. The CSR budget shall be according to Companies Act, 2013.
- (c) Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. Any unspent amounts shall be dealt with in accordance with the provisions of Companies Act, 2013 as amended from time to time. Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (d) Project activities identified under CSR are to be directly handled by the Company or implemented by agencies, which would include Educational Institutes, Universities, Societies, Voluntary Organisations (VOs) formal or informal Elected local bodies such as Panchayats etc., Institutes/ Academics Institutions, Trusts, Hospitals, Self Help Groups, Govt./ Semi Govt./ Autonomous Organisations or institutes, Mahila Mandals, Professional Consultancy Organisations etc.
- (e) The Corporate Social Responsibility activities undertaken by the Company will be monitored by the Corporate Social Responsibility Committee duly constituted by the Board. The committee will be responsible to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

During the year 2023-24, the Company had identified certain projects/activities on which the CSR expenditure for the financial year was made. The activities included promoting education, rural development, environment protection, health care, social welfare etc.

The CSR Committee, in consultation with the Board, provides the strategic direction for the company's external CSR drive, and the thrust areas for the CSR work, along with ensuring effective monitoring as well.

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Pavan Khaitan, Chairman	Promoter, Executive	2	2
2	Mr. D.S. Sandhawalia, Member	Non-Independent, Non-Executive	2	2
3	Ms. Shireen Sethi, Member	Independent, Non-Executive	2	2

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

- CSR Committee - <https://www.kuantumpapers.com/Committees-of-the-board>
- CSR Policy - <https://www.kuantumpapers.com/pdf/CSR-Policy.pdf>
- CSR Projects - <https://www.kuantumpapers.com/Compliance-reports>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable

- Average net profit of the company as per sub-section (5) of section 135: **Rs. 8370.36 Lakhs.**

- Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 167.41 Lakhs**

- Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**

- Amount required to be set-off for the financial year, if any: **INR 0.23 Lakhs.**

- Total CSR obligation for the financial year [(b)+(c)-(d)]: **INR 167.18 Lakhs.**

- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 170.19 Lakhs.**

- Amount spent in Administrative Overheads: **NIL**

- Amount spent on Impact Assessment, if applicable: **Not Applicable**

- Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 170.19 Lakhs.**

- CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) Section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
INR 170.19 Lakhs	Not Applicable				

- Excess amount for set-off, if any: Rs. 3.01 Lakhs (As detailed below)

Sl. No.	Particulars	Amount (INR in Lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	167.41
(ii)	Total amount spent for the Financial Year (Rs. 170.19 Lakhs spent +Rs. 0.23 Lakhs carried forward)	170.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any (Previous year's available set off)	0.00
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)] Rs. 170.19 Lakhs (Year 2023-24 expenditure made on CSR) + Rs. 0.23 Lakhs (Excess spent of previous year 2022-23, set off) - Rs. 167.41 Lakhs (CSR Obligation for year 2023-24) = Rs. 3.01 Lakhs (excess spent carried forward to succeeding financial years)	3.01

7. Details of Unspent CSR amount for the preceding three Financial Years: (Rs. In Lakhs)

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of transfer.		
1	2020-21	134.39*	134.39	0	0	0	0	134.39	-
2	2021-22	0	134.39	2.00	0	0	0	132.39	-
3	2022-23	0	132.39	132.39	0	0	0	0	-

*(Out of the total Unspent CSR Amount INR 134.39 Lakhs for the Financial Year 2020-21 which was transferred to Unspent CSR Account, a sum of INR 2.00 Lakh was spent in the Financial Year 2021-2022 and the remaining Unspent CSR amount of INR 132.39 Lakhs was completely spent during the Financial Year i.e. 2022-23). There are no CSR amounts pending to be spent in the reporting financial year.

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No

If yes, enter the number of Capital Assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not Applicable

For and on behalf of Board of Directors of Kquantum Papers Limited
(CIN: L21012PB1997PLC035243)

		Pavan Khaitan	Jagesh Kumar Khaitan
		Chairman- CSR Committee,	Chairman
Place:	Chandigarh	Vice Chairman & Managing Director	
Dated:	29th May, 2024	DIN: 00026256	DIN: 00026264

ANNEXURE-2

STATEMENT CONTAINING PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY

I. The steps taken or impact on conservation of energy

- Increasing steam generation from technologically advanced CFBC boiler with higher efficiency as compared to AFBC boiler resulting in generation improved from 81.4% to 90.4%.
- Upgradation of TG 4 from SST-150 model to state of art technology from SIEMENS SST-300 model, thus producing power with lesser steam and reduction in fuel consumption by 15%. 8 MW turbine was made as standby after upgradation of TG4.
- Black liquor cooling and DM water heating system commissioned by which 90-100 TPD steam saving being achieved.
- HP steam generation per MT of paper reduced by 2.5% resulting in reducing overall steam generation and saving of fuel.
- Implementation of Energy Management system resulting in optimizing the energy usage, significant cost savings and reduced carbon emissions:
 - Power saving by reducing running of new Recovery Boiler ESP ash leaching system from 24 hours to 12 hours. – 11500KW/month power saving achieved.
 - Old Evaporator plant Secondary condensate pump stopped by directly charging its header from New Evaporator plant condensate supply pump. – 150 KW/day savings achieved.
 - Installation of BLDC fans in warehouses, which provides high volume of air in less energy as compared to other fans.
 - Installation of Star Delta Converter module on motors which are running on lesser loads.
 - Power saving with improvements and automations by 364 KWH/day at chemical recovery process plant at boiler bank economizer conveyor and green liquor area.
 - Replacement of Standard Efficiency IE1 / Rewound Motors with Premium Efficiency IE3 Motors.
 - Whole plant including colony premises are fitted with LED lights, one more step towards energy conservation and low CO2 emission.

- Replacement of fresh water at chemical additive preparation and belt press showers in ETP with machine drains collected clarified water saved 800m³/day of fresh water.
- System made to collect Cooling Tower blow down water in foul condensate pit. Now Cooling Tower blow down water being transferred to pulp mill. Water savings of 150 m³/day is achieved.
- Fresh water replaced with Secondary condensate for gland cooling of Recausticizing plant pumps. Again this condensate being used in CRP process. Water savings of 30m³/day achieved.
- SWAS panel outlet cooling water (Soft water) taken in seal cooling water pit resulting reduction in make up water. Water savings of 75m³/day achieved.
- Reduction in freshwater consumption by 5m³/ton of pulp from 26.9 M3 TO 21.9 m³ by using the Clarified Machine back water.

II. The steps taken by the Company for utilising alternate sources of energy.

- The Company is generating steam from chemical recovery boilers wherein Black Liquor Dry Solids is fired to generate steam which is acknowledged as Renewable Biomass Fuel by Ministry of New & Renewable Energy, Government of India.
- Surface water supply agreement executed with Department of Water Resources, Punjab which is a milestone for the Company as ground water extraction shall be replaced with surface water supply from 1st May 2024.

III. The Capital investment on energy conservation equipment

- The Company invested Rs. 1678.32 Lacs in upgradation of TG-4 with state of art technology for producing power with lesser steam which resulted in reduction of fuel consumption 15%.
- The Company invested Rs. 493.83 lacs for installation of energy efficient equipment & system resulting in specific energy savings.

B. TECHNOLOGY ABSORPTION

i. The efforts made by the Company towards technology absorption:

- Installation of Automatic Load Management System (LMS) in power plant for management of plant electrical load in auto mode and saving of turbine tripping implemented.
- Digitizing Pulp, Paper & Power Operations with introduction of BTG data PARC. This has resulted in creation of dynamic, highly informative dashboards that give an at-a-glance overview of the condition of major process flows and KPIs at our plant.
- Installation of 67/4 Kg/Cm² and 11/4 Kg/Cm² PRDS in system for improving steam and power management during shutdowns and low power generation condition.
- Utilization of scrubber in the vent of Stationary Slaker and Sump Box of Recausticizing Plant to arrest carry over at CRP plant.
- Installation of New Bezner screen for wheat straw screening to improve the pulp quality by improving the wheat straw screening.
- Plant trials conducted with various digester additives, wash aid additives to optimize the conditions & improve pulp quality.
- For improvement of quality and efficiency of paper machines,
 - PM1 and PM2 upgraded with new head box, wire part, press part and steam & condensate system for better quality and energy management.
 - New energy efficient refining system installed in all paper machines.
- For improvement in air quality
 - Dust Suppression system installed at Agro raw material handling section for minimizing the fugitive dust emission.
 - Installed bag filter in CRP lime godown to arrest dust arising due to lime feeding/handling.
 - A Step towards Zero emission taken in ClO₂ plant by installing a safe sampling device for ClO₂ solution gpl testing.
- For improvement in water recycling and ETP operations
 - New HRSCC type wet washing clarifier installed to improve the wash water quality for 2nd stage wheat straw wet washing.
 - Installed a white water clarifier (HRSCC- high rate solids contact clarifier mechanism) of 6000 m³/day for recycling paper machine backwater and improving the efficiency and sustainability of the water reuse process.

- The Unit has adopted the latest solid separation technology of the DAF (Dissolved air floatation) equipment. The unit has installed a total of 4 DAF units of 1010m³/hr capacity at different stages of the effluent treatment plant for more efficient treatment and reduced carbon footprint.

Quality Certifications held by the Company

Certification	Title
ISO Certification 9001:2015	Quality Management System
ISO Certification 9001:2015	Quality Management System for R&D
ISO Certification 14001: 2015	Environmental Management System
OHSAS Certification 45001:2018	Occupation Health & Safety Assessment
FSC® Certification License Code: FSC-C109585	Forest Stewardship Council
DSIR Certification TU/IV-RD/3724/2022	Recognition of In-house R&D Unit
BIS Certification- IS: 14490:2018	Plain Copier Paper-Specification
BIS Certification-IS 1848 (Part1) 2018	Writing & Printing paper

ii. The benefits derived like product improvement, cost reduction, product development or import substitution.

The various initiatives that were undertaken during the year have benefitted the Company in terms of energy saving, environment protection, product & quality improvement, cost reduction, reduced breakdown, product development and enhance customer satisfaction.

iii. The expenditure incurred on Research and Development:

During the year, the Company has spent Rs. 296.94 lacs on various Research & Development activities.

Specific Benefits derived from Research & Development Activities

Development of New Products

During the year, the company introduced several innovative products, demonstrating our dedication to quality, efficiency, and sustainability. The new products developed includes:

- **Kosmo Litho K2:** A premium-quality paper product made exclusively from 100% mill hardwood pulp, designed for high-end printing.
- **Kosheen CRM-NS (OBA Free), Kappa Premium-3 CRM, and Kosmo KS-3:** Products tailored for the diary segment.
- **Kquantum Korra:** A high-quality paper developed with 90-95% agro pulp, intended for the notebook segment.
- **Kosmo Litho BT:** A blue-tinted paper developed to meet customer requirements and market demand for multicolour printing.

- **Kosmo Maplitho NS UV:** A security paper developed with UV Fiber for enhanced security features.
- **Kosmo Kard WHT:** A specialized paper for drawing and sketchbooks.
- **Kosmo Kard+:** Ideal for multicolour fluorescent coating sheets, perfect for art and craft applications.

R&D activities in Plantation:

- First time introduced Casuarina clone CH-1 in Punjab region and set up 5 model plots with collaboration of farmers on their land with a buy back assurance of harvested wood at maturity.
- Mini cutting Technology is being used for mass multiplication of Eucalyptus which gave significant results in terms of early rooting and healthy shoots compared to nodal cuttings. Experiments are also going on micro cuttings for clonal multiplication.
- First time Melia dubia and Subabul multiplied through clonal technology for their mass scale production. Melia and Subabul wood introduced for pulping, showed better results in terms of better pulp quality and with high bleached yield.
- 2 New clones of Eucalyptus KPL-1 and KPL-2 will be released for their commercial plantations as they performed very well in Experimental trial in Company

campus. Initial results after 2 years showed better results in terms of height and girth.

- Enhancing in-house Clonal production facilities by further installation of 3 new Hi-Tech Mist Chambers, 6 Mini Hedge Garden & 3 Hardening Chambers a step towards strong focus on R&D activities for survival, genetic improvement and development of new clones.

C. FOREIGN EXCHANGE EARNING & OUTGO

Earning : Rs. 6,659.90 lacs

Outgo : Rs. 6,165.21 lacs

**For and on behalf of Board of Directors of
Kquantum Papers Limited**
(CIN: L21012PB1997PLC035243)

Jagesh Kumar Khaitan
Chairman
DIN: 00026264

Place: Chandigarh
Dated: 29th May, 2024

ANNEXURE-3

Particulars of Employees

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S.No.	Requirements of Rule 5(1)	Details												
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	<table><tr><th>Name</th><th>Ratio</th></tr><tr><td>Mr. Jagesh K Khaitan</td><td>82.56: 1</td></tr><tr><td>Mr. Pavan Khaitan</td><td>149.86:1</td></tr></table>	Name	Ratio	Mr. Jagesh K Khaitan	82.56: 1	Mr. Pavan Khaitan	149.86:1						
Name	Ratio													
Mr. Jagesh K Khaitan	82.56: 1													
Mr. Pavan Khaitan	149.86:1													
(ii)	The percentage of increase / Decrease in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year;	<table><tr><th>Name</th><th>%</th></tr><tr><td>Mr. Jagesh Kumar Khaitan (Chairman)</td><td>2.27%</td></tr><tr><td>Mr. Pavan Khaitan (VC & Managing Director)</td><td>1.75%</td></tr><tr><td>Mr. Roshan Garg (CFO)</td><td>16.70%</td></tr><tr><td>Mr. Vivek Trehan (Company Secretary) (resigned w.e.f. 30.11.2023) (Annualised ratio)</td><td>25.34%</td></tr><tr><td>Mr. Gurinder Singh Makkar (w.e.f. 01.12.2023)</td><td>Nil/ N.A.</td></tr></table>	Name	%	Mr. Jagesh Kumar Khaitan (Chairman)	2.27%	Mr. Pavan Khaitan (VC & Managing Director)	1.75%	Mr. Roshan Garg (CFO)	16.70%	Mr. Vivek Trehan (Company Secretary) (resigned w.e.f. 30.11.2023) (Annualised ratio)	25.34%	Mr. Gurinder Singh Makkar (w.e.f. 01.12.2023)	Nil/ N.A.
Name	%													
Mr. Jagesh Kumar Khaitan (Chairman)	2.27%													
Mr. Pavan Khaitan (VC & Managing Director)	1.75%													
Mr. Roshan Garg (CFO)	16.70%													
Mr. Vivek Trehan (Company Secretary) (resigned w.e.f. 30.11.2023) (Annualised ratio)	25.34%													
Mr. Gurinder Singh Makkar (w.e.f. 01.12.2023)	Nil/ N.A.													
(iii)	The percentage increase in the median remuneration of employees in the financial year;	10.90%												
(iv)	The number of permanent employees on the rolls of company;	1,357 employees as on 31.03.2024.												
(v)	Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:	<div><div>- Average percentage increase in the managerial remuneration : 3.99%.</div><div>- Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year -11.27%</div></div> <p>The increments given to employees are based on their potential, performance and contribution, which is benchmarked against applicable industry norms. Average increase in remuneration for employees other than Managerial Personnel is in line with the industry peers and is also outcome of market competitiveness.</p>												
(vi)	The key parameters for any variable component of remuneration availed by the directors.	The key parameters for the performance based pay/ variable component of remuneration are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee and are linked to short-term performance against the annual plan, further subject to organisational policies of the company and terms and conditions agreed with directors.												
(vii)	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.												

PARTICULARS OF EMPLOYEES PURSUANT TO RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name	Designation	Gross Remuneration Paid (in Rs.)	Nature of employment	Age	Qualification & experience	Date of Commence-ment of employment (experience in years)	Previous employment	% of equity shares held	Whether any such employee is a relative of any director
Sh. Jagesh Kumar Khaitan	Chairman	2,48,42,686	Regular	79	Graduate with Marketing Management & Strategic Courses from IIM, Ahmedabad	17 July 2010 (Total Exp. 55 Yrs.)	Vice Chairman & Managing Director Amrit Banaspati Co. Ltd.	1.66%	Father of Sh. Pavan Khaitan
Sh. Pavan Khaitan	Vice Chairman & Managing Director	4,50,90,339	Regular	56	Chartered Accountant	1 April 2007 (Total Exp. 31 Yrs.)	Managing Director, Amrit Banaspati Co. Ltd.	1.69%	Son of Sh. Jagesh Kumar Khaitan
Sh. Sushil Kumar Khetan	CEO – Operations	1,35,09,426	Regular	58	Chartered Accountant & Company Secretary	1 June 2022 (Total Exp. 39 Yrs.)	Director (Operations) & CFO, Emami Paper Mills Ltd.	-	-

For and on behalf of Board of Directors of
Kquantum Papers Limited
 (CIN: L21012PB1997PLC035243)

Jagesh Kumar Khaitan

Chairman

DIN: 00026264

Place: Chandigarh

Dated: 29th May, 2024

ANNEXURE-4

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kquantum Papers Limited
Factory Premises,
Saila Khurd, Hoshiarpur
Punjab

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kquantum Papers Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Kquantum Papers Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, which were shared with me, for the financial year ended on 31 March, 2024 according to the provisions of the following Acts/Laws/Regulations and the amendments thereof, if any:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 2018 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period).**
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **(Not applicable to the Company during the audit period);**
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **(Not applicable to the Company during the audit period);**
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (6) The Company has complied with the following laws applicable specifically to the Company:
 - (a) Indian Boiler Act, 1923
 - (b) Hazardous Waste (Management & Handling) Rules 1989 under EP Act, 1986
 - (c) Explosive Act, 1884 and Rules made thereunder
 - (d) Factories Act, 1948 and allied State Laws

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

I further report that there were no unspent CSR amount lying with the Company. The Company has fully spent the CSR amounts towards its CSR Obligation for reporting period, as per the provisions of Section 135 of the Companies Act, 2013 read with rules thereunder.

I further report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Independent Director. No changes in the composition of the Board of Directors took place during the period under review.
- (ii) Adequate notice was given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting;
- (iii) All the Decisions at the Board Meetings were taken unanimously.

I further report that that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there was following specific event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations,

guidelines and standards and the Company has duly complied with the applicable laws/ rules/ regulations with respect to the following:

- i) During the financial year 2023-24, the Company had fully redeemed unlisted 3,00,00,000 10% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up aggregating to Rs. 30.00 crores (Rupees Thirty Crores Only) at par, out of the profits of the Company, pursuant to the provision of Section 55 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential Issue of Shares /Sweat Equity.
- (ii) Buy-Back of Securities.
- (iii) Merger / Amalgamation / Reconstruction etc.
- (iv) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (v) Foreign Technical Collaborations.

This Report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

For S. K. SIKKA & ASSOCIATES
Company Secretaries

(SUSHIL K. SIKKA)

Prop.

FCS 4241, CP 3582

Peer Review Cert. No. 1057/2021

UDIN: F004241F000466747

Place: Chandigarh

Date: 29.05.2024

Annexure A to Secretarial Auditors' Report

To,
The Members
Kquantum Papers Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. K. SIKKA & ASSOCIATES
Company Secretaries

(SUSHIL K. SIKKA)
Prop.

FCS 4241, CP 3582

Peer Review Cert. No. 1057/2021

UDIN: F004241F000466747

Place: Chandigarh
Date: 29.05.2024

ANNEXURE-5

CORPORATE GOVERNANCE REPORT

[In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements)]

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company strongly believes that establishing good corporate governance practices in each and every function of the organisation leads to achieve sustainable growth and enhances long term value for all the stakeholders. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it imperative to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate behaviours. The Company always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. The Company has, therefore, designed its systems and action plans to enhance performance and stakeholder's value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of non-executive and independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues. The Company has complied with norms of Corporate Governance as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company understands that compliances of applicable

legislations and timely disclosures enhance the image of the Company as a good corporate citizen in the Country.

2. BOARD OF DIRECTORS

The Board of Directors consisted of six directors, as on 31.03.2024, comprising of a Chairman, a VC & Managing Director and four non-Executive Directors. Out of four, three Non-Executive Directors were Independent Directors as on 31.03.2024 including one woman director.. The Board has a healthy blend of executive and non-executive directors which ensures the desired level of independence in functioning and decision making. All the independent directors are eminent professionals and bring in wealth of expertise and experience for advising the management of the Company. The Company is in compliance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations with regard to the composition of the Board. As on the date of this report, all Directors of the Company meet the criteria of number of directorship as laid down in section 165 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent

Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act.

(a) The Composition, Meetings and Attendance of the Directors in Board Meetings is as under:

Name of Director	Relationship with other Directors (Inter-se Relationship)	Category	No. of Board Meetings Attended during 2023-24		Whether attended the last AGM	No. of directorships in other public limited companies	Audit and SRC Committee Position held in other Indian Public Limited Companies(#)	
			Held	Attended			Chairman	Member
Sh. Jagesh Kumar Khaitan, Chairman	Father of Sh. Pavan Khaitan	Promoter, Executive	5	5	Yes	1	-	-
Sh. Pavan Khaitan, Vice Chairman & Managing Director	Son of Sh. Jagesh Kumar Khaitan	Promoter, Executive	5	5	Yes	1	-	-
Sh. D.S. Sandhawalia	-	Non-Independent, Non-Executive	5	5	Yes	-	-	-
Sh. Vivek Bihani	-	Independent, Non-Executive	5	5	Yes	-	-	-
Ms. Shireen Sethi	-	Independent, Non-Executive	5	5	Yes	-	-	-
Sh. Bhavdeep Sardana	-	Independent, Non-Executive	5	5	Yes	3	-	-

(#) Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Act. Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for Committee positions. None of the Directors is a director on any other listed company.

There are no Nominees or institutional Directors on the Board of Directors of the Company as on date.

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations).

(b) Details of Directors holding Directorship in Listed Entities including Kquantum Papers Limited and the category of their Directorship:

Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Sh. Jagesh Kumar Khaitan, Chairman	Kquantum Papers Limited	Executive Director
Sh. Pavan Khaitan, Vice Chairman & Managing Director	Kquantum Papers Limited	Executive Director
Sh.D.S. Sandhawalia	Kquantum Papers Limited	Non-Executive Director
Sh. Vivek Bihani	Kquantum Papers Limited	Independent Director
Ms. Shireen Sethi	Kquantum Papers Limited	Independent Director
Sh. Bhavdeep Sardana	Kquantum Papers Limited	Independent Director

- (c) Details of familiarization programmes imparted to independent directors are available at the website of the Company at <https://www.kquantumpapers.com/pdf/Familiarisation-Programme.pdf>

- (d) During the financial year 2023-24, Five (5) Board Meetings were held on 29.04.2023, 26.07.2023, 25.10.2023, 10.11.2023 and 01.02.2024. The maximum interval between any two meetings was not more than stipulated time by Law.

- (e) Brief Profile of Directors

The present Board of Directors and brief profile and expertise of Directors is as follows:

1. Shri Jagesh Kumar Khaitan (Chairman)

Sh. Jagesh Kumar Khaitan, aged 79 years, a Graduate with Marketing Management and Strategic Management courses from IIM, Ahmedabad has been associated with the industry for the last 50 years. He is the Chairman of Kquantum Papers Ltd. since 17th July 2010.

Shri Khaitan was also an active member of American Oils Chemists' Society, USA and also associated with various trade associations and Chamber of Commerce & Industry and is member of Managing Committee of PHD Chamber of Commerce & Industry.

He has been on the Board of Directors of various reputed companies. He has been conferred the honour of "Legend" by Globe Oil India in recognition of his services and contribution to edible oil industry. Also he was the recipient of a prestigious award 'UDYOG RATNA' honored by PHD Chamber of Commerce & Industry given by the then Chief Minister of Punjab, in the year 2005, towards his excellent and dedicated contribution to the State of Punjab through the industry. His vast experience and knowledge is coming to the aid and benefit of the Company. His astute direction adds value to the operations and helps in formulating the

policies of the Company. He has to his credit vast experience of more than there decades, in the fields of paper industry, production, marketing, fund management and governance.

2. Mr. Pavan Khaitan (Vice Chairman & Managing Director)

Mr. Pavan Khaitan, aged around 56 years is a Graduate in Commerce from Panjab University and a Chartered Accountant. He joined the company in 1997 and has been spearheading various initiatives that have rationalized the cost, enhanced quality, focused on specialty paper and ultimately optimizing the resources to their fullest. He has been recently appointed as President of the Indian Pulp & Paper Technical Association (IPPTA). He has been instrumental in undertaking projects including debottlenecking and overall upgradation of the paper mill. Under his aegis, the backward integration cum upgradation project of the Company had been successfully completed. Mr. Pavan Khaitan has now positioned the Company on a transformative journey. He has taken numerous initiatives at the group level on areas of plants set up, production, expansions marketing, financial management, risk management, human resources and quality management.

3. Mr. Drishinder Singh Sandhawalia (Non Executive Director)

Shri D. S. Sandhawalia, aged 61 years, is a Graduate in Science and has been associated with Corporate entities in designing and implementing of a customized ERP package and Management Information System besides other consultancy work. He has studied special course in Information Technology at University in London. Mr. Drishinder Singh Sandhawalia has over 36 years experience in

consulting and working with businesses in the public and private sectors. He works with the leadership and management team. He is interested in solving problems of organizational stability and change, evaluation and strategy. His expertise in developing and implementing information technology projects has enabled him to build a reputation as a thought leader and innovator in areas of project and knowledge management.

4. Mrs. Shireen Sethi (Independent Woman Director)

Shireen Sethi, aged 55 years, is a veteran media and technology entrepreneur. Currently she is the COO of Netwok1 Media Pvt. Ltd. and has over two decades of experience as a journalist. She has been advisor to many national & global media corporations and has founded multiple successful businesses in the media, technology & education sectors. She has also been working extensively with FICCI advising the trade body in the Technology Commercialization Department and has been instrumental in multiple initiatives of the organization including The India Innovation Growth Program (a JV between Lockheed Martin & Ministry of Science & Tech), Millennium Alliance and DRDO-ATAC 877. She brings significant experience in financial reporting, information technology, operational workflow, capital management & investor relations.

5. Mr. Vivek Bihani (Independent Director)

Mr. Vivek Bihani, aged 58 years is an Engineer from BITS, Pilani and an MBA from IIM, Bangalore. He has total work experience of around 36 years. He worked with a leading venture capital firm in the early part of his career, turned an entrepreneur in 1998 and since 2009, is supporting high quality entrepreneurs as part of his 2nd innings in venture capital. As a venture capitalist, during 1992-1998, he worked with TDICI Limited (now called ICICI ventures), a firm that pioneered venture capital in India and has grown to become one of the largest and most successful private equity firms in India.

6. Mr. Bhavdeep Sardana (Independent Director)

Mr. Bhavdeep Sardana, aged 48 years is Master's in Business Administration from Durham University (UK) and Bachelors in Science (Hons) in Chemistry with Chemical Engineering from Northumbria University, Newcastle Upon Tyne (UK). Presently he is working as Sr. VP & CEO at The Sukhjit Starch & Chemicals Limited and is responsible for successfully implementing expansions at various units. He leads all B2B sales with Paper, Food & Pharma Majors. He

actively engages with State Govts and Govt. of India on policies affecting the agro-processing industry and ease of doing business reforms. He has to his credit vast experience of more than two decades in the fields of Sales, Marketing, Manufacturing, expansion and liaison. He has held various important positions at CII, taking a lead in industry positioning with Govt.

(f) Information supplied to the Board

Information regularly provided to the Board inter-alia include:

- Annual operating plans, budgets & updates;
- Production, sales & financial performance data;
- Expansion/capital expenditure plans & updates;
- Business-wise operational review;
- Quarterly financial results;
- Minutes of the meetings of the Audit and other committees as well as circular resolutions passed;
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Staff matters, including senior appointments and significant developments relating to labour relations and human resource relations;
- Materially important legal proceedings by or against the Company including Show cause, demand, prosecution notices and penalty notices which are materially important;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Shares, IEPF, dematerialization compliances;
- Fatal or serious accidents or dangerous occurrences and materially significant effluents or pollution problems;
- Materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;

- Non-compliances of any regulatory or statutory provision or listing requirement on non-payment of dividend or delay in share transfers;
- Insider trading related disclosure procedures and such other matters;
- Details of any joint-venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business;
- Details of foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement;
- To approve various policies, codes and committees pursuant to the Companies Act, 2013, the relevant rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other Regulations and requirements of other regulatory bodies, if any.
- Quarterly, Half Yearly and Annual Compliance Report on Corporate Governance and Quarterly Report on Investor Grievances pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(g) Board Procedure

The calendar of Board Meetings is fixed before every meeting, for the next meeting, to fall within prescribed period. The Agenda is circulated in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is also kept informed of major events/items and approvals taken wherever necessary.

(h) Performance Evaluation

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees on the evaluation criteria defined by the Nomination and Remuneration Committee for performance evaluation process of the Board, its Committees and Directors. The Board's functioning was evaluated on various aspects, including inter-alia the structure of the Board, meetings of the Board, functions of the Board, degree of fulfillment of key responsibilities, establishment

and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of Meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/ Committee Meetings and guidance/support to the Management outside Board/Committee Meetings. The criteria for evaluation of Board include whether Board meetings were held in time, all items which were required as per law or SEBI (LODR) Regulations, 2015 to be placed before the Board, have been placed, the same have been discussed and appropriate decisions were taken, adherence to legally prescribed composition and procedures, timely induction of additional/ women Directors and replacement of Board members/Committee members, whenever required, whether the Board regularly reviews the investors grievance redressal mechanism and related issues, Board facilitates the independent directors to perform their role effectively etc.

The criteria for evaluation of committee include taking up roles and functions as per its terms of reference, independence of the committee, policies which are required to frame and properly monitored its implementation, whether the committee has sought necessary clarifications, information and explanations from management, internal and external auditors. Based on such criteria, the evaluation was done in a structured manner through peer consultation & discussion. The performance assessment of Non- Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. In compliance with the provisions of the Companies Act, 2013 (the Act) and applicable clauses of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Boards functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-

Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

(i) Criteria For Performance Evaluation of Non-Executive/ Independent Directors

1. Fair and Consistent performance: Increase transparency and ensured consistency in performance;
2. Insight, Engagement and Experience: Engagement of the Director in Company operations and level of participation thereon, advices, skill, experience, governance, monitoring, directions, participation, leadership.
3. Innovation: Continuously innovations based on insight, analytics and Directors' expertise;
4. Simplicity, Speed and Accuracy: Accuracy in delivering the performance and efficiency in performance
5. Business Results: The reward to the Company and its business results achieved through performance of directors are considered as a performance evaluation criteria for Non-Executive Director.

(j) Independent Directors' Meeting

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors separately met on 01st February, 2024 inter alia, to discuss:

- a. Evaluation of the performance of non- Independent Directors and the Board as a whole;
- b. Evaluation of the performance of the Chairperson of the Company, taking into account the views of executive directors and non- executive directors;
- c. Evaluation of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the then Independent Directors were present at the Meeting.

(k) Declaration Of Independence By Independent Directors and Disclosure

In terms of Regulation 25(8) of SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of

independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank well within stipulated time frame and hold valid certificate of registration.

During the year 2023-34 none of the independent directors resigned/ before expiry of term.

(l) Familiarisation Programme for Directors

Your Company follows a structured familiarisation programme through various reports and internal policies for all the Directors with a view to update them on the Company's policies on a regular basis. Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Managing Director on the Company's manufacturing, marketing, finance and other important aspects. All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made there under an Agreement/ Regulation 25 of the Listing Regulations, 2015. The details of the Familiarisation Programmes for Independent Directors are made available on Company's website at the web link: <https://www.kuantumpapers.com/pdf/Familiarisation-Programme.pdf>

(m) Matrix of skills of Directors/ Skills/Expertise/Competencies of the Board of Directors

As required under schedule V, Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Matrix of skills of Directors is given hereunder. Present Directors of the Company are having skill and expertise in respective domain area. The Board is of the opinion that the skill or competence required for the Directors in relation to the present business of the Company includes finance, accounts, legal, operation, business development and compliance.

The Board of Directors of the Company brings a vast range of skills and experience from various field, functions and sectors, which enhance the governance framework of the Company and the Board's decision making process. The Board has identified strategic planning, knowledge with regard to Company's business/activities, understanding of industry, sales & marketing, risk management, accounting & financial expertise as the key skills/expertise/ competencies for the effective functioning of the Company and the same are currently available with the Board.

The Board has a healthy blend of executive and non-executive directors which ensures the desired level of independence in functioning and decision making. All the independent directors are eminent professionals and bring in wealth of expertise and experience for advising the management of the Company.

A chart or a matrix setting out the skills/expertise/competence of the Directors is given below:

Name of the Director and Designation	Skills/Expertise/Competence possessed, required for the business and actually available
Mr. Jagesh Kumar Khaitan (Chairman)	Leadership, Governance, Industry Experience, Marketing, Finance, Funds Management, Corporate Affairs, Banking, Cost Reduction, Human Resources, Supply Chain.
Mr. Pavan Khaitan (Vice Chairman & Managing Director)	Leadership, Technology, Governance, Finance, Accounting, Taxation, Auditing, Legal, and Risk Management, Compliance, Production, industry Experience, Marketing, Funds Management, Corporate Affairs, Banking, Cost Reduction, Human Resources, Supply Chain and overall management.
Mr. D.S. Sandhawalia (Non-Executive Director)	Information Technology, Management Information System, Softwares and ERP package, consultancy, business, Strategic management, Project Management, Human Resources Management.
Mrs. Shireen Sethi (Independent Woman Director)	Media and Technology, Journalism, Education, Financial Reporting, Information Technology, Capital Management, Investors Relations, Leadership, Innovation, Entrepreneurship.
Mr. Vivek Bihani (Independent Director)	Venture Capitalist, Capital Market, Finance, Banking, Taxation, Accounting, Corporate Governance, Auditing, Business Administration, Leadership, Corporate Affairs.
Mr. Bhavdeep Sardana (Independent Director)	Governance, Leadership, Strategic Planning, Marketing, Sales, Liaison, Manufacturing, Expansion, Business Administration, Manufacturing, Expansion, Business Administration, Governance, Leadership, Strategic Planning.

(n) Details of remuneration paid to the directors during the financial year 2023-24

(Amount in Rs.)

Name of Director	Salary*/ Fee**	Perks+ contribution to PF/other Funds	Commission	Sitting Fee	Total
Sh. Jagesh Kumar Khaitan	1,47,84,000	12,72,502	87,86,184		2,48,42,686
Sh. Pavan Khaitan	2,68,80,000	22,35,458	1,59,74,881		4,50,90,339
Sh. D.S. Sandhawalia**	42,00,000			1,65,000	43,65,000
Sh. Vivek Bihani				2,45,000	2,45,000
Ms. Shireen Sethi				2,45,000	2,45,000
Sh. Bhavdeep Sardana				2,55,000	2,55,000

*Represents professional fee excluding taxes.

(o) Criteria for Making Payments to Non-Executive Directors

Criteria of making payments to non-executive directors is provided at the website of the Company at www.kquantumpapers.com

(p) Other disclosures about Remuneration and notice period / Severance fees

The executive directors are entitled only to remuneration as approved by the shareholders of the Company. The Managing Director/ Whole- Time Director(s) are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof. Presently, the Company does not have a scheme for grant of stock options either to the Managing Director/Whole-time Director(s) or employees. The employment terms does not contain any provisions for payment of any severance fees in case of cessation of employment of the Managing Director/Whole Time Director. The Nomination and Remuneration Policy adopted by the Company is available on the Company's Website at www.kquantumpapers.com

(q) Code of Conduct and Declaration regarding compliance thereto

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel. In terms of the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the Company [i.e. www.kquantumpapers.com](http://www.kquantumpapers.com). All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended March 31, 2024 and a declaration to that effect signed by the CEO/Managing Director is attached and forms part of this report.

(r) Code of Conduct for Prevention of Insider Trading

The Company has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company as required under SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conduct to Regulate, Monitor and Report Trading By Insiders and Code of Practices and Procedures For Fair Disclosure of Unpublished Price Sensitive Information. All Directors, insiders and designated persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board has established the following statutory Committees:

(a) Audit Committee

The Company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations.

The Company continues to derive immense benefit from the deliberations of the Audit Committee. During the year 2023-24, the Committee comprised of the following four directors of the Company – three non-executives & independent directors and one executive & non-independent director. During the financial year 2023-24, Audit Committee met 4 times on 29.04.2023, 26.07.2023, 10.11.2023 and 01.02.2024.

The Composition, Meetings and Attendance of the Members of Audit Committee is as under:

Director	Position	Category	No. of meetings held	No. of meetings attended
Shri Vivek Bihani	Chairman	Independent, Non-Executive Director	4	4
Shri Pavan Khaitan	Member	Non-independent, Executive Director	4	4
Ms. Shireen Sethi	Member	Independent, Non-Executive Director	4	4
Shri Bhavdeep Sardana	Member	Independent, Non-Executive Director	4	4

The compositions of the Audit Committee conform to the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. All the Members of the Committee have relevant experience in financial matters. The Company Secretary is Secretary to this Committee.

CFO regularly attends the meetings. Other senior executives, when required, are invited in the meetings. Statutory auditors, cost auditors, secretarial auditors and internal auditors are also invited to the meetings.

All the members of the Audit Committee were present at the last AGM held on 07th July, 2023.

Terms of Reference:

The terms of reference of the Audit Committee are wide enough to cover the role specified for Audit Committee under Section 177 of the Act and Regulation 18 of the Listing Regulations. The same are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. The terms of reference of the Committee are as follows:

- (a) oversight of financial reporting process and the disclosure of financial information relating the Company to ensure that the financial statements are correct, sufficient and credible;
- (b) recommendation for appointment, reappointment, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the director's responsibility statement to be included in the

Board's report in terms of clause © of sub-section 3 of section 134 of the Companies Act, 2013;

- (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Modified opinion(s) in the draft audit report.
- (e) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 - (f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
 - (g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (h) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, and review, at least on a quarterly basis, the details of related party transactions, pursuant to each of the omnibus approvals given;
 - (i) scrutiny of inter-corporate loans and investments;

- (j) valuation of undertakings or assets of the Company, wherever it is necessary;
- (k) evaluation of internal financial controls and risk management systems;
- (l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) discussion with internal auditors of any significant findings and follow up there on;
- (o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (q) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) recommending to the Board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (s) reviewing the functioning of the whistle blower mechanism;
- (t) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (u) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (v) reviewing the utilisation of loans and/or advances from/ investment by the holding company in the subsidiary
- (w) review of compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- (x) consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- (y) carrying out any other functions required to be carried out by the Audit Committee as contained in the Companies Act, Listing Regulations or any other applicable law, as and when amended from time to time." Additionally, the Audit Committee shall mandatorily review the following information:
 - (a) management discussion and analysis of financial condition and results of operations;
 - (b) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (c) internal audit reports relating to internal control weaknesses;
 - (d) the appointment, removal and terms of remuneration of the chief internal auditor; and
 - (e) statement of deviations in terms of the Listing Regulations: (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and (ii) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice.

The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013.

(b) Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013 read with Listing Regulations, the Board has a duly constituted Nomination and Remuneration Committee.

During the year 2023-24, the Committee met three times on 29.04.2023, 25.10.2023 and 01.02.2024. During the year 2023-24, the Committee comprised of the three directors of the Company as per details given below.

The Composition, Meetings and Attendance of the Members of Nomination and Remuneration Committee is as under:

Director	Position	Category	No. of meetings held	No. of meetings attended
Shri Bhavdeep Sardana	Chairman	Independent, Non-Executive Director	3	3
Shri Vivek Bihani	Member	Independent, Non-Executive Director	3	3
Shri Drishinder Singh Sandhawalia	Member	Non-Independent, Non-Executive Director	3	3

The composition of the Nomination and Remuneration Committee is in conformity with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Company Secretary of the Company is Secretary of this Committee.

Terms of reference:

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal.

The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013. The objectives of constituting and terms of reference of Nomination and Remuneration Committee are as follow: The terms of reference of the Nomination and Remuneration Committee are wide enough to cover the role specified under Section 178 of the Act and Regulation 19 of the Listing Regulations. The same are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. The terms of reference of the Committee are as follows:

1. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
2. The Nomination and Remuneration Committee shall, while formulating the above policy shall ensure that—
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance
 - (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
3. Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
4. Formulating criteria for evaluation of Independent Directors and the Board.
5. Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy,

recommend to the Board their appointment and removal and carry out their evaluation.

6. Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

The Committee carries out evaluation of performance of Directors yearly or at such intervals as may be considered necessary pursuant to Nomination, Remuneration and Evaluation Policy of the Company.

The Nomination, Remuneration and Evaluation Policy has also been framed by the Company in compliance with Section 178 of the Companies Act, 2013 read with rules framed thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary objective of the Policy is to provide a framework and set standards for nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the individual Directors as well as the Board. The framework of performance evaluation of the Independent Directors captures the following points:

- a) Key Attributes of the Independent Directors that justify his/her extension/continuation on the Board of the Company;
- b) Participation of the Directors in the Board proceedings and their effectiveness.

The Board adopted a formal mechanism for evaluating its performance as well as of its Committees and individual Directors including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligation, governance issues, participation and effectiveness etc.

(c) Stakeholders Relationship Committee

The Board has formed an investors grievance redressal Committee named as Stakeholders' Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Rules made there under read with Listing Regulations, to specifically look into the redressal of investors complaints, transfer/transmission/ demat of shares, IEPF Claims, Duplicate Share Certificates, Letters of confirmation, Dividends and demat related complaints, non receipt of annual report, SEBI compliances etc.

In addition, the Committee advises on matters which can facilitate better investor services/relations. During the financial year 2023-24, the Committee met once on 01st February, 2024.

The Composition, Meetings and Attendance of the Members of Stakeholders Relationship Committee is as under:

Director	Position	Category	No. of meetings held	No. of meetings attended
Shri Drishinder Singh Sandhawalia	Chairman	Non-Independent, Non-Executive Director	1	1
Shri Jagesh Kumar Khaitan	Member	Non-independent, Executive Director	1	1
Ms. Shireen Sethi	Member	Independent, Non-Executive Director	1	1

The composition of the Stakeholders Relationship Committee is in conformity with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

Shri Gurinder Singh Makkar, Company Secretary is the Compliance Officer of the Company and acts as Secretary to Committee Meetings.

During the financial year 2023-24, the Company had received only one complaint that was duly redressed. No complaints were pending at the end of the year 2023-24. The Company's complaint redressal systems are in order. The Company has designated Email Address exclusively for redressal of investors Complaints i.e. kuantumcorp@kuantumpapers.com and the same is also mentioned at the Company's Website.

Terms of Reference:

The terms of reference of the SRC, inter-alia, includes the following:

1. Consider and resolve the grievances of security holders of the Company, including complaints related to transfer/ transmission of securities/ Dematerialisation, non-receipt of annual report / declared dividends

/ notices / balance sheet, issue of new/ duplicate certificates, general meetings etc.

2. Monitor and Reviewing of investors complaints and take necessary steps for redressal thereof;
3. To perform all functions relating to the interest of the Stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the rules made thereunder, Listing Agreements and the guidelines issued by SEBI or any other regulatory authority.

(d) Risk Management Committee

Pursuant to the Regulation 21 of SEBI (Listing obligation and Disclosure Requirement) Regulation, 2015, top 1,000 listed entities, determined on the basis of market capitalisation as at the end of the immediate preceding financial year are required to constitute Risk Management Committee.

The Company has a duly constituted Risk Management Committee. During the year 2023-24, the Committee comprised of the following three directors of the Company. During the financial year 2023-24, the Committee met twice on 29.04.2023 and 25.10.2023.

The Composition, Meetings and Attendance of the Members of Risk Management Committee is as under:

Director	Position	Category	No. of meetings held	No. of meetings attended
Shri Pavan Khaitan	Chairman	Non-Independent, Executive Director	2	2
Shri D.S. Sandhawalia	Member	Non-independent, Non-Executive Director	2	2
Shri Bhavdeep Sardana	Member	Independent, Non-Executive Director	2	2

Pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has framed a 'Risk Management Policy' to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure.

The composition of the Risk Management Committee is in conformity with the requirements of Regulation 21 of the Listing Regulations. The Company Secretary of the Company is Secretary of this Committee.

The Risk Management Committee has the following terms of Reference:

- i. To formulate a detailed risk management policy which shall include:

(i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(ii) Measures for risk mitigation including systems and processes for internal control of identified risks.

(iii) Business continuity plan.

- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
 - vii. Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for the same;
 - viii. Review the Enterprise Risk Management framework;
 - ix. Review the Company's risk appetite and strategy relating to key risks, including market risk, product risk, reputational risk and cyber security risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks;
 - x. Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels;
 - xi. Review compliance with risk policies, monitor breach/trigger trips of risk tolerance limits and direct action;
 - xii. Approve major decisions affecting the risk profile or exposure and give appropriate directions;
 - xiii. Generally assist the Board in the execution of its responsibility for the governance of risk
 - xiv. Attend to such other matters and functions as may be prescribed from time to time.
- (e) Corporate Social Responsibility Committee**
- In accordance with the provisions of Section 135 of the Companies Act, 2013 read with schedule VII of the said Act and further read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has duly constituted Corporate Social Responsibility Committee.
- During the financial year 2023-24, the Committee met twice on 29.04.2023 and 01.02.2024.

The Composition, Meetings and Attendance of the Members of Corporate Social Responsibility Committee is as under:

Director	Position	Category	No. of meetings held	No. of meetings attended
Shri Pavan Khaitan	Chairman	Non-Independent, Executive Director	2	2
Shri Drishinder Singh Sandhawalia	Member	Non-independent, Non-Executive Director	2	2
Ms. Shireen Sethi	Member	Independent, Non-Executive Director	2	2

The composition of the Corporate Social Responsibility Committee is in conformity with the requirements of Section 135 of the Companies Act, 2013.

The Company covers the activities under Corporate Social Responsibility as mentioned in Section 135 the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013 as well as Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee meets for dispatch of its business at such frequency as it may think fit having regard to the volume of work.

Key Responsibilities/Terms of Reference of the CSR Committee:

- i. Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- ii. Recommend the amount of expenditure to be incurred on the activities undertaken.
- iii. Review the Company's performance in the area of CSR.
- iv. Evaluate the social impact of the Company's CSR activities.

- v. Review the Company's disclosure of CSR matters, including any annual social responsibility report.
- vi. Review the CSR Report, with the Management, before submission to the Board for approval.
- vii. Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent for the intended purpose only.

The CSR Policy of the Company is available at Website of the i.e. www.kuantumpapers.com.

Finance Committee

Apart from above statutorily required Committees, the Board has also constituted Finance Committee consisting of Shri Jagesh Kumar Khaitan as Chairman and Shri Pavan Khaitan and Mr. Vivek Bihani as Members to the Committee. During the Financial Year 2023-24, 17 Meetings of Finance Committee were held with requisite quorum present therein.

Recommendations of the Committees

All the recommendations made by the all the Committees were accepted by the Board.

4. RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year 2023-24 were on an arm's length basis and in the ordinary course of the business of the Company and do not attract provisions of Section 188 of the Companies Act, 2013. There were no significant or material transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. All Related Party Transactions are placed before the Audit Committee of the Board of Directors for prior approval, as required under applicable law. The Audit Committee as well as all the Directors who were Independent Directors approved the same. A statement giving details of all related party transactions is placed before the Audit Committee of the Board of Directors for their review on a quarterly basis. The Policy on Related Party Transactions was also amended by the Board of Directors to incorporate the new requirements introduced under the SEBI Listing Regulations. The Policy on Materiality of and dealing with Related Party transactions as approved by the Board is uploaded on the Company's weblink: <https://www.kquantumpapers.com/pdf/RPT-Policy.pdf>

5. DISCLOSURES AND COMPLIANCES

- i. During the financial year ended March 31, 2024 there were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- ii. The Company has announced Whistle Blower Policy. All the personnel of the Company have the access to the Audit Committee.
- iii. The Company has complied with the mandatory requirements of the Listing Regulation.
- iv. The Company does not have a Material Subsidiary, but it has framed a Material Subsidiary Policy and the same is placed on the Company's website and the web link for the same is <https://www.kquantumpapers.com/pdf/Policy-for-Determining-Material-Subsidiary.pdf>
- v. The Company's Audit Committee reviews the Financial Statements of the Company
- vi. During the financial year ended March 31, 2024 the Company did not engage in commodity hedging activities.

vii. Particulars of senior management including the changes therein since the close of the previous financial year:

Sr.	Name of Senior Manager	Designation	Particulars of Change since the close of the previous financial year:
1	Mr. Sushil Khaitan	CEO(Operations)	Continues in Employment
2	Mr. Sanjay Khosla	Chief Marketing Officer	Continues in Employment
3	Ms. Prachi Sharma	Vice President (Corporate Strategy)	Continues in Employment
4	Mr. NM Reddy	Vice President (Technical Excellence)	Appointed w.e.f. 14.03.2024
5	Mr. Vivek Trehan	Company Secretary	Superannuated w.e.f. 30.11.2023
6	Mr. Gurinder Singh Makkar	Company Secretary	Appointed w.e.f. 01.12.2023
7	Mr. Parvinder Singh Taunque	Vice President -Engg.	Resigned w.e.f. 23.02.2024
8	Mr. Aresh Kumar Mukherjee	Chief Growth Officer	Resigned w.e.f. 10.11.2023
9	Mr. Vikram Khaitan	Vice President- Finance	Appointed w.e.f. 01.02.2024

viii. Disclosure of certain types of agreements binding listed entities

There are no such agreements of contracts binding listed companies as detailed in SEBI LODR which directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity. Hence Information required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations is nil.

ix. The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgements made in preparation of these financial statements are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and operations of the Company.

- x. The Company has well-defined Risk Management Policies for its business, which are periodically reviewed to ensure that the executive management controls risk by means of a properly defined framework.
- xi. The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year under review.
- xii. There was no instance of non-compliance of any matter relating to the capital markets by the Company. No penalties or strictures have been imposed on the company by the stock exchange, SEBI or any other statutory Authorities on any matter relating to the capital market since the listing of the Company.
- xiii. The Company is complying with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- xiv. In compliance with the terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of equity shares lying unclaimed in the 'Unclaimed Suspense Account' as on 31.03.2024 is NIL. The information as required in pursuance of the Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

Sr.	PARTICULARS	NO. OF SHARE-HOLDERS	OUTSTANDING SHARES OF FACE VALUE OF RS. 1/- EACH.
1	Aggregate number of Shareholders and the Outstanding Shares in the Suspense Account lying at the beginning of the year	Nil	Nil
2	Less: Number of shareholders who approached listed entity and their shares were transferred from suspense account during the Financial Year 2023-24	Nil	Nil
3	Less: Subsequently transferred from suspense account to IEPF A/C during the year	Nil	Nil
4	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year i.e., 31.03.2024	Nil	Nil

- xv. During the year under review, the Company has credited amount of Rs. 2,37,052 to the Investor Education and Protection Fund (IEPF) pursuant to the relevant provisions of the Companies Act, 2013. The Company Secretary is Nodal Officer for the purpose of coordination with Investor Education and Protection Fund Authority as and when required. Details of the Nodal Officer are available on the website of the Company at www.kuantumpapers.com.
- xvi. The Company has not adopted discretionary requirements as specified in Part E of Schedule II in terms of Regulation 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xvii. Quarterly/Half yearly/yearly financial results are forwarded to the Stock Exchanges and also uploaded on the website of the Company. The same are also published in required newspapers.
- xviii. There was no audit qualification in the Auditors Report on the Company's financial statements for the year 2023-24.
- xix. The Internal Auditor of the Company reports to and presents his internal audit report to the Audit Committee.
- xx. The Company has complied with all the Corporate Governance requirements specified in regulation 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 or any other relevant regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no instance of non-compliance of any requirement of Corporate Governance.
- xxi. Disclosure of shares / convertible instruments held by directors as on March 31, 2024.

Sr.	Name	Shares	Convertible Instruments
1.	Mr. Jagesh Kumar Khaitan (Chairman)	14,47,580 (1.66%)	Nil
2.	Mr. Pavan Khaitan (Vice Chairman & Managing Director)	14,72,650 (1.69)	Nil
3.	Mr. D.S. Sandhawalia (Non-Executive Director)	Nil	Nil
4.	Mr. Vivek Bihani (Independent Director)	Nil	Nil
5.	Mr. Bhavdeep Sardana (Independent Director)	Nil	Nil
6.	Ms. Shireen Sethi (Independent Director)	Nil	Nil

There are no outstanding convertible Instruments allotted to any of the Directors as at March 31, 2024.

6. PUBLIC / RIGHTS / PREFERENTIAL ISSUES/ BONUS ISSUE / SUBDIVISION

During the financial year 2023-24, pursuant to the provision of Section 55 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the Company has fully redeemed unlisted Redeemable Preference Shares amounting to Rs. 30 crores. Hence, as at 31st March, 2024, the Paid up Preference Share Capital stands Nil.

Apart from above, there was no change in the Share Capital during the year under review. The Company has neither issued any shares with differential voting rights or granted stock options or issued sweat equity or purchased its own shares nor the Company has made any Public/ Rights/ Bonus/Buy back of Equity Shares of the Company. The paid up Equity Share Capital of the Company stood at Rs. 8,72,63,630/- divided into 8,72,63,630 equity shares of face value of Rs. 1/- each.

7. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

The Company has not issued GDRs or ADRs.

8. INDEPENDENT DIRECTORS

It is confirmed that in the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

9. SUSPENSION OF SECURITIES

The securities of the Company have not been suspended from trading during FY 2023-24.

10. SECRETARIAL AUDIT AND SECRETARIAL COMPLIANCE REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s S.K. Sikka & Associates, Company Secretaries, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. Secretarial Audit Report as per Section 204 of Companies Act 2013 is given in this Annual Report. No adverse remarks, observations or comments have been made in the said report by the Practicing Company Secretary. Regulation 24 A of SEBI (LODR) Regulations read with SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019 mandated all listed entities to obtain annual secretarial compliance Reports on compliance with SEBI Regulations and circulars/guidelines issued thereunder from a company secretary in practice. Accordingly, the Company has obtained a Secretarial Compliance Report for FY 2023-24 from M/s S.K. Sikka & Associates, Practicing Company Secretaries and filed the same with BSE and NSE.

11. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Vigil Mechanism for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. The Mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.kquantumpapers.com. We affirm that during the financial year 2023-24, no employee was denied access to the Audit Committee.

12. FUND RAISING BY ISSUANCE OF DEBT SECURITIES

Pursuant to SEBI Circular No. SEBI/HO/DDRS/CIR/P/2018/144 dated November 26, 2018 further read with SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023, the Company is not identified as a "Large Corporate" during the year ended March 31, 2024 as per the framework provided in the said Circulars. Hence the requirement of incremental borrowings by way of issuance of debt securities is not applicable to the Company. Moreover, the Company has not raised any fund by issuance of debt securities.

13. CEO/CFO CERTIFICATION

The Managing Director who is CEO and Chief Financial Officer have certified to the Board, inter-alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2024. The said certificate is annexed at Annexure-8 and forms part of Annual Report.

14. MEANS OF COMMUNICATIONS

The Company communicates with the shareholders through its Annual Reports, Publication of quarterly Financial Results, press releases and reports and returns filed with Stock Exchanges and Registrar of Companies. The financial results are normally published in newspapers such as Economics Times (English) and Desh Sewak (Punjabi). All information including business updates, product, process, financials such as Annual Reports, Quarterly results, Shareholding Pattern, different codes are also available on the Company's Website i.e. www.kquantumpapers.com and information about it is also given in the Annual Reports and publications made by the Company. The Investor Complaints are processed in a centralised web based complaints redressal system on www.scores.gov.in, a website maintained by SEBI. The main

feature of this system is central database of all complaints, online upload of action taken reports (ATRs) by the concerned companies and online view by investors of action taken on complaints and its current status

The investors can register their grievances at Company's e-mail id i.e. kuantumcorp@kuantumpapers.com or gurindermakkar@kuantumpapers.com.

15. CODE OF CONDUCT

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel. The Code of Business Conduct & Ethics, as approved by the Board of Directors, is displayed at the website of the Company at www.kuantumpapers.com

All the members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2024 and a declaration to that effect signed by the Chief Executive Officer is attached and forms part of this report.

16. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. All Directors, insiders and designated persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. The said code is available on the Company's website at www.kuantumpapers.com.

17. CREDIT RATING OBTAINED BY THE COMPANY

During the year under review, CARE Ratings Limited (CARE) has reviewed the external credit rating for the Long-Term, Short-Term Bank facilities and Fixed Deposits of the company and has reaffirmed the rating with stable outlook. The updated facility wise rating is as under:

Facilities	Rating	Rating Action
Long Term Bank Facilities	CARE A; Stable (Single A; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities	CARE A1 (A One)	Reaffirmed

Fixed Deposit	CARE A; Stable (Single A; Outlook: Stable)	Reaffirmed
---------------	--	------------

18. DISCLOSURE BY THE COMPANY AND ITS SUBSIDIARIES OF "LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT

There are no such transactions to report.

19. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES.

Risks are associated with various forex exposures like translation and transaction. Import Exposure includes Acceptance, Trade Payables, Trade Buyer's Credit, Interest Payable, Capex Buyer's Credit and export exposure includes trade receivables. There are various financial instruments for hedging available to mitigate these risks like Forward Cover, Options and Derivative etc. Based on the risks involved in the hedging instrument, the Company is generally uses Forward Cover as measure for mitigating the Forex Volatility.

The Company being a manufacturer of writing and printing paper is exposed to commodity price risk as it purchases imported and indigenous raw material. The increase in prices of raw material, imported pulp and other inputs continues to be a matter of great concern for the industry. However, locational advantage of the company's paper mill provides an added access to the major raw material sources and insulates it, to some extent on this front. The Company has exclusive sources of suppliers connected to it for the last more than three decades for supply of Agro raw materials, by way of long term contract arrangements. However, any changes in prices of commodities impact procurement cost of raw material.

The Company has price review mechanism to protect against material movement in price of raw materials. As per the SEBI Circular dated November 15, 2018, disclosure regarding exposure of the Company to various commodities for the financial year ended on March 31, 2024, is as under:

- Total exposure of the listed entity to commodities in Rs. : NIL/NA

Management of Commodity risks faced by the listed entity during the year:

Senior management monitors commodity price risk and foreign exchange risk and based on the expert advice, take necessary step for its coverage. The Company has a very robust and well proven policies for commodities and inputs sourcing and prices are generally on the lower side. The Company has adequate working capital arrangements in place to adhere to the above policy procurement every year.

20. DETAILS OF FEES PAID BY THE COMPANY AND ITS SUBSIDIARIES(IF ANY), ON CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND TO ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART:

Fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

Total fees of Rs. 24.51 Lakhs (including out of pocket expenses) for financial year 2023-24, for all services, was paid by the Company, to the Statutory Auditors.

21. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has an Internal Complaints Committee which meets regularly to discuss and monitor if there is any sexual

harassment in the work place and resolves the issues if any. During the financial year under consideration, the committee did not receive any complaints related to the sexual harassment of women and no hence complaint was pending as on end of the year 2023-24.

22. DETAILS OF MATERIAL SUBSIDIARIES OF THE COMPANY, INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES :

The Company does not have any subsidiary/material subsidiary Companies as on reporting date. Hence, the said disclosure is not applicable.

23. GENERAL BODY MEETINGS

a. The last three Annual General Meetings of the Company were as under:

Meeting	Day	Date	Time	Place/Venue	No. of Special Resolutions Passed
24th AGM	Thursday	23.09.2021	11.30 A.M.	Through Video conferencing (VC)	3
25th AGM	Friday	29.07.2022	11.30 A.M.	Through Video conferencing (VC)	3
26th AGM	Friday	07.07.2023	11.30 A.M.	Through Video conferencing (VC)	0

b. Special Resolutions passed in the previous three AGMs

Financial Year	AGM Dated	Details of the Special Resolutions Passed
2020-21	23.09.2021	To approve special resolution under Section 180 (1)(c) of the Companies Act, 2013 To approve special resolution under Section 180 (1)(a) of the Companies Act, 2013 To approve special resolution under Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, to issue Cconvertible/Non-convertible securities
2021-2022	29.07.2022	Re-appointment of Sh. Vivek Bihani (DIN 00014296) as Independent Director Re-appointment of Ms. Shireen Sethi (DIN 01576676) as Independent Director To Amend Articles of Association of the company.
2022-23	07.07.2023	Nil

- c. No Extra Ordinary General Meeting of the shareholders was held during the financial year ended March 31, 2024.
- d. At the ensuing Annual General Meeting, there is no resolution which is proposed to be passed by postal ballot.
- e. During the financial year 2023-24, only one Special resolution was passed, through Postal Ballot for Re-appointment of Mr. Bhavdeep Sardana (DIN:03516261) as an Independent Director for a second consecutive term of five years, the voting pattern of the same is as under:

Manner of voting	Votes in favour of the resolution			Votes against the resolution:			Invalid votes	
	No of Members	No. of Votes	% age	No of Members	No. of Votes	% age	No of Members	No. of Votes
Remote E-voting	104	66448047	99.9991	14	538	0.0009	-	-

Conduct of Postal Ballot

Sushil K Sikka of S K Sikka & Associates, Practicing Company Secretary, Chandigarh (COP No. 3582) conducted the aforesaid postal ballot exercise as Scrutinizer for postal ballot programmes, in a fair and transparent manner. The above said Resolution in Postal Ballot Programme was duly approved and passed with requisite majority. The results in respect of the same were declared and duly forwarded to stock exchanges.

Procedure for Postal Ballot:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, Resolution and Explanatory Statement alongwith relevant disclosures were sent through email to the shareholders of the Company pursuant to the provisions of Companies Act, 2013, read with MCA circulars, further read with relevant SEBI Circulars and provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to consider and vote for or against the proposal within a period of 30 days. The E-voting facilities through NSDL were made available to all the shareholders for a period of 30 days and instructions for the same were specified under instructions for voting in the Postal Ballot Notice. E-mails were sent to shareholders whose e-mail ids were available with the depositories and the Company along with Postal Ballot Notice. After the last day for e-voting, the Scrutinizer, after due verification, submitted the results to the Director authorised to declare results Thereafter, the Chairman declared the result of the Postal Ballot. The same were communicated to stock exchange and copies of resolutions were filed at MCA Website and results were also displayed on the Company's website and Notice Board.

24. PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

A certificate has been obtained from the Practicing Company Secretary of the Company regarding compliance with the provisions relating to Corporate Governance laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges. The same is annexed to this report.

25. GREEN INITIATIVE

The Ministry of Corporate Affairs has taken the Green Initiative in Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative. Your Company appeals to you, its shareholders, who are yet to register your E-mail addresses that you take necessary steps for registering the same so that you can also become a part of the initiative and contribute towards a Greener environment.

26. GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting

Date	30th August, 2024
Day	Friday
Time	11.30 AM
Venue	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Record date	23rd August, 2024.
For dividend	
Cut off date	23rd August, 2024.
For voting	
Book closure dates	24.08.2024 to 30.08.2024 (both days inclusive).
Remote E-Voting Period	From Tuesday, the 27th day of August, 2024 (9.00 a.m. IST) to Thursday, the 29th day of August, 2024(5.00 p.m. IST).

(ii) Financial Year: April 01 to March 31

(iii) Financial Calendar 2024-25 (Tentative)

Financial Results for Quarter ended 30.06.2024	By Second week of August, 2024
Financial Results for Quarter ended 30.09.2024	By Second week of November, 2024
Financial Results for Quarter ended 31.12.2024	By Second week of February, 2025
Financial Results for Quarter ended 31.03.2025	By 2nd /3rd week of May, 2025
Notice/ Directors Report 2024-25	August, 2025

(iv) Dividend Payable Date

Considering the strong business operations coupled with healthy cash flows during the year under review, your Directors have proposed a final dividend of INR 3/- per share (previous year INR 3/- per share) on the Equity Shares of face value of Rs. 1.00 each for financial year 2023-24.

Subject to the provisions of Companies Act, 2013, final dividend on Equity Shares as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid within 30 days of the declaration of same.

Further, in terms of Section 123(3) of the Companies Act, 2013, the Board of Directors had declared and paid interim dividend to the preference shareholders @ 10% per annum on pro rata basis for the period 1st April 2023 to 29th October 2023 amounting to Rs. 1,73,77,049/- (Rupees One Crore Seventy Three Lacs Seventy Seven Thousand and Forty Nine only) and the same is subject to the confirmation of the shareholders of the Company in ensuing Annual General Meeting. The Company had duly redeemed the said Preference Shares during the year 2023-24.

(v) Dividend Distribution Policy

Pursuant to the provision of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the top 1,000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports.

Though, the Company is not covered among top 1,000 listed entities as at 31st March, 2024, yet in terms of Regulation 3(2) of SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has in place Dividend Distribution Policy. The Policy can be accessed on the Company's website at weblink: <https://www.kquantumpapers.com/pdf/Dividend-Distribution-Policy.pdf>

(vi) Listing

Sl. No.	Name & address of stock exchanges
1	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
2	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (I)

The Company has already paid annual listing fee for the year 2023-24 to BSE Limited and National Stock Exchange of India Limited.

(vii) Stock Code

BSE Limited	: 532937
National Stock Exchange of India Limited	: KUANTUM
Demat ISIN in NSDL and CDSL for equity shares	: INE 529I01021
Face Value per share:	: Re. 1/-

(viii) Market Price Data

The monthly high/low quotation of the equity shares traded at BSE limited and BSE

Sensex during the financial 2023-24 are given below.

KUANTUM					BSE SENSEX		
Month	High	Low	Close	No. of Shares	High	Low	Close
Apr-23	153.00	120.65	149.20	1,52,018	61,209.46	58,793.08	61,112.44
May-23	176.00	148.40	150.55	2,71,761	63,036.12	61,002.17	62,622.24
Jun-23	193.30	147.45	191.55	3,13,375	64,768.58	62,359.14	64,718.56
Jul-23	213.55	180.90	188.70	6,91,335	67,619.17	64,836.16	66,527.67
Aug-23	225.45	179.00	191.95	9,71,582	66,658.12	64,723.63	64,831.41
Sep-23	199.85	173.50	176.70	5,05,028	67,927.23	64,818.37	65,828.41
Oct-23	199.55	167.45	173.50	3,54,518	66,592.16	63,092.98	63,874.93
Nov-23	182.95	162.05	167.35	2,71,366	67,069.89	63,550.46	66,988.44
Dec-23	191.10	167.90	171.90	3,84,216	72,484.34	67,149.07	72,240.26
Jan-24	185.10	168.75	178.80	4,13,707	73,427.59	70,001.60	71,752.11
Feb-24	187.00	153.50	181.85	5,20,990	73,413.93	70,809.84	72,500.30
Mar-24	193.00	143.65	154.90	3,78,449	74,245.17	71,674.42	73,651.35

The monthly high/low quotation of the equity shares traded at National Stock Exchange of India Limited and NSE Nifty during the financial 2023-24 are given below.

KUANTUM				NSE NIFTY		
Month	High	Low	Close	High	Low	Close
Apr-23	153.950	119.500	149.750	18,089.15	17,312.75	18,065.00
May-23	175.800	148.850	150.050	18,662.45	18,042.40	18,534.40
Jun-23	194.000	149.350	192.050	19,201.70	18,464.55	19,189.05
Jul-23	214.650	181.050	189.100	19,991.85	19,234.40	19,753.80
Aug-23	225.850	179.000	192.300	19,795.60	19,223.65	19,253.80
Sep-23	199.050	173.200	176.300	20,222.45	19,255.70	19,638.30
Oct-23	199.950	167.000	173.450	19,849.75	18,837.85	19,079.60
Nov-23	181.800	162.150	167.350	20,158.70	18,973.70	20,133.15
Dec-23	191.000	166.950	172.200	21,801.45	20,183.70	21,731.40
Jan-24	185.000	168.000	178.650	22,124.15	21,137.20	21,725.70
Feb-24	187.400	153.050	181.800	22,297.50	21,530.20	21,982.80
Mar-24	191.000	143.500	154.500	22,526.60	21,710.20	22,326.90

(ix) Share Transfer Agent and Demat Registrar

The Company has appointed MAS Services Ltd as its share transfer agent and accordingly, processing of share transfer/ transmission/demat/ re-materialisation/issue of duplicate shares/confirmation letters and allied activities are handled by MAS Services Ltd, New Delhi. The Company has participation as an issuer with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All the fees to both Depositories stands paid till date. The shareholders may operate through any depository.

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form.

Address of Registrar and Transfer Agents

M/s MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area,
Phase - II,
New Delhi - 110 020
Ph: - 011-26387281/82/83
Fax: - 011-26387384
email:- info@masserv.com
website: www.masserv.com

(x) Share Transfer System

The Registrars and Share Transfer Agent have put in place an appropriate share transfer system to ensure timely share transfers and related activities. SEBI vide its Circular dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/

folios; Transmission and Transposition. Accordingly, shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website: www.kuantumpapers.com.

Any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company, for assistance in this regard.

The Company obtains yearly certificate from Practicing Company Secretary confirming the compliance by the Company of the timelines specified under Regulation 40(9) of the Listing Regulations for registering transmission/ consolidation. Compliance certificate pursuant to Regulation 7(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, jointly signed by the Company Secretary/Compliance Officer and the Registrar & Share Transfer Agent is also filed with the stock exchanges.

As per the provision of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form by writing to the Company Secretary of the Company or RTA, or download the form from the RTA's website. Members holding shares in dematerialized form should contact their Depository Participant (DP) in this regard.

(xi) Distribution of Equity Shareholding**(a) Shareholding Pattern as on 31st March, 2024**

Sl. No.	Description	No. of equity shares held	Shareholding %
1.	Promoters		
	• Individuals	33,12,810	3.80
	• Bodies Corporate	5,80,37,880	66.51
2.	Institutional Investors		
	• Mutual Funds/UTI	2,500	0.00
	• Banks/Financial Institutions	3,030	0.00
	• Insurance Companies	-	-
	• FIIs/FPIs	1,47,484	0.17
3.	Others		
	• Private Bodies Corporate	69,05,848	7.91
	• Indian Public	1,86,60,689	21.38
	• NRIs/OCBs	1,93,389	0.23
	Total	8,72,63,630	100.00

(b) Distribution of shareholding as on 31 March 2024

Shareholding of Nominal Value of Rs.	No. of shareholders	%age of shareholders	No. of shares	%age of holding
1 to 5,000	19768	97.495	6706538	7.685
5,001 to 10,000	264	1.302	1911821	2.191
10,001 to 20,000	129	0.636	1845089	2.114
20,001 to 30,000	44	0.217	1088172	1.247
30,001 to 40,000	13	0.064	473063	0.542
40,001 to 50,000	11	0.054	497321	0.570
50,001 to 1,00,000	23	0.113	1679328	1.924
1,00,001 and above	24	0.119	73062298	83.727
Total	20276	100.000	8,72,63,630	100.000

(xii) De-materialization of Shares

The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) and National Securities Depository Ltd. (NSDL) to offer depository Services to the shareholders. As on March 31, 2024, 99.25% of the shares of the Company have been dematerialized.

(xiii) Reconciliation of Share Capital Audit

As required under the Securities & Exchange Board of India (SEBI) (Depositories and Participants) Regulations, 2018, quarterly audit of the Company's share capital is carried out by an independent auditor (Practicing Company Secretary) with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate/Report in regard to the same is submitted to BSE Limited and NSE and is also placed before Stakeholders' Relationship Committee and the Board of Directors. As on March 31, 2024, 99.25% of the Equity Shares were in dematerialised form.

(xiv) Compliance Officer

Mr. Gurinder Makkar (Company Secretary)
Phone: 172-5172737
E-mail: gurindermakkar@kquantumpapers.com

(xv) CEO/ Managing Director

Mr. Pavan Khaitan
Phone: 172-5172737
E-mail: kquantumcorp@kquantumpapers.com

(xvi) Chief Financial Officer

Mr. Roshan Garg
Phone: 172-5172737
E-mail: kquantumcorp@kquantumpapers.com

(xvii) Designated Email Id For Investors

kquantumcorp@kquantumpapers.com

(xviii) Corporate Identity Number (CIN):

The Corporate Identity Number (CIN) of the Company, allotted by Ministry of Company Affairs, Government of India is CIN: L21012PB1997PLC035243

(xix) Outstanding GDRs/ADRs/Warrants etc.

Not applicable/None

(xx) Plant Location

Paper Mill, Saila Khurd 144529
Distt: Hoshiarpur, Punjab, India

(xxi) Address for correspondence

- Registered Office:
Paper Mill, Saila Khurd-144529
Distt. Hoshiarpur, Punjab, India
- Registrar & Share Transfer Agent
M/s MAS Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area, Phase - II,
New Delhi - 110 020, India
Ph:- 011-26387281/82/83
Fax:- 011-26387384
email:- info@masserv.com
website : www.masserv.com

ANNEXURE-6

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE

REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members of
Kquantum Papers Limited

I have examined the compliance of the conditions of Corporate Governance by **Kquantum Papers Limited** for the year ended 31st March, 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

I, further state that compliance is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For S. K. SIKKA & ASSOCIATES
Company Secretaries

SUSHIL K. SIKKA

Prop.

FCS 4241, CP 3582

Peer Review Cert. No. 1057/2021

UDIN: F004241F000466780

Place: Chandigarh
Date: 29/05/2024

ANNEXURE-7

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations)

To
 The Members,
Kquantum Papers Limited
 Factory Premises, Saila Khurd, Hoshiarpur Punjab

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kquantum Papers Limited** ("Company") having CIN: L21012PB1997PLC035243 and having its registered office at Factory Premises, Saila Khurd, Hoshiarpur, Punjab, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended 31st March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority

Sr. No.	Name of Director	DIN
1.	Mr. Jagesh Kumar Khaitan	00026264
2.	Mr. Pavan Khaitan	00026256
3.	Mr. Vivek Bihani	00014296
4.	Ms. Shireen Sethi	01576676
5.	Mr. Drishinder Singh Sandhawalia	03174394
6.	Mr. Bhavdeep Sardana	03516261

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Annual Report of the financial year ended 31st March, 2024.

For S. K. SIKKA & ASSOCIATES
 Company Secretaries

Place: Chandigarh
 Date: 29/05/2024

SUSHIL K. SIKKA
 Prop.
 FCS 4241, CP 3582
 Peer Review Cert. No. 1057/2021
 UDIN: F004241F000466771

ANNEXURE-8

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

{In terms of regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}

The Board of Directors,
Kquantum Papers Ltd
 Saila Khurd- Distt. Hoshiarpur Punjab

Re: Financial Statements for the year 2023-24– Certification by CEO and CFO

We, Pavan Khaitan, Vice Chairman & Managing Director (CEO) and Roshan Garg, CFO, of Kquantum Papers Ltd., on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31 March 2024 and to the best of our knowledge and belief, hereby certify that -

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
5. We further certify that -
 - (a) There have been no significant changes in internal controls during the year;
 - (b) There have been no significant changes in accounting policies during the year;
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control systems.

For Kquantum Papers Limited
 (CIN: L21012PB1997PLC035243)

Place Chandigarh
 Dated 29th May, 2024

Pavan Khaitan
 Vice Chairman & Managing Director/CEO
 DIN: 00026256

Roshan Garg
 CFO

ANNEXURE-9

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I, Pavan Khaitan, Chief Executive Officer of Kquantum Papers Ltd, hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2024.

For Kquantum Papers Limited
(CIN: L21012PB1997PLC035243)

Place Chandigarh
Dated 29th May, 2024

Pavan Khaitan
Vice Chairman & Managing Director/CEO
DIN: 00026256

ANNEXURE-10

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L21012PB1997PLC035243
2	Name of the Listed Entity	KUANTUM PAPERS LIMITED
3	Date of incorporation	28-05-1997
4	Registered office address	Paper Mill, Saila Khurd, District Hoshiarpur, Punjab-144529
5	Corporate address	W1A, F.F, Tower A, Godrej Eternia Plot No. 70 Industrial Area-1, Chandigarh-160002
6	E-mail	kquantumcorp@kquantumpapers.com
7	Telephone	+91 1884 502737
8	Website	www.kquantumpapers.com
9	Financial year for which reporting is being done	1st April, 2023 to 31st March, 2024
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd. (NSE) & BSE Ltd. (BSE)
11	Paid-up Capital (In Rs.)	8,72,63,630/- (Equity)
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr Gurinder Singh Makkar, Company Secretary Email: gurindermakkar@kquantumpapers.com Phone: 0172 517 2737
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Whether the company has undertaken reasonable assurance of the BRSR Core?	N.A.
15	Name of assurance provider	N.A.
16	Type of assurance obtained	N.A.

II. Products/services

17 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Writing, Printing and Specialty Papers.	Paper and Paper products	100

18 Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contribute
1	Writing, Printing and Specialty Papers	1701	100

III. Operations

19 Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	1	2	3
International	0	0	0

20 Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	21
International (no. of Countries)	32

b. What is the contribution of exports as a percentage of the total turnover of the entity?

5.50%

c. A brief on types of customers

Our Writing Printing paper serves Business-to-Business (B2B) Customers i.e. Printers, Publishers, Notebook convertors, Diary Manufacturers and Institutional buyers. Our specialty paper is serving the consumers making paper cups and straws, sublimation applications, soap wrapping, publicity material and thermal coating . Our Copier paper serves retail customers for office as well as home use.

IV. Employees

21 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. C	% (C / A)
Employees						
1	Permanent (D)	583	571	98%	12	2%
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D + E)	583	571	98%	12	2%
WORKERS						
4	Permanent (F)	774	774	100%	0	0%
5	Other than Permanent (G)	1000	980	98%	20	2%
6	Total workers (F + G)	1774	1754	99%	20	1%

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. C	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	3	3	100%	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D + E)	3	3	100%	0	0
DIFFERENTLY ABLED WORKER						
4	Permanent (F)	6	6	100%	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F + G)	6	6	100%	0	0

22 Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Management Personnel	3	0	0

23 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particulars	F.Y. 2023-24 (Turnover rate in current FY)			F.Y. 2022-23 (Turnover rate in previous FY)"			F.Y. 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.04%	44.29%	22.63%	17.55%	33.33%	17.91%	18.02%	14.28%	17.92%
Permanent Workers	13.59%	0.00%	13.59%	8.62%	0.00%	8.62%	7.08%	0.00%	7.08%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**24 (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kapedome Enterprises Limited	Holding	0.00%	Yes

VI. CSR Details

- 25** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
(ii) Turnover (Rs. in Lakhs) 1,21,129.65
(iii) Net worth (Rs. in Lakhs) 1,12,384.43

VII. Transparency and Disclosures Compliances**26 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	F.Y. 2023-24 (Current Financial Year)			F.Y. 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes (https://www.kuantumpapers.com/policies/)	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes (https://www.kuantumpapers.com/policies/)	0	0	NA	0	0	NA
Shareholders	Yes (https://www.kuantumpapers.com/policies/)	1	0	Complaint resolved satisfactorily	1	0	Complaint resolved satisfactorily
Employees and workers	Yes (https://www.kuantumpapers.com/policies/)	0	0	NA	0	0	NA
Customers	Yes (https://www.kuantumpapers.com/policies/)	44	0	All Complaints resolved satisfactorily	46	0	All Complaints resolved satisfactorily
Value Chain Partners	Yes (https://www.kuantumpapers.com/policies/)	0	0	NA	0	0	NA
Other (please specify)							

27 "Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format"

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Wood availability	Risk / Opportunity	Risk: Since wood pulp constitutes the major portion in the pulp furnish for the paper manufacturing in the Company. Wood supply risk due to mismatch in demand & supply.	To mitigate supply risk associated with wood sourcing for pulp and paper, the Company has taken major initiatives towards Social, Farm and Agroforestry programme with local farm communities for a consistent and regular supply of quality wood. The company has its own well defined Plantation Development Strategy to increase massive plantation coverage with the help of marginal and progressive growers in the nearby districts.	No negative financial implication since major initiatives taken by the Company will enables to be a Wood Positive company in coming years.
2	Coal availability & energy cost	Risk / Opportunity	Risk: Consistent supply of coal is a challenge & higher usage of coal increase energy cost. Opportunity: Since this opens up avenues to move towards non-fossil fuel based energy sources.	Company has a well-defined strategy to reduce its dependency on Coal through renewable energy sources and Biomass fuels like Agro-wood dust, bark rice husk etc.	Neutral since the company is continuously taking steps to reduce dependency on Coal.
3	Unforeseen climatic conditions affecting the farming thereby restricting the Supply of wheat straw	Risk	Risk: Since wheat straw is a key input material for the company.	The Company has developed potential suppliers for a sustain & regular supply irrespective of seasons as they have sufficient storage capacity.	Low Adverse impact as the Company has substitute material like baggase, sarkanda in case of any shortage in supply of wheat straw.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Question		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	https://www.kuantumpapers.com/policies/								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO Certification 9001:2015 (Quality Management System) ISO Certification 14001: 2015 (Environmental Management System) ISO Certification 9001:2015 (Quality Management System for R&D) OHSMS Certification 45001:2018 (Occupation Health & Safety Management System) FSC® Certification Licence Code: FSC-C109585 (Forest Stewardship Council) DSIR Certification TU/IV-RD/3724/2022 (In house R&D Unit) BIS Certification IS 14490: 2018 (Plain Copier Paper- Specification) BIS Certification-IS 1848 (Part1) 2018 (Writing & Printing paper)								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>The Company has a vision to reduce its Water Consumption by 35% in the next 2 years and to increase the footprint of its Social, Farm, and Forestry program to 1 Crore clonal saplings in 5 years timeline.</p> <p>1. Water Conservation</p> <p>At Kuantum, we recognize the importance of conserving water to protect the environment and ensure the sustainability of our operations. Technologies used at our plant to reduce freshwater consumption include the installation of disc filters, conical save-alls, Micro Plate Settlers (MPS) technology, white water clarifiers and Dissolved Air Floatation (DAF) technology. We also recycle hot water from heat exchangers, use Volute Press equipment technology for handling secondary sludge, and have installed a Triple Wire Belt Press at its effluent treatment plant (ETP). These initiatives have helped us to reduce freshwater consumption by 2500 m³/day. Conscious efforts are being made through various projects to further reduce freshwater consumption by 5 m³/tonne of paper.</p> <p>2. Clonal Production & Plantation- Ensuring Sustainability in the Future</p> <p>Under its visionary approach to ensure raw material sustainability, Company has set up a Hi-Tech clonal nursery in its campus by newly installed Hi-Tech Mist Chambers , Hardening Chambers and advanced Mini Hedge Gardens with a current production capacity of 2 millions clonal saplings to increase the footprint of its Social, Farm and Agroforestry programmes to tune of 1 crore clonal saplings in coming 3 years' timeline which will be covering around 12500 acres of plantation per annum ensuring its wood positivity.</p> <p>3. Energy Conservation</p> <p>As a paper company, we understand the importance of energy conservation in reducing our carbon footprint and contributing to a sustainable future. The Company is currently operating at 28 MW co-generation power plants for captive use while eliminating dependency on Grid Power. To meet the demands of process steam, and to generate sustainable power, one high-pressure CFBC boiler, supplied by ISGEC, with an operating pressure of 110 Kg/cm² and 130 Ton/Hr steam flow has also been commissioned recently. This has helped Kuantum be self-sufficient for its power and steam requirements.</p>								

Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
---------------------	----	----	----	----	----	----	----	----	----

4. Organic Waste Recycling (Bio-Degradable)

In-house, we are doing segregation of the organic waste by taking all necessary health and safety precautions. We are using the compost-making machine and generating organic compost. Composting is a biological process during which naturally occurring microorganisms, bacteria, and insects break down organic materials such as leaves, grass clippings, and certain kitchen scraps into a soil-like product called compost. It is a form of recycling, a natural way of returning needed nutrients to the soil. Compost is used to improve soil structure through the addition of carbon and provide plant nutrients. In addition to being a source of plant nutrients such as nitrogen (N), phosphorus (P), and potassium (K), it improves the physio-chemical and biological properties of the soil.

- 6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. Please refer to the details given under each of the Principles.

Governance, leadership and oversight

- 7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Growth with Sustainability" forms the core of our operations at Kquantum and the same is reflected in every aspect of our business and dealings with all the stakeholders. Our growth and expansion strategy is well-integrated with our ESG roadmap, and we are fully committed to be a truly sustainable and socially responsible organisation.

Mr. Pavan Khaitan
Vice Chairman & Managing Director"

- 8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Mr. Pavan Khaitan
Vice Chairman & Managing Director

- 9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details yes (the Vice Chairman & Managing Director is authorised along with the HODs.)

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action																		
	Director									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		
	Director									Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Principles	P1	P2	P3	P4	P5	P6	P7	P8	P9
------------	----	----	----	----	----	----	----	----	----

Yes, The Company is FSC® certified since 2012 and continuing in its 3rd journey and complying with all the requirements for the FSC standards FSC-STD-40-004 for Chain of Custody (CoC), FSC-STD-50-001 for Certificate Holder Trademarks Requirements. M/s Eco Stewardship Private Limited, Noida (UP) is the external audit agency that conducts annual surveillance audits as a mandatory exercise to continue the certificate. The certificate is valid up to 15 March 2027. ISO audit for ISO 45001:2018 OHSMS, ISO 9001:2015 QMS & ISO 14001:2015 EMS has been conducted by BSI India & SMETA.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	Sustainability Initiatives, Changes/ Developments in Corporates and Industry Scenerio including those pertaining to statutes/legislation & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.	100%
Key Managerial Personnel	4	1. Company's Code of Conduct which covers aspects such as Corporate Governance & Good Corporate Governance. 2. Whistleblower Policy of the Company. 3. Sustainability Policies of the Company 4. Policy on Prohibition of Child or Forced Labour. 5. Anti-Corruption and Bribery Policy. 6. Prevention of Sexual Harassment Policy 7. EHS Policy	100%
Employees other than BoD and KMPs	33	Health and Safety, Skill Development, Human Rights, Functional/Technical Trainings.	100%
Workers	38	Health and Safety, Skill Development, Human Rights, Functional/Technical Trainings.	100%

- 2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement	Nil				
Compounding fee	Nil				

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment	Nil			

- 3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Nil

- 4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has a Anti-Corruption & Anti- Bribery policy in place. <http://www.kquantumpapers.com/Policies>

- 5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous FinancialYear)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers (Ash)	0	0

- 6 Details of complaints with regard to conflict of interest

Particulars	F.Y. 2023-24 (Current Financial Year)		F.Y. 2022-23 (Previous Financial Year)	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

- 7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

NA

- 8 Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous FinancialYear)
Number of days of accounts payables	18 Days	13 Days

- 9 Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Rs. in Lakhs

Parameter	Metrics	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Concentration of Purchases	a.i. Purchase from Trading Houses	45812.79	55250.66
	ii. Total Purchases	73709.78	81267.53
	iii. Purchases from trading houses as % of total purchases	62.15%	67.99%
	b. Number of trading houses where purchases are made from	671	686
	c.i. Purchase from top ten Trading Houses	33758.50	40869.16
	c.ii. Total Purchases from Trading House	45812.79	55250.66
	c. iii. Purchases from top 10 trading houses as % of total purchases from trading houses	73.69%	73.97%
Concentration of Sales	a.i. Sales to Dealers/ Distributors	120619.80	130245.14
	a.ii. Total Sales	121129.65	130955.84
	a.iii. Sales to dealers / distributors as % of total sales	99.58%	99.46%
	b. Number of dealers / distributors to whom sales are made	112	107
	c.i. Sales to top ten dealers/distributors	50697	54676
	c.ii. Total Sales to Dealers/ Distributors	120619.80	130245.14
	c.iii. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	42.03%	41.98%
Share of RPTs in	a.i. Purchases (Purchases with related parties)	0	0
	a.ii. Total Purchases	0	0
	a.iii. Purchases (Purchases with related parties as % to Total Purchases)	0	0
	b.i. Sales (Sales to related parties)	0	0
	b.ii. Total Sales	0	0
	b.iii. Sales (Sales to related parties as % to Total Sales)	0	0
	c.i. Loans & advances (Loans & advances given to related parties)	0	0
	c.ii. Total loans and advances	0	0
	c.iii. Loans & advances (Loans & advances given to related parties as % to Total loans & advances)	0	0
	d.i. Investment in Related Parties	0	0
	d.ii. Total Investments made	0	0
	d.iii. Investments (Investments in related parties as a % of Total Investments made)	0	0

Leadership Indicators

- 1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes	
Nil	Nil	Nil	Nil

- 2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)
If Yes, provide details of the same.

Yes, (Yes, the Company's Code of Conduct requires the Directors, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. Yes. The Company receives an annual declaration from its Board of Directors and KMP on the entities they are interested in and ensures requisite approvals as required under the statutes as well as Company's policies are in place before transacting with such entities and individuals.)

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

The Paper is considered as a noble product and is environment friendly.

Product Benefits

- **Educational Impact:** The printing and writing grades of paper produced by the company play a crucial role in educating children and promoting good reading habits.
- **Environmental Benefits:** Paper is biodegradable, recyclable, and environmentally friendly.

Sustainable Manufacturing

- **Wood Sourcing:** The company uses plantation/farm forestry-based wood, supporting sustainable forestry practices.
- **Farmer Support:**
 - **Tree Farming:** The company aids farmers in growing trees by providing quality clonal saplings of Eucalyptus, Casuarina, Melia and Subabul at concessional rates.
 - **Technical Assistance:** Farmers receive technical support, know-how to achieve higher yields and revenues from their clonal plantations at maturity.

Innovative Practices

- **New Species Identification:** Constant focus on identifying new wood species for paper production.
- **Energy Efficiency:**
 - **Clean Process:** The manufacturing process is energy-efficient and elemental chlorine-free.
 - **Green Chemicals:** Utilizes environmentally friendly chemicals such as oxygen, hydrogen peroxide, and chlorine dioxide.

Waste Management

- **Black Liquor Utilization:** The biomass-rich black liquor generated is burned in a boiler to produce green power.
- **Effluent Sludge Recycling:** Effluent sludge from the wastewater treatment plant is used as a raw material for manufacturing items like Kraft paper, egg trays, hosiery packing, and footwear packing.

Advanced Wastewater Treatment

- **COD Classification:** Wastewater is classified into high and low COD streams.
 - **High COD Treatment:**
 - Primary treatment followed by anaerobic digestion to generate methane gas.
 - Further aerobic treatment to reduce COD.
 - **Low COD Treatment:**
 - Treated to meet Pollution Control Board standards as per regulatory norms.
 - Reused for irrigating waste land around the mill through the Irrigation network of the company with an Online Effluent Monitoring System (OEMS).

Reward & Recognition

The company has received several awards for excellent environmental performance, safety, and energy efficiency.

Notable Awards received by the Company in recent years are:

- Appreciation award under the category 'Best Energy Efficient Designated Consumer (Under BEE PAT Scheme' by Confederation of Indian Industry (CII) for the year 2023
- First position under the category of 'Energy Intensive Industries' by Punjab Energy Development Agency (PEDA) for FY 2021-22 & 2022-23

These efforts reflect the company's dedication to sustainability, environmental responsibility, and community support, positioning them as leaders in the industry.

Essential Indicators

- 1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	21.90%	21.40%	<p>Conservation of Energy</p> <p>The Company has implemented a range of measures aimed at reducing energy consumption and enhancing energy efficiency, which include:</p> <ul style="list-style-type: none"> • Energy-efficient Equipment: Installation and use of energy-efficient machinery and equipment to lower overall energy use. • Energy Audits: Conduct regular energy audits to identify high-energy usage areas and implementing corrective measures. • Employee Training: Conducting training programs to promote energy-saving practices among employees. <p>Technology Absorption</p> <p>The Company has made significant progress in absorbing new technologies, leading to enhanced operational efficiency and sustainability:</p> <ul style="list-style-type: none"> • Advanced Manufacturing Techniques: Advanced manufacturing techniques are adopted to increase efficiency and reduce waste. • Automation and Digitization: Implementation of automation and digital technologies to streamline processes and improve productivity. • Sustainable Technologies: Investment in technologies that minimize environmental impact and promote resource efficiency. <p>Research and Development (R&D)</p> <p>The Company's focus on R&D has driven innovation and sustainability across its operations:</p> <ul style="list-style-type: none"> • Innovative Products: Development of new products that meet customer needs while reducing environmental impact. • Collaborations: Partnering with academic institutions, research organizations, and industry leaders to leverage cutting-edge research. • Green Technologies: Focus on creating green technologies that reduce the carbon footprint and enhance sustainability. <p>The Company has dedicated substantial resources for R&D to ensure continuous improvement and innovation. Detailed information on the specific R&D can be found in the 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Annual Report for the year ending 31 March 2024.</p>
Capex	14.70%	19.90%	<p>The Company's R&D and capital expenditure (capex) investments in specific technologies have had a positive impact, both on the environment and the community at large. For more details on steps taken and efforts made towards the conservation of energy & technology absorption on Research and Development, refer to the 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Annual Report for the year ending 31 March 2024.</p>

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

100%, the Company is certified by FSC (Forest Stewardship Council) and our mission is to promote environmentally appropriate, socially beneficial, and economically viable management system. The Company monitors and verifies the source of raw materials and takes appropriate actions to ensure sustainable wood sourcing from all known sources. It complies with the required standards for pulp and paper manufacturing, utilizing the Transfer, Percentage and Credit systems and has been certified by the SCS Global Services with the FSC® License Code FSC-C109585. Ask about FSC® Certified Products.

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)

The plastic waste generated in the process, is disposed off safely through a SPCB approved/authorised vendor ensuring compliance with relevant regulations.

(b) E-waste

The Company has appointed a SPCB authorised e-waste vendor for safe disposal of e-waste.

(c) Hazardous waste

Hazardous waste undergoes specific treatment processes to minimize its environmental impact. Once treated, the waste is disposed off in authorized facilities, ensuring compliance with relevant regulations. Other waste generated in the process (like Wood & Wheatstraw Dust, Bagasse Pith, Screen rejects/knots etc) are used as Biomass in the Company's Captive Co-Power Plant. Lime Sludge generated in the process, is supplied to cement plants for their use.

(d) other waste.

Primary Sludge, generated in the process, is used to make Board in our on-site Board making plant.

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes (Yes, the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan has been submitted to Pollution Control Boards)

Leadership Indicators

- 1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
1701	Writing, Printing and Specialty Papers.	100%	The Company has Life Cycle Assessments (LCA) of its products with an objective to evaluate the impacts and identify areas for improvement. LCA studies will continue to be used as a tool for assessing the environmental footprint of products/services going forward.	No	No

- 2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

- 3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
NA	NA	NA

- 4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Stakeholder group from whom complaint is received	F.Y. 2023-24 (Current Financial Year)			F.Y. 2022-23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	16	0	0	195
E-waste	0	0	0	0	0	0.47
Hazardous waste	0	25575.748	0	0	16092	0
Other waste (Ash)	0	0	33000	0	0	44552

- 5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent employees											
Male	571	571	100%	571	100%	NA	NA	NA	NA	NA	NA
Female	12	12	100%	12	100%	12	100%	NA	NA	NA	NA
Total	583	583	100%	583	100%	12	2%	NA	NA	NA	NA
Other than Permanent employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent workers											
Male	774	774	100%	774	100%	NA	NA	NA	NA	NA	NA
Female	-	-	-	-	-	NA	NA	NA	NA	NA	NA
Total	774	774	100%	774	100%	NA	NA	NA	NA	NA	NA
Other than Permanent Workers											
Male	980	980	100%	980	100%	NA	NA	NA	NA	NA	NA
Female	20	20	100%	20	100%	20	100%	NA	NA	NA	NA
Total	1000	1000	100%	1000	100%	20	2%	NA	NA	NA	NA

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY. 2023-24 (Current Financial Year)	FY. 2022-23 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.87%	0.70%

2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY24 ____ (Current Financial Year)			FY 23--(Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others – please specify	Nil			Nil		

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes, the premises / offices of the Company are accessible to differently abled employees. The management continuously works towards improving infrastructure for eliminating barriers to accessibility.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, (<https://www.kuantumpapers.com/policies/>)

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100	100	100	100
Total	100	100	100	100

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief**Permanent Workers**

The workers and employees including the contractual workers, are made aware about the mechanism at the time of their joining during the induction/orientation process. The grievance whenever reported is promptly dealt with at the appropriate level in a transparent manner and its feedback is provided to the individual employee ensuring that the employee at no stage is victimized by virtue of raising grievance. The mechanism is an independent system and does not debar an employee from raising his/her concern to any other available platform by virtue of law or otherwise.

Other than Permanent Worker

The workers and employees including the contractual workers, are made aware about the mechanism at the time of their joining during the induction/orientation process. The grievance whenever reported is promptly dealt with at the appropriate level in a transparent manner and its feedback is provided to the individual employee ensuring that the employee at no stage is victimized by virtue of raising grievance. The mechanism is an independent system and

does not debar an employee from raising his/her concern to any other available platform by virtue of law or otherwise.

Permanent Employees

The workers and employees including the contractual workers, are made aware about the mechanism at the time of their joining during the induction/orientation process. The grievance whenever reported is promptly dealt with at the appropriate level in a transparent manner and its feedback is provided to the individual employee ensuring that the employee at no stage is victimized by virtue of raising grievance. The mechanism is an independent system and does not debar an employee from raising his/her concern to any other available platform by virtue of law or otherwise.

Other than Permanent Employees

The workers and employees including the contractual workers, are made aware about the mechanism at the time of their joining during the induction/orientation process. The grievance whenever reported is promptly dealt with at the appropriate level in a transparent manner and its feedback is provided to the individual employee ensuring that the employee at no stage is victimized by virtue of raising grievance. The mechanism is an independent system and does not debar an employee from raising his/her concern to any other available platform by virtue of law or otherwise.

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	F.Y. 2023-24 (Current Financial Year)			F.Y. 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	0	0	0.00%	0	0	0.00%
Male	0	0	0.00%	0	0	0.00%
Female	0	0	0.00%	0	0	0.00%
Total Permanent Workers	0	0	0.00%	0	0	0.00%
Male	0	0	0.00%	0	0	0.00%
Female	0	0	0.00%	0	0	0.00%

8 Details of training given to employees and workers:

	F.Y. 2023-24 (Current Financial Year)					F.Y. 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	571	571	100.00%	571	100.00%	494	311	62.96%	211	42.71%
Female	12	12	100.00%	12	100.00%	10	7	70.00%	7	70.00%
Total	583	583	100.00%	583	100.00%	504	318	63.10%	218	43.25%

9 Details of performance and career development reviews of employees and worker:

Worker										
Male	774	774	100.00%	774	100.00%	774	343	44.32%	341	44.06%
Female	0	0	0.00%	0	100.00%	0	0	0.00%	0	0.00%
Total	774	774	100.00%	774	100.00%	774	343	44.32%	341	44.06%

Category	F.Y. 2023-24 (Current Financial Year)			F.Y. 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	571	571	100.00%	494	428	86.64%
Female	12	12	100.00%	10	9	90.00%
Total	583	583	100.00%	504	437	86.71%
Workers						
Male	774	774	100.00%	800	742	92.75%
Female	0	0	0.00%	0	0	0.00%
Total	774	774	100.00%	800	742	92.75%

10 Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes (The Company is certified under Occupational Health & Safety Management System Certificate OHSMS 45001:2018. The Company believes that a safe and healthy work environment is a prerequisite for employee well-being, and the adoption of best practices in occupational health and safety have a direct impact on its overall performance. It helps in attracting and retaining quality talent, besides being the duty of the Company as a responsible corporate citizen.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company has identified the Environment, Health & Safety (EHS) Risk Management framework as one of the integral steps towards building a strong safety management system. This framework entails a set of processes for continual risk identification, assessment and mitigation, with active participation of the workforce in each of its facilities. Shop floor processes include hazard spotting tours, suggestion schemes, and periodic meetings in which employees participate.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. A system is in place in the company for workers to spot and report work-related hazards and offer suggestions for improvements. Necessary training is given to all employees in recognising hazards and issues. Inspections by management representatives and employees on the shop floor are also carried out at regular intervals, and respective corrective and preventive measures are undertaken to mitigate the identified risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, permanent employees and their family members have access to Company provided medical benefits. Workers have access to medical benefits through Company provided group insurance policies, Company funded medical support and benefits under ESIC.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

In line with the Company's Environment, Health and Safety Policy, safety has been established by inculcating a sense of ownership at all levels and driving behavioural change, leading to the creation of safety culture. The company has put in place comprehensive health and safety measures for the safety and well-being of its stakeholders. The company continues to strengthen its safety processes.

13 Number of Complaints on the following made by employees and workers:

	F.Y. 2023-24 (Current Financial Year)			F.Y. 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil Complaint	0	0	Nil Complaint
Health & Safety	0	0	Nil Complaint	0	0	Nil Complaint

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Internal audits are being conducted on a periodic basis. Corrective and preventive measures are taken based on the findings. Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures required to prevent recurrence. The learnings from all accidents are disseminated at periodic intervals.

Leadership Indicators**1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**

Yes

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as payable by service providers/contractors for their employees are deposited on time and in full through a process of periodic confirmations and controls.

3 Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/ worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0.00%
Working Conditions	0.00%

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

Not Applicable

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity

In line with the approved policy on stakeholder engagement, the company has evolved a structured framework for engaging with its stakeholders and continuing relationships with each one of them. The company's engagement approach is based on the principles of materiality, completeness and responsiveness. The engagement approach takes into cognizance the fact that each stakeholder is unique and has a distinctive set of priorities. Information gathered from stakeholder engagements helps validate the Company's performance and shape new perspectives.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
The Policy on Stakeholder Engagement provides the approach for identifying and engaging with stakeholders that include shareholders, dealers, consumers, farmers, employees, local communities, suppliers, Central/ State Governments and regulatory bodies.	No	E-mail	Quarterly	The company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of comprehensive growth. In this context, the Company has laid down a multi layered mechanism to deal with the aspect of stakeholder engagement. The Board, through the CSR Committee, inter alia, reviews, monitors and provides strategic direction to the Company's CSR practices towards fulfilling its objectives. Half-yearly reports on the progress made by the Company in this regard are placed by the CSR Committee.

Leadership Indicators

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of comprehensive growth. In this context, the Company has laid down a multi layered mechanism to deal with the aspect of stakeholder engagement. The Board, through the CSR Committee, inter alia, reviews, monitors and provides strategic direction to the Company's CSR practices towards fulfilling its objectives. Half-yearly reports on the progress made by the Company in this regard are placed by the CSR Committee.

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, our Sustainability approach is the self-sufficient concept regarding the influence of industrialization and modernization on natural resources, supports sustainable development, which relates to the needs of present and future generations in an egalitarian manner, and demands that the environmental influences of economic growth be taken into consideration in the planning process. The Company's approach to ESG and CSR reflects its commitment to sustainability and social responsibility. By having a dedicated Environment Management team that actively engages with the community and government authorities, the Company ensures that its initiatives are effective and aligned with the needs of the local population. This collaborative approach helps to build stronger relationships with stakeholders and create positive, lasting impacts on the environment and society.

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The company has a system to identify and address the emerging needs of the community. Periodic on ground meetings are held with the community to take care of their needs and concerns. Accordingly, the company has been providing clean drinking water facilities, built sewerage treatment plants, constructed toilets, provided paved roads and constructed overhead water tank with tubewell for the overall well being and hygiene needs of the surrounding villages. The company provides subsidised education through the school run by it and also supported development of Government run schools in the surrounding villages.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	F.Y. 2023-24 (Current Financial Year)			F.Y. 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	583	583	100%	472	80	16.95%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Employees	583	583	100%	472	80	16.95%
Workers						
Permanent	774	774	100%	788	251	31.85%
Other than permanent	1000	1000	100%	939	500	53.25%
Total Workers	1774	1774	100%	1727	751	43.49%

2 Details of minimum wages paid to employees and workers, in the following format

	F.Y. 2023-24 (Current Financial Year)					F.Y. 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	583	0	0%	583	100%	472	0	0.00%	472	100.00%
Male	571	0	0%	571	100%	459	0	0.00%	459	100.00%
Female	12	0	0%	12	100%	13	0	0.00%	13	100.00%
Other than Permanent	-	-	-	-	-	0	0	0.00%	0	0.00%
Male	-	-	-	-	-	0	0	0.00%	0	0.00%
Female	-	-	-	-	-	0	0	0.00%	0	0.00%
Workers										
Permanent	774	0	0%	774	100%	788	0	0.00%	788	100.00%
Male	774	0	0%	774	100%	788	0	0.00%	788	100.00%
Female	-	-	-	-	-	0	0	0.00%	0	0.00%
Other than Permanent	1000	954	95%	46	5%	939	803	85.52%	136	14.48%
Male	980	934	95%	46	5%	927	791	85.33%	136	14.67%
Female	20	20	100%	-	-	12	12	100.00%	0	0.00%

3 Details of remuneration/salary/wages, in the following format: (Monthly basis)

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	2	1866200	Nil	Nil
Key Managerial Personnel	2	551668	Nil	Nil
Employees other than BoD and KMP	567	40600	12	50423
Workers	774	19114	Nil	Nil

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	1.64%	1.54%

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a Human Rights Policy which is applicable to all its employees. The said Policy and its implementation is focused towards adherence to applicable laws and upholding the spirit of human rights. The Company continues to work towards strengthening and introducing systems to ensure sound implementation of its Policies specially with respect to human rights and labour practices. A Grievance Redressal System to facilitate open and structured discussions is available to ensure that grievances related to labour practices and human rights are addressed and resolved in a fair and just manner.

6 Number of Complaints on the following made by employees and workers:

	F.Y. 2023-24 (Current Financial Year)			F.Y. 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)	Remarks
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0	Nil
Complaints on POSH as a % of female employees / workers	0	0	Nil
Complaints on POSH upheld	0	0	Nil

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. It encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. The committee has been constituted to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required. Necessary disclosures in relation to the sexual harassment complaints received and redressal thereof are provided in the Annual Report for the year ended 31 March 2024.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/No) yes**10 Assessments for the year: FY24**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100.00%
Forced/involuntary labour	100.00%
Sexual harassment	100.00%
Discrimination at workplace	100.00%
Wages	100.00%
Others – please specify	

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above

No significant risks / concerns observed during assessments.

Leadership Indicators**1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

The company's Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees

of the Company. The Code covers company's commitment to human rights aspects like self-respect and human dignity, child labour, gender friendly workplace, ethical dealings with suppliers and customers, health & safety, environment, transparency, anti-bribery and corruption. Any violation of the Code by an employee renders the person liable for disciplinary action. The company has mechanism to address human rights grievances/complaints of all internal stakeholders. For details, refer to responses to Questions 5 and 7 under essential indicators (Principle 5).

2 Details of the scope and coverage of any Human rights due-diligence conducted.

The scope and coverage of human rights due diligence extends to our entire plant operations including all office locations.

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	0.00%
Forced/involuntary labour	0.00%
Sexual harassment	0.00%
Discrimination at workplace	0.00%
Wages	0.00%
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6

Business should respect and make efforts to protect and restore the environment

Essential Indicators

- 1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous FinancialYear)
From Renewable sources		
Total electricity consumption (A)	N.A.	NA
Total fuel consumption (B)	3456023	4603515
Energy consumption through other sources(C)	0	0
Total energy consumption from renewable sources (A+B+C)	3456023	4603515
From non-renewable sources		
Total electricity consumption (D)	56454	24928
Total fuel consumption (E)	2328266	1898383
Energy consumption through other sources(F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	2384720	1923311
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0002	0.0005
Total energy Consumed (A+B+C+D+E+F)	5840743	6526826
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0005	0.0005
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	NA	NA
Energy intensity in terms of physical output	0.0002	0.0005
Energy intensity (optional) – the relevant metric may be selected by the entity	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, (Energy audits are done periodically by external energy auditors, certified by BEE.)

- 2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Yes, (The Company is a Designated Consumer(DC) and has surpassed the targets of energy conservation set by Bureau of Energy Efficiency (BEE), Govt. of India in PAT I & PAT II cycles. The Company is covered under PAT VII cycle by BEE. Baseline SEC target for 2021-22, 2022-23 and 2023-24 and M&V FY 2024-25 is 0.3383 MTOE/MT of Paper as estimated by BEE. There is a 3.2% SEC reduction target given by BEE based potential study conducted under BEE instructions. The team is working with BEE Certified Energy Auditors & firms for conservation of energy.)

- 3 Provide details of the following disclosures related to water, in the following format

Parameter	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous FinancialYear)
Water withdrawal by source (In Kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	6717575	7259437
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	6717575	7259437

Parameter	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Total volume of water consumption (in kilolitres)	6717575	7259437
Water intensity per rupee of turnover (Total water consumed / Revenue from operations)	0.0006	0.0006
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	NA	NA
Water intensity in terms of physical output	0.0006	0.0006
Water intensity (optional) – the relevant metric may be selected by the entity	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, (the Company has worked with CII - Triveni Water Institute in this regard.)

4 Provide the following details related to water discharged:

Parameter	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment	5999863	6051502
Total water discharged (in kilolitres)	5999863	6051502

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, ETP treated effluent discharge quality externally check by NABL approved lab Environ tech laboratories, Mohali, Punjab

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has a structured innovative Irrigation Network by which our treated waste water is used to irrigate nearly ~2050 acres of land with a network of pipelines in the nearby villages. We also use treated water in-house for our own plantations by using Karnal Technology. Although, the practice of Zero Liquid Discharge has not been achieved in any integrated pulp and paper mill so far (Reference : Central Pulp & Paper Research Institute (CPPRI), Saharanpur, report on the subject in 2022)

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format

Parameter	Please specify unit	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
NOx	Mg/nm3	20.91	27
SOx	Mg/nm3	74.33	64.6
Particulate matter (PM)	Mg/nm3	28.56	26.8
Persistent organic pollutants (POP)	ND	0	0
Volatile organic compounds (VOC)	ND	0	0
Hazardous air pollutants (HAP)	ND	0	0
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, (Yes, through NABL accredited labs.)

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	351478.00	276006.47
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	13329.00	5885.68
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	0	0.000030	0.215
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operation.	0	0	0
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.000030	0.215000
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, (Yes, through NABL accredited labs.)

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

Yes, (The Company is conscious of its responsibility towards the environment and reduction of Green House Gas (GHG) emissions . It uses bio mass like rice husk, wild grass and wood and wheatstraw dust in its Co-Gen Power Plant, thus reducing the usage of fossil fuels. The Company lifts wheatstraw and other residues from farm lands for making its Agro based pulp, which would otherwise be burnt in the fields leading to air pollution and increased GHG emission. The company is also in advanced stages of evaluating the project for setting up of a Rice Straw Boiler, which will enable it to further replace coal with biomass and reduce its carbon footprint substantially.)

9 Provide details related to waste management by the entity, in the following format:

Parameter	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	16	195
E-waste (B)	0	0.47
Bio-medical waste (C)	0.027	0.04
Construction and demolition waste (D)	0	0
Battery waste (E)	0	1.96
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	25576	16100
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	33000	44552
Total (A+B + C + D + E + F + G + H)	58591.78	60849.47
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000048	0.0000046
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP	NA	NA
Waste intensity in terms of physical output	0.0000048	0.0000046
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Parameter	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	25576	16092
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	25576	16092
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.027	0.91
(ii) Landfilling	0	0
(iii) Other disposal operations	33016	44756.56
Total	33016.03	44757.47

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, (PPCB approved party has been engaged for disposal of hazardous waste)

- 10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

All waste is collected, segregated and stored at different locations for recycling and safe disposal. The hazardous wastes are collected separately as per defined category and stored in designated storage area for disposal to authorized vendors as per defined guidelines.

- 11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
	Nil	Nil	Nil

- 12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil	Nil	Nil	Nil	Nil	Nil

- 13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any	Remark
	Nil	Nil	Nil	Nil	Nil

Leadership Indicators

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not Applicable For each facility / plant located in areas of water stress, provide the following information: (i) Name of the area (ii) Nature of operations (iii) Water withdrawal, consumption and discharge in the following format

Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): **Not Applicable**

For each facility / plant located in areas of water stress, provide the following information/operations

- (i) Name of the area: The plant is located at Saila Khurd, Tehsil Garshankar, District Hoshiarpur - Punjab
- (ii) Nature of Operations: Integrated Pulp & Paper Manufacturing Plant
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
(i) Surface water	0	0
(ii) Groundwater	6717575	7259437
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	6717575	7259437
Total volume of water consumption (in kilolitres)	6717575	7259437
Water intensity per rupee of turnover (Water consumed / turnover)	0.0006	0.0006
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others		
No treatment	NA	NA
With treatment – please specify level of treatment	5999863	6051502
Total water discharged (in kilolitres)	5999863	6051502

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, ETP treated effluent discharge quality externally check by NABL approved lab Environ tech laboratories, Mohali, Punjab

2 Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	0	0
Total Scope 3 emissions per rupee of turnover		0	0
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

- 3 With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

- 4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
NA			

- 5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link**

Yes (The Company has a Disaster Management plan in place to mitigate the damage and destruction caused by natural or manmade disasters. It helps the organisation to continue operating after a disaster takes place. The Risk Management policy also helps in reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.)

- 6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No significant adverse impact has been reported by any of the Company's value chain partners.

- 7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

0.00%

PRINCIPLE 7

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

- 1 a. Number of affiliations with trade and industry chambers/ associations.**
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	PHD Chamber of Commerce & Industry	National
2	Confederation of Indian Industry (CII)	National
3	Indian Pulp & Paper Technical Association (IPPTA)	National
4	Indian Agro and Recycled Paper Mills Association (IARPMA)	National
5	Indian Paper Manufacture Association (IPMA)	National

- 2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1 Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	The Company's Policy provides the framework for necessary interface with Government/ Regulatory Authorities on matters concerning various sectors in which the Company operates. The matters taken up are in line with national priorities to strengthen domestic industry, promoting sustainable agriculture and business practices.	The Company works with apex industry institutions that are engaged in policy recommendations, like the Confederation of Indian Industry, PHD Chamber of Commerce, and various other forums including regional Chambers of Commerce. The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency, and taking into consideration the interests of all stakeholders.	Yes	Quarterly	NA

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil	Nil	Nil	Nil	Nil	Nil

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
	Nil	Nil	Nil	Nil	Nil	Nil

3 Describe the mechanisms to receive and redress grievances of the community.

The Company has a team which consists of senior people from the IR and Environment team. This team actively interacts with nearby villagers/ panchayat members / government authorities on a periodic basis and gets their feedback on the effectiveness of the Company's ESG initiatives. They also ascertain the needs of the community for which they require support from the Company. These are then formalized through the CSR program of the company, which is reviewed and approved by the CSR Committee.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers

	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	55.70%	9.00%
Directly from Within India	15.20%	31.00%

5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) \in the following locations, as % of total wage cost

Location	F.Y. 2023-24 (Current Financial Year)	F.Y. 2022-23 (Previous Financial Year)
Rural	100%	100%
Semi-urban		
Urban		
Metropolitan		

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA
NA	NA
NA	NA

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

S. No.	State	Aspirational District	Amount spent (In INR)
	NA	NA	NA
	NA	NA	NA
	NA	NA	NA

3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes

(b) From which marginalized /vulnerable groups do you procure?

The Company gives preference to buying its agro & wood raw materials from local farmers and communities. The Company also collaborates with small and marginal farmers to provide fast-growing clones at concessional rates, allowing them to supplement their income from small parcels of land by using intercropping. The Company encourages the buyback of these trees for use as raw material. The company encourages competency development among local vendors and its vendor base includes medium and small-scale enterprises that are proximate to its manufacturing locations. These initiatives are aligned to national priorities of 'Make in India', and 'Atmanirbhar Bharat' as well.

(c) What percentage of total procurement (by value) does it constitute?

70.90% Approx.

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	Nil	Nil	Nil	Nil

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

S. No.	Name of authority	Brief of the Case	Corrective action taken
	Nil	Nil	Nil

6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized group
--------	-------------	---	---

Refer Annexure -1 to Board's Report and Management Discussions and Analysis section/ Annual Report, for details on CSR activities.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback

A well-established system is in place for dealing with consumer feedback. Consumers are provided options to connect with the Company through email or telephone. Appropriate systems have been put in place to continuously engage with dealers/consumers to gather feedback and address their concerns, if any, on time. A team is in place to address any product-related query/ complaint. Communication channels like email, meetings, and telephone numbers are provided to the dealers/consumers. The business of the Company complies with the regulations and relevant codes concerning marketing communications.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100.00%
Safe and responsible usage	100.00%
Recycling and/or safe disposal	100.00%

3 Number of consumer complaints in respect of the following:

	F.Y. 2023-24 (Current Financial Year)		Remarks	F.Y. 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	NA
Advertising	0	0		0	0	NA
Cyber-security	0	0		0	0	NA
Delivery of essential services	0	0		0	0	NA
Restrictive Trade Practices	0	0		0	0	NA
Unfair Trade Practices	0	0		0	0	NA
Other	44	0		46	0	NA

4 Details of instances of product recalls on account of safety issues:

S. No.	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

- 5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes <https://www.kuantumpapers.com/policies/>

- 6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

- 7 Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact

0

- b. Percentage of data breaches involving personally identifiable information of customer

0.00%

- c. Impact, if any, of the data breaches

Nil

Leadership Indicators

- 1 Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)

www.kuantumpapers.com

- 2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The business of the Company complies with the regulations and relevant codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling consumers to make informed purchase decisions. The Company also makes efforts to educate consumers on responsible usage of its products.

- 3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company has the necessary mechanism in place to inform dealers/consumers if any major discontinuation happens by way of a proper communication in a timely and appropriate manner.

- 4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes (All mandatory information is displayed on the product and a survey w.r.t. the consumer satisfaction for our products was also carried out.)

Management Discussion & Analysis

1. Overview

The objective of this report is to convey the Management's perspective on the external environment, the paper industry, the strategies involved, operating and financial performance, developments in human resources and industrial relations, risks and opportunities, as well as internal control systems and their adequacy in the Company during the financial year 2023-24. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Report and Annual Financial Statements 2023-24. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

2. Global Economy

Global economic growth dropped from 3.5% in 2022 to around 3.1% in year 2023. Asia was however centre of growth despite challenges like weaker recovery in China, sustained US weakness, higher energy costs in Europe, weakened consumer sentiment due to conflicts, and increased logistics costs from Red Sea crisis.

Tightened monetary policies led to higher policy and interest rates, hampering new investments.

These factors slowed down growth in advanced global economies from 2.6% in 2022 to 1.5% in 2023. The projections for advanced global economies are at 1.4% in 2024 due to policy tightening, European sluggishness, recessions in Britain and Japan, and heightened energy costs from global conflicts.

Emerging markets and developing economies showed a more optimistic outlook, with a slight growth decline from 4.1% in 2022 to 4.0% in 2023. Emerging Markets are expected to show, sustained growth through 2024.

Global inflation is expected to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024, aided by tight monetary policies and lower international commodity prices. and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies.

Core inflation's decline is expected to be slower, with a return to target not anticipated until 2025 in most cases. The US Federal Reserve approved a significant interest rate hike, bringing benchmark borrowing cost to their highest level in over 22 years.

Global growth in 2023 continued at an annual rate above 3%, despite the drag exerted by tighter financial conditions and other adverse factors, including Russia's war of aggression against Ukraine and the evolving conflict in the Middle East.

The IMF forecast global real GDP growth of 3.2% for 2024 and 2025 - the same rate as in 2023. The 2024 forecast was revised upward by 0.1 percentage point from the previous World Economic Outlook's estimate in January, 2024 largely due to a significant upward revision in the U.S. outlook.

As per S&P Global also, in 2024, global GDP is expected to grow at a healthy 3.2%. Growth in emerging markets and China will lead the way, while growth in the US is forecast to stand at 2.5%, and the eurozone will trail at 0.7%. Resilient labor markets have helped to power global growth and service sector demand has remained steady.

Asia is expected to emerge as a pioneer in global growth in 2024-25, with its economy projected to represent 49% of the world's GDP and grow at a rate of 4.5%, remaining the largest contributor to global economic expansion.

Despite high inflation and monetary tightening, the global economy displays resilience, maintaining growth levels for the next two years.

3. Indian Economy

Despite the global slow and steady growth, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth.

According to RBI, the Indian economy grew at 7.6% in 2023-24, its third straight year of 7% plus GDP growth. This year the economy is expected to grow at 7% with the manufacturing sector showing sustained expansion. A normal monsoon will also lead to recovery in rural demand. The external sector is also looking up which could lead to a recovery for Indian exporters.

With a growth rate of 7.8% in the 2023-24 fiscal year compared to 7.2% in 2022-23, India maintains its position as the fifth-largest economy.

In 2023-24, India's real GDP reached Rs. 171.79 lakh crore, up from Rs. 160.06 lakh crore in 2022-23, with a growth rate of more than 7%.

India's net direct tax collection surged by 19% to Rs. 14.71 lakh crore by January 2024, with gross collection up by 24.58% compared to the previous year. Gross

GST collection reached Rs. 20.2 lakh crore, marking an 11.7% increase, with an average monthly collection of Rs. 1,68,000 crore, surpassing the previous year's average of Rs. 1,50,000 crore.

India's foreign exchange reserves soared to a historic high of US \$ 645.6 billion by the end of FY 24. Indian companies maintained strong credit quality in the second half of the year, supported by deleveraged balance sheets, sustained domestic demand, and government-led capital expenditure. The gross non-performing asset ratio for scheduled commercial banks decreased to 3.2% as of September 2023, down from 3.9% in March 2023. Rating upgrades continued to outnumber downgrades in the second half of FY24. UPI transactions in India witnessed a record 56% increase in volume and a 43% rise in value during FY24.

India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. The Indian economy is anticipated to surpass US\$ 4 trillion in 2024-25.

4. Global Pulp and Paper Industry

The global pulp and paper sector are one of the primary sectors, renowned for its wide-ranging applications in writing and printing. The global pulp and paper market size was worth around US\$ 365.60 billion in 2023 and is projected to surpass the valuation of US\$ 434.36 billion by 2031 at a CAGR of 2.35% between 2024 and 2031.

Increasing consumer awareness of health and wellness is a key catalyst propelling the pulp and paper market forward, driving increased demand for related products.

Concurrently, technological progressions within the industry are fostering the adoption of more efficient and sustainable production methods, amplifying market expansion.

The e-commerce business is expected to grow to over US \$100 billion by 2025. The carton board market is significantly influenced by the burgeoning e-commerce logistics industry, driven by evolving consumer behavior and the increased prevalence of online shipping.

The global carton board market size is estimated at US\$ 71.93 billion in 2024 and is expected to reach US\$ 98.41 billion by 2029, growing at a CAGR of 6.47% during the forecast period i.e. from year 2024 to 2029.

5. An overview of the Economy and Business Environment

India's growth continues to be resilient. India is forecast to grow by 7% in 2024-25 and healthy domestic demand in India will also support regional growth.

With the support of various industry-promoting programmes like the Production-Linked Incentive (PLI) scheme and the government's "Make in India" initiative, the manufacturing sector can potentially expand into a US \$ 1 trillion industry by 2025-2026. Additionally, Indian government initiatives like infrastructure projects and ease of doing business reforms are propelling the growth of a more competitive and healthy manufacturing sector.

Furthermore, the emphasis on manufacturing in India, various government incentives such as lower taxes, and

rising services exports on the back of stronger digitization and technology transformation drive across the world will aid in growth. Also, several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination.

80 per cent of India's merchandise trade with Europe passes through the Red Sea, with key products such as crude oil, auto & auto ancillaries, chemicals, textiles, and iron and steel.

Due to the Suez Canal being affected, which acts as a major juncture between Asia and Europe, the combined impact of higher freight costs, insurance premiums, and longer transit times could make trade transactions more expensive.

6. Industry Structure and Development

India is the 15th largest paper producer in the world. Demand for paper products, including writing papers, printing papers, and specialty papers, has been steadily increasing. India accounts for about 5% of the global paper market. The market value of the Indian paper industry is expected to reach US\$ 19.1 billion in 2033. The market value of the Indian paper industry is expected to grow from 2024 to 2033 at a CAGR of around 7.5%.

With the increase in literacy rate, more and more students are entering the education system and the demand for notepads, textbooks and supplementary materials is increasing and giving a positive boost to the paper industry. The future growth trend of the Indian paper industry is also being driven by the increasing demand for corrugated and household paper products.

India's paper industry is flourishing both within the country and globally, fuelled by an increase in global demand. This growth is driven by the lifting of pandemic-related restrictions and the prohibition of single-use plastics.

Indian population is around 15% of world population but consumes only 5% of the total paper produced in the world. India's growing FMCG sector and high spending in education coupled with growth in organised retail and demand for better quality paper as well as more health consciousness of people, etc., are triggering factors of growth prospects of Indian Paper Industry. The industry provides direct employment to 0.5 million persons, and indirectly to around 1.5 million.

Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, and grasses. In terms of share in total production, approximately 18% are based on wood, 73% on recycled fibre and 9% on agro-residues. The geographical spread of the industry, as well as market, is mainly responsible for the regional balance of production and consumption.

The paper Industry holds immense potential for growth in India as the per capita consumption is one of the lowest at around 15-16 kg, which is way behind the global average of 57 kg (200+kg for developed countries). India is the fastest-growing market for paper globally and it presents an exciting

scenario; paper consumption is poised for a big leap forward in sync with economic growth. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes. Healthy demand for printing and writing paper and firm realisations are further expected to drive growth for paper manufacturing companies.

The literacy rate in the country is 74.04%, 82.14% for males and 65.46% for females. This rise is largely attributable to the following Government's flagship schemes:

1. Pradhan Mantri Kaushal Vikas Yojana (PMKVY),
2. Mahila Samakhyia Programme,
3. Sarva Shiksha Abhiyan (SSA),
4. Beti Bachao Beti Padhao,
5. Strengthening for providing quality Education in Madrasahs,
6. Rashtriya Madhyamik Shiksha Abhiyan ,
7. Saakshar Bharat (Adult Education) and lastly,
8. Make in India program

Writing & Printing Paper demand is expected to increase 3-5% CAGR over the current demand by fiscal 2025. Enrolment of students (schools as well as higher education) is expected to increase at a relatively faster pace of 1.5-2% CAGR over the next years. Also, with the New Education Policy coming to effect and a gradual rise in education spend by the government, alongwith an increased thrust on education (through initiatives such as Sarva Shiksha Abhiyaan/Education for All) are expected to support demand for creamwove and maplitho paper. Specialty paper demand, primarily driven by Tissue paper, is expected to continue to log a robust 11-12% CAGR over the current demand to fiscal 2025. Demand for copier paper (20% of the W&P segment) is expected to increase at 7-9% CAGR through fiscal 2025, primarily on account of moderation spends on stationery by corporates due to focus on digital- based communication. Demand growth for coated paper is expected to remain moderate at 3-5% CAGR through fiscal 2025.

Demand for specialty paper is expected to increase driven by strong demand for tissue paper. Over fiscal 2023 to fiscal 2025, it is expected this segment to grow at robust 11-13% CAGR to 1.9-2.3 million tonne by fiscal 2027 from 1.3-1.5 million tonne in fiscal 2022. The main varieties of specialty paper are tissue, decor, thermal, fine printing, cigarette, and business card paper. Rise in urbanisation, emphasis on hygiene through increased government thrust (via initiatives such as Swatch Bharat), and steady rise in healthcare and hospitality demand will lead to rise in demand for tissue paper consumption. Moreover, rise in the number of cashless transaction (ATM, debit/credit card purchase, etc.) and increased billing (owing to rise in share of organised retailing) will boost demand for thermal paper.

Greater emphasis on education and literacy by the Government coupled with demand for better quality of paper are major drivers for writing & printing paper. The paper industry has made substantial investments to increase the production capacities and as a result, in almost all paper grades, the country has enough domestic capacity to meet the growing domestic demand and also for exporting to other countries. Further about 1 million TPA of pulp, paper and paperboard capacity is required to be created additionally on an annual basis over the current capacity to meet the growing demand.

In the last five to seven years, an amount of over Rs 25,000 crore has been invested in new efficient capacities and induction of clean and green technologies. The industry size of single-use plastics is estimated to be INR 10,000 crore. This move by the government will benefit all Indian paper mills to flourish their business. In India, only 15% of total paper and paperboard production is made from recycled materials, compared to a global average of 30% to 85%. As a result, there is a lot of potential for recycling in the paper industry.

About 50% of global paper demand is in Asia of which India is the fastest growing market in the world expected to grow at about 4% to 5% compound till at least 2030. According to various studies, the consumption of paper and board in India is expected to grow to over 35 million tons by 2035 from approximately 22 million tons presently. Now there are several drivers for growth of the Indian paper industry. Greater emphasis on education and literacy by the government coupled with the growth in business and commerce and demand for better quality paper by environmentally conscious consumers are the major drivers in the writing and printing segment.

Increased economic growth is probably going to propel joint ventures, foreign director investments, and public and private investment into the end-user markets, which will propel the market over the forecast period.

The paper industry has been moving toward automated production facilities from labor-intensive manufacturing techniques.

Due to automation, paper product manufacturers can now increase productivity and lower manufacturing costs. Additionally, these technologies reduce energy expenses. Control systems, such as Integrated Drive Systems (IDS), are reducing consumption, increasing equipment efficiency, and streamlining the processes involved in servicing and maintaining equipment.

7. Opportunities and Threats

The per capita paper consumption in India stands at 15-16 kg which is well below the global average of 57 kg and significantly below 200 kg in developing economies, which highlights an opportunity in terms of potential growth of paper demand in India. The demand will be driven and supported by higher Government spending on education initiatives, corporate spending on stationary and healthy growth in

services sector. In spite of advancement in technology, like the usage of Tabs, Smart Phones, digitization, the increased preference for online storage and dissemination of data, the paper industry is poised for a consistent growth in demand over the next few years. Despite the higher level of technology being used in the corporate sector, there has been no decline in the overall paper consumption. The envisaged growth in the value-added writing and printing paper segment in India presents an invaluable opportunity and your company plans to leverage it by tapping its institutional strength in its distribution supply chain, cost competitiveness and its premium quality along with its branding prowess. Further with literacy rates set to improve and universalization of education through legislative steps like Right to Education, government measures like Sarva Shiksha Abhiyan, Mid Day Meal Schemes, Girl Education Programme (GEP), growing enrolment as well as increasing number of schools, colleges and institutions and increased spending on education by all sections of the society will provide an impetus to this segment.

The company has been one of the most cost competitive paper mills and a large player in the writing and printing segment. The continuous efforts of the company towards cost reduction and technology up-gradation has led to improved product quality, enhanced product range, increased production capacity, higher operational efficiencies and economies of scale. Further these initiatives have also enabled the company to manufacture premium quality paper, such as maplitho paper, specialty papers and premium copier paper, which is placed in the higher value segment, competing with quality of other large paper mills.

Indian paper mills are categorized based on raw materials used by them in the manufacture of paper-wood based mills, agro-based mills and wastepaper based mills. Wood accounts for 30-35% of production, while wastepaper and agri-residues account for 45-50% and 20-22%, respectively. India has a total land area of 3.3 million sq km with forests covering only 0.7 million sq km. About 78% of the total land area is non-forest area. With diminishing forest resources and limitations on enlarging man-made forests, there is scarcity of raw material for paper mills. Moreover, the limited raw material can be put to many alternative uses.

Raw material and chemical costs account for about 50 per cent of the operating income of mills in the paper industry. Agro and Wood based pulp are the main raw materials required for manufacturing W&P paper, especially in the higher end papers such as maplitho and coated paper. India's wood resources are limited, and therefore the cost of wood is higher in global comparison. Since there is conspicuous absence of Government's policies favoring industrial plantation, securing future wood supplies will be the Industry's biggest challenge. In line with this increase in production, demand for wood material will also go up. Your company has insulated itself from the vagaries of pricing of global pulp by enhancing its wood pulping capacities, thereby reducing its dependency on imported wood pulp. Further to counter the issue of wood deficit, the paper mills including your company gave thrust to initiatives like agro forestry which have now started yielding results.

To support the availability of raw material for the industry, the Government had announced that the Government will provide funding to help implement policies that will promote agro-forestry and commercial forestry. The Government had put in place policies to encourage agro-forestry, giving the paper industry a boost in terms of the stability of its raw materials, in addition to contributing to an increase in the overall amount of green cover across the country.

Another source of raw material for the paper industry is agri-residues such as wheat straw, bagasse, wild grass, and other such agricultural wastes. Your company has the locational advantage of being in the centre of one of the largest wheat growing areas in India and thus, does not foresee a challenge in the availability of this raw material despite increased demand. Bagasse is the other widely-used agri-residue in the paper industry. However, availability of bagasse has been declining due to its increased use in power generation by sugar industry. Your company has also decreased its dependency on bagasse and developed alternate raw materials through extensive R & D. Despite agri-residues being seasonal in nature, your company has mastered processing several types of raw material for pulp making, and has therefore gained an edge in the industry.

The alternative source of raw material is wastepaper and recycled paper - domestic and imported. Both together accounted for nearly 50 per cent of the total paper production. In India, however, the system of wastepaper collection is not very well developed in the domestic wastepaper segment. The recovery rate is low and consequently there is lower availability. This leads to domestic mills relying increasingly on imports to meet their demand. Your company does not use wastepaper as a raw material for its production purposes and hence is not impacted by this raw material.

The changes in Government policies, environment standards and the paperless initiatives on various fronts, coupled with Green initiatives in Corporate Governance, is indicative of a slight threat to the paper industry. Although India does not import any significant quantity of W&P or paperboard, the share of imports over the next few years will remain a key factor for growth in writing and printing paper.

The Government has announced the new National Education Policy which signifies a transformative step in the educational trajectory of the nation. Addressing the dynamic requirements of the modern era, this policy places renewed emphasis on holistic learning, digital literacy, and skill development. The preparation of the policy for education in schools and colleges falls under the purview of the National Education Policy, which the Government of India updated in 2024. The new policy includes significant changes aimed at positioning India as a global knowledge superpower.

The policy acts as a roadmap to revolutionize schooling and higher education in India that will support and foster a lifelong learning culture to maximize the rich talents and resources the country has to offer. The NEP is a giant leap in a list of initiatives taken by the government in achieving its goals. The policy recognises the ever-changing knowledge and employment landscape in our global ecosystem and

focuses on curricular and pedagogy reform, aligning it with international standards and making India a vibrant knowledge economy and a nation of thought leaders.

With the gradual implementation of the NEP from academic year 2023-24 and rise in the education spend by the Government and increased thrust on education through initiatives such as Sarva Shiksha Abhiyaan/ Education of All, the printing & writing paper demand is expected to increase.

The impending changes in the education policy and curriculum are bound to create a huge demand for writing and printing paper to meet the needs of new Indian education system.

Completely replacement of textbooks on account of this new curriculum can be a huge opportunity for paper companies with a higher realisation. We expect Implementation NEP can fuel Printing and writing paper demand, which can fuel P&W paper CAGR from 3-4% to 9-10% over 2-3 years.

The ban on the use of plastics in a wide variety of applications that has been put in place by the Govt of India with effect from July 01, 2022, and has given a big boost to paper production for new paper products and the new variety of paper qualities are finding its way into the market, filling up the huge gap left behind by the plastic ban.

To regulate the import of paper as also to promote the flagship schemes like "Make in India" and "Atmanirbhar Bharat", the Government has brought the imports of paper under compulsory registration from the 1st October 2022. The import policy of major paper products, such as newsprint, handmade paper, wallpaper base, duplicating paper, coated paper, uncoated paper, map-Litho and offset paper, excluding currency paper, bank bonds and cheque paper and security printing paper, has been amended from 'Free' to 'Free subject to compulsory registration under Paper Import Monitoring System' by the Directorate General of Free Trade.

One major near-term concern for the paper industry has been fluctuating wood pulp and fuel costs, given that the industry also relies on imported coal, wherein the prices have fluctuated over the last one year. Though the industry is managing these challenges by passing on such rises to the final customer as well as absorbing, wherever possible, on an aggregate basis, the long-term demand potential for the Indian paper industry remains intact, given the rising usage of different forms on paper in daily life.

8. Risks and Management Perception

The paper industry is labour intensive, as well as power and capital intensive, and is exposed to several risks i.e. changes in the government policies, raw material shortage, environment policies, competition, duties and taxes, technological obsolescence and external economic factors.

Your company adopts a comprehensive and integrated risk appraisal and mitigation process as part of its risk management policy.

The company uses agro waste materials, primarily Wheat straw and Sarkanda grass, as well as wood materials like chips, veneer and bamboo, as the basic raw materials to manufacture paper. The availability of these raw materials is seasonal. The raw material of all kinds is available in abundance on ground and thus its adequate availability may not be a constraint despite increased capacities of the other paper mills in and around the region. The continuous increase in prices of raw material and other inputs continues to be a matter of concern for the industry. However, locational advantage of your company's paper mill provides an added access to the major raw material sources and insulates itself to quite some extent on this front. We have suppliers connected to your company for the last several decades for supply of both Agro and Wood raw materials, by way of long term arrangements.

India's wood resources are limited, and therefore the cost of wood is higher than in global comparison. In the absence of Government's enabling policies favoring industrial plantation, securing future wood supplies is one of Industry's big challenge.

To secure a substantial part of our wood requirements, your company had developed a social Agro-forestry process by creation of a Nursery at the Mill to grow premium quality clonal plants which has been doing very well. At the Nursery, saplings of clonal varieties of fast growing hard wood trees are grown and distributed to farmers, enabling the company to buys back the hardwood post the harvest. Domestic land under social forestry is expanding by approximately 10% annually. This sustainable initiative has created employment opportunities in the remote areas in close proximity to the mill thereby, helping rural development. We are also continuing our efforts for growing of plantations by touching base with the farming community and making them aware of the financial benefits attached to social farm forestry.

The paper industry consumes a large amount of energy and water. Energy costs that account for about 16-18 per cent of costs, vary depending on the fuel used for generating power. The cost of power has increased as a result of inadequate supply and increase in tariff for industrial consumers. The prospect of availability of good quality fuel is diminishing. This has been offset by your company by establishing a state-of-the-art captive Co- Gen Plant to meet its entire power requirements, thereby reducing its dependency on the grid power.

The company continued its efforts in arriving at a proper raw material mix, cost reductions and product mix optimization. The Chemical Recovery plant, Co-generation plant and other cost reduction measures coupled with variety of distinctive products manufactured with better and improved operational efficiencies has significantly increased its cost competitiveness.

Your company has also framed a 'Risk Management Policy' to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure. A Risk Management Committee as per the regulatory

requirements has also been constituted to oversee the risk management process in the Company.

Further with the implementation of the NEP, the ban on single use plastics and Paper Import Monitoring System that has been put in place, we expect a huge demand for writing and printing paper and for the Paper Industry in India to grow.

The paper industry is highly fragmented, with stiff competition from both organised and unorganised players. This limits the manufacturers' pricing power and puts additional pressure on profitability. Additionally, the industry is affected by economic cycles. Furthermore, KPL primarily uses agricultural raw materials sourced from domestic markets. Agro-based raw materials are limited in use due to seasonal availability, resulting in high price volatility. The company uses a wide range of raw materials that are perfect substitutes for one another, so raw material availability is not a perceived risk. Moreover, the company has insulated itself against this by implementing backward integration and increasing the capacities of pulp, paper, and co-generation power plants, as well as by establishing a chemical recovery plant.

Paper industry is one of the most polluting industries, as identified and categorized by Central Pollution Control Board (CPCB) as it is one of the largest users of fresh water. With water used in nearly every step of the manufacturing processes, the paper industry produces large volume of wastewater and residual sludge waste, presenting number of issues in relation to wastewater treatment, discharge and sludge disposal. KPL has an adequate Effluent treatment Plant (ETP) in place with capacity to treat the wastewater produced by the company.

Countries such as China and Indonesia have significant excess paper production capacity which enables them to offload their inventory at very low prices in India. These imports attract no duty under the India-ASEAN FTA and the Asia Pacific Trade Agreement (APTA).

Risks, Concerns and Threats

The Company faces general risks inherent in any business including political, legal, geographical, economic and environmental and competition risks and takes appropriate steps to mitigate them and reduce their impact to the extent possible. The business of the Company is subject to set legal procedures and Government rules, approvals and regulations and any change in them may affect the business of the Company. Raw material prices also affect the financial performance of the Company.

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company's risk management is embedded in the business processes. The Company has identified the following threats and adopts management as below:

(a) Commodity Prices

The Company is exposed to commodity price fluctuations in its business. All major raw materials as well as finished goods, are subject to market price variations. Prices of these commodities continue to be linked to both domestic and international prices, which in turn are dependent on various macro and micro factors. Also, commodities are increasingly becoming asset classes. Prices of the raw materials and finished products manufactured by the Company fluctuate widely due to a host of local and international factors.

The Company continues to place a strong emphasis on risk management and has successfully introduced and adopted various measures for hedging the price fluctuations in order to minimise its impact on profitability. Also, the Company has initiated setting-up of a framework to upgrade itself to a robust risk management system. Further, the Company has price review mechanism to protect against material movement in price of raw materials.

(b) Interest Rate

Any increase in interest rate can affect finance costs. However, the Company's dependency on debt is optimum. The Management of the Company adopts suitable procedures and takes reasonable steps in anticipation.

(c) Foreign Exchange

Risks are associated with various forex exposures like translation, transaction, economic etc. The Company would have a risk on net import side. There are various financial instruments available to mitigate these risks and the Company may use them for mitigating the Forex Volatility.

(d) Human Resource

The Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and the non-availability of the required talent resources can affect the overall performance of the Company. By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. By putting in place production incentives on time bound basis and evaluating the performance at each stage of work. Also recruitment is across almost all states of India which helps to mitigate this risk and we do not anticipate any major issue for the coming years.

(e) Competition

The Company is always exposed to competition Risk. The increase in competition can create pressure on margins, market share, etc. However by continuous efforts to enhance the brand image of the Company by focusing on R&D, quality, cost, timely delivery, best

customer service and by introducing new product range commensurate with demand, the Company plans to mitigate the risks so involved.

(f) Government Policies

The policies announced by the Government have been progressive and are expected to remain likewise in future, and have generally taken an equitable view towards various stake holders, including domestic farmers, industry, and consumers.

(g) Freight and Port Infrastructure

The element of freight is not likely to cause any adverse effect on the operational performance.

The Company has a proactive information and management system to address the issues arising out of port congestions to the maximum extent possible and has also made sufficient arrangements for storage infrastructure.

(h) Compliances

Any default can attract penal provisions. The Company regularly monitors and reviews changes in regulatory framework by monitoring compliance through legal compliance Management tools.

(i) Industrial Safety Employee Health and Safety

The industry requires labour and are exposed to accidents health and injury risk due to machinery breakdown, etc. By development and implementation of critical safety standards across the various departments of the factory establishing training need identification at each level of employee.

(j) Domestic Economy

The Company is well geared with multi-processing capabilities to cater to variances and changing consumer preferences. Also, keeping in view the overall growth of the economy, it is expected that consumption will continue to outgrow.

(k) Digital Alternatives:

The growing preference for digital solutions could impact the demand for traditional paper products.

9. Outlook

Paper plays a key role in communication, and as a packaging material. Demand for paper is closely linked to the prevalent economy conditions. Paper industry continues to have a reasonably moderate prospect in India during next few years as the demand of paper and paper products grow in line with the GDP growth. Paper continues to enjoy a relatively healthy demand on account of (i) lifecycle of a paper product from manufacture to consumption and disposal is short, as paper is used more in the nature of a consumable and not as a durable (ii) Wide usage, right from an individual to a corporate entity (iii) rightful replacement to single use plastic and (iv) no real low cost substitutes for paper.

The Indian paper and paperboard industry has the potential and the capability to service the demand in domestic and international market, and also to create huge employment avenues in rural India through agro production and forestry. This will only strengthen if the competitiveness of the value chain is encouraged by the government.

While Writing & Printing paper does not face any major threat from substitutes, the increased preference for online storage and dissemination of data and information could marginally impact the growth. However, despite the higher level of technology being used in the corporate sector, there has been no perceptible decline in the paper demand. The demand for the writing and printing paper is expected to rise sharply on account of the implementation of the New National Educational Policy, which will result in publication of new books, in different languages of India, under the revised curriculum. Furthermore, a variety of paper products are finding its way into the market due to the ban placed on use of certain plastic items.

Since the New Curriculum is being developed after a gap of 15 years, it would eliminate sale of second-hand books and would lead to strong growth for at least 2-3 years. Completely replacing second hand textbooks will be a huge opportunity for paper industry with a higher realisation.

Availability of adequate good quality raw materials at cost effective prices, higher capital outlay, high interest and capital costs, long gestation period and stringent environment regulations are the major entry barriers for Greenfield projects in the Indian Paper industry.

According to the IPMA, paper consumption in India will likely reach 30 million tonnes by March 2027. There is growing demand from sectors such as FMCG and retail for innovative packaging solutions as they reduce dependency on plastics. Paper stocks can also benefit from the rising e-commerce shopping as well as ready-to-eat and packaged foods.

Projections indicate a 6 to 7% annual growth in paper consumption in India, reaching 30 million tonnes by FY 2026-27. The growth is likely to be attributed to a focus on education and literacy, coupled with the rise in organised retail.

India is the world's fastest-growing paper market, and it provides an interesting scenario. Paper consumption is set to take a significant jump ahead in tandem with economic expansion. According to the forecast, growth in paper consumption would be in multiples of GDP, therefore an increase in consumption of one kilogramme per capita will increase demand of one million tonnes.

In India, the paper industry is experiencing promising growth, driven by increasing domestic demand fueled by factors such as population growth, rising literacy rates, GDP expansion, and improvements in the manufacturing sector and individual lifestyles. The paper industry plays a pivotal role in the country's economic development, contributing to revenue generation, foreign exchange earnings, and employment opportunities. With a growing emphasis on education and alternative uses of paper, the domestic

demand for paper is expected to outpace supply, further bolstering the industry's growth.

Moreover, developments in the upstream market, including tissue paper, tea bags, filter paper, and lightweight online coated paper, are poised to propel the industry forward. Infrastructure improvements, such as key port enhancements, road and railway upgrades, and communication facility developments, are expected to benefit the entire industrial sector, including the pulp and paper segment.

In the global copier paper market, A4 size paper holds the highest market share, driven by its extensive utilization in consumer printing and commercial sectors. The copier paper market is categorized based on paper size, thickness, end use, and material type.

The Indian paper industry has agro-forestry routes, as has been mentioned, and strong backward linkages with the farming community from whom wood, which is the key raw material, is sourced.

Specialty papers, with a remarkable presence of over four decades in the industry.

Our writing and printing papers find extensive applications in the printing of books, notebooks, annual reports, directories, account books, envelopes, diaries, calendars, computer and office stationery. We also manufacture a wide variety of specialty products like thermal paper, bond paper, parchment paper, azurelaid paper, cartridge paper, coloured paper, ledger paper and stiffner paper. We are dedicated to addressing environmental concerns and contributing to a sustainable future. By leveraging our expertise, we have developed a range of specialty products which include bas paper for cupstock, and carrybags that reduce dependence on single-use plastics, fostering a greener tomorrow.

During the year under review, the Company achieved a production of 1,56,956 metric tonnes as against 1,52,172 metric tonnes in the previous year. The quantitative figure for the sale of paper was 1,56,931 metric tonnes this financial year as against the sale of 1,52,305 metric tonnes in the previous year.

10. Company's Financial Performance & Analysis

Kuantum Papers Limited is a distinguished manufacturer of agro and wood-based Writing & Printing, Copier and

The summarized financial results of the Company for the financial year 2023-24 are given hereunder.

(INR in Lakhs)

Particulars	2023-24	2022-23
Sales & other income	1,21,693.66	1,31,316.26
Operating Profit	33,870.49	38,281.71
Interest	4,284.70	7,099.44
Gross Profit	29,585.79	31,182.27
Depreciation	4,824.73	4,543.67
Profit (Loss) before exceptional items and tax	24,761.06	26,638.60
Exceptional items	-	6,342.31
Profit (Loss) after exceptional items	24,761.06	20,296.29
Provision for		
- Current Tax	5,461.74	1,533.07
- Adjustment of Tax-Earlier Years	32.30	(128.68)
- Deferred Tax	884.45	5,276.72
Net Profit (Loss) after tax	18,382.58	13,615.18
Other comprehensive Income (Expense)	(61.72)	(45.52)
Total comprehensive Income/(Loss) for the year (Net of Income tax)	18,320.86	13,569.66

The company recorded a Net Sales Turnover (net of GST) including other income stood at **INR 1,21,693.66 Lakhs** (Previous Year INR 1,31,316.25 Lakhs) lower by 7.32%; Operating Profit at **INR 33,870.49 Lakhs** (Previous Year INR 38,281.71 Lakhs), lower by 11.52%; Profit before exceptional items **INR 24,761.06 Lakhs** (Previous Year INR 26,638.59 Lakhs) lower by 7.04%; and the Net Profit after Tax and other comprehensive income (expense) at **INR 18,320.86 Lakhs** (Previous year INR 13,569.66 Lakhs) up by 35.01%. There were no exceptional items for the financial year ended 31st March, 2024 (Previous Year INR 6,342.31 Lakhs, representing tax adjustments).

The company has continued to take up projects in focused areas for operational improvement and this has also led to improved operational efficiencies, productivity, reduction in operational costs, and sizeable increase in savings.

The results of cost reduction initiatives and operational efficiencies achieved from the backward integration projects comprising of enhancing the capacities of Pulp and Paper, Chemical Recovery Plant and Captive Power Plant have been visible in the financial performance for the year under review and will continue to be visible in the coming years.

To cater to the growing demands of its products, the company has further undertaken the implementation of the capex

projects with outlay of Rs. 735.00 Crores for upgradation, Environment & Sustainability Initiatives, modernisation, allied projects and production capacity enhancement. This capex is proposed to be funded through the blend of debt and internal accruals. This will enhance the Paper Production capacity of 450 TPD to 675 TPD.

These initiatives have made your company not only one of the most cost competitive paper mills, but has also placed it amongst the large paper players in the writing and printing segment. Furthermore, continuous research & development have enabled the company to manufacture papers of distinctive prime quality and broader product

mix, which is competing with the premium quality of other large paper mills.

11. Accounting treatment

The Financial Statements of the Company for the year under review have been prepared in accordance with Indian Accounting standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and subsequent amendments.

12. Significant change of key financial ratios

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year, the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year, are summarised below:

Ratios	FY 23-24	FY 22-23	% change	Reason for Change
Current Ratio (intimes)	1.02	1.02	-1%	No material changes in net working capital
Current Ratio (in times)-without considering current maturity of debts.	1.63	1.45	12%	No material changes in net working capital
Debt Equity Ratio (in times)	0.46	0.53	-14%	Reduction in term liabilities pursuant to repayment
Debt service coverage ratio (in times)	11.54	3.67	214%	Earnings improved during the current year and reduction in debt.
Interest Coverage Ratio	6.42	3.56	80.34	Lowered borrowing costs and increase in profits.
Operating profit margin	27.83	29.15	-4.53	Decrease in operating profits
Return on Net Worth (%age)	17.59	22.21	-21%	Return on networth decreased due to increase in average shareholders equity.
Inventory Turnover (in times)	7.18	9.31	-23%	Increase in Inventory at year end.
Debtors Turnover (in times)	42.86	32.46	32%	Increase due to faster recovery of receivables
Trade payables turnover (in times)	20.48	29.13	-30%	Increase in trade payables due to increase in Inventory at year end.
Net capital turnover (in times)	250.97	289.66	-13 %	Due to slight increase in working capital.
Net Profit Margin (%age)	15.19	10.42	46%	Earnings improved during the current year
Return on capital employed (%age)	16.35	21.01	-22%	Return on networth decreased due to increase in capital employed.

13. Internal Control Systems

Your Company has established adequate internal control systems to provide reasonable assurance that the assets are safeguarded and transactions are properly authorized, recorded and correctly reported. Your company has already implemented SAP to further strengthen the control systems. It is a common practice to lay down a well thought business plan for each year. From the annual business plan, detailed budgets for revenue and capital for each quarter are determined. The actual performance is reviewed in comparison with the budget and deviations, if any, are addressed adequately. The internal control

mechanism is well established. The internal control system is supplemented by regular management reviews and periodical reviews by an independent firm of chartered accountants, which evaluate the functioning and quality of internal controls and checks; and provide assurance of its adequacy and effectiveness. The scope of the internal audit covers a wide variety of operational methods and ensures compliance with specified standards with regard to availability and suitability of policies, practices and procedures, extent of adherence, reliability of management information system and authorization procedures including steps for safeguarding of assets. The Reports of internal auditors are placed before Audit Committee for review.

The audit committee reviews the adequacy of the internal control systems, audit findings and suggestions. The Company's Statutory Auditors regularly interact with the Audit Committee to share their findings and the status of further improvement actions under implementation.

The Company maintains a robust internal control system and code of conduct to safeguard all assets against unauthorised use or disposition. Additionally, the system guarantees that transactions are properly authorised, recorded, and reported. The internal control system is reinforced by an extensive internal audit, periodic management reviews, and documented policies, guidelines, and procedures. The primary objective of this internal control is to ensure the reliability of financial and other records for the preparation of financial statements, while also maintaining asset accountability.

14. Human Resources and Industrial Relations

Your company enjoys the support of a committed and well satisfied human capital. Human resources are invaluable assets of the company and the Company's endeavor has always been to retain the best professional and technical talent. The company lays great emphasis on proper management of human resources and skill development and believes that the human resource is the most important ingredient for achieving excellence in performance and for the sustainable growth of the business of the company. These practices enable the company to keep the attrition rate well below the industry average. The management has a process driven approach that invests in training and skill development needs of the employees on a regular basis through succession planning, on the job training and workshops. Progress made by the company has been possible in no small measures by efforts of the entire team.

Industrial relations were harmonious. Safety welfare and training at all levels of our employees continues to be the areas of major focus for the Company as recognised by the awards bestowed on the company by independent agencies.

The year under review has seen changes in the policies and procedures to make the organisation high performing and successful. The Company has always valued its human resources and believes in the optimum potential of each employee. During the period under review, the industrial relations were cordial without any disruptions to manufacturing activities. Additional appointments were made and annual increments were granted to the salaries of employees during the period under review.

As of March 31, 2024, the Company had 1,357 employees on its payroll. The Company believe, 'People' are the most valued resource of an organisation. Their interests and welfare is its prime concern. The Company strives to explore their best by creating opportunities for growth and development, while maintaining discipline and demeanour in consonance to the culture and values of the organisation. In the process, a set of parameters addressing all dimensions have been created. Also, the Company has a full-fledged manual on HR policies, which underpins and brings together the various codes of practices relating to specific aspects of Human Resources. Human Resource Management is a dynamic function, which needs to adapt to the changing business needs of the organisation. Thus, the manual provides the basic guidelines to channelise the HR initiatives in the organisation and may not provide exhaustive solutions to problems, that keep emerging at regular times in the organisation.

The Company understands that its greatest asset resides within its Human Resources. In line with any other valuable capital, the Company recognises the need for continuous investments in this area, understanding that the long-term returns will be fruitful. Consequently, the Company proactively invests in its employees through comprehensive education and training programmes, aiming to improve the overall quality and productivity levels. The development of individuals and teams is of utmost importance to the Company. The Company operates under a transparent and performance-based system, fostering an environment of trust, healthy competition, and constant challenges. The Company's primary focus is on providing ambitious opportunities for personal and professional growth, accomplished through various training initiatives and career enhancement tasks.

15. Cautionary Statement

Statements in this "Management's Discussions and Analysis" are describing the Company's "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand, changes in Government regulations, environmental laws, tax regimes, economic developments within India and abroad and other factors such as litigation, industrial relations and other unforeseen events. The Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in future on the basis of subsequent developments, information or events.

Independent Auditors' Report

To the Members of Kquantum Papers Limited

Report on the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of Kquantum Papers Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, the statement of Profit and Loss, including the statement of other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

Key Audit Matters	How our Audit Addressed the matter
<p>Procurement and physical verification of agriculture based raw materials-</p> <p>The Company incurs significant costs on procurement of agriculture based raw material in bulk from various aggregators. The raw materials are susceptible to risk of incorrect weighing or measurement. Sound procurement processes involving critical attributes of raw material are required to mitigate this risk.</p> <p>Further, the Company follows volume-based method for physical verification of raw material which involves a wide range of attributes such as the height of stockpiles, area of spread, etc. making the measurement of raw material inventory complex and sensitive to the attributes.</p> <p>In view of the above, we have identified the confirmation of physical inventories of raw material as a key audit matter.</p>	<p>Our procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • We evaluated the design and implementation of key internal controls relating to acceptance of goods. We also tested the operating effectiveness of such controls through a combination of procedures involving observation, re-performance and inspection of evidence of samples selected. • We performed substantive testing by selecting samples (using statistical sampling) of purchase transactions recorded during the year by examining the underlying documents such as supplier invoices, goods receipt notes, e-way bill etc. • Assessed the appropriateness of the underlying data and estimates used for calculation of the yield ratio and compared the same with the previous years. • Tested the manual journal entries to identify unusual items. • Observed physical verification of raw materials selected using statistical sampling. We also assessed the appropriateness of the Company's standard operating procedures for conducting, recording and reconciling physical verification of raw materials. On a sample basis, we verified reconciliation of raw material as per physical verification with the corresponding book records.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the Standalone Financial statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

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

1. Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit

and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure I". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position in its Standalone Financial statements. Refer Note 37 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, requiring provision in the financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Protection and Education Fund by the Company.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate

in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable. As stated in Note 42 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 01 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by 'the Companies (Auditor's Report) Order, 2020', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure II" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

For **O P BAGLA & CO LLP**

Chartered Accountants

Firm Registration. No. 000018N/N500091

ATUL BAGLA

PARTNER

PLACE: Chandigarh

DATE: May 29, 2024

Membership No. 091885

UDIN: 24091885BKBND2228

Annexure- I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Kquantum Papers Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

PLACE: Chandigarh
DATE: May 29, 2024

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For **O P BAGLA & CO LLP**

Chartered Accountants

Firm Registration. No. 000018N/N500091

ATUL BAGLA

PARTNER

Membership No. 091885

UDIN: 24091885BKBNDDB2228

Annexure- II

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties included in property, plant and equipment are held in the name of the Company.

d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e) Based on audit procedures performed and the representation obtained from the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a) As explained to us physical verification has been conducted by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. We are explained that no material discrepancies have been noticed on physical verification.

b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks and financial institutions

based on the security of current assets during the year. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and no material discrepancies were found on comparing such returns/statements with the books of account of the Company for the respective periods, which were subject to audit/review.

iii. The Company, during the year, has not made investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Therefore, the provisions of clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.

iv. Based on audit procedures performed and the representation obtained from the management, the company has not granted any loans or provided any guarantees, or given any security or made any investments requiring compliance with provisions of section 185 and 186 of the Companies Act. Accordingly, provisions of clause 3(iv) are not applicable to the Company.

v. In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India ('the RBI'), the provisions of sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amounts which have been considered as deemed deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal, in this regard.

vi. We have broadly reviewed the books of account maintained by the Company in respect of the product covered where, pursuant to the Rule made by the Central Government, the maintenance of cost records has been prescribed under section 148 (1) of the Act, in respect of products covered and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to ensuring whether they are accurate or complete.

vii. a) As per information and explanations given to us and on the basis of our examination of records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues with the appropriate authorities. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.

- b) According to the information and explanations given to us, there are no dues of income tax, GST, Duty of custom, Duty of excise, Value added tax, Sales tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of dues	Amount * (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	856.35	2016-2017 (Assessment year)	CIT(A)
Income Tax Act, 1961	Income Tax	96.26	2012-2013 (Assessment year)	CIT(A)
Income Tax Act, 1961	Income Tax	154.88	2013-2014 (Assessment year)	CIT(A)
Income Tax Act, 1961	Income Tax	267.28	2017-2018 (Assessment year)	CIT(A)
Income Tax Act, 1961	Income Tax	6.60	2018-2019 (Assessment year)	CIT(A)
Central Excise Act, 1944	Excise Duty	447.36	2000-2001 to 2007-2008	Punjab and Haryana High Court
Central Excise Act, 1944	Excise Duty	65.06	2008-2009	CESTAT, Chandigarh

*Amount are as per demand order and include interest and penalty, wherever indicated in the said orders.

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts. During the year, a search was carried out by the Income Tax authorities at various premises of the Company and further proceedings are currently underway. The management has assessed the position and has represented that the above proceedings do not have any impact on the financial statements of the Company as at and for the period ended 31 March, 2024.
- ix. a) According to the information and explanations given to us, pursuant to receiving the approvals for rescheduling its loans from the lenders, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us including confirmations received from banks/ financial institution and other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- e) The Company does not have any subsidiaries, joint ventures or associate companies and therefore the clause 3(ix)(e) and 3(ix)(f) is not applicable.
- x. a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Accordingly, the provisions of clause 3 (x)(a) of the Order is not applicable to the Company and hence not commented upon.
- b) According to the information and explanations given to us, the company has not made preferential allotment/ private placement of shares or (fully or partly or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order is not applicable to the company.
- xi. a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and no material fraud on the Company has been noticed or reported during the year.
- b) We report that no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi company and therefore clause 3(xii) of the Order related to such companies is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

- b) We have considered the internal audit reports of the company issued till date, in determining the nature, timing and extent of our audit procedures.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. a) In our opinion, in view of its business activities, the Company is not required to be registered under Section 451A of Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion and as per the information and explanations provided to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable
- xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. According to the information and explanations given to us, the Company does not have any unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable to the Company.
- xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **O P BAGLA & CO LLP**

Chartered Accountants

Firm Registration. No. 000018N/N500091

ATUL BAGLA

PARTNER

Membership No. 091885

UDIN: 24091885BKBNDB2228

PLACE: Chandigarh

DATE: May 29, 2024

Balance Sheet

as at 31 March, 2024

(All amount are in INR Lakhs except for share data)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,46,782.58	1,40,680.47
Capital work-in-progress	3	4,189.46	3,064.35
Investment property	4	737.27	750.57
Other intangible assets	5	-	-
Financial assets			
- Other financial assets	6	391.09	394.38
Income tax assets (net)	7	156.01	156.01
Other non-current assets	8	5,857.47	2,583.68
Total non-current assets		1,58,113.87	1,47,629.46
Current assets			
Inventories	9	11,277.81	9,006.27
Financial assets			
- Trade receivables	10	3,422.45	2,873.25
- Cash and cash equivalents	11	7,058.63	154.26
- Other bank balances	12	734.42	1,572.00
- Others financial assets	6	284.88	158.87
Other current assets	13	7,884.20	7,551.87
Total current assets		30,662.39	21,316.52
Total assets		1,88,776.26	1,68,945.98
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	872.64	872.64
Other equity	15	1,11,511.79	95,808.84
Total equity		1,12,384.43	96,681.48
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	30,700.23	36,782.87
- Other financial liabilities	17	2,484.06	2,281.82
Provisions	18	-	131.31
Deferred tax liabilities (net)	19	12,572.71	11,721.41
Deferred income	20	454.61	481.79
Total non-current liabilities		46,211.62	51,399.20
Current liabilities			
Financial liabilities			
- Borrowings	16	20,549.86	14,497.91
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	21	1,952.82	26.90
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	3,741.12	2,555.69
- Other financial liabilities	17	2,317.56	1,982.17
Other current liabilities	22	769.44	835.99
Provisions	18	9.32	29.78
Deferred income	20	26.10	25.02
Current Tax liabilities (net)	23	813.97	911.84
Total current liabilities		30,180.21	20,865.30
Total liabilities		76,391.83	72,264.50
Total equity and liabilities		1,88,776.26	1,68,945.98

Material accounting policy information

2

Notes to the financial statements

3-44

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **O P Bagla & Co LLP**

Chartered Accountants

FRN No. 000018N/N500091

Atul Bagla

Partner

M.No. 91885

Place : Chandigarh

Dated: 29 May 2024

For and on behalf of the Board of Directors of
Kuantum Papers Limited**Jagesh Kumar Khaitan**

Chairman

DIN - 00026264

Roshan Garg

Chief Financial Officer

Place : Chandigarh

Dated: 29 May 2024

Pavan Khaitan

VC & Managing Director

DIN - 00026256

Gurinder Makkar

Company Secretary

Place : Chandigarh

Dated: 29 May 2024

Statement of Profit and Loss

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	24	1,21,129.65	1,30,955.84
Other income	25	564.01	360.42
Total income		1,21,693.66	1,31,316.26
Expenses			
Cost of materials consumed	26	36,029.48	39,836.06
Purchase of stock-in-trade		1.44	707.14
Changes in inventories of finished goods and work in progress	27	(273.33)	50.82
Employee benefits expense	28	7,962.64	6,917.51
Finance costs	29	4,284.70	7,099.44
Depreciation and amortisation expense	30	4,824.73	4,543.67
Other expenses	31	44,102.94	45,523.02
Total expenses		96,932.60	1,04,677.66
Profit/(loss) before exceptional items and tax		24,761.06	26,638.60
Exceptional Items	32	-	6,342.31
Profit/(loss) before income tax		24,761.06	20,296.29
Income tax expense	33		
Current tax		5,461.74	1,533.07
Adjustment of tax relating to earlier years		32.30	(128.68)
Deferred tax		884.45	5,276.72
Total		6,378.49	6,681.11
Total income tax expense		6,378.49	6,681.11
Profit/(loss) for the year		18,382.57	13,615.18
Other comprehensive income/(expense)			
<i>Items that will not be re-classified to profit or loss</i>			
- Remeasurement of defined benefit liability/(assets)		(94.86)	(69.97)
<i>Income tax relating to items that will not be reclassified to profit or loss</i>			
- Remeasurement of defined benefit liability/(assets)		33.15	24.45
Other comprehensive income/(expense) for the year (net of income tax)		(61.72)	(45.52)
Total comprehensive income/(expense) for the year		18,320.86	13,569.66
Earnings per equity share [nominal value of INR 1 (previous year INR 1)]	34		
a) Basic (INR)		21.07	15.60
b) Diluted (INR)		21.07	15.60

Material accounting policy information

2

Notes to the financial statements

3-44

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **O P Bagla & Co LLP**
Chartered Accountants
FRN No. 000018N/N500091

For and on behalf of the Board of Directors of
Kquantum Papers Limited

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: 29 May 2024

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Roshan Garg
Chief Financial Officer

Place : Chandigarh
Dated: 29 May 2024

Pavan Khaitan
VC & Managing Director
DIN - 00026256

Gurinder Makkar
Company Secretary

Place : Chandigarh
Dated: 29 May 2024

Statement of Changes in Equity

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

A. Equity share capital

	Note	
Balance as at 1 April 2022	14	872.64
Changes in equity share capital during the year		-
Balance as at 31 March 2023		872.64
Balance as at 1 April 2023		872.64
Changes in equity share capital during the year		-
Balance as at 31 March, 2024		872.64

B. Other equity

Particulars	Reserves and surplus			Total
	Capital redemption reserve (Refer note 15)	General reserve (Refer note 15)	Retained earnings (Refer note 15)#	
Balance as at 1 April 2022	200.00	2,457.92	79,517.03	82,174.95
Total comprehensive income for the year ended 31 March 2023				
Profit/(Loss) for the year	-	-	13,615.18	13,615.18
Other comprehensive income/(expense) (net of tax)	-	-	(45.52)	(45.52)
Total comprehensive income for the year	-	-	13,569.66	13,569.66
Dividend (including corporate dividend tax)	-	-	-	-
Add: Derecognition of Unearned Financial Guarantee Commission*	-	-	64.23	64.23
Transfer (from)/to debenture redemption reserve	-	-	-	-
Balance as at 31 March 2023	200.00	2,457.92	93,150.92	95,808.84
Total comprehensive income for the year ended 31 March, 2024				
Profit/(loss) for the year	-	-	18,382.58	18,382.58
Other comprehensive income/(expense) (net of tax)	-	-	(61.72)	(61.72)
Total comprehensive income for the period	-	-	18,320.86	18,320.86
Dividend	-	-	(2,617.91)	(2,617.91)
Transferred to Capital Redemption Reserve	3,000.00		(3,000.00)	-
Balance as at 31 March, 2024	3,200.00	2,457.92	1,05,853.87	1,11,511.79

Includes land revaluation reserve of INR 41,294.33 and capital subsidy of INR 100.14 transferred to retained earnings in accordance with Ind AS 101.

* Due to prepayment of corresponding borrowing

Material accounting policy information 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For O P Bagla & Co LLP

Chartered Accountants

FRN No. 000018N/N500091

For and on behalf of the Board of Directors of
Kuantum Papers Limited

Jagesh Kumar Khaitan

Chairman

DIN - 00026264

Pavan Khaitan

VC & Managing Director

DIN - 00026256

Atul Bagla

Partner

M.No. 91885

Place : Chandigarh

Dated: 29 May 2024

Roshan Garg

Chief Financial Officer

Place : Chandigarh

Dated: 29 May 2024

Gurinder Makkar

Company Secretary

Place : Chandigarh

Dated: 29 May 2024

Cash Flow Statement

for year ended 31 March.2024

(All amount are in INR Lakhs except for share data)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A Cash flow from operating activities		
Profit before income tax	24,761.06	20,296.29
Adjustments for:		
Depreciation and amortisation expense	4,824.73	4,543.67
Loss/ (profit) on sale of property, plant and equipment	1,726.59	9.11
Finance cost	4,284.70	7,099.44
Interest income	(102.22)	(147.38)
Foreign exchange gain/loss (unrealized)	(1.65)	1.71
Liabilities no longer required written back	(0.63)	(1.29)
Rental income	(56.22)	(56.20)
Exceptional Items	-	6,342.31
Others	(22.78)	(23.74)
Cash flow from operating activities before changes in following assets and liabilities	35,413.59	38,063.93
(Increase) in other non-current assets	136.33	(141.92)
(Increase)/ decrease in inventories	(2,271.54)	(320.69)
Decrease/ (increase) in trade receivables	(546.64)	3,186.12
(Increase) in other financial assets	(148.96)	154.59
(Increase)/ decrease in other current assets	(332.33)	(2,705.00)
Increase/ (decrease) in provisions	(246.62)	(51.58)
(Decrease)/ increase in trade payables	3,110.43	(986.55)
Increase in other financial liabilities	326.93	789.75
Increase/ (decrease) in other current liabilities	(69.23)	225.87
Cash generated by operating activities	35,371.96	38,214.52
Income tax paid / tax deducted at source (net of refund)	(5,591.90)	(671.23)
Net cash generated from operating activities (A)	29,780.06	37,543.29
B Cash flow from investing activities		
Acquisition of property, plant and equipment	(17,559.35)	(6,540.37)
Proceeds from sale of property, plant and equipment	926.12	209.42
Rental income and others	56.22	56.20
Decrease/ (increase) in deposit accounts (having original maturity of more than three months)	850.28	107.96
Interest received	115.76	201.54
Net cash (used) in investing activities (B)	(15,610.98)	(5,965.25)
C Cash flows from financing activities		
Proceeds from long term borrowings	46,034.14	15,076.69
Repayment of long term borrowings	(46,927.19)	(39,819.29)
Proceeds of short term borrowings (net)	862.37	(208.21)
Interest paid	(4,625.51)	(6,829.02)
Dividend paid	(2,608.50)	-
Net cash generated from/ (used in) financing activities (C)	(7,264.71)	(31,779.84)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	6,904.37	(201.80)
Cash and cash equivalents at the beginning of the year (see below)	154.26	356.07
Cash and cash equivalents at the end of the year (see below)	7,058.63	154.26

Cash Flow Statement

for year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Notes:		
Cash and cash equivalents include :		
Balance with banks in current accounts	54.93	151.18
Fixed deposits with original maturities upto 3 months	7,000.00	-
Cash in hand	3.70	3.08
	7,058.63	154.26

Material accounting policy information

2

- The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".
- During the year, the Company paid in cash INR 170.19 lakhs (31 March 2023: INR 33.38 lakhs) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 31 (b)).

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **O P Bagla & Co LLP**
Chartered Accountants
FRN No. 000018N/N500091

For and on behalf of the Board of Directors of
Kuantum Papers Limited

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
VC & Managing Director
DIN - 00026256

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: 29 May 2024

Roshan Garg
Chief Financial Officer

Place : Chandigarh
Dated: 29 May 2024

Gurinder Makkar
Company Secretary

Place : Chandigarh
Dated: 29 May 2024

Notes to the Financial Statements

for the year ended 31 March, 2024

1. Reporting entity

Kquantum Papers Limited (the 'Company') is a public company incorporated under the provisions of the Companies Act, 1956 having its registered office at Paper Mill, Saila Khurd, District Hoshiarpur, Punjab - 144529, India. The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.

The Company's business primarily consists of manufacture and sales of paper, mainly in the domestic markets. The manufacturing facilities and registered office of the Company are situated in Saila Khurd, District Hoshiarpur in the State of Punjab, with corporate office in Chandigarh.

2. Material accounting policy information

a) Basis of preparation

i) Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statements.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

ii) Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets at least at the recorded amounts and discharge its liabilities in the usual course of business. The Company has recognized comprehensive income for the year after tax of Rs. 18,320.86 lakhs for the year ended 31 March 2024 and, as at that date, current assets exceed current liabilities by Rs. 482.18 lakhs. In view of the positive net worth, the assessment of future cash flow projections, availability of liquid funds and unused credit facilities, the management considers that it is appropriate to prepare these financial statements on a going concern basis.

The financial statements were authorized for issue by the Company's Board of Directors on 29 May 2024.

iii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, up to two places of decimal, unless otherwise indicated.

iv) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined benefits obligations

v) Use of estimates and judgments

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that impact the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following areas:

- Note 38 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 18 and 37 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(q) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(p) - Impairment of financial assets
- Note 2(v) - Fair value measurement
- Note 2(c) and 3 – Assessment of useful life of Property, plant and equipment

Notes to the Financial Statements

for the year ended 31 March. 2024

- Note 2(c) and 4 – Assessment of useful life of Intangible assets
- Note 2(f): Valuation of inventories
- Note 2(k): Accounting for government grants
- Note 2(n), 19 and 33 – Recognition of tax expense including deferred tax;

vi) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

b) Changes in Significant Accounting Policies

The Company has initially applied Ind AS 116 from 01 April 2019. A number of other new standards and amendments are also effective from 01 April 2019 but they do not have a material effect on the Company's financial statements.

Due to the transition methods chosen by the Company in applying the above standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

The Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. There was no material impact of transition from Ind AS 17 to Ind AS 116 in accounting for leases by the Company.

c) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are measured at cost of acquisition or construction which includes capitalized finance costs less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work-in-progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date. Advances paid towards acquisition of PPE outstanding at each Balance sheet date are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on cost of items of PPE (excluding freehold land) less their estimated residual values over their estimated useful lives using the straight-line method, except on second hand captive power plant on which it is on written

Notes to the Financial Statements

for the year ended 31 March, 2024

down value method and is recognized in the Statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given in Schedule II of Companies Act, 2013 best represent the period over which management expects to use these assets.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (up to) the month on which asset is ready for use (disposed of).

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Derecognition

A property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

d) Other intangible assets

Acquired intangibles

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation expense in Statement of Profit and Loss. The estimated useful life of Computer software is 3 years.

Amortisation method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal.

e) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the company depreciates investment properties over a period of 60 years on a straight-line basis. The useful life estimate of 60 years is same as the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 60 years.

Any gain or loss on disposal of an investment property is recognized in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

f) Inventories

Inventories are measured at the lower of cost and net realizable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials, chemicals and fuels, stores and spare parts, packing materials and loose tools	Weighted average method
---	-------------------------

Notes to the Financial Statements

for the year ended 31 March, 2024

Work-in-progress and finished goods (manufactured)	Weighted average cost and includes an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

Compensated absences

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit cost credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

h) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow

Notes to the Financial Statements

for the year ended 31 March, 2024

of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

i) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

j) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

k) Revenue

Revenue from contract with customers

Under Ind AS 115, the Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Deferred revenue is recognised when there is billings in excess of revenues.

The Company disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as cash discount, trade discount, and rebate. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Notes to the Financial Statements

for the year ended 31 March, 2024

- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Rental income

Rental income from investment property is recognised as part of other income in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

Government grants related to capital assets is recognised on a straight line basis over the useful life of the related assets. Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which such expenses are recognised.

Export benefits and sales tax incentives

Export benefits and sales tax incentives under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

l) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- a. the gross carrying amount of the financial asset; or
- b. the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the

amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

m) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

n) Income taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses (if any) and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are recognised to the extent that it is probable that the related tax benefits will be realized. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

for the year ended 31 March, 2024

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For operations under tax holiday scheme, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying value of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Minimum Alternative tax

Minimum Alternative tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in profit or loss. The credit available under the Act in respect of MAT paid is adjusted from deferred tax liability only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised adjusted from deferred tax liability is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

The Company has opted for the new tax regime u/s 115BAA w.e.f. April 1, 2022. Hence, provisions of Minimum Alternative tax (MAT) are not applicable to the Company.

o) Leases

Leases under Ind AS 116

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company elected to use the following practical expedients on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for short term leases and leases where underlying asset is of low value.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the remeasurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

Notes to the Financial Statements

for the year ended 31 March, 2024

ii) As lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold

assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair

Notes to the Financial Statements

for the year ended 31 March, 2024

value. The Company makes such adoption on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period

if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivables do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the Financial Statements

for the year ended 31 March, 2024

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest Company of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

r) Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

for the year ended 31 March, 2024

t) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

u) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v) Foreign currency transactions

i) Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

ii) Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

3 Property, plant and equipment and Capital work in progress

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Computers	Total	Capital work-in-progress
Gross carrying amount								
Balance as at 1 April 2022	41,500.40	14,582.29	98,213.94	179.02	585.86	495.75	1,55,557.25	2,886.42
Additions	-	359.52	4,832.16	0.86	146.81	25.69	5,365.04	5,316.94
Disposals	-	-	80.39	-	288.01	-	368.40	5,139.01 [#]
Balance as at 31 March 2023	41,500.40	14,941.81	1,02,965.71	179.88	444.66	521.44	1,60,553.89	3,064.35
Balance as at 1 April 2023	41,500.40	14,941.81	1,02,965.71	179.88	444.66	521.44	1,60,553.89	3,064.35
Additions	-	1,288.81	11,817.16	14.18	385.07	61.01	13,566.24	14,088.50
Disposals	-	-	3,789.70	0.18	165.52	1.46	3,956.86	12,963.40 [#]
Balance as at 31 March, 2024	41,500.40	16,230.62	1,10,993.17	193.88	664.21	580.99	1,70,163.28	4,189.46
Accumulated depreciation								
Balance as at 1 April 2022	-	1,488.92	13,252.43	84.37	296.31	374.46	15,496.48	-
Depreciation for the year	-	456.20	3,967.26	16.73	47.85	38.78	4,526.82	-
Disposals	-	-	11.43	-	138.45	-	149.87	-
Balance as at 31 March 2023	-	1,945.12	17,208.26	101.10	205.71	413.24	19,873.42	-
Balance as at 1 April 2023	-	1,945.12	17,208.26	101.10	205.71	413.24	19,873.42	-
Depreciation for the year	-	492.52	4,191.25	16.69	63.92	47.03	4,811.42	-
Disposals	-	-	1,257.74	0.14	45.57	0.69	1,304.15	-
Balance as at 31 March, 2024	-	2,437.64	20,141.77	117.66	224.06	459.58	23,380.70	-
Carrying amounts (net)								
As at 31 March 2023	41,500.40	12,996.69	85,757.45	78.78	238.96	108.20	1,40,680.47	3,064.35
As at 31 March, 2024	41,500.40	13,792.98	90,851.41	76.23	440.15	121.41	1,46,782.58	4,189.46

[#] Represents capital-work-in-progress capitalized during the year.

Note:

- Refer note 16 for information on property, plant and equipment pledged as security by the Company.
- Refer note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capitalised borrowing costs related to the plant and equipment amounted to INR 424.32 Lakhs (previous year: INR 35.85 Lakhs).
- The company has not revalued/fair valued its property, Plant and Equipments (including Investment Properties) and Intangible Assets during the current and previous year.
- The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- Disclosure for Capital Work in Progress

As at March 31, 2024

CWIP ageing schedule:

INR In lakhs

Particulars	Amount of CWIP for a Period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,017.67	45.42	102.55	2,023.82	4,189.46
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023

CWIP ageing schedule:

INR In lakhs

Particulars	Amount of CWIP for a Period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	937.97	102.55	488.79	1,535.03	3,064.35
Projects temporarily suspended	-	-	-	-	-

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

4 Investment property

Particulars	Total
Gross carrying amount	
Balance as at 1 April 2022	840.34
Additions	-
Disposals	-
Balance as at 31 March 2023	840.34
Balance as at 1 April 2023	840.34
Additions	-
Balance as at 31 March, 2024	840.34
Accumulated depreciation	
Balance as at 1 April 2022	76.46
Depreciation for the year	13.31
Balance as at 31 March 2023	89.77
Balance as at 1 April 2023	89.77
Depreciation for the year	13.31
Disposals	-
Balance as at 31 March, 2024	103.07
Carrying amounts (net)	
As at 31 March 2023	750.57
As at 31 March, 2024	737.27

Note: Fair value and valuation technique

As at 31 March 2024, the fair value of the property is INR 14.39 crores. The fair value of investment property has been determined by external, independent registered property valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification.

The valuation has been taken considering values arrived using Discounted Cash Flow method under income approach of valuation, net present value is determined based on projected cash flows discounted at an appropriate rate.

Further, inputs used in the valuation are as under:

- Property details comprising of total leasable area, area actually leased, vacant area, parking slots etc.;
- Revenue assumptions comprising of rental income, rent growth rate, lease tenure, market escalations etc.;
- Cost assumptions comprising of brokerage cost, transaction cost on sale, cost escalations etc.;
- Discounting assumptions comprising of terminal cap rate and discount rate; and
- Estimated cash flows from lease rentals, operation and maintenance income etc. for the future years.

5 Other intangible assets and Intangible assets under development

Particulars	Computer Software	Total	Intangible assets under development
Gross carrying amount			
Balance as at 1 April 2022	1,054.00	1,054.00	-
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2023	1,054.00	1,054.00	-
Balance as at 1 April 2023	1,054.00	1,054.00	-
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2024	1,054.00	1,054.00	-

Notes to the Financial Statements

for the year ended 31 March. 2024

(All amount are in INR Lakhs except for share data)

Particulars	Computer Software	Total	Intangible assets under development
Accumulated depreciation			
Balance as at 1 April 2022	1,050.45	1,050.45	-
Amortisation for the year	3.55	3.55	-
Disposals	-	-	-
Balance as at 31 March 2023	1,054.00	1,054.00	-
Balance as at 1 April 2023	1,054.00	1,054.00	-
Amortisation for the year	-	-	-
Disposals	-	-	-
Balance as at 31 March. 2024	1,054.00	1,054.00	-
Carrying amounts (net)			
Balance as at 31 March 2023	(0.00)	(0.00)	-
Balance as at 31 March.2024	(0.00)	(0.00)	-

6 Financial Assets- Other financial assets

Particulars	Note	As at 31 March 2024		As at 31 March 2023	
		Current	Non Current	Current	Non Current
Deposits with original maturity of more than 12 months*	(a)	-	10.75	-	23.45
Balance in unclaimed dividend accounts*		-	24.13	-	14.72
Security deposits*		-	356.21	-	356.21
Interest accrued on deposits*		17.77	-	31.31	-
Advances to employees*		4.05	-	5.90	-
Others*		263.05	-	121.66	-
		284.88	391.09	158.87	394.38

Note:

- (a) Includes restricted deposits of INR 10.75 Lakhs (31 March 2023: INR 23.45 Lakhs) pledged as security for letter of credit, bank guarantee or held for margin money.

* Financial assets carried at amortized cost

7 Income tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income-tax and tax deducted at source	156.01	156.01
	156.01	156.01

8 Other non-current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances		
- to others	5,751.33	2,341.20
Advances other than capital advances		
- Prepaid expenses	62.75	202.97
Lease equalisation reserve *	43.39	39.51
	5,857.47	2,583.68

* Refer to note 39

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

9 Inventories

(at lower of cost and net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw material and packing material [#]	4,688.48	3,223.46
Work-in-progress	383.01	127.32
Finished goods	24.16	6.51
Stores, spares and others [#]	2,687.57	2,472.22
Chemical and fuels	3,494.59	3,176.75
	11,277.81	9,006.27
Note:		
[#] Includes material in transit	184.17	6.16

10 Financial Assets- Trade receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	3,422.45	2,873.25
	3,422.45	2,873.25
Less: Allowance for credit impairment	-	-
	3,422.45	2,873.25
Break-up of trade receivables		
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	3,422.45	2,873.25
Trade Receivables which have significant increase in Credit Risk	-	-
Trade receivables -credit impaired	-	-
Total	3,422.45	2,873.25
Loss allowance	-	-
Total trade receivables	3,422.45	2,873.25

Note:

Trade receivable ageing schedule

As at March 31, 2024

Particulars	Not Due	Outstanding for following periods from due date of payment [#]				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables considered good	2,796.60	622.92	0.40	2.53	-	-
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

As at March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment [#]				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables considered good	2,350.98	444.00	78.27	-	-	-
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-

[#] Where due date of payment is not available date of transaction has been considered.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

11 Financial Assets- Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- in current accounts	54.93	151.18
- Fixed deposits with original maturities upto 3 months	7,000.00	-
Cash in hand	3.70	3.08
	7,058.63	154.26

12 Financial Assets- Other bank balances

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Deposit accounts with original maturity of more than 3 months and upto 12 months from the reporting date	(C)	734.42	1,572.00
		734.42	1,572.00

Notes:

(C) These deposits include restricted bank deposits pledged as security for letters of credit, bank guarantees and held for margin money amounting to INR 734.42 Lakhs (31 March 2023 INR 1,572.00 Lakhs).

13 Other current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Recoverable from / balance with government authorities	56.14	56.14
Prepaid expenses	632.26	552.49
Advances for supply of goods		
- considered good	7125.51	6,911.09
- considered doubtful	9.77	9.77
Less : expected credit loss for doubtful advances	(9.77)	(9.77)
Others	70.30	32.16
	7,884.20	7,551.87

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

14 Equity Share capital

(i) Details of share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<i>Authorised</i>				
Equity shares of INR 1 each.(31 March-2023 INR 1 each)	25,00,00,000	2,500.00	25,00,00,000	2,500.00
	25,00,00,000	2,500.00	25,00,00,000	2,500.00
<i>Authorised</i>				
Preference shares of INR 10 each.	3,00,00,000	3,000.00	3,00,00,000	3,000.00
	3,00,00,000	3,000.00	3,00,00,000	3,000.00
<i>Issued, subscribed and fully paid up</i>				
Equity shares of INR 1 each fully paid up (31 March-2023 INR 1 each)	8,72,63,630	872.64	8,72,63,630	872.64
	8,72,63,630	872.64	8,72,63,630	872.64

(ii) Reconciliation of number of shares outstanding at beginning and end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	8,72,63,630	872.64	8,72,63,630	872.64
Increase on account of sub-division of equity shares	-	-	-	-
Balance at the end of the year	8,72,63,630	872.64	8,72,63,630	872.64

(iii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of the share holder	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of equity shares held	Number of shares	% of equity shares held
Kapedome Enterprises Limited {Holding Company} (Equity shares of INR 1 each)	5,80,37,880	66.51%	5,80,37,880	66.51%

Shareholding of Promoters

Shares held by promoters at the end of the year			% age change during the year
Promoter Name	No. of Shares	% age of total shares	
Kapedome Enterprises Ltd.	5,80,37,880	66.51%	-
Jagesh Kumar Khaitan	14,47,580	1.66%	-
J K Khaitan (HUF)	3,540	0.00%	-
Pavan Khaitan	14,72,650	1.69%	-
Aparna Khaitan	2,60,760	0.30%	-
Usha Khaitan	1,28,280	0.15%	-

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2024

During the five years immediately preceding 31 March 2024 ('the period'), neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

(vi) The Company had issued 10% non-cumulative redeemable shares amounting to INR 3,000 lakhs on 13th September 2013 and the same were redeemable in 5 equal installments of INR 600 lakhs each at the end of 16th, 17th, 18th, 19th and 20th year from the allotment date. During the current financial year, the Company has redeemed these preference shares along with pro-rata dividend after obtaining the approval of all stakeholders.

15 Other Equity

(also refer to Statement of Changes in Equity)

(i) Capital Redemption Reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning and end of the year	200.00	200.00
Transferred from retained earnings	3,000.00	-
Closing balance	3,200.00	200.00

Capital redemption reserve have been created in accordance with Companies Act, 2013 at the time of redemption of preference shares by transferring amount equal to nominal value of preference shares so redeemed from surplus balance of profits.

(ii) General Reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	2,457.92	2,457.92
Add : Amount transferred from surplus	-	-
Balance at the end of the year	2,457.92	2,457.92

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

(iii) Retained earnings

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	93,150.92	79,575.14
Add: Profit/(loss) for the year	18,382.58	13,615.18
Less: dividend	(2,617.91)	-
Add: Amount transferred on Derecognition of Unearned Financial Guarantee Commission	-	64.23
Other comprehensive income(net of tax)	(61.72)	(103.62)
Less: Transferred to Capital Redemption Reserve	(3,000.00)	-
Balance at the end of the year	1,05,853.88	93,150.92

Retained earnings represent the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

15 Other Equity

(also refer to Statement of Changes in Equity)

(i) Capital redemption reserve

Capital redemption reserve have been created in accordance with Companies Act, 2013 at the time of redemption of preference shares by transferring amount equal to nominal value of preference shares so redeemed from surplus balance of profits.

(ii) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

(iii) Retained earnings

Retained earnings represent the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(iv) Other comprehensive income(net of tax)

Remeasurements of defined benefit obligation comprise actuarial gains and losses and return on plan assets (excluding interest income).

16 Financial Liabilities-Borrowings

Financial Liabilities carried at amortised cost

I Non-current borrowings

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Term-loans			
- From banks/NBFCs (secured)	16(a)	37,061.66	35,538.45
- Vehicle loans (secured)	16(b)	357.95	105.96
Total (A)		37,419.61	35,644.41
Public deposits	16(c)		
- from related parties (unsecured) (refer note 40)		568.00	468.00
- others (unsecured)		1,960.71	1,737.46
Loans from related parties (unsecured) (refer note 40)	16(d)		
- Mr. Jagesh Kumar Khaitan		63.00	63.00
- Mrs. Usha Khaitan		42.00	42.00
- Kapedome Enterprises Limited		2,006.00	2,006.00
3,00,00,000 (previous year 3,00,00,000) 10% redeemable noncumulative preference shares of INR 10 each, fully paid up considered entirely financial liability in nature (unsecured)	16(e)	-	3,000.00
Total (B)		4,639.71	7,316.46
Total non-current borrowings (including current maturities) (A+B)		42,059.32	42,960.87
Less: Current maturities of non-current borrowings		11,359.09	6,178.00
		30,700.23	36,782.87

II Current borrowings

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Secured:			
Loans repayable on demand			
- Working capital	16(f)	7,452.75	6,590.38
Current maturities of non-current borrowings			
- Term loan		10,191.16	5,687.17
- Vehicle loan		85.56	37.27
Unsecured:			
Public deposits			
- From related parties (refer note 40)		424.95	150.29
- From others		1,313.07	1,559.24
Inter corporate deposits		-	20.00
Current maturities of non-current borrowings		1,082.37	453.56
		20,549.86	14,497.91

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

Note:

16 (a) Term Loan of:

- i. INR 18,910.53 Lakhs (31 March 2023 : INR 35,013.91 Lakhs) are secured by a first parri passu charge on all the fixed assets (immovable and movable) of the Company, both present and future along with equitable mortgage of factory land and building at Sailakhurd except office premises situated at Industrial Area, Chandigarh which are exclusively mortgaged with HDFC Bank Limited and second pari passu charge on the current assets. The said loans are also secured by personal guarantee of directors.
- ii. INR 15,149.75 Lakhs (31 March 2023 : INR Nil) are secured by a first parri passu charge on all the fixed assets (immovable and movable) of the Company, both present and future along with equitable mortgage of factory land and building at Sailakhurd except premises situated at Industrial Area, Chandigarh and personal guarantee of directors.
- iii. INR 501.38 Lakhs (31 March 2023 : INR 524.54 Lakhs) is secured by exclusive charge on the office premises at Industrial Area Chandigarh and is also secured by personal guarantee of directors.
- iv. INR 2,500.00 Lakhs (31 March 2023: INR Nil) is secured by exclusive charge on machinery.
- v. During the current year, the nominal (floating) interest rate was in the range of 8.60% to 9.25% per annum (31 March 2023 : 7.75% to 11.75% per annum).
- vi. The term loans are repayable in quarterly installments ranging from INR 10 Lakhs to INR 750 Lakhs till FY 2028-29.

16 (b) Vehicle loans of INR 357.95 Lakhs (31 March 2023: 105.96 Lakhs) are secured against hypothecation of the specified vehicles purchased from proceeds of the said loans. The fixed rate of interest is in range from 8.40% to 10.59% per annum (31 March 2023 : 8.40% to 10.59% per annum). The vehicle loans are repayable in monthly unequal installment ranging from INR 0.08 Lakhs to INR 1.23 Lakhs till FY 2028-29.

16 (c) Public deposits carry interest rate ranging between 8.50 % to 9.75% (31 March 2023: 8.50% to 9.75%) per annum and carry a maturity period from 12 to 36 months from the respective date of deposits.

16 (d) The fixed rate of interest on loans from promoters, directors and relatives in current year is at rate of 9% (31 March 2023: 9%) per annum. As per the Company's arrangements with these parties, the amount has been considered as long term, repayable based on mutually agreed terms.

16 (e) 10% non-cumulative redeemable preference shares of INR 10 each, fully paid up

The Company had issued 10% non-cumulative redeemable shares amounting to INR 3,000 lakhs on 13th September 2013 and the same were redeemable in 5 equal installments of INR 600 lakhs each at the end of 16th, 17th, 18th, 19th and 20th year from the allotment date. During the current year, the Company has redeemed these preference shares along with pro-rata dividend after obtaining the approval of all stakeholders.

16 (f) Secured loans - repayable on demand

Working capital loans are secured by hypothecation of all current assets, second charge on the fixed assets of the Company and personal guarantees of directors. The floating rate of interest on the loans is 8.95% to 9.60% per annum (31 March 2023: 8.50% to 10.10% per annum).

III Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings at the beginning of the year (current and non current) including short term	51,280.78	76,231.62
Proceeds from borrowings*	46,896.51	14,868.48
Repayment of borrowings*	(46,927.22)	(39,819.32)
Borrowings at the end of the year (current and non current)	51,250.07	51,280.78

* Including net movement during the year for short term borrowings

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

17 Financial Liabilities- Other financial liabilities

Financial Liabilities carried at amortised cost	As at 31 March 2024		As at 31 March 2023	
	Current	Non-current	Current	Non-current
Interest accrued [refer to note 40]	60.69	52.61	126.44	27.68
Dividend payable on preference shares	-	-	300.00	-
Unpaid dividends	24.13	-	14.72	-
Capital creditors	1,099.49	-	557.37	-
Security deposits	-	2,431.45	-	2,254.14
Employee related payables	1,131.05	-	983.64	-
Others	2.20	-	-	-
	2,317.56	2,484.06	1,982.17	2,281.82

18 Provisions

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-current	Current	Non-current
Provisions for employee benefits (refer note 38)				
Liability for gratuity	9.32	-	-	-
Liability for compensated absences	-	-	29.78	131.31
	9.32	-	29.78	131.31

19 Deferred tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities on account of:		
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	12,669.13	11,843.81
	-	-
Deferred tax assets on account of:		
Provision for employee benefits	-	40.54
Loss allowance for doubtful receivables and advances	2.46	2.46
Expenses allowable on payment basis	93.95	79.40
	12,572.71	11,721.41

(b) Movement in temporary differences:

2022-2023

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit Availment	Closing balance
Deferred tax liabilities on account of:					
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	(12,841.57)	997.76	-	-	(11,843.81)
Others	-	-	-	-	-
Deferred tax assets on account of:					
MAT credit entitlement	4,744.66	(4,744.66)	-	-	-
Provision for employee benefits	49.86	(33.77)	24.45	-	40.54
Loss allowance for doubtful receivables and advances	3.41	(0.95)	-	-	2.46
Expenses allowable on payment basis	95.47	(16.07)	-	-	79.40
C/F	7,821.34	(7,821.34)	-	-	-
	(126.83)	(11,619.03)	24.45	-	(11,721.41)

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

2023-2024

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit Availability	Closing balance
Deferred tax liabilities on account of:					
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	(11,843.81)	(825.32)	-	-	(12,669.13)
	-	-	-	-	-
Deferred tax assets on account of:					
Provision for employee benefits	40.54	(73.69)	33.15	-	-
Loss allowance for doubtful receivables and advances	2.46	-	-	-	2.46
Expenses allowable on payment basis	79.40	14.55	-	-	93.95
	(11,721.41)	(884.46)	33.15	-	(12,572.71)

20 Deferred income

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-current	Current	Non-current
Deferred income on government grant	26.10	454.61	25.02	481.79
	26.10	454.61	25.02	481.79

21 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
- Dues of Micro Enterprises and Small Enterprises [refer note below]	1,952.82	26.90
- Trade payables to related parties	-	-
- Other trade payables	3,741.12	2,555.69
	5,693.94	2,582.59

Trade payable ageing schedule

As at March 31, 2024

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment [#]			
			Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	1,952.82	-	-	-	-
(ii) Others	376.51	3,061.75	302.86	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

As at March 31, 2023

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment [#]			
			Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	26.90	-	-	-	-
(ii) Others	238.65	1,751.31	565.73	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

[#] Where due date of payment is not available date of transaction has been considered.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

Particulars	As at 31 March 2024	As at 31 March 2023
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	1,952.82	26.90
- Interest	-	-
(b) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"); along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED act	-	-
(d) The amount of interest accrued and remaining unpaid at the end of year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expense under the MSMED Act 2006	-	-

The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are INR Nil (31 March 2023 INR Nil) as on balance sheet date.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

22 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Contract liabilities (Advance from customers)	174.40	147.63
Statutory dues	595.04	688.36
	769.44	835.99

23 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for income tax (net of advance tax)	813.97	911.84
	813.97	911.84

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

24 Revenue from operations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products	1,20,619.80	1,30,245.14
Other operating revenues		
Scrap sales	395.25	453.93
Export incentives	114.60	256.77
	1,21,129.65	1,30,955.84
Revenue disaggregation by geography is as follows:		
Geography		
India	1,13,959.92	1,17,264.13
Outside India	6,659.89	12,981.01

In presenting the geographical information, sale of products revenue has been based on the geographic location of the customers.

Information about major customers:

No customer represents 10% or more of the Company's total revenue during the year ended 31 March 2024 (31 March 2023: Nil).

Reconciliation of revenue recognized with the contracted price is as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contracted price	1,28,044.13	1,34,931.02
Reductions towards variable consideration components	6,914.48	3,975.19
Revenue recognised	1,21,129.65	1,30,955.84

The reduction towards variable consideration comprises cash discounts, trade discounts and rebates etc.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contract Balances		
Trade receivables	3,422.45	2,873.25
Contract assets	-	-
Contract liabilities	174.40	147.63

The contract assets primarily relate to the Company's rights to consideration for revenue accrued but not billed at the reporting date. The contract assets are transferred to receivables when the Company issues an invoice to the customer. The contract liabilities relate to the advance received from customers against which revenue is recognized when or as the performance obligation is satisfied.

25 Other income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest income:		
on bank deposits	75.73	129.18
others *	26.48	18.20
Rental income	56.22	56.20
Liabilities no longer required written back	0.63	1.29
Others	404.95	155.55
	564.01	360.42

* Others represents interest on security deposit to Punjab State Power Corporation Limited etc.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

26 Cost of materials consumed

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Raw material consumed		
Opening stock of raw materials	3,068.63	4,329.83
Add: Purchases of raw materials	34,382.80	35,300.74
Less: Inventory of material at the end of the year	4,550.34	3,068.63
	32,901.09	36,561.94
Packing material consumed		
Opening stock of materials	154.83	156.21
Add: Purchases of materials	3,111.70	3,272.74
Less: Inventory of material at the end of the year	138.15	154.83
	3,128.39	3,274.12
	36,029.48	39,836.06

27 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock		
Work-in-progress	127.32	115.86
Finished goods	6.51	68.79
	133.83	184.65
Less:		
Closing stock		
Work-in-progress	383.01	127.32
Finished goods	24.16	6.51
	407.16	133.83
	(273.33)	50.82

28 Employee benefits expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus (also refer note 31(c))	7,173.44	6,222.01
Contributions to provident fund and other funds (also refer note 38)	683.80	604.20
Staff welfare expenses	105.40	91.30
	7,962.64	6,917.51

29 Finance costs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on financial liabilities measured at amortised cost	3,882.33	6,615.08
Other borrowing costs	228.60	184.36
Dividend on redeemable preference shares classified as financial liabilities measured at ammortised cost	173.77	300.00
	4,284.70	7,099.44

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

30 Depreciation and amortisation expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment and investment property	4,824.73	4,540.12
Amortisation of intangible assets	-	3.55
	4,824.73	4,543.67

31 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Stores and spares consumed	3,013.51	2,516.00
Chemicals consumed	18,412.58	18,371.92
Power and fuel [also refer note 31(c)]	15,598.71	20,857.23
Water Charges	1,163.71	188.28
Rent	37.29	30.38
Repair and maintenance		
- Buildings	108.42	84.33
- Machinery	1,084.04	825.85
- General Repair	5.85	12.33
Insurance	429.82	371.68
Rates and taxes	31.67	28.27
Legal and professional fees [refer note 31(a)]	415.10	501.61
Loss on sale of property, plant and equipment	1,726.59	9.11
Exchange loss on foreign exchange fluctuations (net)	76.56	-
Corporate social responsibility expenses [refer note 31(b)]	170.19	33.38
Bank charges	66.92	48.46
Commission on sales	183.34	236.71
Donation	4.66	15.61
Miscellaneous expenses [also refer note 31(c)]	1,573.96	1,391.87
	44,102.94	45,523.02

Note (a): Auditors' remuneration (excluding taxes as applicable)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
As Auditor		
Statutory audit	15.00	13.00
Limited review of quarterly results	9.00	9.00
In other capacity		
Reimbursement of expenses	0.51	0.22
	24.51	22.22

Note (b): Detail of corporate social responsibility expenditure

- Gross amount required to be spent by the company during the year is INR 167.41 Lakhs (31 March 2023: INR 33.32 lakhs)
- Amount approved by the Board to be spent during the year is INR 170.00 lakhs (31 March 2023: INR 33.32 lakhs)
- Details of amount spent during the year:

Particulars	In Cash	Yet to be paid in cash	Total
a. Construction / acquisition of any asset	-	-	-
b. On purposes other than (i) above	170.19	-	170.19
	-	-	-

- Nature of CSR Activities: Village School repair, street construction, Assistance to School for education, solar lights, tubewells etc
- Details of related party transactions : NA
- Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately: NA

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

Note (c): The Company does various expenditures in relation to pollution control activities. The amount of salaries, wages and bonus; power and fuel and miscellaneous expenses in relation to these activities are set out as below:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	132.43	133.20
Power and fuel	814.78	648.85
Miscellaneous expenses*	179.99	125.75
	1,127.19	907.80

32 Exceptional Items

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Tax Related Items*	-	6,342.31
	-	6,342.31

* During the financial year ended 31 March 2023, the Company had opted for the new tax regime in terms of Section 115BAA of the Income Tax Act, 1961, which provided domestic companies an option to pay Income tax at reduced tax rate subject to certain conditions. Consequently the Company had written off the accumulated minimum alternative tax (MAT) credit of INR 4,744.66 lakhs and re-measured its net deferred tax liabilities, resulting in an increase by INR 1,597.65 lakhs and the impact aggregating to INR 6,342.31 Lakhs was recognised in the statement of profit and loss as an Exceptional Item. There is no exceptional item in the current year ended 31 March 2024.

33 Tax expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Income tax recognised in statement of profit and loss		
Current tax	5,461.74	1,533.07
Deferred tax		
Attributable to -		
Adjustment of tax relating to earlier years	32.30	(128.68)
Origination and reversal of temporary differences	884.45	5,276.72
Total tax expense recognised in the current year	6,378.49	6,681.11

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	33.15	24.45
Total income tax recognised in other comprehensive income	33.15	24.45
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	33.15	24.45
Items that may be reclassified to profit or loss	-	-
	33.15	24.45

34 Earnings per share

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(i) Profit for basic earning per share of Re. 1 each	18,382.58	13,615.18
(ii) Weighted average number of equity shares for (basic)	8,72,63,630	8,72,63,630
Basic and diluted earnings per share (face value of Re. 1 each)	21.07	15.60

Notes to the Financial Statements

for the year ended 31 March. 2024

(All amount are in INR Lakhs except for share data)

35 Financial instruments - Fair values and risk management

A. Financial instruments by category

The following table shows the carrying amounts and fair value of financial assets and financial liabilities including their level in the fair value hierarchy:

Particulars	Level of hierarchy	As at 31 March 2024			As at 31 March 2023		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets							
Non-current							
Other financial assets	3	-	-	391.09	-	-	394.38
- Deposits with original maturity of more than 12 months							-
Current							
Trade receivable		-	-	3,422.45	-	-	2,873.25
Cash and cash equivalents	3	-	-	7,058.63	-	-	154.26
Other bank balances	3	-	-	734.42	-	-	1,572.00
Other financial assets	3	-	-	284.88	-	-	158.87
Total financial assets		-	-	11,891.47	-	-	5,152.76

Particulars	Level of hierarchy	As at 31 March 2024			As at 31 March 2023		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities							
Non-current							
Borrowings	3	-	-	30,700.23	-	-	36,782.87
Other financial liabilities	3	-	-	2,484.06			2,281.82
Current							
Borrowings	3	-	-	20,549.86	-	-	14,497.91
Trade payables	3	-	-	5,693.94	-	-	2,582.60
Other financial liabilities	3	-	-	84.82	-	-	441.15
Employee related payables	3	-	-	1,131.05	-	-	983.64
Capital creditors	3	-	-	1,099.49	-	-	557.37
Others	3	-	-	2.20	-	-	-
Total financial liabilities		-	-	61,745.66	-	-	58,127.36

B. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2024 and 31 March 2023.

C. Financial risk management

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (See (ii))
- liquidity risk (See (iii)); and
- market risk (See (iv))

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	3,422.45	2,873.25
Cash and cash equivalents	7,058.63	154.26
Other bank balances	734.42	1,572.00
Other financial assets	675.97	553.25
	11,891.47	5,152.76

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	As at 31 March 2024	As at 31 March 2023
Revenue from top customer	7%	6%
Revenue from top five customers	27%	27%

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross Carrying amount	Loss allowance	Carrying amount
31 March 2024			
Less than 6 Months	3,419.52	-	3,419.52
More than 6 Months	2.93	-	2.93
	3,422.45	-	3,422.45
31 March 2023			
Less than 6 Months	2,794.98	-	2,794.98
More than 6 Months	78.27	-	78.27
	2,873.24	-	2,873.24

The loans primarily represents security deposits, inter-company deposits given and loans given to employees. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no allowance for expected credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The following table provides details regarding the contractual maturities of significant financial liabilities:

Particulars	Less than 1 Year	1 to 5 Years	More than 5 years	Total
31 March 2024				
Borrowings (including current maturities)	20,549.86	30,406.27	293.96	51,250.09
Trade payables	5,601.82	92.13	-	5,693.94
Other financial liabilities	2,317.56	2,484.06	-	4,801.63
	28,469.25	32,982.46	293.96	61,745.67
31 March 2023				
Borrowings (including current maturities)	14,497.91	32,864.91	3,917.96	51,280.78
Trade payables	2,500.12	82.47	-	2,582.60
Other financial liabilities	1,982.17	2,281.82	-	4,263.98
	18,980.19	35,229.20	3,917.96	58,127.36

(iv) Market Risk

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

Exposure to interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed rate borrowings	6,735.68	9,151.95
Floating rate borrowings	44,514.41	42,128.83
	51,250.09	51,280.78

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have impacted the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss	
	Strengthening	Weakening
For the period ended 31 March 2024		
Interest rate (0.5% movement)	(222.57)	222.57
For the year ended 31 March 2023		
Interest rate (0.5% movement)	(210.64)	210.64

(c)(i) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Exposure to currency risk

The following table provides details of the Company's exposure to currency risk:

Liabilities	Currency	As at 31 March 2024		As at 31 March 2023	
		Amount (Rs.)	Amount in foreign currency	Amount (Rs.)	Amount in foreign currency
Trade Receivable	USD	770.06	9.30	503.17	6.10
Trade payables	USD	162.01	1.95	-	-
Net exposure in respect of recognised assets and liabilities		608.05	7.35	503.17	6.10

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

(ii) Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2024 and 31 March 2023 would have impacted the measurement of financial instruments denominated in foreign currency and impacted Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Profit or Loss		Profit or Loss	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	6.08	(6.08)	5.03	(5.03)

36 Capital management

Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows.

Particulars	As at 31 March 2024	As at 31 March 2023
Total liabilities	76,391.83	72,264.50
Less: cash and bank balances	(7,793.05)	(1,726.26)
Adjusted net debt	68,598.78	70,538.25
Total equity	1,12,384.43	96,681.48
Adjusted net debt to equity ratio	0.61	0.73

37 Contingent liabilities and commitments (to the extent not provided for)

A(i). Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Claims against the Company not acknowledged as debts:		
Income tax matters*	1,381.37	1,381.37
Excise duty matters	517.30	512.42
Others	-	-

* During the month of February 2024, a search was carried out by the Income Tax authorities at various premises of the Company and further proceedings are currently underway. The management has assessed the position and is of the view that the above proceedings do not have any impact on the financial statements of the Company as at and for the period ended 31 March, 2024.

A(ii). Other pending litigations

Particulars	As at 31 March 2024	As at 31 March 2023
Excise duty, Central Excise Act, 1944*	52.15	52.15

*Refund case is pending with Commissioner (Excise), Rs. 52.15 Lakhs is classified under Note 13, cenvat credit recoverable.

B. Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances)	14,902.87	4,072.82

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

38 Employee benefits

I. Assets and liabilities relating to employee benefits

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Liability for compensated absences	-	131.31
	-	131.31
Current		
Liability for compensated absences	-	29.78
	-	29.78
Current		
Gratuity - Asset / (Liability)	(9.32)	3.59
	(9.32)	3.59

For details about the related employee benefit expenses, refer to note 28.

II. Defined contribution plan

The Company's provident fund scheme and Employee's State Insurance (ESI) fund scheme are defined contribution plans. The Company has recorded expenses of Rs. 451.79 Lakhs (31 March 2023: Rs. 406.38 Lakhs) under provident fund scheme and Rs.45.10 Lakhs (31 March 2023: Rs. 53.63 Lakhs) under ESI scheme. These have been included in note 28 Employees benefits expenses, in the Statement of Profit and Loss.

III Defined benefit plan

Gratuity (funded)

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increase in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The expected contribution to defined benefit plan for the next year is Rs. 169.01 Lakhs.

The following table sets out the status of the defined benefit plan as required under Ind-AS 19 - Employee Benefits:

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

b) Reconciliation of present value of defined benefit obligation

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Present value of obligation at the beginning of the year	1,199.29	1,057.62
Benefits paid	(155.92)	(112.36)
Current service cost	148.32	118.01
Interest cost	89.71	77.10
Actuarial losses/(gains)	91.38	58.91
Present value of obligation the end of the year	1,372.76	1,199.29

c) Reconciliation of the present value of plan assets

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Fair value of plan assets at the beginning of the year	1,202.87	1,063.74
Contributions	230.00	185.00
Interest Income	86.49	66.49
Benefits paid	(155.92)	(112.36)
Fair value of plan assets at the end of the year	1,363.44	1,202.87

d) Expenses recognized in the Statement of Profit and Loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	148.32	118.01
Interest cost	89.71	77.10
Interest income	(89.98)	(77.55)
Expenses recognized in profit and loss account	148.05	117.57

e) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial gain/loss on the defined benefit obligation	(91.38)	(58.91)
Return on plan assets excluding interest income	(3.49)	(11.06)
Amount recognized in other comprehensive income	(94.86)	(69.97)

f) Plan assets

Plan assets of the company are held as bank balance, NSDL bonds and under LIC of India.

g) Actuarial assumptions

Particulars	Year ended 31 March 2024 Per Annum	Year ended 31 March 2023 Per Annum
Economic assumptions		
Discount rate	7.21%	7.38%
Salary escalation rate per annum	8.25%	8.00%

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2012-14) rates.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

(h) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(52.34)	56.44	(43.18)	46.55
Future salary growth rate (0.50% movement)	55.61	(52.09)	46.09	(43.18)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Expected benefit payments

Undiscounted amount of expected benefit payments for next 10 years:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Within 1 year	167.50	208.25
1-2 year	63.53	62.31
2-3 year	243.46	49.52
3-4 year	72.50	203.47
4-5 year	54.75	56.15
5-6 years	85.20	41.18
6 year onwards	685.82	578.41

39 Leases:

The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 9 years with no restriction placed upon the Company for entering into said lease.

The Company also leases certain premises with contract terms of one to three years. These leases are short-term in nature and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases. Rental expense recorded for short-term leases was Rs. 37.29 lakhs for the year ended 31 March 2024. (PY Rs. 30.38 lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Expenses relating to short-term leases	37.29	30.38
	37.29	30.38

Notes:

- The Company incurred Rs. 37.29 Lakhs during the current year towards expenses relating to short-term leases and leases of low-value assets for which the recognition exemption has been applied.
- The total cash outflow for leases, including cash outflow for short term leases is Rs. 37.29 Lakhs during the current year.

A. Leases as lessee

Operating leases:

The Company has taken office and residential premises under cancellable operating lease agreements. Lease payments charged during the year in Statement of Profit and Loss aggregate Rs.37.29 Lakhs (31 March 2023: Rs. 30.38 lakhs).

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

B. Leases as lessor

Operating leases:

The Company has leased out its investment property on operating lease basis.

i. The future minimum lease payments under non-cancellable operating leases receivable are as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Within one year	50.71	50.71
Later than one year and less than five years	236.98	223.13
More than five years	156.49	220.64

ii. Amounts recognised in profit or loss

During the year ended 31 March 2024, property rentals of Rs.56.22 Lakhs (31 March 2023: Rs.56.20 Lakhs) have been included in other income (Including lease straightlining) (refer note 25).

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Income generated from property	56.22	56.20

40 Related party disclosures

A. List of related parties and nature of relationship where control exists

- | | | |
|-----|--|------------------------------|
| (i) | Holding Company | Kapedome Enterprises Limited |
| | Related entity of Key management personnel | Khaitan & Khaitan |

B. List of related parties and nature of relationship with whom transactions have taken place during the current/ previous year

(i) Key management personnel and individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Jagesh Kumar Khaitan, Chairman

Mr. Pavan Khaitan, Vice Chairman & Managing Director

(ii) Non Executive directors

Mr. Vivek Bihani

Ms. Shireen Sethi

Mr. Drishinder Singh Sandhawalia

Mr Bhavdeep Sardana

(iii) Relatives of individuals mentioned above

Mrs. Usha Khaitan

Mrs. Aparna Khaitan

Ms. Deeksha Khaitan

Ms. Malavika Khaitan

Mrs. Shashi Khaitan

Mrs. Abha Khaitan

Mrs.Simran Sandhawalia

Mrs.Kushal Pal Sandhawalia

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

C. Transactions with related parties during the current / previous year:

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
(i) Unsecured loans taken		
Mr. Jagesh Kumar Khaitan	210.40	30.00
Mrs. Usha Khaitan	97.50	16.00
Ms. Deeksha Khaitan	-	52.00
Ms. Malavika Khaitan	-	46.00
Mr. Drishinder Singh Sandhawalia	39.09	36.08
Mrs. Simran Sandhawalia	42.77	39.72
Mrs. Kushal Pal Sandhawalia	35.19	32.49
Mrs. Aparna Khaitan	100.00	-
Mr. Pavan Khaitan	250.00	-
(ii) Unsecured loans repaid		
Mr. Jagesh Kumar Khaitan	30.00	20.00
Ms. Deeksha Khaitan	-	52.00
Ms. Malavika Khaitan	-	46.00
Mrs. Usha Khaitan	12.00	-
Mr. Drishinder Singh Sandhawalia	36.08	33.45
Mrs. Simran Sandhawalia	39.72	36.90
Mrs. Kushal Pal Sandhawalia	32.49	30.00
Mr. Pavan Khaitan	250.00	-
(iii) Interest on unsecured loans		
Mr. Jagesh Kumar Khaitan	18.46	8.92
Mrs. Aparna Khaitan	4.12	-
Mr. Pavan Khaitan	1.05	-
Mrs. Usha Khaitan	10.42	4.16
Ms. Deeksha Khaitan	5.20	5.31
Ms. Malavika Khaitan	4.53	4.53
Mrs. Shashi Khaitan	9.75	9.75
Mrs. Abha Khaitan	24.38	24.38
Mr. Drishinder Singh Sandhawalia	3.48	3.12
Mrs. Simran Sandhawalia	3.66	3.40
Mrs. Kushal Pal Sandhawalia	3.13	2.89
M/S Kapedome Enterprises Limited	180.54	176.68
(iv) Compensation to key managerial personnel		
Short-term employee benefits		
Mr. Jagesh Kumar Khaitan	147.84	137.28
Mr. Pavan Khaitan	268.80	249.60
Commission to Directors		
Mr. Jagesh Kumar Khaitan	87.86	94.52
Mr. Pavan Khaitan	159.75	171.86
Post-employment benefits		
Mr. Jagesh Kumar Khaitan	8.48	7.84
Mr. Pavan Khaitan	19.05	15.70
Defined contribution Plan		
Mr. Jagesh Kumar Khaitan	11.09	10.30
Mr. Pavan Khaitan	20.16	18.72
Other long-term benefits		
Mr. Jagesh Kumar Khaitan	0.60	0.58
Mr. Pavan Khaitan	1.20	1.03
(v) Stipend		
Ms. Malavika Khaitan	1.25	-
Ms. Diksha Khaitan	0.86	-
(vi) Directors sitting fees (non-executive director)		
Mr. Vivek Bihani	2.45	2.10
Ms. Shireen Sethi	2.45	2.80

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Mr. Bhavdeep Sardana	2.55	2.20
Mr. Drishinder Singh Sandhawalia	1.65	1.35
(vii) Management consultancy fees		
Mr. D. S. Sandhawalia	42.00	42.00
(viii) Reimbursement of expenses		
Mr. Jagesh Kumar Khaitan	1.64	0.81
Mr. Pavan Khaitan	2.19	2.97
Mr. D. S. Sandhawalia	1.99	0.45
(ix) Other charges (rent)		
Kapedome Enterprises Limited	0.71	0.71
(x) Preference dividend		
Kapedome Enterprises Limited	394.81	-
Mr. Jagesh Kumar Khaitan	15.79	-
Mr. Pavan Khaitan	47.38	-
Mrs. Aparna Khaitan	15.79	-
(xi) Equity Dividend		
Kapedome Enterprises Limited	1,741.14	-
Mr. Jagesh Kumar Khaitan	43.53	-
Mrs. Usha Khaitan	3.85	-
Mr. Pavan Khaitan	44.18	-
Mrs. Aparna Khaitan	7.82	-
(xii) Redemption of Preference Shares		
Kapedome Enterprises Limited	2,500.00	-
Mr. Jagesh Kumar Khaitan	100.00	-
Mr. Pavan Khaitan	300.00	-
Mrs. Aparna Khaitan	100.00	-

D. Outstanding Balances

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Unsecured loans		
Fixed Deposits		
Mr. Jagesh Kumar Khaitan	220.40	40.00
Mrs. Shashi Khaitan	100.00	100.00
Ms. Deeksha Khaitan	55.00	55.00
Ms. Malavika Khaitan	49.00	49.00
Mrs. Abha Khaitan	250.00	250.00
Mr. Drishinder Singh Sandhawalia	39.09	36.08
Mrs. Simran Sandhawalia	42.77	39.72
Mrs. Kushal Pal Sandhawalia	35.19	32.49
Mrs. Usha Khaitan	101.50	16.00
Mrs. Aparna Khaitan	100.00	-
Loans from related parties (unsecured)		
Mr. Jagesh Kumar Khaitan	63.00	63.00
Mrs. Usha Khaitan	42.00	42.00
M/S Kapedome Enterprises Limited	2,006.00	2,006.00
Corporate Guarantee		
By Kapedome Enterprises Limited for a Loan taken by the Company	-	75,103.00

E. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash. Transactions relating to dividend are on the same terms and conditions that are offered to other shareholders.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

41 Segment information

The Company is primarily engaged in the business of manufacture and sales of paper, mainly in the domestic markets.

The Board of Directors of the Company, who have been identified as being the chief operating decision maker (CODM), evaluate the Company's performance and allocate resources based on the analysis of various performance indicators of the Company as a single unit. Accordingly, there is no reportable segment or any entity wide disclosures which are applicable to the Company.

42 Dividends

The following dividends were declared and paid by the Company:

Particulars	As at 31 March 2024	As at 31 March 2023
Rs.3/- per equity share (31 March 2023: Nil per equity share)	2,617.91	-
	2,617.91	-

After reporting date the following dividend was proposed by the directors subject to the approval at the time of annual general meeting; the dividend has not been recognised as liability.

Particulars	As at 31 March 2024	As at 31 March 2023
Rs. 3/- per equity share (31 March 2023: Rs. 3/- per equity share)	2,617.91	2,617.91
	2,617.91	2,617.91

43 Additional disclosure / Regulatory Information as required by Notification no. GSR 207(E) dated 24.03.2021 which are not covered in any of the notes above

(i) Loan or advances granted to the promoters, directors and KMPs and the related parties:

No loan or advances in the nature of loans have been granted to the promoters, directors, key managerial persons and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

(ii) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iii) Reconciliation of quarterly statement of current assets filed with banks or financial institutions

The quarterly statement of current assets filed, during the year, with banks are in agreement with books of accounts.

(iv) Willful Defaulter

No bank has declared the company as "willful defaulter".

(v) Relationship with Struck off Companies:

There are no transaction with the companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024 and the year ended 31 March 2023.

(vi) Registration of charges or satisfaction with Registrar of Companies:

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year 2023-24 beyond the stipulated period.

(vii) Compliance with number of layers of companies

No layers of companies has been established beyond the limit prescribed as per above said section / rules.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

(viii) Compliance with approved Scheme(s) of Arrangements

No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(ix) Utilisation of Borrowed funds and share premium:

Particulars	Description
No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;	No such transaction has taken place during the year
No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries	No such transaction has taken place during the year

(x) Undisclosed income

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (Refer note 37 A(i)).

(xi) Details of Crypto Currency or Virtual Currency

Particulars	31 March 2024	31 March 2023
Profit or loss on transactions involving Crypto currency or Virtual Currency	No Such Transaction during the year	No Such Transaction during the year
Amount of currency held as at the reporting date	No Such Transaction during the year	No Such Transaction during the year
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No Such Transaction during the year	No Such Transaction during the year

(xii) Utilization of Borrowings

The company has utilized the borrowings from banks and financial institutions for the purpose for which they were taken.

(xiii) Key Financial Ratios

Ratios	Numerator	Denominator	FY 23-24	FY 22-23	%age Change	Reason for Change
Current Ratio (in times)	Current Assets	Current Liabilities	1.02	1.02	-1%	No material changes in net working capital
Current Ratio (in times)-without considering current maturity of debts.	Current Assets	Current Liabilities excluding current maturity of debts	1.63	1.45	12%	No material changes in net working capital
Debt Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.46	0.53	-14%	Reduction in term liabilities pursuant to repayment
Debt service coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest# & Lease Payments + Principal Repayments	11.54	3.67	214%	Earnings improved during the current year and reduction in debt.

Notes to the Financial Statements

for the year ended 31 March, 2024

(All amount are in INR Lakhs except for share data)

Ratios	Numerator	Denominator	FY 23-24	FY 22-23	%age Change	Reason for Change
Return on Net Worth (%age)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	17.59	22.21	-21%	Return on networth decreased due to increase in average shareholders equity.
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	7.18	9.31	-23%	Increase in Inventory at year end.
Debtors Turnover (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	42.86	32.46	32%	Increase due to faster recovery of receivables
Trade payables turnover (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	20.48	29.13	-30%	Increase in trade payables due to Increase in Inventory at year end.
Net capital turnover (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	250.97	289.66	-13%	Due to slight increase in working capital.
Net Profit Margin (%age)	Net Profit	Net sales = Total sales - sales return	15.19	10.42	46%	Earnings improved during the current year
Return on capital employed (%age)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	16.35	21.01	-22%	Return on networth decreased due to increase in capital employed.
Return on Investment (Equity)			NA	NA	NA	

44 Previous Year's figures have been regrouped/ reclassified wherever considered necessary to make them comparable with the current year's classification/ disclosure.

As per our report of even date attached

For **O P Bagla & Co LLP**
Chartered Accountants
FRN No. 000018N/N500091

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: 29 May 2024

For and on behalf of the Board of Directors of
Kquantum Papers Limited

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Roshan Garg
Chief Financial Officer

Place : Chandigarh
Dated: 29 May 2024

Pavan Khaitan
VC & Managing Director
DIN - 00026256

Gurinder Makkar
Company Secretary

Place : Chandigarh
Dated: 29 May 2024

Notes

[illegible]



Kuantum Papers Ltd

Regd Office:

Paper Mill Saila Khurd 144 529
Distt Hoshiarpur Punjab

CIN: L21012PB1997PLC035243

Ph.: 01884-502737

Fax: 01884-502700

Email: kuantumcorp@kuantumpapers.com

Website: www.kuantumpapers.com

