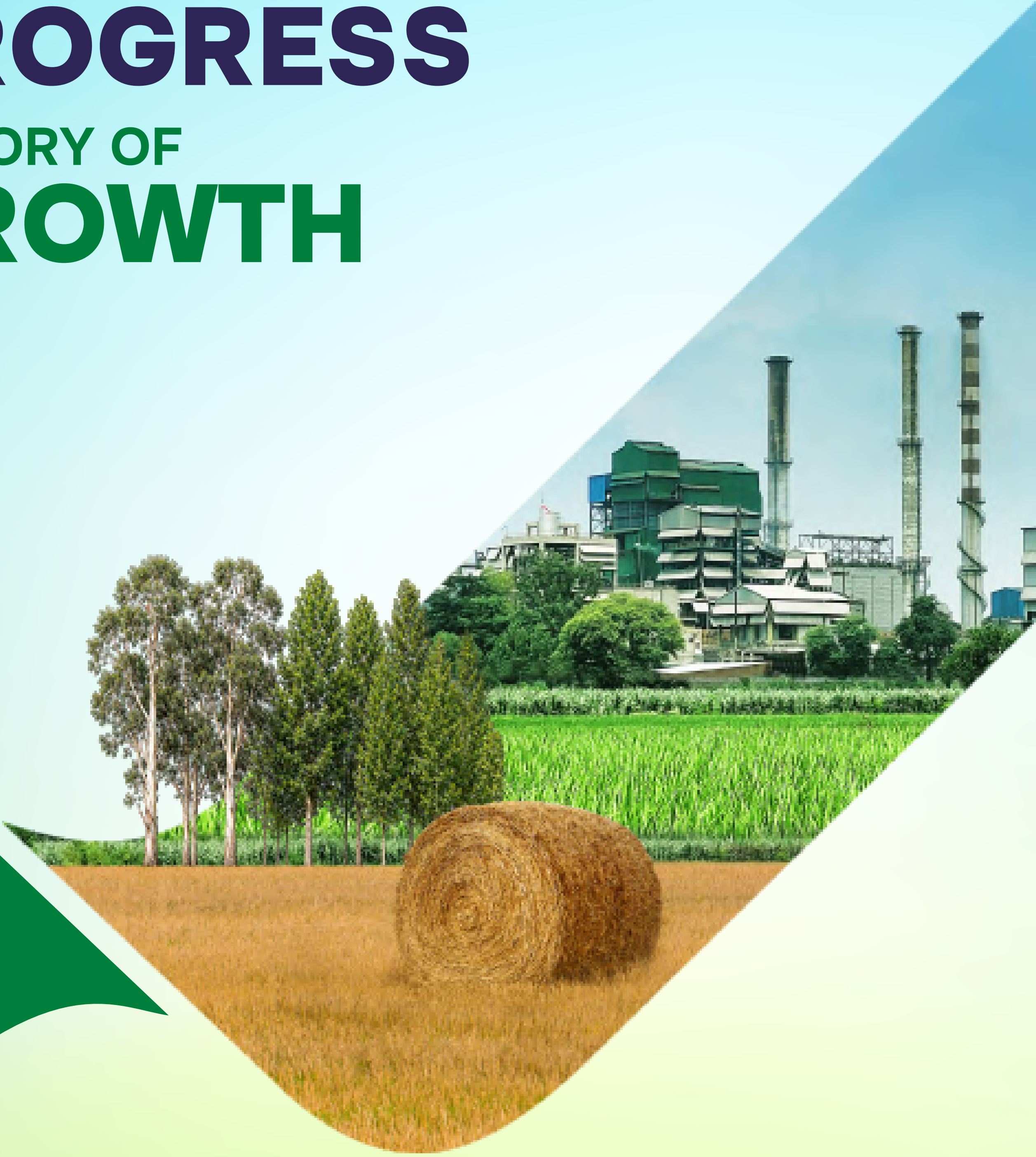
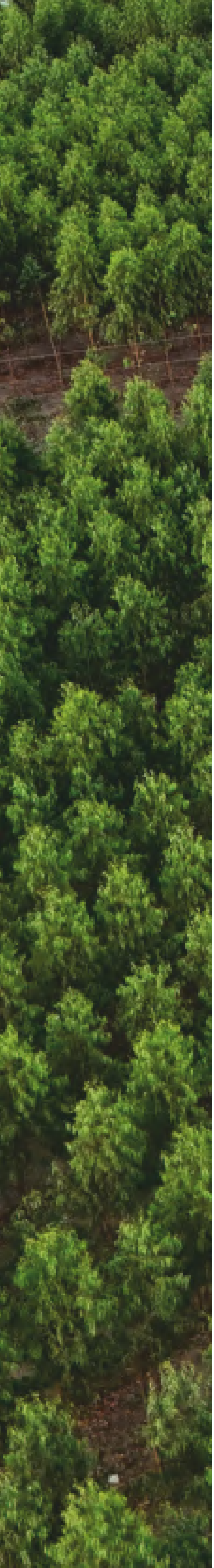
A CHAPTER OF
PROGRESS
A STORY OF
GROWTH



Kuantum Papers Limited

29th Annual Report 2025-26



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FINANCIAL STATEMENTS

Website:
kuantumpapers.com

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to view the report online

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, performance 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 statements, whether as a result of new information, future events, or otherwise.

Writing Stories of Sustainable Growth & Progress

Every year adds a new chapter to Kuantum Papers' journey, which is defined by progress and the constant pursuit to innovate and inspire. Driven by operational discipline and a future-focused mindset, we continued to strengthen our capabilities through strategic investments, smarter systems and sustainability-led initiatives aimed at building a more efficient and future-ready organisation.

During the year, the timely modernisation of machinery and technological upgradation across critical manufacturing areas significantly enhanced production capacity, process efficiency and product consistency. Increased automation and advanced monitoring systems under Project Nirmaan, our Industry 4.0-led, AI-based transformation, enabled tighter control over key process parameters, thereby optimising resource utilisation, reducing variability and improving productivity across power plant operations as well as the agro and wood pulp mills. In response to the dynamic industry landscape, we accelerated the development of value-added specialty paper products aimed at expanding contribution and market presence within the sector.

Sustainability remains deeply integrated into every stage of our growth journey. Under our Social Farm Forestry Programme, we continue to strengthen fibre availability and expand green cover across surrounding regions through our in-house Clonal Propagation Centre (CPC), which cultivates high-quality clonal eucalyptus, poplar, casuarina, melia and subabul saplings. The upgradation of the Effluent Treatment Plant (ETP) and Water Treatment Plant (WTP) reinforced water conservation efforts and ensured responsible adherence to environmental standards. Simultaneously, process by-products, including wood dust, agro dust and bark, were effectively utilised as boiler fuel, reducing dependence on conventional energy sources and optimising usage of biomass.

Through cross-functional workshops and structured capability and skill building programmes, we reinforced our culture of accountability, collaboration and continuous improvement in the workforce. As we move forward, we remain committed to writing stronger stories of purposeful growth by creating newer chapters of innovation and building a future rooted in sustainable value creation.

ABOUT US

Redefining Paper Excellence with Sustainability

Kuantum Papers Limited was established in 1980 in Saila Khurd, District Hoshiarpur, Punjab and over the last 45+ years, we have evolved as a trusted paper manufacturer, delivering superior quality products with a strategic focus on operational excellence and environmental stewardship.

Our state-of-the-art, fully backward-integrated plant spread across 259 acres enables us to maintain complete control over the value chain, from raw material sourcing and agro and wood pulping to co-gen power plant and advanced chemical recovery systems. With the integration of Artificial Intelligence (AI) across core operations using advanced platforms such as dataPARC, KPI Dashboards and machine learning, we are making our operations data-driven, agile and more efficient.

Our papermaking expertise spans across a wide range of high-quality maplitho, copier, creamwove and specialty papers made with a blended furnish of agro and wood pulp. From books, notebooks and annual reports to diaries, envelopes, calendars and drawing books, our paper forms the foundation of countless ideas and expressions. The specialty product portfolio includes thermal, bond, azurelaid, colored and cartridge papers that are designed to meet the ever evolving industry applications. Through dedicated research and development, we have created a range of sustainable products such as cupstock, base paper for straws and carry bag paper, paving the way for a future that is single-use plastic free. Backed by a robust network of 120+ dealers Pan-India and a growing global footprint, our paper caters to the education, printing & publishing, corporate and e-commerce sectors.

We believe in a people-first culture that celebrates talent and promotes inclusion & diversity with a collaborative spirit. Beyond our business operations, we are deeply committed to the socio-economic development of the community through CSR initiatives centred on education, healthcare, hygiene and rural upliftment. Our social farm forestry programme is strengthened by the distribution of high-yielding clonal saplings, produced in our in-house clonal propagation centre. Under this initiative, we continue to add green footprints of prosperity for the farmers and secure wood raw material requirements for the future.

We continue to advance with a commitment to achieve global benchmarks in paper making, with a focus on cost efficiency, quality and sustainability in every aspect of our operations. At Kuantum Papers, we embrace innovation and technology, invest in people and care for the planet to create enduring value for all our 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

Performance Highlights (FY 2025-26)

Rs. 1,100 crores
Total Revenue

Rs. 168 crores
EBITDA

15.4%
EBITDA Margin

Rs. 42 crores
Profit After Tax

Rs. 1,228 crores
Net Worth

1,62,933 Metric Tonnes (MT)
Paper Sales Volume

MILESTONES

The Blueprint of our Journey

1980

Mill established with PM 1 and PM 2 with a total capacity of 30 TPD

1988

PM 3 installed with a capacity of 100 TPD

2000

Achieved 40% increase in output efficiency by debottlenecking operations

2002

National Energy Conservation Award conferred by the Government of India

2005

Lignin Precipitation Plant installed in collaboration with a Swiss company

2006

Agro Pulp Mill upgraded to 150 TPD along with the Continuous Digester

2007

Restructuring of ABCL took place, renamed Paper Division as ABC Paper Limited

2008
PM 4 installed with a capacity of 200 TPD along with Chemical Recovery Plant and Co-Generation Power Plant of 10 MW

Listed on BSE

2011
Secured FSC® Certification License Code FSC-C109585

2012
The Company was renamed Kuantum Papers Limited

2013
On-site Precipitated Calcium Carbonate (PCC) Plant established in collaboration with Specialty Minerals Inc. USA

Production crossed 1,00,000 TPA

2014
Top Former and Size Press installed on PM 4

2015
Agro Pulp Mill of 200 TPD installed along with Oxygen Delignification (ODL) Plant

2017
Specialty Paper Launched

Secured ISO: 9001 (QMS), 14001 (EMS) & 45001 (OHSMS) Certifications

2018
Project KORE launched with Accenture for operational excellence

SAP S/4HANA implemented mill-wide

2019
Listed on NSE

2021
Backward Integration Project completed taking installed paper capacity to 450 TPD

Increased Agro and Wood pulping capacity to 365 TPD

Power generation capacity increased by 28 MW

Chemical Recovery Plant of 500 TPD installed

2022
Production crossed 1,50,000 TPA

2023
Record-breaking financial performance

Launched Project Neev as a foundation for IT-OT convergence

Successfully launched products for replacement of single-use plastic

2024
Initiated Artificial Intelligence (AI) journey with Project Nirmaan

Commenced Mill Upgradation and Expansion Project with an outlay of INR 735 crore

2025
Received surface water approval from Punjab Government

Orders placed for all Paper Machines, Lime Kiln & Displacement Digester System (DDS) under Mill Upgradation & Expansion Project

Commissioned TwinRoll Presses at Agro & Hardwood Pulp Mills

2026
Received approval for increased paper production capacity from 450 TPD to 540 TPD

PM 4 upgraded with advanced shoe press, hood & calendering system, to improve production, quality and thermal efficiency

Upgraded PM 1 & 2 with dilution headbox, dryers & calender section for increased production and diverse range of specialty paper products

Enhanced On-Site PCC production capacity from 25,000 TPA to 50,000 TPA

Upgraded Recovery Boiler of 200 TPD from cascade to economiser for improved steam efficiency

Stabilized MACS System under Project Nirmaan on Agro & Wood Bleach sections for improved pulp yield and reduced operational cost

A YEAR IN REVIEW

The 4 Chapters of FY 2025-26

FIRST QUARTER

The year opened with a clear focus on preparing the company for its next phase of growth. A significant milestone was the upgradation and commissioning of Paper Machine 4 (PM 4), featuring a new state-of-the-art shoe press, modified hood, oil-heated calender, upgraded drying systems and advanced automation capabilities. These investments expanded product flexibility and improved quality while creating a stronger platform for future product growth and diversification. During the quarter, the retrofitting of the 200 TPD Recovery Boiler was also undertaken which included the installation of a Two-Stage Causticizer and the construction of a new Electrostatic Precipitator, enhancing chemical recovery efficiency and optimising overall process performance.

Project Nirmaan gained momentum as the AI-driven MACS systems stabilised across the pulping process, while preparations commenced for the deployment of PM 4 MACS Phase-1.

Environmental stewardship remained a priority through the installation of a dust suppression sprinkler system at the agro yard and the addition of 1,396 acres under Social Farm Forestry, extending the programme's reach to nearly 13,900 acres.

SECOND QUARTER

The successful commissioning of the upgraded PM 4 translated into improved production volumes and stronger operational momentum during this quarter.

Under Project Nirmaan, the APC baseline study for PM 4 was completed, creating the foundation for the next stage of intelligent process management on the machine. Product development efforts resulted in the introduction of Kappa Premium III-CRP on PM 3 as a base paper for thermal coating.

Progress across strategic projects continued with advancements in the Wood Pulp Mill's Displacement Digester System (DDS), the integration of the HRSCC into the second-stage wet washing process and the installation of Multi Grade Filters to improve input water quality.

This quarter saw the successful execution of the first set of European Union Deforestation Regulation (EUDR) compliant orders, reinforcing our commitment towards combating deforestation and promoting sustainable management of natural resources.

THIRD QUARTER

The third quarter centred on capacity creation and portfolio expansion. The successful rebuild of PM 1 increased its installed capacity to over 80 TPD with a new dilution-control headbox, double doctoring and dryer addition.

The Precipitated Calcium Carbonate (PCC) plant was upgraded, taking its capacity from 25,000 TPA to 50,000 TPA, thereby strengthening our integrated manufacturing ecosystem.

We expanded our product portfolio with the launch of the all new Copier brand 'Kopio' in 65, 70 and 75 GSM, which is designed to meet the growing demand for high quality printing at offices and homes. This quarter also saw the development and launch of Kappa Premium III CRM and Kuantum Pura which further enhanced our product offerings by combining advanced manufacturing and innovation.

FOURTH QUARTER

The last quarter reflected the cumulative impact of the Company's strategic investments and operational improvement initiatives undertaken throughout the year. The rebuild of PM 2 increased its installed capacity to 75 TPD through major upgrades, including a new dilution-control headbox, upgraded press section and wire part extension, DCS/QCS, additional dryers, tail shooters and dry-end improvement.

Several key projects moved closer to fruition, including the commissioning of the two-stage Recausticising Plant at the CRP and extensive testing of the Displacement Digester System (DDS). Project Nirmaan entered another milestone phase with the introduction of MACS Blend Control on PM 4, enabling effective furnish optimisation and better machine runnability. We also introduced a new product for the diary segment, the dye-free Kappa Premium III CRM, featuring enhanced optical properties and colour stability.

Advancing our commitment to environmental stewardship, Social Farm Forestry expanded by 854 acres during the quarter, taking total plantation coverage beyond 18,300 acres and creating long-term value for more than 19,100 farmers.

THE INDIAN PAPER INDUSTRY

Future Growth Prospects

The paper industry in India is entering a phase of sustained expansion, driven by rising literacy rates, increasing educational expenditure, rapid urbanisation, expanding e-commerce and the growing adoption of sustainable packaging solutions. With paper consumption reaching approximately 28 million tonnes and expected to grow at 6–7% annually, the industry continues to benefit from strong domestic demand fundamentals. India's relatively low per capita paper consumption compared to global benchmarks further highlights the significant headroom for future growth.

As one of the few "wood-positive" industries that support over 1.2 million hectares of agroforestry and more than 2 million livelihoods, its growth story extends beyond paper production to creating lasting economic, social and environmental impact. With the adoption of automation, energy-efficient technologies and integrated systems, the sector is well positioned to contribute to India's economic progress, sustainability goals and self-reliance aspirations under initiatives such as 'Make in India' and 'Aatmanirbhar Bharat.'

~28
Million Tonnes Paper consumption in India

5%
India's contribution to global paper production

15–16 kg
Per capita paper consumption versus the global average of 57 kg

6–7%
Expected annual growth in paper consumption

Key Drivers Reshaping the Indian Paper Industry

Demand-Led Expansion

India's growing population, rising literacy levels and increasing investments in education continue to support demand for writing and printing paper. Simultaneously, the rapid growth of e-commerce and quick commerce, organised retail, FMCG and food delivery sectors is driving demand for packaging and specialty paper grades.

The Sustainability Imperative

Environmental awareness and regulatory measures aimed at reducing plastic consumption are accelerating the transition towards recyclable and fibre-based alternatives. This consumer mindset shift is strengthening paper's role as the preferred sustainable material across multiple applications.

Resource Security and Raw Material Availability

India faces an annual wood shortage of nearly 2 million tonnes, while wastepaper recovery rates remain significantly below global benchmarks. These challenges are driving increased focus on agroforestry, social farm forestry, responsible sourcing and recycling initiatives to strengthen long-term raw material security.

Technology and Operational Excellence

The industry is increasingly adopting automation & AI tools, integrated manufacturing systems and energy-efficient technologies to improve productivity, optimise resource utilisation, reduce process variability and enhance competitiveness.

Regulatory Push

The ban on single-use plastics, along with environmental and sustainable packaging norms, is boosting the market for paper-based alternatives in India.

WHAT WILL DEFINE INDUSTRY LEADERSHIP ?

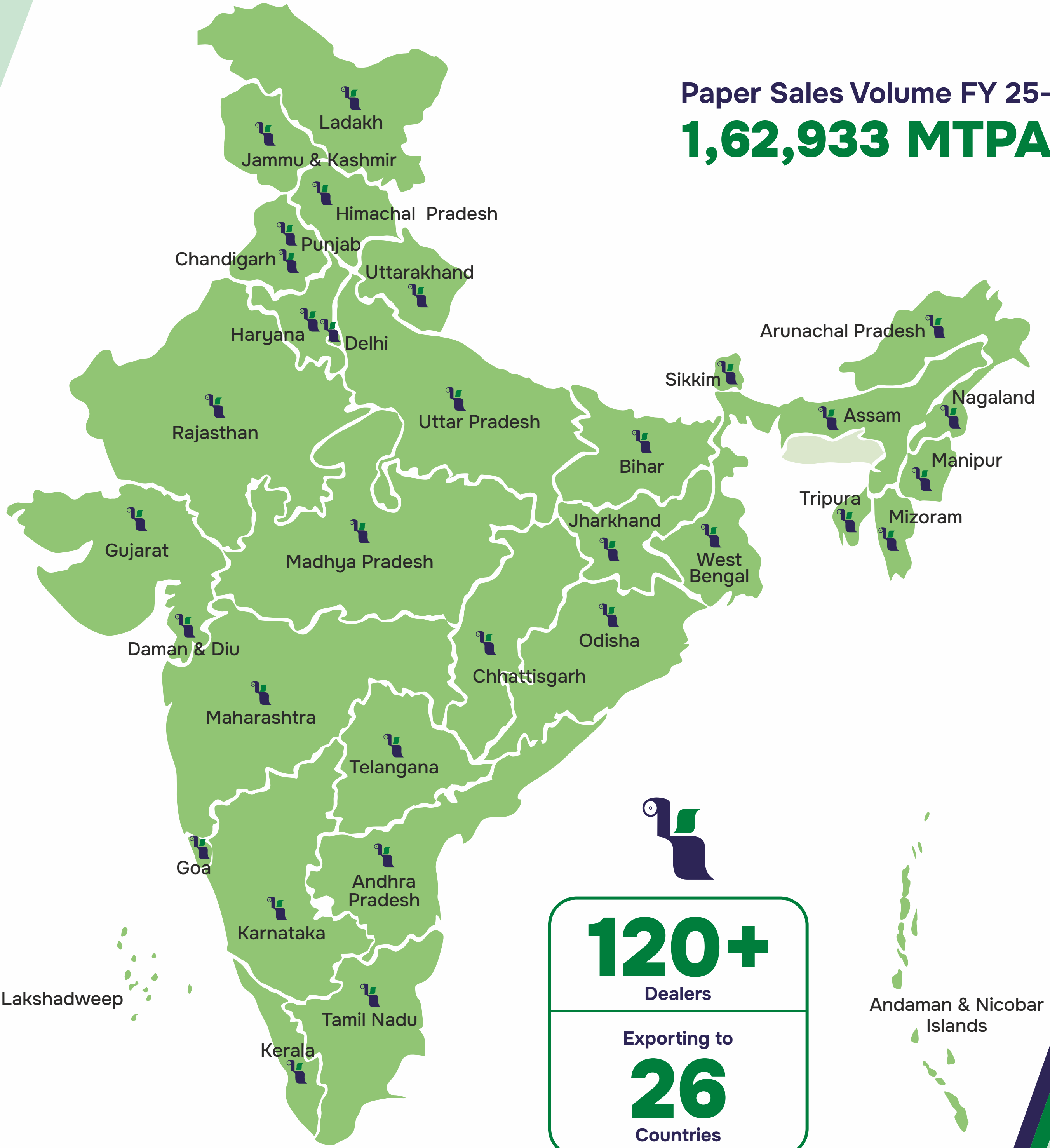
- RESPONSIBLE FIBRE SOURCING
- DIGITAL AND AUTOMATED OPERATIONS
- RESOURCE-EFFICIENT MANUFACTURING
- SUSTAINABLE PACKAGING

Efficient Handling Uninterrupted Distribution

Our integrated handling and warehousing systems enable efficient material movement through advanced logistics that drive speed, accuracy and reliability. SAP S/4HANA provides real-time visibility across inventory and warehouse processes, barcoding systems enhance material identification and traceability and a disciplined On-Time In-Full (OTIF) approach ensures consistent and timely order fulfilment. Together, these capabilities minimise bottlenecks, optimise throughput and ensure seamless operations.

FOOTPRINTS OF GROWTH

Delivering Value across Geographies



Paper Sales Volume FY 25-26

1,62,933 MTPA

120+
Dealers

Exporting to
26
Countries

Map not to scale, for representation purpose only.

Message from the Chairman

“ **Our integrated operations, diversified product portfolio and disciplined business approach enabled us to navigate market fluctuations with agility while continuing to reinforce our competitive position.** ”

Dear Shareholders,

It is my privilege to present the performance of Kuantum Papers for the financial year 2025-26, a year that unfolded against a backdrop of profound global change. Economic activity was influenced by geopolitical developments, shifting trade patterns, inflationary concerns and heightened uncertainty across major markets. The conflict in the Middle East further amplified volatility in energy and commodity markets, adding to existing pressures on global growth and business confidence.

Notwithstanding these challenges, economies and industries demonstrated remarkable resilience. India continued to maintain a strong growth trajectory, supported by robust domestic demand, infrastructure-led development and an expanding manufacturing ecosystem. Simultaneously, the growing global emphasis on sustainability accelerated the transition towards environmentally responsible products, creating significant opportunities for industries capable of delivering sustainable solutions at scale.

At Kuantum Papers, we remained focused on enhancing manufacturing efficiencies, advancing digital integration and creating long-term stakeholder value. Our integrated operations, diversified product portfolio and disciplined business approach enabled us to navigate market fluctuations effectively while continuing to reinforce our competitive position.

Strengthening Operational Excellence

To sustain competitiveness in a rapidly transforming marketplace, operational efficiency remains critical to long-term success. Our fully backward-integrated manufacturing operations and strong domestic sourcing capabilities continued to provide resilience against external disruptions and ensure continuity across the value chain.

Throughout the year, we maintained a strong focus on process optimisation, productivity enhancement, manufacturing reliability and quality consistency. These efforts enabled us to improve operational efficiencies while continuing to deliver a wide range of products to customers across markets.

In parallel, we accelerated our digital transformation journey through Project Nirmaan. By leveraging advanced process controls, real-time operational monitoring and predictive analytics, we are enhancing decision-making capabilities across the organisation.

Leveraging Dealer Network and Product Diversity

Our diversified product portfolio continues to be a key pillar of market relevance and long-term growth. With offerings across Maplitho, Creamwove, Copier and Specialty Papers, we cater to a wide range of applications spanning education, publishing, office stationery, printing and packaging sectors. Through dedicated research and development, we have also developed a range of sustainable products, including cupstock, base paper for straws and carry bag paper, as alternatives to single-use plastics.

Our established distribution network and longstanding customer relationships further enhance our ability to respond to evolving market requirements and emerging opportunities across diverse segments.

As customer expectations evolve, demand is increasingly shifting towards premium-quality, value-added and sustainable paper solutions. Rather than competing solely on scale or pricing, our strategic focus remains on delivering superior quality, product consistency, operational reliability and differentiated offerings that create stronger customer value.

Sustainability at the Core of Growth

Sustainability remains deeply embedded within our business philosophy and long-term strategy. We believe that responsible manufacturing and resource stewardship are essential not only for environmental progress but also for building resilient and future-ready businesses.

Through our Social Farm Forestry Programme, we continue to secure future wood raw material sources and strengthen partnerships with farming communities, contributing to a renewable fibre ecosystem while supporting rural livelihoods and farmer incomes. Simultaneously, we remain focused on improving water reuse, energy efficiency, waste reduction and circularity across our operations. Investments in cleaner technologies and resource-efficient systems continue to support both environmental responsibility and operational sustainability.

Creating Meaningful Community Impact

Our responsibility extends beyond business performance to generating enduring social value and contributing to the holistic development of the communities around us. Through focused initiatives aimed at inclusive growth, we continue to support advancements in education, healthcare, rural infrastructure, environmental conservation, livelihood enhancement and community welfare around our facility and neighbouring regions.

During the year, our efforts encompassed strengthening educational institutions, supporting Anganwadi centres, facilitating healthcare outreach programmes and medical camps, and improving access to essential community infrastructure, including sanitation and safe drinking water facilities.

In addition, we supplied treated effluent water from our operations for irrigation purposes in nearby villages, contributing to agricultural sustainability in water-stressed areas. These initiatives reflect our belief that businesses thrive when the communities and ecosystems around them prosper alongside them.

A Future-Focused Outlook

The global business landscape is undergoing rapid transformation, shaped by changing consumption patterns, sustainability priorities, technological advancements and evolving supply chains. In this environment, organisations that combine operational excellence with innovation, adaptability and responsible growth will be best positioned to create enduring value.

Our strategic imperatives are anchored in strengthening manufacturing capabilities, enhancing customer responsiveness, improving resource efficiency and expanding our specialty product portfolio.

Backed by strong operational foundations, a future-focused strategy and the dedication of our people, we remain confident in our ability to navigate evolving market dynamics and deliver sustainable long-term value to all our stakeholders.

In conclusion, I would like to express my sincere gratitude to our customers, suppliers, financial institutions, shareholders, employees and the communities around us for their continued trust and partnership. Your support remains integral to our journey and inspires us to move forward with resilience, responsibility and optimism. Together, we will continue building a stronger, more sustainable and future-ready company.

Warm Regards,

Jagesh Kumar Khaitan
Chairman
Kuantum Papers Limited

Message from the Vice Chairman & MD

"Success will increasingly depend on innovation and the ability to create enduring relevance in a rapidly evolving marketplace. At Kuantum Papers, we are preparing for tomorrow through disciplined investments, customer-focused product development, technology-led transformation and a culture built on accountability and excellence."

Dear Shareholders,

It is my privilege to present the Annual Report of Kuantum Papers for the financial year 2025-26. The year unfolded against a backdrop of significant developments across the global economic and industrial landscape. Geopolitical uncertainties, evolving trade dynamics, inflationary pressures and rapid technological advancements continued to reshape markets and influence business priorities. These realities reinforced a fundamental truth: organisations must consistently elevate efficiency, sharpen execution and invest with conviction to remain competitive in an increasingly demanding environment.

At Kuantum Papers, our focus remained firmly anchored on strengthening the foundations that drive long-term progress. During the year, we advanced production capabilities, accelerated digital adoption through 'Project Nirmaan', enhanced operational efficiency and further developed the organisational depth required to thrive in a rapidly transforming marketplace. The progress achieved this year reflects our disciplined execution, the dedication of our people and the clarity of our strategic vision.

Expanding Capacity with Purpose

Sustainable leadership is built through timely investments in infrastructure, technology and productive assets. Guided by this philosophy, we continued to move forward on our approved Mill Expansion and Upgradation Programme of Rs. 735 crore, representing one of the most significant investments undertaken by the Company till date. This project is designed to increase paper production capacity from 450 TPD to 675 TPD, enabling a stronger and more diverse product portfolio to cater to market requirements and build a sustainable foundation for the future. The programme includes modernization of all four paper machines, augmentation of wood pulping infrastructure through the DDS (Displacement Digester System), reinforcement of utility systems and deployment of advanced automation and AI solutions. Upon completion, the production volume is expected to rise from over 160,000 tonnes to more than 200,000 tonnes per annum.

Beyond increasing output, this investment will provide greater manufacturing flexibility, superior product quality, stronger operational efficiencies with sustainability at the core of every process. This will also expand our participation in premium, specialty and value-added paper segments while enhancing responsiveness to emerging opportunities and evolving market demands.

Operational Excellence as a Competitive Differentiator

The business environment remained demanding throughout the year. Volatility in raw material markets, fluctuations in energy costs and shifting supply chain conditions required proactive management and decisive action.

Our integrated operating model continued to provide a meaningful advantage with structured procurement practices enhancing planning effectiveness and continuous improvement programmes increasing process reliability and asset utilisation. Together, these capabilities enabled us to maintain seamless production, uphold stringent quality standards and consistently fulfil commitments across markets.

> **" We continued to move forward on our approved Mill Expansion and Upgradation Programme of INR 735 crore, representing one of the most significant investments undertaken by the Company till date. "**

Innovation Aligned with Market Needs

Market requirements continue to evolve across product categories. Performance expectations, application-specific functionality and sustainability considerations increasingly influence purchasing decisions. In response, our product development efforts remain focused on creating solutions that address these changing requirements while maintaining the highest standards of quality and reliability.

We are intensifying our research and development efforts to create paper-based solutions capable of replacing single-use plastics across a variety of applications. This includes the development of Oil & Grease Resistant (OGR) Paper and other specialty grades designed to offer environmentally responsible, commercially viable and scalable alternatives for packaging and food-service applications.

Products such as Kuantum Korra exemplify our ability to combine innovation with sustainability by effectively leveraging agro-based fibre resources. Building on this momentum, we also introduced Kuantum Kopio in 65, 70 and 75 GSM variants, broadening our reach within the copier paper segment. We are steadily expanding our presence in segments where specialized expertise, application-focused solutions and product development create meaningful distinction.

Building a Digitally Enabled Enterprise

Our digital transformation journey gained further momentum through Project Neev and Project Nirmaan. While Project Neev established the digital foundation required to improve connectivity and information flow across the organisation, Project Nirmaan is accelerating the adoption of Artificial Intelligence (AI), Internet of Things (IoT), advanced process controls and predictive analytics.

This digital framework is delivering deeper operational insights, supporting predictive maintenance, improving process stability and facilitating faster, data-driven decisions across boiler operations, agro & wood pulping processes and will be extended to Paper Machine 4 in the next year. It is also nurturing a culture where progress is guided by accountability, transparency and measurable outcomes.

The Strength Behind Our Progress

Our workforce remains central to our success. Their knowledge, adaptability and dedication drive execution across every aspect of the business and enable us to pursue our strategic priorities with confidence.

During the year, we invested further in leadership development, technical advancement and skill-building initiatives. Programmes focused on automation, advanced process controls, predictive maintenance and Industry 4.0 technologies are equipping our teams with the expertise required for increasingly sophisticated industrial environments.

Equally important is our commitment to fostering an environment that encourages accountability, collaboration, inclusion and diversity, continuous learning and professional growth.

Stewardship and Resource Responsibility

Responsible resource management has always remained integral to the way we operate. Our efforts encompass sustainable fibre sourcing, social farm forestry programmes, water conservation measures and circular recovery systems designed to improve environmental outcomes while optimising resource utilisation.

The Clonal Propagation Centre produced approximately 47+ lakh saplings this year under our Social Farm Forestry Programme, and contributes significantly to sustainable fibre availability for the future. Our Chemical Recovery Plant facilitates the reuse of more than 96% of caustic soda and more than 90% of machine water is recycled within operations.

Water conservation initiatives have reduced freshwater consumption by nearly 3,000 m^3 per day. By using canal water, we have further reduced our dependency on precious groundwater resources. Treated water continues to support irrigation across more than 2,000 acres of agricultural land, creating meaningful benefits for farming communities. Such measures reflect our conviction that industrial advancement and environmental stewardship can progress together, creating lasting benefits for business, society and future generations.

> **“ The road ahead presents significant opportunities and our priorities remain clear: to advance manufacturing leadership, accelerate digital adoption, foster product differentiation, deepen capabilities and embed responsible business practices across every aspect of the enterprise. ”**

Building Resilience in a VUCA Environment

Volatility, Uncertainty, Complexity and Ambiguity (VUCA) continue to characterize the global business landscape. Organisations that thrive under such conditions are those that combine strategic discipline with agility and foresight. Preparedness, diversification, technological advancement and prudent capital allocation remain central to our approach.

The actions undertaken across production, digitalisation, workforce development and environmental management are thereby designed to ensure that Kuantum Papers remain adaptable and prepared for evolving market dynamics.

Charting the Next Phase

The achievements of the year reflect the confidence of our customers, the support of our business partners, the dedication of our employees and the trust of our shareholders. On behalf of the Board of Directors, I extend my sincere appreciation to all stakeholders for their continued support and partnership.

The road ahead presents significant opportunities and our priorities remain clear: to advance manufacturing leadership, accelerate digital adoption, foster product differentiation, deepen capabilities and embed responsible business practices across every aspect of the enterprise.

The industry is entering a new era shaped by technological progress, changing customer expectations and a growing emphasis on sustainability. Success will increasingly depend on agility, innovation and the ability to create enduring relevance in a rapidly transforming marketplace. At Kuantum Papers, we are preparing for tomorrow through disciplined investments, advanced production platforms, customer-focused product development, technology-led transformation and a culture built on accountability and excellence. Supported by robust fundamentals, a clear strategic direction and the dedication of our people, we remain confident in our ability to capitalize on emerging opportunities and deliver sustained progress.

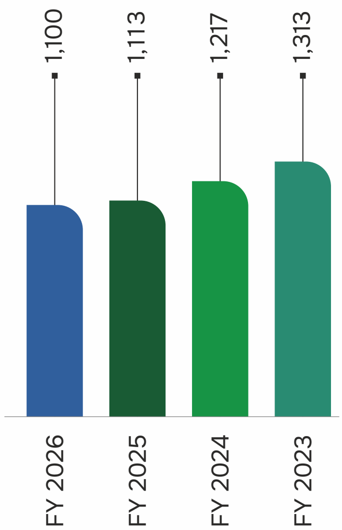
Warm Regards,

Pavan Khaitan
Vice Chairman & Managing Director
Kuantum Papers Limited

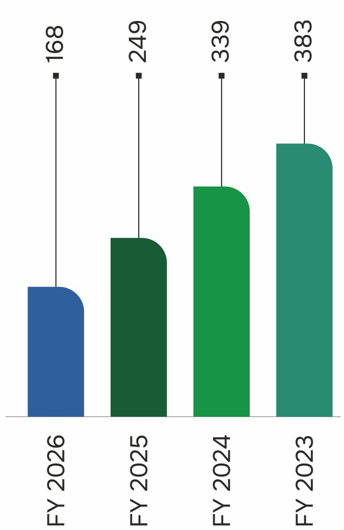
FINANCIAL HIGHLIGHTS

Performance at a Glance

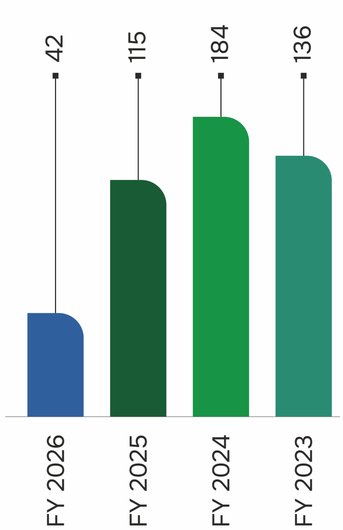
Total Revenue
(Rs. Crore)



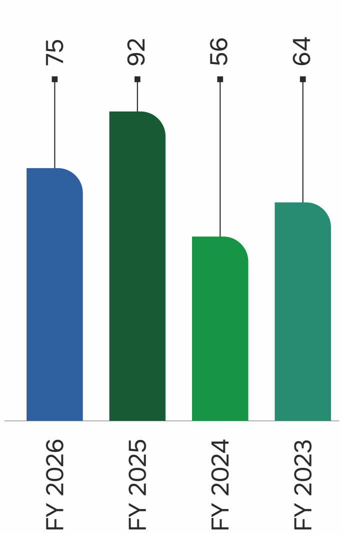
EBITDA
(Rs. Crore)



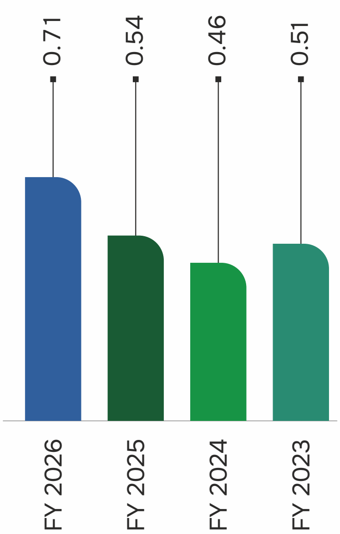
PAT
(Rs. Crore)



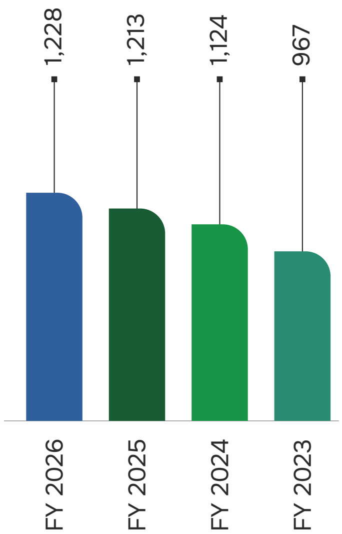
Cash Conversion Cycle
(Days)



Net Debt to Equity
(In Times)



Net Worth
(Rs. Crore)



CORE COMPETENCIES

Our Key Strengths

AN INTEGRATED MANUFACTURING ECOSYSTEM

The strength of our operations lies in a fully backward integrated manufacturing ecosystem consisting of Agro & Wood Pulp Mills, 4 Paper Machines with varied product capabilities, a Chemical Recovery Plant, a Co-Generation Power Plant and an Effluent Treatment Plant. This foundation provides greater control across the entire value chain, enabling us to enhance operational efficiency and consistently deliver quality products.

STRATEGIC RESOURCE ACCESSIBILITY

Situated in the foothills of the Shivalik Range in Punjab, our operations benefit from proximity to key raw material sources and established logistics corridors. This locational advantage reduces supply-chain vulnerabilities and creates a dependable foundation for uninterrupted operations.

RESPONSIBLE FIBRE STEWARDSHIP

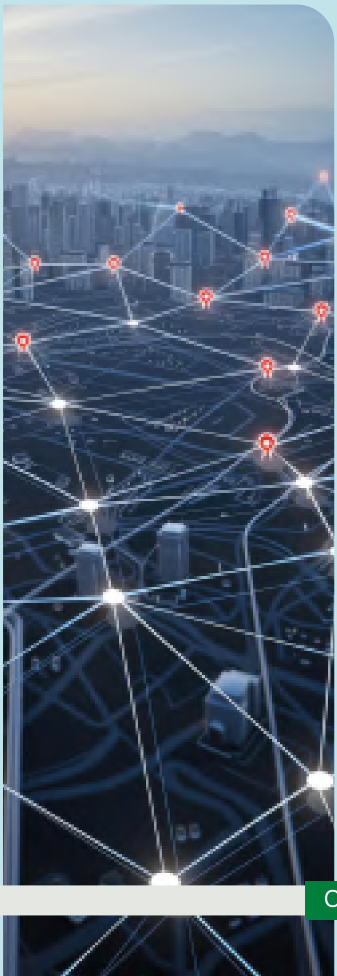
As an FSC® certified company, we uphold environmentally appropriate, socially beneficial and economically viable forest management practices. We have also implemented robust due diligence and traceability measures to ensure compliance with the European Union Deforestation Regulation (EUDR), reinforcing our commitment to combating deforestation, protecting forest ecosystems and advancing sustainable supply chains.

MARKET-RELEVANT PRODUCT OFFERINGS

From Maplitho to Creamwove and Copier to Specialty Papers, our large product portfolio caters to diverse applications and customer requirements. We combine deep market insights with execution excellence to anticipate evolving needs, deliver consistent value and build lasting relationships that stand the test of time.

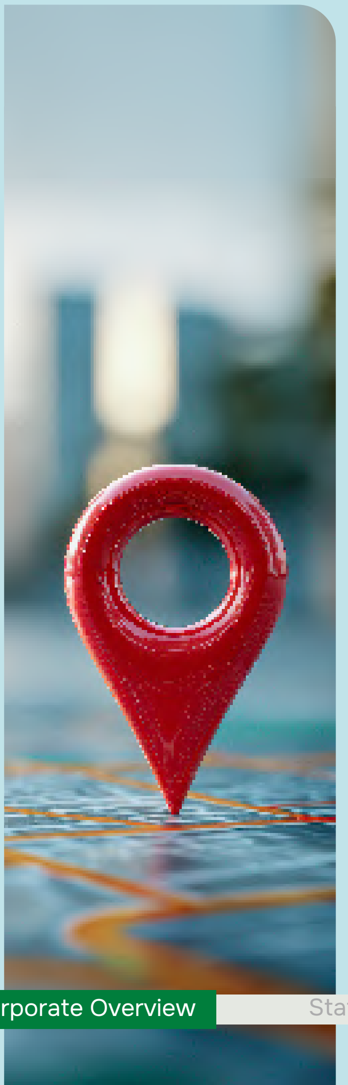
A ROBUST DEALERSHIP NETWORK

Our distribution channel of 120+ dealers across India and the globe serves as a vital bridge between our manufacturing capabilities and end markets. With partnerships spanning three generations, we have forged a legacy of trust and collaboration that enables wider market access and seamless product availability across geographies.



PROXIMITY TO HIGH-CONSUMPTION MARKETS

Situated near the densely populated Northern Region, we are able to garner a significant share in the high paper consumption market. This proximity enables faster deliveries, optimised logistics and enhanced responsiveness to market demand.



TECHNOLOGY-DRIVEN OPERATIONAL EXCELLENCE

Through Project Nirmaan, we are accelerating our digital transformation journey by embedding AI & advanced analytics, intelligent automation and process optimisation tools across critical operations. The result is smarter and faster decision-making, lower process variability and enhanced productivity, translating technology investments into measurable business outcomes.

A COMMITMENT TO SHARED PROGRESS

Our initiatives focused on education, healthcare, rural development and environmental conservation reflect our dedication to improving the quality of life of people and empowering communities.

Another cornerstone of our efforts is the Social Farm Forestry Programme, where we work closely with farming communities to promote sustainable plantation development, enabling generation of additional income opportunities and strengthening livelihoods.

Our Partners in Growth

Pearson	Ratna Sagar
SHIVA LAL AGARWALA & COMPANY EDUCATIONAL PUBLISHERS	
SAP®	EVERGREEN
shape	SUCCESSFUL™
Aakash Medical | IIT-JEE | Foundations	Bharati Bhawan Publishers & Distributors
Blueprint™ EDUCATION	DHANPAT RAI PUBLICATIONS
Selina Publishers	mpprinters DELIVERING QUALITY IN TIME (A unit of DB Corp Ltd.)
Gopsons	FULL MARKS PROGRESSIVE School Books
GOYAL BROTHERS PRAKASHAN	HT Media Limited

ubd 1960	Chitra	Mc Graw Hill Education	APC BOOKS
OXFORD UNIVERSITY PRESS	Kokuyo Riddhi Paper Product Pvt. Ltd.	impressions PRINTING & PACKAGING LIMITED	HEADWORD PUBLISHING COMAPNY
JIWAN BOOKS INTERNATIONAL (P) LTD. INDIA	FOREVER BOOKS		अमरउजाला
GRB BOOKS	MAGIC Adding Life to Paper	RACHNA SAGAR PRIVATE LIMITED – EDUCATIONAL PUBLISHERS –	Regd No. 1326702 NEELKAMAL Excellence
BOOKMAN INDIA	SGM	macmillan education	Prachi SMART BOOKS FOR SMART LEARNING
RUPA	sbm make | manage | move	Vardhman Committed to quality	arihant
arya	amas	Today's Product	ABHINAV Trader Pvt. Ltd.
NPPL In service of education since 1969. NAGEEN PRAKASHAN		Rajluxmi PUBLICATIONS	NAVNEET NAVNEET EDUCATION LIMITED
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WORLDONE	PW	Estd. 1979 VIDYA Prakashan Mandir (P) Ltd.	golden peacock publicatons Simplifying your studies with golden touch

Product Portfolio

One Paper Infinite Possibilities

COPIER

K-ONE

GSM Range: **65, 68, 70, 75, 80**

KONQUER

GSM Range: **65, 70, 75**

KOPIO

GSM Range: **65, 70, 75**

LEDGER, BOND & COLOURED PAPER

KODEXA FS

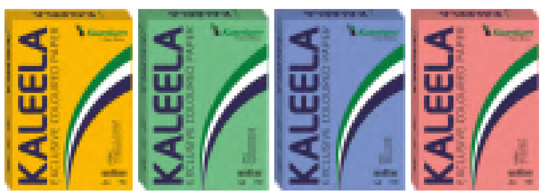
Ledger Paper: **80 GSM**

KUANTUM BOND

GSM Range: **85, 100**

KALEELA*

72 GSM

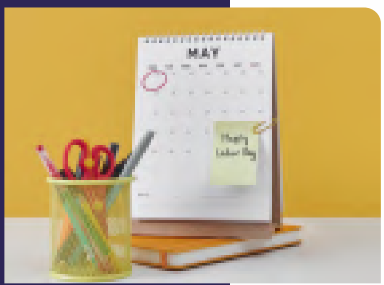


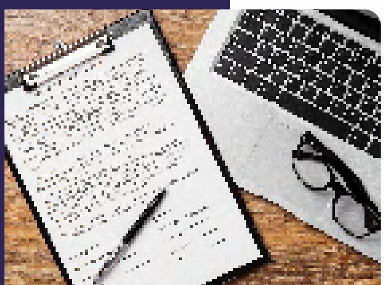
MAPLITHO

KOSHEEN GSM Range **52 - 120**	**KRESTO** GSM Range **52 - 120**	**KOSMO LITHO** GSM Range **54 - 120**

CREAMWOVE

KUANTUM GOLD GSM Range **42 - 100**	**KAPPA PREMIUM** GSM Range **42 - 100**	**KUANTUM KORRA** GSM Range **48 - 90**





SPECIALTY

KOSMO CARTRIDGE GSM Range **60 - 140**	**KOSMO PARCHMENT** GSM **105**	**KOSMO STIFFNER** GSM Range **60 - 175**
KOSMO ENFOLD GSM Range **60 - 120**	**KOSMO PREMIUM** GSM Range **78 - 140**	**KOSMO* LITHO** COLOR MAPLITHO GSM Range **60 - 80**
KOSMO KODEXA GSM Range **58 - 90**	**KOSMO KARD** GSM Range **58 - 200**	**KOSMO THERMIC** GSM Range **40 - 80**
KOSMO CUPSTOCK GSM Range **80 - 170**	**KOSMO SIPPS** GSM Range **60 - 120**	**KRAYO*** COLOR GSM Range **49 - 80**
KOSMO IVORY GSM Range **40 - 80**	**KREDA** GSM Range **58 - 90**	

*Available in Pink, Yellow, Green and Blue colours

VALUE CREATION MODEL

Delivering Results through Excellence

INPUTS

Financial Capital

Net Worth: **Rs. 1,228 Cr**

Net Debt to Equity:
0.71 (In Times)

Manufactured Capital

Pulp Capacity (Agro+Wood):
365 TPD

Paper Machine Capacity:
540 TPD

Chemical Recovery Plant:
700 Solids TPD

Co-Gen Power Plant
Installed Capacity: **38 MW**

Human Capital

Workforce Strength:
1,399 employees

Spend on Employee Benefits:
Rs. 92.88 Cr

Natural Capital

Total Energy Consumed:
63,59,486 GJ

Renewable Energy Consumed:
36,78,650 GJ

Water Consumed:
71,44,843 KL

Clonal Propagation Centre
Capacity: **47 Lakh Saplings**

Intellectual Capital

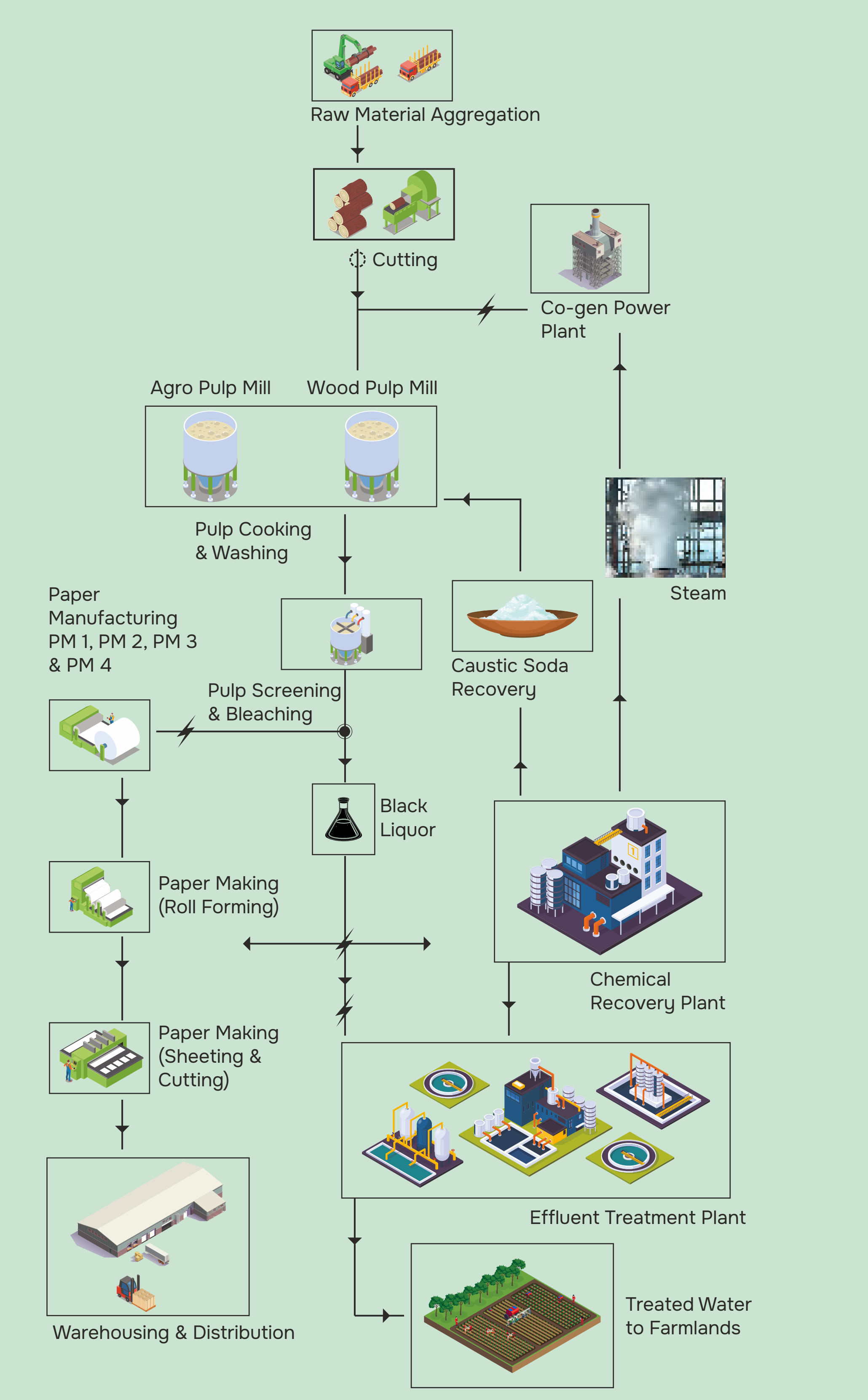
R&D Team: **21 members**

R&D Spend: **Rs. 4.28 Cr**

Social and Relationship Capital

CSR Spend: **Rs. 4.60 Cr**

PROCESS



OUTPUTS	OUTCOMES
Financial Capital Total Revenue: **Rs. 1,100 Cr** EBITDA: **Rs. 168 Cr** EBITDA Margin: **15.4%** PAT: **Rs. 42 Cr**	Strengthened Balance Sheet Enhanced long-term shareholder value
Manufactured Capital Paper Production: **1,62,885 MT**	Greater operational agility High-quality & diversified paper production
Human Capital Retention Rate: **90.4%** Learning & Training Man-Hours: **5,153 hours**	Enhanced talent retention and future-readiness Higher workforce productivity
Natural Capital Energy Intensity: **39.04 GJ/MT** Water Intensity: **42.08 KL/MT** Area Covered under Social Farm Forestry: **18,300 acres** Farmers' Land Irrigated: **2,000+ acres**	Reduced environmental footprint Long-term raw material security
Intellectual Capital Development of sustainable and future ready products Technological advancements	Larger portfolio of paper products to replace single-use plastic Improved efficiency and circular economy in processes
Social and Relationship Capital Beneficiary Villages: **25** Number of Beneficiaries: **25,000+** Farmers Covered under Social Farm Forestry: **19,100+**	Value creation for society & communities Strengthened stakeholder trust

SUSTAINABLE OPERATIONS

Manufacturing Ecosystem that Fosters Responsible Growth

Our state-of-the-art, fully backward-integrated manufacturing facility serves as the foundation of our operational strength, bringing together every critical stage of production within a unified framework. By integrating AI into our industrial core, we have bridged decades of manufacturing excellence with data-driven insights, creating a highly efficient and connected ecosystem that is both scalable and sustainable.

Raw Material Sourcing

Ensuring a consistent and sustainable supply of raw materials remains fundamental to our ability to maintain uninterrupted production and enhance supply chain resilience.

Our sourcing framework is built around a diversified fibre mix of agricultural residues and wood-based resources. Wheat straw sourced from local farming communities and nearby marketplaces forms the basis of our agro-based fibre requirements, transforming agricultural residues into valuable raw material and providing local farmers with an alternative revenue stream while mitigating the impact of stubble burning. Our wood furnish comprises wood chips, veneer waste, plywood residues, wood logs and bamboo procured through an extensive sourcing network including agroforestry and social farm forestry plantations, that prioritise resource efficiency and circularity. We ensure certified fibre traceability through our FSC® Chain of Custody Certification and uphold responsible forest stewardship in compliance with the European Union Deforestation Regulation (EUDR).

By leveraging multiple fibre sources, we reduce dependence on imported inputs and create a strategic sourcing advantage that strengthens fibre security.

Operational Impact

- ASSURED RAW MATERIAL SECURITY
- STRENGTHENED INPUT SUPPLY CHAIN STABILITY

Agro & Wood Pulp Mills

Our pulping infrastructure comprises dedicated agro and wood-pulping lines with a combined capacity of 365 MT of pulp per day. By manufacturing high-quality pulp in-house, we have successfully replaced expensive imported hardwood pulp. This self-reliance protects the supply chain from global logistics disruptions and significantly reduces our overall fibre costs.

Agro Pulp Street	Wood Pulp Street
165 TPD	200 TPD

Total Pulp Capacity
365 TPD

Operational Impact

- ENHANCED FIBRE SELF-SUFFICIENCY
- REDUCED IMPORTED PULP DEPENDENCE

Paper Machines

Our paper manufacturing infrastructure translates pulp into a diverse portfolio of surface-sized, non-surface-sized and specialty value-added products. Operating at high capacity utilisation, the production setup comprises four paper machines with a combined capacity of 540 TPD.

Machine	Capacity
Machine - 1	65 TPD
Machine - 2	75 TPD
Machine - 3	115 TPD
Machine - 4	285 TPD

Current Production Capacity
540 TPD

Operational Impact

- DIVERSIFIED PRODUCT PORTFOLIO
- STRONG MARKET AGILITY

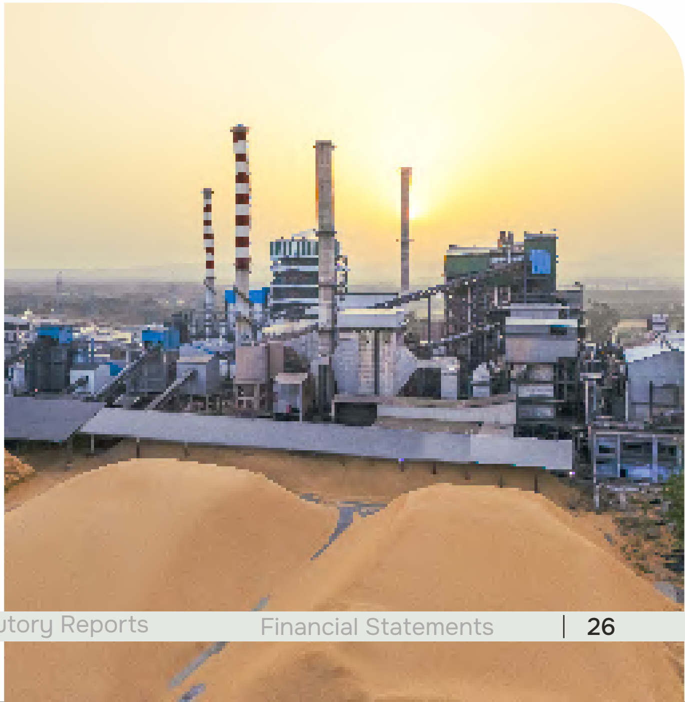
Co-Generation Power Plant

Reliable and affordable access to energy remains fundamental to operational efficiency and continuity. Our Co-Generation Power Plant is equipped with two high-efficiency boilers of 60 TPH and 130 TPH, supported by advanced turbine systems with a combined capacity of 38 MW of power.

Operational Impact

- IMPROVED ENERGY EFFICIENCY AND SECURITY
- LOW DEPENDENCE ON GRID POWER

Power Generation Capacity
38 MW



Chemical Recovery Plant

Our 500 TPD Chemical Recovery Plant is equipped with a HERB Recovery Boiler that enables the recovery and reuse of over 96% of caustic soda, one of the most critical and cost-intensive chemicals used in the pulping process, substantially reducing fresh chemical consumption and enhancing cost efficiency. The recently upgraded 200 TPD Recovery Boiler takes the total black liquor treatment capacity to 700 TPD. The plant operates with a substantially improved steam-to-solid ratio, resulting in higher recovery efficiency, optimised process performance and a reduced environmental footprint.

Operational Impact

HIGH STEAM-TO-SOLID RATIO

IMPROVED OPERATING MARGINS

Chemical Recovery Capacity
700 TPD

Effluent Treatment Plant

Our advanced Effluent Treatment Plant features a robust, scalable architecture designed to treat wastewater efficiently and transform it into a valuable resource for productive applications.

The facility operates through two specialised processing streams:

Low COD Street
High-efficiency aerobic treatment for low organic-load effluent.

High COD Street
Advanced anaerobic treatment for concentrated process streams.

Embodying our commitment to social responsibility and sustainable water management, the treated water is distributed through a dedicated pipeline network to neighbouring villages, supporting irrigation across more than 2,000 acres of agricultural land.

Operational Impact

CONSERVATION OF GROUNDWATER RESOURCES

SUPPORT FOR RURAL LIVELIHOODS

Research & Development

Our in-house R&D Laboratory, certified by the Department of Scientific and Industrial Research (DSIR), serves as a key catalyst for innovation, sustainability and operational advancement across the organisation. Focused on pulp, paper and allied processes, the lab is dedicated towards developing new products, optimising manufacturing processes, implementing advanced technologies, applying green chemistry principles and advancing solutions that support the replacement of single-use plastics (SUP).

The plantation research is directed towards identifying and propagating high-yielding species that strengthen fibre security and support responsible forestry practices. Through scientific expertise and continuous collaboration, the team enhances the quality and availability of raw materials, ensuring long-term availability and sustainability of the company's fibre requirements.

Quality Control (QC)

Our well equipped Quality Control facility ensures that every reel and sheet of paper meets the highest industry standards. We implement strict, multi-stage testing and monitoring protocols across the entire production lifecycle. By auditing incoming raw materials, verifying real-time process parameters and conducting extensive final inspections on the finished products, we ensure consistency, reliability and a superior product quality for our customers.

STRATEGIC TECHNOLOGY UPGRADES

Building Future-Ready Operations

The Company undertook strategic investments under the Mill Upgradation and Expansion Project during the year which were aimed towards strengthening the companys' manufacturing capabilities through advanced engineering, intelligent automation, digital integration and operational excellence. Each upgrade is designed to improve process stability and circularity, enhance product quality, optimise resource utilisation and create a robust platform for sustained business growth.

Upgrading and Re-engineering Machine Infrastructure

We undertook a series of pivotal upgradation and modernisation initiatives designed to strengthen machine capability, improve product quality and enhance production capacity. A major highlight was the upgradation of Paper Machine 4, which integrated advanced Shoe Press Technology, upgraded drying systems, a modified hood, an oil-heated calender and enhanced automation capabilities. These improvements strengthened dewatering efficiency, enhanced sheet properties, reduced operating costs and expanded the machine's ability to manufacture high-value writing & printing grades.

PM 1 underwent a comprehensive rebuild that included the installation of a new dilution-control headbox, double doctoring systems, additional dryers, advanced DCS/QCS and a Küsters calender, enabling enhanced profile control, greater consistency and improved operational efficiency.

PM 2 was also rebuilt with a dilution-control headbox, upgraded press section, wire part extension, advanced DCS/QCS, additional dryers, Küsters calender, tail shooters and dry-end improvements.

These upgrades will enable us to manufacture more grades of high-value specialty papers designed for food wrapping and flexible packaging applications.

KEY OUTCOMES

- **Higher manufacturing throughput**
- **Diversified product portfolio**
- **Improved profile control and sheet quality**

State-of-the-art Pulping Process with DDS

In the Wood Pulp Mill, substantial progress was made on the Displacement Digester System (DDS) project, an advanced technology designed to enable lower-temperature pulp cooking. The system is designed to deliver higher pulp yield, improved quality with lower steam and chemical consumption, while enhancing process stability and resource utilisation across wood pulp manufacturing operations.

KEY OUTCOMES

- **Improved pulp yield and quality**
- **Reduced process variability**
- **Lower energy consumption**

Enhancing Chemical Recovery

The retrofitting of the 200 TPD Recovery Boiler incorporated a Two-Stage Causticizer and a new Electrostatic Precipitator (ESP), enhancing chemical recovery performance, improving environmental compliance and optimising process efficiency. This will further help in reducing silica load to the Lime Kiln and improving overall recovery effectiveness.

KEY OUTCOMES

- **Improved chemical recovery**
- **Optimised resource utilisation**
- **Greater recovery cycle efficiency**

Operational Agility through Technology

As part of our continuous drive towards operational excellence, we implemented a series of mill-wide engineering and automation initiatives to elevate productivity, strengthen equipment dependability and optimise resource utilisation. These included the integration of ABB Drive systems, commissioning of BSW-4, implementation of Second Stage Wet Washing, installation of Synchro Fly Cutters and deployment of high-efficiency IE4 and IE5 motors. Further enhancements to Tail Threading Systems and Rope Circuits across PM 1, PM 2 and PM 4 contributed to smoother machine running and improved throughput. To strengthen finishing capabilities, a high-capacity Synchro Sheeter was commissioned, enabling greater cutting accuracy, faster turnaround times and seamless packaging workflows.

The digital control capabilities were also expanded across stock preparation, chemical addition and wet-end sections. By upgrading the QCS & DCS on our machines and integrating advanced monitoring frameworks, we have substantially bolstered our responsiveness to operational fluctuations, effectively mitigating material losses and systemic inefficiencies. The result is a manufacturing process that is increasingly capable of delivering consistent performance with reduced variability.

KEY OUTCOMES

- **Improved machine uptime**
- **Seamless production flow**
- **Greater control across critical processes**

Harnessing AI and Advanced Analytics for Smarter Operations

We accelerated our digitalisation journey by strengthening real-time process visibility and embedding AI-driven analytics across critical manufacturing operations.

Project Neev established an integrated digital environment that provides faster access to operational data, enabling production teams to monitor critical parameters, identify process deviations earlier and make informed decisions with greater confidence.

Building on this initiative, Project Nirmaan expanded the deployment of Multi-Variable Advanced Control Systems (MACS) across Agro Bleach, Wood Bleach, Agro Cook and utility operations. Leveraging advanced algorithms and AI-enabled process optimisation, these intelligent systems have contributed to improved process stability, improved Elemental Chlorine Free (ECF) bleaching performance and greater consistency across pulping operations.

KEY OUTCOMES

- **Faster decision-making**
- **Improved process predictability**
- **Enhanced real-time operational visibility**

Strengthening Asset Reliability

A structured Root Cause Analysis (RCA) framework was institutionalised to systematically identify recurring failures and implement sustainable corrective actions. The maintenance approach also evolved from conventional reactive interventions towards Preventive, Predictive and Reliability-Centred Maintenance (RCM), ensuring that critical equipment receives priority attention based on operational impact and failure risk.

KEY OUTCOMES

- **Improved equipment reliability**
- **Higher machine availability**
- **Reduced unplanned shutdowns**

Securing Tomorrow's Fibre through Agriscience

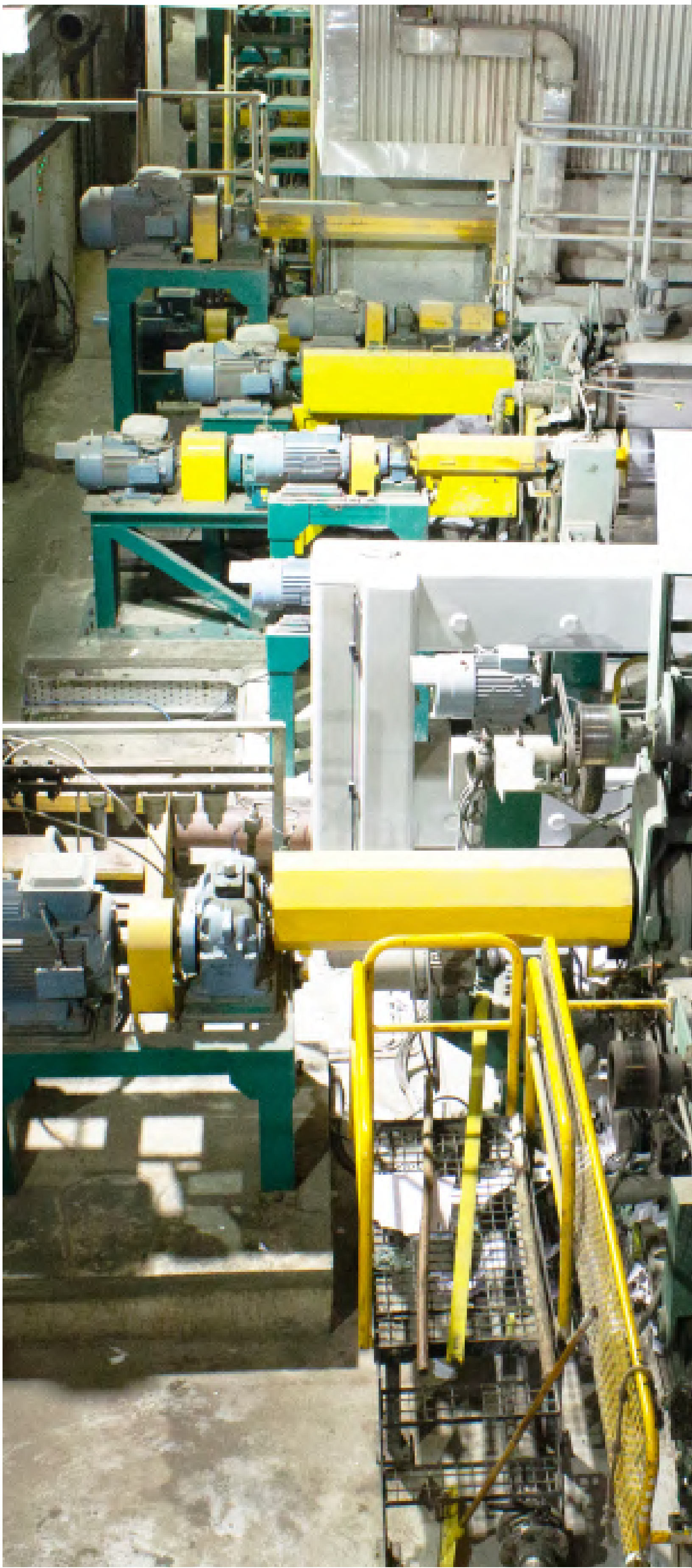
Our Plantation Research Laboratory remains instrumental in building a diverse fibre base, driving clonal propagation, scientific tree improvement and large-scale multiplication of elite plantation stock. Complementing these efforts is our in-house Clonal Propagation Centre (CPC), which plays a pivotal role in propagating superior clones of fast-growing and high-yielding pulpwood species, including Eucalyptus, Poplar, Casuarina, Melia and Subabul.

Post successful performance trials, we provided Eucalyptus Clones E-1 and E-2 to the farmer community. These site-specific, high-yielding clones demonstrated superior growth in terms of height, girth and biomass, offering improved plantation productivity and higher-quality wood.

A significant milestone during the year was the successful mass multiplication of Casuarina Clone CH-1, developed as a high-performance alternative pulpwood species for the paper industry. Through extensive research and field evaluations, we identified CH-1 for its superior pulp yield, high brightness and consistent wood characteristics, making it an alternate and sustainable raw material for premium paper manufacturing.

KEY OUTCOMES

- **Diversified and sustainable fibre base**
- **Improved pulp yield and fibre quality**
- **Enhanced long-term raw material security**



Accelerating Market-Led Product Innovation

We continued to strengthen our product development capabilities by combining research, process expertise and cross-functional collaboration to deliver value-added paper solutions.

We expanded our product portfolio with the launch of the all new Copier brand 'Kopio' in 65, 70 and 75 GSM, which is designed to meet the growing demand for high quality printing at offices and homes. The development and launch of Kappa Premium III CRP, Kappa Premium III CRM and Kuantum Pura further enhanced our product offerings for the market.

Innovation efforts also extended to Oil & Grease Resistant (OGR) papers and other specialty grades with collaborative product validation involving Manufacturing, Quality, Technical Services and Commercial teams, ensuring seamless scale-up from laboratory development to full-scale manufacturing and distribution.

KEY OUTCOMES

- **Expanded product portfolio**
- **Stronger customer-centric innovation**
- **Enhanced market competitiveness**

Optimising Utilities and Resources

Through targeted engineering modifications, we upgraded our Water Treatment Plant (WTP) and Effluent Treatment Plant (ETP) infrastructure. The installation of Multi-Grade Filters (MGF) and Soft Sand Filters (SSF) delivered sustained water and operational savings. Additionally, ash optimisation initiatives increased ash utilisation by nearly 2.5% without compromising sheet strength.

Collaborative customer trials, cross-functional technical reviews and structured validation processes enable us to reduce off-spec production and improve resource efficiency across all manufacturing operations.

KEY OUTCOMES

- **Improved process reliability**
- **Optimised chemical consumption**
- **Enhanced resource efficiency**

KUANTUM FOR EARTH

Growth rooted in Circularity

Creating lasting value begins with protecting the resources that make growth possible. Our environmental strategy 'Kuantum for Earth' is focussed on conserving natural capital, improving resource productivity and advancing manufacturing practices that contribute to a greener future.

From strengthening sustainable fibre ecosystems and accelerating water conservation to enhancing energy performance and maximizing circularity in processes, sustainability remains deeply embedded within the way we operate, invest and innovate. This environment first approach enables us to deliver long-term value and maintain a responsible balance between industrial progress and environmental stewardship.

Water Conservation & Recovery

Effective water stewardship remains a strategic priority across our operations. Continuous investments in advanced recycling & recovery systems, the adoption of closed-loop water management systems along with ground level process improvements have enabled significant reductions in freshwater consumption and enhanced recycling and reuse capabilities.

The deployment of Twin Roll Presses, High-Rate Solid Contact Clarifiers, Multi Plate Settler Units, White Water Clarifiers and Condensate Polishing Units have led to reduction of water usage and improved water recovery across the production cycle. The use of surface water through a dedicated Water Treatment Plant has further reduced groundwater dependency and improved process efficiency. Surface water utilisation also reduces the burden on demineralisation systems and minimises effluent generation.

3000 m^3 per day
Freshwater Savings Achieved

Social Farm Forestry

Our Social Farm Forestry Programme plays a vital role in strengthening fibre availability and expanding green cover across our operating regions. At the heart of this initiative is our Clonal Propagation Centre (CPC), for cultivating high-quality clonal Eucalyptus, Poplar, Casuarina, Melia and Subabul Saplings.

These scientifically developed clonal plantations have improved productivity, higher survival rates and enhance carbon sequestration. This programme also creates an additional income stream for farming communities and contributes to a dependable raw material ecosystem without exerting pressure on natural forests.

47 Lakh Saplings
Clonal Sapling Distributed in FY 2025-26

5 High-Yielding Clonal Species
Eucalyptus, Poplar, Casuarina, Melia and Subabul

Circular Manufacturing

Our circular manufacturing approach is designed to maximise resource utilisation and minimise waste generation by transforming them into valuable by-products for other applications. By recovering and repurposing materials generated across operations, we create efficient resource loops that reduce disposal requirements and enhance overall sustainability performance.

Primary sludge generated from the Effluent Treatment Plant (ETP) is converted into wet board and reused in the manufacturing of packaging-grade board. Secondary sludge is used as boiler fuel post sundrying. Fly ash generated from boilers is supplied to the cement industry for co-processing.

Responsible Fibre Procurement and Supply Chain Transparency

Through FSC® Chain of Custody (CoC) Systems, supplier verification frameworks and due diligence mechanisms, traceability is maintained across the wood-based raw material supply chain, ensuring responsible sourcing practices at every stage.

As global sustainability regulations continue to evolve, we are further strengthening our approach to fibre supply chain transparency. As a proactive step forward, we have implemented measures to ensure full compliance with the European Union Deforestation Regulation (EUDR), thus reinforcing our dedication to combating deforestation and promoting the sustainable management of natural resources.

Advanced Effluent Management

Comprehensive wastewater management systems ensure environmental protection remains integral to plant operations. The Effluent Treatment Plant integrates advanced primary, secondary and tertiary treatment processes to consistently maintain treated water quality in accordance with prescribed discharge standards. Regular laboratory analysis, preventive maintenance programmes and environmental audits reinforce compliance and operational accountability.

Treated water is subsequently utilised for irrigation across the surrounding agricultural land, extending the benefits of water availability to farmers.

2000+ Acres
Agricultural Land Irrigated through Treated Water

Energy Efficiency & Fuel Optimisation

Enhancing energy efficiency remains an important focus area in our pursuit of sustainable manufacturing. Biomass residues generated within operations, including wood dust, agro dust and bark, are utilised as alternative fuels, reducing reliance on conventional fossil fuels and supporting the usage of higher quantities of biomass in our boilers.

Strategic investments in upgrading black liquor heat recovery systems, condensate recovery projects and process optimisation initiatives have lowered steam consumption and improved thermal efficiency. The regular monitoring of combustion parameters such as Loss on Ignition (LOI) and oxygen levels further enhances boiler performance and operational reliability.

The progressive adoption of IE4 and IE5 motors, coupled with next-generation cooling tower technologies, is reducing power consumption without compromising operational effectiveness.

Sustainability-Led Progress

Environmental stewardship anchors every decision we make - how we operate, how we innovate and how we grow. We are moving beyond compliance-driven responsibility to actively reshape manufacturing through technological excellence, sustainability and circularity. By embedding advanced engineering into responsible resource management, we are redefining our manufacturing processes to do more with less. so that we achieve a higher output with a lighter environmental footprint. Every step we take builds a stronger, more enduring business, one aligned with a climate-positive, greener future.

75000+ Acres
Plantation Cover Target by 2030

CORPORATE SOCIAL RESPONSIBILITY

Progress with Purpose

The pursuit of sustainable growth at Kuantum Papers extends beyond operational excellence to making a positive difference in the lives of people around us. We believe that true progress is meaningful when it benefits the communities that we are part of. Guided by a strong sense of responsibility towards society, we undertake initiatives that contribute to rural development educational advancement, healthcare accessibility, environmental stewardship and community well-being.

Through collective action and active engagement, we continue to contribute towards building stronger communities and improving the quality of life of people living in and around our operations.

Shaping Futures through Education

Knowledge has the power to transform lives and create opportunities that extend across generations. Our efforts are directed towards creating enriching learning environments, fostering skill development and strengthening educational foundations that ensure a brighter, more equitable tomorrow.

Transforming Learning Environments

Recognising the importance of education in shaping future generations, efforts were undertaken to expand access to quality learning and improve across Anganwadis and Government Schools. In collaboration with the district administration, Anganwadi centres were upgraded through infrastructure enhancements and Montessori-based learning methodologies were introduced, creating more engaging and child-centric educational environments. Simultaneously, improvements to classrooms, flooring and associated facilities helped create safer and more conducive spaces that support holistic development among young learners. Our management-run school in Saila Khurd provides affordable, high-quality education to children from neighbouring villages at subsidised fees.

50
Anganwadi Centres Supported

Riding Towards Freedom

Through Project Kitabghar, a collaborative initiative with Yuvsatta and Carmel Convent School, Chandigarh, bicycles were provided to school-going girls of Bapudham Colony. This was aimed at addressing mobility constraints that often impact attendance and continuity in education, thereby enabling greater access to learning opportunities and supporting the aspirations of young students.

Recognising Academic Excellence

Meritorious students across Hoshiarpur district were supported through the installation of 1 KW solar power systems at their homes, combining educational encouragement with environmental responsibility.

1200+
Lives Empowered through Solar Energy Access

Skill Development and Employability Enhancement

Training and apprenticeship programmes were conducted to strengthen job readiness amongst local youth. This initiative provides practical exposure and industry-relevant skills that improve employability and create pathways to sustainable livelihoods.

100+
Youth Trained

Fostering Healthier and Stronger Communities

Access to healthcare and essential services forms the bedrock of community well-being. Through contributions for healthcare support and public welfare infrastructure, we continue to drive better health outcomes and promote overall well-being.

Community Healthcare Support

Through continued support to a local charitable hospital in Hoshiarpur district, healthcare services remained accessible to surrounding communities. The facility provides timely medical assistance through experienced professionals, helping improve overall community health and well-being.

600+
Patients Received Medical Assistance

Extending the Reach of Critical Care

To augment healthcare outreach and emergency response capabilities, we donated an ambulance to the Indian Red Cross Society, Hoshiarpur. This support is expected to enhance emergency response capabilities, improve patient transportation services and strengthen the reach of urgent medical assistance across the district.

Mobility and Inclusion

As part of the World Red Cross Day programme, battery-operated tricycles were distributed to specially-abled individuals to facilitate greater independence and participation in daily life. This contributes towards creating a more inclusive and equitable environment.

Creating Pathways to Rehabilitation

In support of the Punjab Government's 'Yudh Nashian Virudh' campaign, a complete makeover of the Red Cross Drug De-Addiction & Rehabilitation Centre, Hoshiarpur was undertaken during the year. The initiative included infrastructure enhancement aimed at creating a safer, more conducive and supportive rehabilitation environment for individuals recovering from addiction. Provisions for vocational learning further contribute towards enabling beneficiaries to transition towards greater self-reliance and social reintegration.

Strengthening the Rural Landscape

Sustainable progress begins at the grassroots. By investing in community infrastructure and water resource management, we are helping build stronger rural ecosystems that support inclusivity, prosperity and long-term growth.

Rural Connectivity

Street construction and the laying of interlocking blocks were undertaken in neighbouring areas, improving accessibility and strengthening public infrastructure across rural communities.

Solar Street Lighting

Solar-powered street lights were installed to improve public safety, enhance visibility and promote the adoption of renewable energy solutions within villages.

9800
People Supported through Solar Street Lighting

Community Hall Development

A community hall was constructed at Village Saila Khurd, creating a shared space for social interaction, community engagement and local events.

Village Infrastructure and Welfare Programme

We undertook development projects across 25 neighbouring villages, focusing on enhancing community infrastructure and improving access to basic services.

25000+
Lives Impacted through Rural Development Efforts

Enhancing Water Security

To address local water requirements and enhance resource availability, a tube well was installed at Village Paddi Khutti. Complementing this effort, a 50,000-litre water storage tank was provided at Village Gandhowal, strengthening water accessibility for the community.

5070
Individuals Benefitted

Safe Drinking Water Access

We ensured year-round access to safe drinking water through the installation, upkeep and annual maintenance of water coolers and RO systems across neighbouring villages.

2000+
Residents Benefitted

Recreation and Wellbeing

Support was extended towards the development of recreational and sports facilities in nearby areas, encouraging physical activity and creating opportunities for youth engagement. A park was constructed at Village Saila Kalan to provide a safe and enjoyable space for children to play and exercise.

Empowering Women through Skills and Employment

Training and employment opportunities have been extended to women from neighbouring communities. Women are engaged across various vocational activities, enabling them to attain financial independence and contribute meaningfully to household incomes.

HUMAN RESOURCES

People at the Heart of Progress

A strong culture of trust, collaboration and continuous learning defines the way we work and grow together. Every individual is encouraged to take ownership, contribute ideas, solve challenges, and participate in decisions that influence outcomes. This people-centric approach, built on trust and accountability, has created an environment where initiative is valued, collaboration thrives and collective success remains central to everything we do.

1399
Total Workforce

Building Organisational Capability for Growth

As our operations expand and business requirements evolve, human capital planning remains closely linked to organisational priorities. Detailed role assessments, workforce deployment mapping and manpower planning exercises help identify capability requirements across production, maintenance, projects and support functions. This disciplined approach ensures that critical positions are staffed with the right expertise while ensuring operational continuity, project execution and long-term growth ambitions.

Developing Industry-Ready Talent

Manufacturing is undergoing a significant transformation driven by automation, digitalisation and data-led decision-making. In response to this change in the landscape, we have shifted from qualification-led hiring towards a competency-based approach that emphasises upon practical expertise and future-focused capabilities, enabling us to strengthen our talent base with expertise in Artificial Intelligence (AI) and Machine Learning (ML). Under the Kuantum Konnect Programme, our recruitment efforts continue to draw talent from leading institutions, including IITs, NITs, FRI, universities and technical and management institutes, helping build capability in both traditional and emerging disciplines.

36
Students Hired through the Kampus Konnect Programme

Upskilling the Next Generation

Our industry-academia engagement initiatives are focused on preparing students for successful and meaningful careers. Through a combination of internships & scholarships, industrial visits and expert-led learning sessions, students gain practical insights into industry practices and professional expectations. Exposure to real-world operations and direct interaction with experienced professionals helps sharpen their technical knowledge, leadership potential and decision-making abilities, enabling them to transition confidently from education to employment.

233
Children of Employees Benefited from Scholarship Assistance

950
Students Gained Knowledge through Industrial Visits

Investing in Knowledge and Technical Excellence

We employ a data-driven approach to workplace development, utilizing Training Need Analysis (TNA), Skill Gap Assessments and Individual Development Plans (IDPs), to tailor learning interventions to our strategic priorities. Our curriculum spans critical technical competencies, including Lean Manufacturing, Six Sigma, Green Belt Training, SAP, Root Cause Analysis, Advanced Process Control (APC), and Data Analytics, alongside essential professional skills such as Business Communication. Collaborations with Pakka Skills, EdPAL Learning and PHDCCI further enriched our learning ecosystem with expert-led programmes and industry best practices.

180+
Learning & Development Programmes Conducted

5153
Training Man-Hours Delivered

Creating Leadership Depth

Through a structured review framework, we identify individuals who demonstrate strong performance, initiative, innovation, technical expertise, stakeholder management capability and leadership acumen. By assigning high-potential talent to lead improvement projects, participate in strategic initiatives, undertake cross-functional assignments and assume expanded responsibilities, we foster both operational excellence and leadership maturity. This approach strengthens succession readiness and creates clear pathways for professional growth.

Turning Feedback into Progress

Open dialogue plays a critical role in shaping workplace experiences. We actively seek feedback through HR Pulse surveys, suggestion boxes, QR-code enabled feedback systems, skip-level interactions, idea generation forums and Kaizen initiatives. Feedback received through these channels is carefully reviewed and translated into meaningful action wherever possible. Access to policies, guidelines and employee resources has also been simplified through the upgraded HRMS platform and digital HR Guide, promoting greater transparency and consistency across locations and shifts.

Strengthening Engagement and Organisational Connect

We undertook multiple team engagement initiatives throughout the year, which include HR Connect Programmes, New Joiner Welcome Sessions, Birthday Celebrations, cultural events, sports tournaments and the Kuantum Premier League, providing opportunities for interaction and collaboration beyond daily work responsibilities. The introduction of the Instant Reward & Recognition Programme reinforced a culture where commitment, excellence and contributions are acknowledged and celebrated.

53
Employee Engagement Activities Organised

Fostering Inclusion and Shared Opportunity

Our commitment to Diversity, Equity and Inclusion (DE&I) reflects our belief that diverse teams drive stronger outcomes. We cultivate an inclusive workplace where individuals are respected for their unique perspectives, experiences and talents. Through equitable policies and opportunities, we empower our people to achieve their full potential, foster higher engagement and ensure a continuous flow of innovative ideas that contribute to their long-term growth and success in the organisation.

Prioritising Health and Safety

Preventive healthcare camps, mediclaim and ESI awareness programmes, women's health initiatives, wellness sessions and talks are conducted in collaboration with healthcare experts and institutions to promote physical, mental, emotional and social wellbeing. Safety practices are embedded into everyday activities through mandatory induction programmes, including dedicated safety orientation before entering the plant. Daily toolbox talks, Job Safety Analysis (JSA), fire and safety training, mock drills, PPE compliance monitoring, workplace inspections, hazard identification exercises and preventive maintenance programmes collectively build a strong culture of risk awareness and prevention.

CORPORATE GOVERNANCE

Principles & Policies in Practice

Corporate Governance is the bedrock of our identity as a responsible and trustworthy organisation. We uphold the highest standards of ethical conduct, transparency and accountability across each and every dimension of our business. Our governance framework extends beyond our own operations to encompass our suppliers, contractors and partners, ensuring that every stakeholder we engage with is held to the same high ethical benchmarks.

Board Committees

To ensure focused and effective governance, the Board has constituted the following committees, each with clearly defined roles and oversight responsibilities. The committees meet regularly to execute their entrusted mandates and provide strategic counsel that strengthens the Board's decision-making capability.

Committee	Primary Role
Audit Committee	Ensures financial integrity, reviews internal controls, and oversees external audit processes
Corporate Social Responsibility (CSR) Committee	Oversees CSR policy, initiatives, and statutory expenditure obligations
Nomination and Remuneration Committee	Manages director appointments, evaluations, and compensation structures
Stakeholders Relationship Committee	Addresses stakeholder grievances, concerns, and investor relations
Risk Management Committee	Monitors, evaluates, and mitigates enterprise-level operational and financial risks
Finance Committee	Reviews financial strategies, treasury matters, and capital allocation decisions

Policy Framework

Kuantum Papers has established a comprehensive policy framework that defines the principles, standards and expectations governing the conduct of our personnel as well as stakeholders. These policies facilitate informed decision-making, foster a culture of accountability and ensure the integrity of our operations across all functions.

Key Policies

Related Party Transactions Policy	Corporate Social Responsibility Policy	Nomination, Remuneration and Evaluation Policy
Dividend Distribution Policy	Risk Management Policy	Policy for Determination of Materiality
Whistleblower Policy	Policy for Determining Material Subsidiaries	Anti-Corruption and Bribery Policy
Environment, Health and Safety (EHS) Policy	Prevention of Sexual Harassment Policy	Equal Employment Opportunity Policy
Sustainability Policy	Grievance Redressal Policy	Policy for Preservation of Documents
Human Rights Policy	Quality Policy	

Code of Conduct

Our Code of Conduct serves as the foundation of ethical business behaviour across the organisation. It outlines expectations relating to integrity, compliance, workplace conduct, environmental responsibility and stakeholder engagement for employees, suppliers, contractors, and business partners.

Whistleblower Policy

Our Whistleblower Policy ensures complete anonymity for complainants, and all disclosures are subject to thorough investigation, with firm protection against any form of retaliation. We are committed to maintaining a safe and confidential environment for individuals who wish to report misconduct or unethical behaviour.

Risk Management Policy

This policy aims to proactively identify, assess and address potential risks inherent in our business operations. The Risk Management Committee oversees the implementation and continuous improvement of this framework, providing regular updates to the Board on its progress and effectiveness.

Anti-Corruption and Bribery Policy

Kuantum Papers maintains a zero-tolerance stance on bribery and corruption in any form. Our Anti-Corruption and Bribery Policy promotes a culture of vigilance and diligence, providing clear guidance on identifying, reporting and addressing instances of corruption across all levels of the organisation.

Quality Policy

Our Quality Policy reflects our unwavering commitment to operational excellence through continuous improvement, innovation, regulatory compliance and consistently exceeding customer expectations.

Board of Directors

Jagesh Kumar Khaitan

Chairman

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

Pavan Khaitan

Vice Chairman & Managing Director

Pavan Khaitan is a qualified Chartered Accountant and a graduate in Commerce from Panjab University. He joined the company in 1997 as the CEO and has played a pivotal role in shaping the company's strategic vision, focusing on quality outputs, timely plant modernizations, process re-engineering, digitalization, sustainability and creating successful collaborations with MNCs. He currently holds the position of Vice President at the Indian Paper Manufacturers Association (IPMA) and has previously served as the President of the Indian Pulp & Paper Technical Association (IPPTA).

Vivek Bihani

Director (Independent)

Vivek Bihani is an Engineer from BITS Pilani and an MBA from IIM Bangalore. With more than 30 years of experience as both an entrepreneur and an investor, Vivek Bihani brings a rare blend of strategic vision and business acumen. He has a keen ability to identify the potential of early-stage companies and the conviction to back them through to success. His approach is rooted in building future-ready, industry-leading businesses that create lasting value.

Shireen Sethi

Director (Independent)

Shireen Sethi is the COO of Network 1 Media Pvt. Ltd. and Co-Founder of nnis Sports, with over two decades of experience in media, technology and business strategy. She has successfully raised angel and venture capital and driven landmark innovation initiatives. With a career spanning leadership positions across Star India, Zee, NDTV, India Today and other leading media houses, she is also a sought-after speaker at global forums including IBC Amsterdam, BroadcastAsia and CABSAT.

Munishwar Kumar

Director (Independent)

Munishwar Kumar is a Master in Business Administration from Thomas Maine, USA. As an entrepreneur with experience in global bio-degradable packaging, he has successfully built and managed India's largest moulded fiber packaging company. With a career spanning over 34 years, he has played a key role in strategic planning, business development, executing green field and brownfield projects, financial management, mergers and acquisitions. He enjoys creative work through innovation and thrives in building businesses and achieving profitable growth.

Jagdeep Hira

Whole Time Director & CEO - Operations

A visionary professional with over 30 years of experience in the Pulp & Paper Industry, he has been instrumental in driving organisational growth and value creation. An alumnus of BITS Pilani, he has successfully led large-scale operations, optimised supply chains and built enduring global partnerships with sustainability at the core. His leadership combines foresight, disciplined execution and a strong people-centric ethos, creating meaningful impact across businesses and stakeholders alike.

Management Team

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 Kuantum for the past 25+ years and has been successful in creating a loyal network of 120+ dealers as well as a demand pull for our products in the market.

Vikram Kumar Khaitan
Chief Financial Officer

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.

Prachi Sharma
Vice President - Corporate Strategy

A seasoned Chartered Accountant with strong business acumen and analytical prowess, having 20+ years 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 to drive growth and change management.

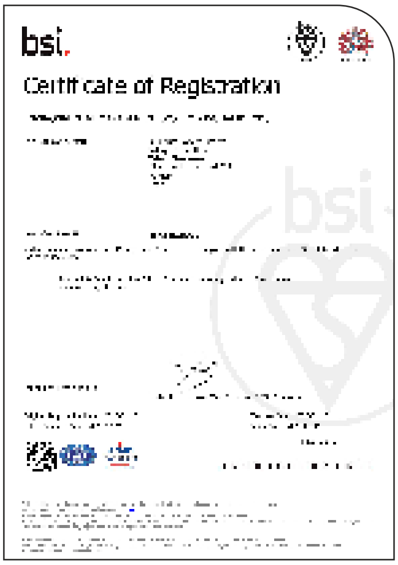
Suresh Babu
Vice President - Process Excellence

An experienced industry professional with over 26 years in the Pulp, Paper and Paperboard industry. His career reflects strong technical acumen and strategic oversight, focused on optimizing production processes, enhancing quality control and driving cost efficiency. He has consistently strengthened the operational foundations necessary for scalable growth and long-term competitiveness.

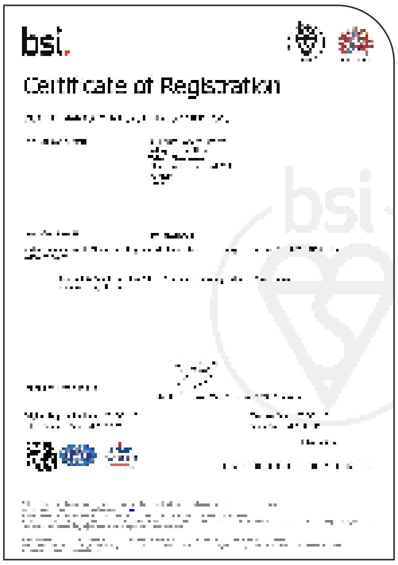
Our Associate Vice Presidents

Abhineet Kumar Procurement–Commercial	**Ajay Sharma** Human Resources	**Nagneet Saran** Sales
Neeraj Gupta Paper Machine	**Rajan Vivek Kaushish** Pulp	**Sandeep Pabha** Mechanical
Parveen Goyal Electrical	**Y Vikas Singla** Projects	**Sudhir Kumar Sharma** Procurement-Wood
Navin Kumar Soni Procurement-Agro	**Sanjay Kumar** Quality Control	**Ajesh Gupta** Administration

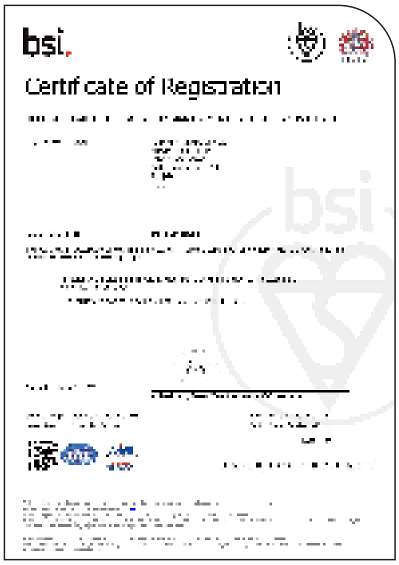
Certifications


bsi.
Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM
Certificate ISO 14001
2026 (January, 2029)


bsi.
Certificate of Registration

QUALITY MANAGEMENT SYSTEM
Certificate ISO 9001
2026 (January, 2029)


bsi.
Certificate of Registration

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM
Certificate OHSAS 45001
2026 (January, 2029)

DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH (DSIR) CERTIFICATE
2025 (March, 2028)


Kuantum Papers Ltd.
FSC 100%, FSC Mix, FSC Controlled Wood
SCSglobal

FSC® CERTIFICATE
2022 (March, 2027)

COMPANY
Information

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
Email: kuantumcorp@kuantumpapers.com
Website: kuantumpapers.com

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
HDFC Bank Ltd
RBL Bank Ltd
Canara Bank

Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting the 29th Annual Report on the business and operations together with Audited Financial Statements of your Company for the financial year ended 31st March 2026.

FINANCIAL HIGHLIGHTS

The summarized financial results of the Company for the financial year 2025-26 are given hereunder:

(Rs. in Crores)

Particulars	2025-26	2024-25
Sales & other income	1,099.56	1,113.12
Operating Profit	168.24	248.68
Interest	46.36	39.30
Gross Profit	121.88	209.38
Depreciation	65.33	54.00
Profit (Loss) before tax	56.55	155.38
Provision for		
- Current Tax	-	25.63
- Adjustment of Tax-Earlier Years	-	0.28
- Deferred Tax	14.60	14.29
Net Profit (Loss) after tax	41.95	115.18
Other comprehensive Income (Expense)	(0.17)	(0.13)
Total comprehensive Income/(Loss) for the year (Net of Income Tax)	**41.78**	**115.05**

DIVIDEND

Considering the satisfactory business operations during the year under review, your Directors have proposed a dividend of Rs. 2.50/- (i.e. @ 250%) per share (previous year Rs. 3/- per share) on the Equity Shares of Re. 1.00 each for financial year 2025-26.

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.

OPERATIONAL PERFORMANCE HIGHLIGHTS

The financial year 2025–26 was a year of satisfactory operational delivery and strategic execution for Kuantum Papers, reaffirming its position as one of the most efficient and resilient players in the Indian paper industry. The Company maintained high levels of asset utilization, achieved record production volumes, advanced its sustainability agenda, and delivered one of the industry's satisfactory EBITDA margins driven by disciplined cost management, integrated operations, and a focus on long-term value creation.

This performance is particularly noteworthy in light of the challenging external environment. The Indian paper industry faced significant headwinds, including a surge in low-priced imports that led to an oversupplied market and weakened domestic realizations. Simultaneously, input costs, especially for domestic wood and agro residue rose high due to constrained supply chains, floods in Punjab and rising competition from other wood and agro residue dependent sectors. The 2026 US-Israel war on Iran triggered a major global economic shock, characterized by surge in oil prices, chemicals and other inputs. These adverse dynamics placed continued pressure on industry- wide profitability.

Despite these external pressures, Kuantum delivered a resilient and industry-leading performance. Net Sales Realization (NSR) declined by approximately 3-4%, the Company. Vis a Vis the industry peers, the Company was able to maintain satisfactory EBITDA margin of 15.4%. This outcome underscores Kuantum's structural cost advantages, operational agility, and commitment to efficiency.

The Company achieved its highest ever finished paper production of 1,62,885 MT surpassing previous year's 160,861 MT. This milestone was enabled by strong process stability and full- capacity operation of paper machines. Both wheat straw and hardwood pulp mills operated at optimal levels, ensuring sustainable and cost-effective pulp production. The installation of Twin Roll Presses (TRPs) in both pulp lines significantly improved washing efficiency, reduced chemical consumption, and enhanced fibre yield—contributing to both cost reduction and environmental performance.

Kuantum commenced use of canal-based surface water in previous year, in partnership with the Department of Water Resources, Punjab. This transition has substantially reduced dependence on groundwater and strengthened the Company's long-term water management strategy.

The Company also advanced its digital transformation journey through 'Project Nirmaan', focused on embedding smart technologies across operations. The deployment of Advanced Process Control (APC) systems and Industry 4.0 tools has improved process stability, energy efficiency, and real-time decision-making laying the groundwork for predictive maintenance and intelligent operations.

In summary, FY 2025–26 was a year marked by resilience, innovation, and high performance for Kuantum Papers. The Company's balanced plant configuration, cost-efficient agro and wood pulping systems, and sustained investments in automation, digitalization, water security, and backward integration have strengthened its leadership position in profitability, sustainability, and future-ready manufacturing.

PROJECT & FUTURE OUTLOOK

In alignment with its strategic vision for sustainable growth and operational excellence, Kuantum Papers Ltd. has embarked on a transformative capital expenditure program of Rs. 735 Crores. This comprehensive initiative is focused on modernizing existing infrastructure, expanding production capacities, integrating advanced technologies, and strengthening environmental and digital capabilities to future-proof operations.

The capital investment plan includes the modernization of all four paper machines, equipping them with state-of-the-art technologies to enhance productivity, energy efficiency, and product quality. To diversify its product portfolio and cater to evolving customer needs, the Company is establishing new converting and offline coating facilities, enabling entry into high-growth coated, flexible packaging base, and other specialty paper segments.

Major enhancements in the pulp mill are underway, including the implementation of a Displacement Digester System (DDS) in the hardwood line to improve yield, reduce steam consumption, and stabilize pulp quality. The upgradation of both agro and hardwood pulp mills, supported by new Twin Roll Presses and improved chip washing systems, is driving operational efficiency and sustainability.

On the utilities front, the recovery boiler is being modernized to meet evolving environmental norms, and a new lime kiln is in the process of installation to support the chemical recovery cycle and improve operational stability. Energy efficiency upgrades in the power plant, including turbine enhancements and optimized fuel systems, are further reducing the Company's carbon footprint.

In water and effluent management, Kuantum has commissioned a dedicated canal-based water supply pipeline and Water Treatment Plant (WTP) equipped with advanced clarifiers and storage tanks to ensure sustainable water usage. Simultaneously, upgrades to the Effluent Treatment Plant (ETP) have enhanced wastewater treatment efficiency and regulatory compliance.

Complementing its physical infrastructure, the Company has accelerated its digital transformation journey. Under 'Project Neev' Kuantum is deploying dataPARC, a data visualization and analytics platform, to drive real-time operational intelligence. Building on this foundation, 'Project Nirmaan' is integrating Artificial Intelligence (AI) and Advanced Process Control (APC) technologies into key manufacturing processes to boost efficiency, reliability, and predictive maintenance capabilities. These initiatives are being executed in a phased manner, drawing on the collective expertise of global partners and in-house teams.

Upgradation & expansion projects has been commissioned in a phased manner and is likely to be completed in all respect by 30th September 2026 except Offline Coater Plant which may extend upto 31st March 2027.

Looking ahead, Kuantum Papers Ltd. is poised to emerge stronger, smarter, and more competitive. As the Indian economy continues its upward trajectory and demand for sustainable, value-added paper grades accelerates, these initiatives are expected to yield substantial long-term benefits—including increased production capacity, improved cost efficiencies, superior product quality, and enhanced profitability. With execution progressing on all fronts and a robust foundation now in place, the Company is well-positioned to deliver enduring value to its stakeholders and reinforce its leadership in the Indian paper industry.

Building on this strong operational foundation, the Company has initiated a forward-looking capital investment program to further accelerate growth and innovation.

RECOGNITION AND RESEARCH

Awards:

Kuantum Papers Ltd. has been recognized for its exemplary contributions to environmental stewardship, workplace safety, and energy efficiency. Some of the notable awards received by the company in recent years include:

- Best Oral Paper Presentation for the study titled "Role and Suitability of Bamboo for the Pulp and Paper Industry."
- Best Poster Presentation for the work on "Bamboo to Paper: Integrated Approach for Environmental Conservation."
- Appreciation Award under the category 'Best Energy Efficient Designated Consumer' (under the BEE PAT Scheme) by the Confederation of Indian Industry (CII) for the year 2024.

Publications:

The company's commitment to innovation and sustainability is also reflected in its recent abstracts published and presented at reputed conferences during 2025-26:

- "Driving Water Circularity and Sustainability" – Paper Mart, June, 2025.
- "Driving Mill Excellence and Sustainability at Kuantum Papers: Integrating Best Practices and Advanced Process Control 2025" – 17th International Conference and Exhibition on Pulp, Paper and Allied Industries, December, 2025.
- "Clonal Propagation of Casuarina Clone CH-1 for a Sustainable Future of Farmers and Alternate for Paper Industry" – TREESCAPES, February, 2026.
- "Clonal Propagation and Agroforestry: Securing Quality Industrial Wood and Sustainable Future" – TREESCAPES, February, 2026.

These publications reflect Kuantum's strong commitment towards research and sustainable practices, continuous innovation, and meaningful contributions to the scientific and industrial community. Through its focus on environmental responsibility and operational excellence, the company continues to strengthen its standing as a leading player in the pulp and paper industry.

INDUSTRY STATUS

Paper Industry is a significant player in the World Economy. 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 2-3%. Tissue and Packaging grades are expected to witness higher growth rates in the future.

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

The Indian paper industry accounts for about 5% of the world's production of paper. The estimated annual turnover of the industry is Rs. 80,000 Crore and its tax contribution to the exchequer is around Rs. 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 around 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.

India's paper industry, the 15th largest globally, is set to grow significantly, with a projected market value of USD 19.1 billion by 2033, driven by rising demand.

However, there was a downtrend observed in the paper industry in FY26 on the back of fall in the realizations despite higher input costs on the back of increased competition from imports and ongoing war in Middle East. The domestic paper market faced an oversupply issue, primarily caused by a significant rise in net imports, particularly from China and ASEAN countries, which reduced realisations. Furthermore, the cost of raw materials (domestic wood) surged to higher levels as other wood-based industries heightened their demand, coinciding with a decreased wood supply. This combination of increased imports and soaring wood prices severely pressured the profit margins of paper manufacturers.

However, rebound is expected 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, 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 "Aatmanirbhar 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 Foreign Trade.

FINANCE

(i) Term Loan for Capex Project

The ongoing capex project of Rs. 735 crores for mill wide upgradation & modernization are being funded by mix of debt & internal accruals/promoters' contribution. The Company has tied-up loan amount of Rs. 535 crores and balance Rs. 200 crores are being provided out of internal accruals/promoters' contribution.

(ii) Working Capital

Banks have sanctioned/renewed the working capital limits amounting to Rs. 216.55 crores (fund based Rs. 100 crores, non-fund based Rs. 116.55 crores) during the year under review.

(iii) Fixed Deposits

As on 31st March, 2026, your Company had Fixed Deposits of Rs. 31.30 Crores. There were no overdue deposits as on 31st March, 2026. 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:	Rs. in Crores
Accepted during the year (excluding renewals)	4.21
Accepted during the year including renewals	20.39
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	No
(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, India Ratings & Research 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:

Instrument Description	Size of Issue (Rs. in Million)	Rating Assigned along with Outlook/Watch	Rating Action
Term loan	8,539.60	IND A/Stable	Assigned
Fixed deposit	330.00	IND A/Stable	Assigned
Fund-based working capital limits	1,000.00	IND A/Stable	Assigned
Non-fund-based working capital limits	1,165.50	IND A1	Assigned

CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the year under review.

MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF DIRECTORS' REPORT

There have been no material changes and commitments, 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 / ASSOCIATE 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:

1. Mr Pavan Khaitan (Chairman)- Executive Director
2. Ms Shireen Sethi -Independent, Non-Executive Director
3. Mr Jagdeep Hira -Whole Time 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 Rs. 4.60 Crores (in addition to amounts available for set-off) against the gross CSR obligation of Rs. 4.60 Crores and against the net CSR Obligation of Rs. 4.56 crores (after adjustment of carried forward set off amount of Rs. 0.04 crores). Details about the CSR policy and initiatives taken by the Company during the year are available on your Company's website www.kuantumpapers.com. The Report on CSR activities is given in **Annexure-1** forming part of this Report.

The Company has fully met its CSR expenditure obligation as required under 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, provide 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 behavior, 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.kuantumpapers.com. No complaint has been received during the year under review.

RISK MANAGEMENT

In line with the 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 (Listing Obligations and Disclosures Requirements) Regulations, 2015, Risk Management Committee is in place, comprising (i) Mr. Pavan Khaitan (Chairman), Executive Director, (ii) Ms. Shireen Sethi, Independent Director and (iii) Mr. Vivek Bihani, Independent Director.

During FY 2025-26, two Meetings were held on 20th May, 2025 and 07th November, 2025, wherein, relevant mitigation measures identified for the Company were reviewed and discussed.

The Company believes that managing risks helps in optimizing returns. A risk management framework has 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 comprise of various processes, structures and guidelines which assist the Company to identify, assess, monitor, and manage 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 31st March, 2026, 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 31st March, 2026. The Internal Auditors have also provided Certificate on Compliance with Internal Financial Controls (IFCs) for the year ended 31st March, 2026. 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

There were no changes 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 has the Company made any Public/ Rights/ Bonus/Buy back of Equity Shares of the Company. As on 31st March, 2026, 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 31st March, 2026 were as under:

1. Mr. Pavan Khaitan, Vice Chairman & Managing Director
2. Mr. Jagdeep Hira, Whole Time Director (w.e.f. 07th February, 2026)
3. Mr. Vikram Kumar Khaitan, Chief Financial Officer
4. Mr. Gurinder Singh Makkar, 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 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/wp-content/uploads/2026/02/Related-Party-Transaction-Policy.pdf

All the related party transactions pertaining to FY 2025-26 are done at arm's length and in ordinary course of business.

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, the 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, Independent Director and the Members are Mr. Munishwar Kumar, 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 Requirements) Regulations, 2015, the top 1,000 listed entities based on market capitalisation 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 December, 2023, 31st December, 2024, 31st March, 2025 and 31st March, 2026, 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/wp-content/uploads/2024/12/Dividend-Distribution-Policy.pdf.

CHANGE IN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the Financial Year 2025-26, the Board of Directors, approved the re-appointment of Shri Jagesh Kumar Khaitan (DIN: 00026264) as the Chairman for a further period of three years with effect from 17th July, 2025, and the same was approved by members by way of Special Resolution, at the AGM held on 29th day of August, 2025. Mr. Bhavdeep Sardana (DIN: 03516261), Independent Director, resigned during the year, on account of personal reasons. Mr. Munishwar Kumar (DIN: 00434341), Non -Executive Director, being eligible, was re-designated as an Independent Director on the Board of Directors w.e.f. 07th February, 2026, for a term of 5 (Five) consecutive years and the same was approved by the shareholders of the Company through Special Resolution passed on 19th March, 2026, through Postal Ballot process. Further, Mr. Jagdeep Hira (DIN: 07639849) was appointed as Whole Time Director of the Company w.e.f. 07th February, 2026 for a term of three years, liable to retire by rotation and the same was approved by the shareholders of the Company through Special Resolution passed on 19th March, 2026, through Postal Ballot process.

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, the current tenure of Shri Pavan Khaitan, Vice Chairman & Managing Director is upto 31st March, 2027. The Board of Directors has approved his re-appointment for a further period of three years w.e.f. 01st April, 2027, subject to approval of the Shareholders at ensuing 29th AGM.

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:

- **a.** Nature of the industry in which the entity operates;
- **b.** Business model of the entity;
- **c.** 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) is/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.kuantumpapers.com/wp-content/uploads/2026/04/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:

(a) Performance of the directors and key attributes of the 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.

(c) 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 Companies Act, 2013 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 (Listing Obligations and Disclosure Requirements) 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 monitor 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 07th February, 2026. 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 creating 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 07th February, 2026.

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 HARASSMENT 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 2025-26:

Sr. No.	Category	No. of complaints during Financial Year 2025-26	No. of complaints pending as at end of year 2025-26
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, 4 (Four) 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 SEBI (Listing Obligations 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.kuantumpapers.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, 2026, 99.41% Equity Shares were in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited and rest 0.59% 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 re-appointed by the Shareholders at the 28th Annual General Meeting for a second term of five consecutive years, to hold office from the conclusion of the 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting.

As required under Section 139 of the Companies Act, 2013, the Company has received 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 2025-26 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 section 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 2026. For the year 2025-26, the Cost Audit report shall be duly filed within prescribed time. The Company's Cost Audit Report for the year ended 31st March 2025 was duly filed during the financial year 2025- 26 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 2026-27.

SECRETARIAL AUDITORS & REPORTS

Pursuant to Section 204 of the Companies Act, 2013 further read with amended Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the approval of shareholders of the Company obtained at 28th AGM held on 29th August, 2025, M/s S.K. Sikka & Associates, Company Secretaries were appointed as the Secretarial Auditors to conduct Secretarial Audit of the Company for a period of five consecutive years w.e.f. the conclusion of 28th AGM until the conclusion of 33rd AGM to be held in year 2030.

Accordingly, M/s S.K. Sikka & Associates, Company Secretaries have conducted Secretarial Audit of the Company, and they have submitted the Secretarial Audit Report for the year ending 31st March, 2026 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 from M/s S.K. Sikka & Associates, Company Secretaries 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 Disclosure Requirements) Regulations, 2015, 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.

INTERNAL AUDITOR

Internal Audit for the year ended 31st March, 2026 was done by M/s A. Gandhi & Associates, Chartered Accountants and Internal Audit Report for every quarter was placed before the Audit Committee. The internal financial controls were adequate and operating effectively in the Company.

DIRECTORS AND OFFICERS INSURANCE (D &O)

As per the requirements of Regulation 25 (10) 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 (Listing Obligations and Disclosures Requirements) Regulations, 2015 are given in the Report on Corporate Governance annexed with this report.

RESOLUTIONS AND MATTERS APPROVED THROUGH POSTAL BALLOT FINANCIAL YEAR

During the year under review, two Special Resolutions were passed through Postal Ballot process on 19th March, 2026, approving re-designation of Shri Munishwar Kumar (DIN:00434341), as an Independent Director not liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from 07th February, 2026 to 06th February, 2031 and also approving appointment of Shri Jagdeep Hira (DIN: 07639849) as a Director and Whole Time Director of the Company for a term of 3 (Three) consecutive years with effect from 07th February 2026, 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.kuantumpapers.com.

DISCLOSURE ABOUT THE RECEIPT OF COMMISSION

Details of Remuneration including Commission received 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 does not have 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 provisions 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, the above stated unpaid dividends and shares requiring transfer to Investor Education and Protection Fund during the year 2025-26, have 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 ended 31st March, 2026 is uploaded on the website of the Company and can be accessed at www.kuantumpapers.com under the weblink i.e. https://www.kuantumpapers.com/wp-content/uploads/2026/05/MGT-7-2025-2026.pdf

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to general reserves.

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.

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 Rs. 102 Lakhs per annum if employed throughout the year and Rs. 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 shareholders of the Company and other stakeholders entitled thereto. 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 and including the financial year 2026-27.

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 2025-26.

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 31st March 2026, 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 of 31st March 2026 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, 2026, the Company is not covered amongst top 1000 listed entities based on market capitalization, 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 2025-26 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 2025-26 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 of 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
Kuantum Papers Limited
(CIN: L21012PB1997PLC035243)

Jagesh Kumar Khaitan
Chairman
DIN:00026264

Dated: 26th May, 2026
Place: Chandigarh

ANNEXURE-1

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 134 (3) (o) 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 is 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 within campus and also by farmers for irrigation purposes.

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 2025-26, 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:

Sr. 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.	Ms. Shireen Sethi, Member	Independent, Non-Executive	2	2
3.	Mr. Bhavdeep Sardana (Resigned w.e.f. 07.02.2026)	Independent, Non-Executive	2	2
4.	Mr. Jagdeep Hira, Member (Appointed as Member w.e.f. 07.02.2026)	Whole Time Director	-	-

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:

a) CSR Committee - https://www.kuantumpapers.com/committees-of-the-board/

b) CSR Policy - https://www.kuantumpapers.com/pdf/CSR-Policy.pdf

c) CSR Projects - https://www.kuantumpapers.com/community/

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**

5. (a) Average net profit of the company as per sub-section (5) of section 135: **Rs. 230.03 Crores.**
   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 4.60 Crores.**
   (c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years: **NIL**
   (d) Amount required to be set off for the financial year, if any: **Rs. 0.04 Crores.**
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **Rs. 4.56 Crores.**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Rs. 4.60 Crores.**
   (b) Amount spent on Administrative Overheads: **NIL**
   (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs. 4.60 Crores.**
   (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year	Amount Unspent (Rs. In Crores)				
	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
Rs. 4.60 Crores	Not Applicable				

   (f) Excess amount for set-off, if any: **Rs. 0.04 crores** (As detailed below)

Sr. No.	Particulars	Amount (Rs. in Crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	4.60
(ii)	Total amount spent for the Financial Year (Rs. 4.60 Crores spent + Rs. 0.04 Crores carried forward)	4.64

Sr. No.	Particulars	Amount (Rs. in Crores)
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.04
(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. 4.60 Crores (Year 2025-26 expenditure made on CSR) + Rs. 0.04 Crores (Excess spent of previous year 2024-25, set off) - Rs. 4.60 Crores (CSR Obligation for year 2025-26) = Rs. 0.04 Crores (excess spent carried forward to succeeding financial years)	0.04

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS: (RS. IN CRORES)

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount spent in the Financial Year	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.	Deficiency if any
					Name of the Fund	Amount	Date of Transfer		
1.	*2022-23	0	1.32	1.32	NA	0	NA	0	-
2	*2023-24	0	0	0	NA	0	NA	0	-
3.	2024-25	0	0	0	NA	0	NA	0	-

*(Out of the total Unspent CSR Amount Rs. 1.34 Crores for the Financial Year 2020-21 which was transferred to Unspent CSR Account, a sum of Rs. 0.02 Crores was spent in the Financial Year 2021-2022 and the remaining Unspent CSR amount of Rs. 1.32 Crores was completely spent during the Financial Year 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
Kuantum Papers Limited
(CIN: L21012PB1997PLC035243)

Pavan Khaitan
Chairman- CSR Committee,
Vice Chairman & Managing Director
DIN: 00026256

Jagesh Kumar Khaitan
Chairman
DIN: 00026264

Place : Chandigarh
Dated: 26th May, 2026

ANNEXURE-2

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)

I. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy:

A. Power Conservation

- Implemented energy efficient converter duty transformers in upgradation projects with optimized no load and load losses, contributing to conservation of energy and reduction in operating energy consumption.

  Savings achieved: 150480 kWh/Year

- Adopted IE4 high efficiency motors as the standard for new installations and project expansions, aligning electrical system design with long term energy efficiency and sustainability objectives.

  Savings achieved: 184800 kWh/Year

- Installed new Variable Frequency Drives (VFDs) in the Plant and optimized the utilization of existing VFD based control systems through DCS integration, enabling energy efficient operation under varying process and ambient conditions.

  30 Nos. of new VFDs installed in plant and approx. Savings achieved: 479000 kWh/Year

- Power Factor improved from 0.90 to 0.99 at key MCCs with CII recommendations.

  Savings achieved: 245520 kWh/Year

- Energy Management System and DataParc integration enabled real-time monitoring and energy optimization.

- Installed Star-Delta converters on underloaded motors and replaced IE1/re-wound motors with IE4 motors.

  Savings achieved: 79200 kWh/year

- VFD on Cooling Tower fan

  Savings ~200 kWh/day.

- Power saving initiative: One Cooling Tower fan stopped/optimised

  Savings ~380 kWh/day(4 months during winter season)

B. Water Conservation

- Backwash water recovery operational

  200–300 m³/day water savings.

- Raw water replaced with soft water in spout heat exchanger

  ~50 m³/day raw water savings.

- Orifice installation in PM 3 dryers to reduce heat exchanger load and water usage

  water savings of 100 m3/day)

- Added orifices from DC-9 to DC-22 to minimize steam venting and freshwater use at PM-3

- Hot water line integrated into HP booster pump to optimize freshwater consumption at PM-1.

- Installed 3×250 m³ MGF (Multi Grade Filters) units: **60–70% reduction in TSS/turbidity, salt savings: 2,500 kg/day, and reduced fouling/breakdowns.**

- Installed SSF (Side Stream Filters) units in both CRP & Utility cooling towers:

  Improved turbidity control. Reduced turbidity from 20 NTU to 15 NTU.

(ii) The steps taken by the company for utilising alternate sources of energy:

The company generates steam from chemical recovery boiler wherein black liquor dry solids (by product of wood and agro cooking process) are fired to generate steam and the same which is confirmed as Renewable Biomass source.

(iii) The capital investment on energy conservation equipment:

During the year, the company made capital investments of Rs. 3.94 crore towards energy conservation initiatives across the plant, including the installation of energy efficient converter duty transformers, adoption of IE4 high efficiency motors in new projects, installation of Variable Frequency Drives (VFDs) with DCS integration, upgrades to electrical systems at various plant sections, implementation of an Energy Monitoring System with DataParc integration, and other electrical and automation upgradation measures aimed at improving energy efficiency, operational reliability, and sustainable performance.

II. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

- MACS boiler automation reduced steam losses and improved oxygen control.
- False ceiling and closed dryer hoods are installed at PM1/2/4 enhanced thermal efficiency.
- LED lighting was implemented across plant and colony.
- Upgraded PM 1 with new ABB drives and automation, fully integrated with existing systems.

- Energy Management System and DataParc integration enabled real-time monitoring and energy optimization.
- DCS fully upgraded for Agro & Hardwood lines of pulp mill.
- PM1 & PM2 controls were upgraded with DCS.
- PM2 upgraded with the latest ABB make drives and automation system, fully integrated with the existing line to ensure stable and reliable operation.
- Ensured reliable operation of the SCADA system for the 66 kV substation and associated 11 kV feeders, enabling real time monitoring, alarm management, and event logging for effective operational control and diagnostics.
- Adopted IE4 high efficiency motors as a standard for new installations and project expansions, aligning electrical design with long term energy efficiency and sustainability objectives.
- Installed new VFDs in the CRP and optimized utilization of existing VFD based control systems through DCS integration, supporting efficient operation under varying process and ambient conditions.
- PM1, PM2 upgraded with new hoods, false ceilings, and closed systems to improve thermal efficiency and product quality.
- PM4 upgraded with new hood, shoe press system to improve thermal efficiency.
- Second stage wet washing (Old CD – 23") commissioned & stabilized

  Reduced sand carryover.
- Veneer chip wash water clarification commissioned using idle towers.

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

The initiatives have benefited the company in terms of energy savings, environmental protection, enhanced product quality, higher customer satisfaction, reduced breakdowns and product development.

(iii) In case of imported technology (Imported during the last 3 years reckoned from the beginning of the financial year):
The details of these imported technologies are as under:

1.	a)	The details of the technology imported	DataPARC system for entire process data integration to create a single platform for accessing of the data and helping the process for advanced process control and process variable analysis purpose.
	b)	Year of import	2024-25
	c)	Has technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons there of	Not Applicable
2.	a)	The details of the technology imported	Twin Roll -E press in agro and wood pulping: To improve pulp washing efficiency, reduced water consumption and reduced COD levels in pulp feeding to the bleaching. TRPE to wash the ODL pulp reducing the carry over residual chemicals, making it easy to bleach both in agro and wood pulping stages.
	b)	Year of import	2024-25
	c)	Has technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons there of	Not Applicable
3.	a)	The details of the technology imported	Installed shoe press, oil-heated calendar, hydraulic size press: **Boosted productivity, quality & energy savings in PM4.**
	b)	Year of import	2025-26
	c)	Has technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons there of	Not Applicable

4. a)	The details of the technology imported	PM1 & PM2 rebuild completed New dilution control headbox, double doctoring and Kuster calendar to boost productivity, quality & energy savings.
b)	Year of import	2025-26
c)	Has technology been fully absorbed?	Yes
d)	If not fully absorbed, areas where absorption has not taken place, and the reasons there of	Not Applicable

(iv) The expenditure incurred on Research and Development:

During the year the company has spent Rs. 4.28 crore on Research & Development. The company has performed various Research and Development activities.

- Single-dye innovation for colored paper improved consistency and reduced complexity.
- New products developed include OGR Paper, Kuantum Pura with higher Agro furnish, Kopio copier paper with enhanced Agro content, and Kappa Premium 3 CRM for diary applications.
- New shade developments carried out at lab scale include Kappa Premium 3 CRP, Kosmo Parchment Yellow and Kukuyo shade (Kosmo Kodexa/Kreda Ledger).
- Optical performance improvements included development of high-fastness OBA and validation of violet dye with superior stability.
- Extensive raw material optimization covered eucalyptus chip sourcing, alternate species trials (Casuarina validated, Khair rejected), Agro residue studies and bleaching chemistry optimization.
- Functional performance enhancements included successful OGR coating trials achieving kit value up to 9 and a plant-scale OGR run on PM2.
- Sustainability initiatives included membrane recycling trials, nano-bubble ETP trials, and better utilization of white pulp from save-all systems.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as follows:

- Foreign Exchange Earnings: Rs. 26.73 Crores

- Foreign Exchange Outgo: Rs. 105.32 Crores

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

Place : Chandigarh
Dated: 26th May, 2026

(Jagesh Kumar Khaitan)
Chairman
DIN: 00026264

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

Sr. No.	Requirements of Rule 5(1)	Details	
		Name	**Ratio**
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Jagesh Kumar Khaitan	57.97: 1
		Mr. Pavan Khaitan	216.25:1
		Mr. Jagdeep Hira (w.e.f. 07.02.2026)	29.48:1
		Name	**%**
(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;	Mr. Jagesh Kumar Khaitan (Chairman)	-8.19%
		Mr. Pavan Khaitan (VC & Managing Director)	41.87%
		Mr. Jagdeep Hira (Appointed as Whole Time Director w.e.f. 07.02.2026)	N.A.
		Mr. Vikram Kumar Khaitan (CFO)	22.98%
		Mr. Gurinder Singh Makkar (Company Secretary)	6.20%
(iii)	The percentage increase in the median remuneration of employees in the financial year;	7.56%	
(iv)	The number of permanent employees on the rolls of company;	1,399 employees as on 31.03.2026.	
(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:	- Average percentage increase in the managerial remuneration : 13.29%. - Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 11.06% 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.	
(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 Commencement 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	2,01,07,478	Regular	81	Graduate with Marketing Management & Strategic Courses from IIM, Ahmedabad	17 July 2010 (Total Exp. 57 Yrs.)	Vice Chairman & Managing Director, Amrit Banaspati Co. Ltd.	1.66%	Father of Sh. Pavan Khaitan
Sh. Pavan Khaitan	Vice Chairman & Managing Director	7,50,06,028	Regular	58	Chartered Accountant	1 April 2007 (Total Exp. 33 Yrs.)	Managing Director, Amrit Banaspati Co. Ltd.	1.69%	Son of Sh. Jagesh Kumar Khaitan
Sh. Jagdeep Hira	CEO-Operation and Whole Time Director	1,02,23,500	Regular	53	B.Tech in Chemical Engineering	1 Sept. 2025 (Total Exp. 32 Yrs.)	Managing Director, Pakka Limited	-	-

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

(Jagesh Kumar Khaitan)
Chairman
DIN: 00026264

Place : Chandigarh
Dated: 26th May, 2026

ANNEXURE-4

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[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,
Kuantum 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 **Kuantum 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 Kuantum 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, 2026, 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, 2026 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 by-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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(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 no event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

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. 7636/2026
UDIN: F004241H000445649

Place : Chandigarh
Dated: 26th May, 2026

Annexure A to Secretarial Auditors' Report

To,

The Members

Kuantum 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 processes 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. 7636/2026
UDIN: F004241H000445649

Place : Chandigarh
Dated: 26th May, 2026

ANNEXURE-5

CORPORATE GOVERNANCE REPORT

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

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 31.03.2026, comprising of a Chairman, a VC & Managing Director, a Whole-time Director and three non- Executive Directors. All three Non-Executive Directors were Independent Directors as on 31.03.2026 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 directorships 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 2025-26		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	4	4	No	1	-	-
Sh. Pavan Khaitan, Vice Chairman & Managing Director	Son of Sh. Jagesh Kumar Khaitan	Promoter, Executive	4	4	Yes	1	-	-
Sh. Vivek Bihani	-	Independent, Non-Executive	4	4	Yes	-	-	-
Ms. Shireen Sethi	-	Independent, Non-Executive	4	4	Yes	-	-	-

Name of Director	Relationship with other Directors (Inter-se Relationship)	Category	No. of Board Meetings Attended during 2025-26		Whether attended the last AGM	No. of director-ships in other public limited companies	Audit and SRC Committee Position held in other Indian Public Limited Companies(#)	
			Held	Attended			Chairman	Member
Sh. Bhavdeep Sardana (Resigned during the year)	-	Independent, Non-Executive		4	Yes	4	-	1
Sh. Munishwar Kumar (Re-designated as Independent Director w.e.f. 07.02.2026)	-	Independent, Non-Executive	4	4	N.A.	-	-	-
Sh. Jagdeep Hira (Appointed w.e.f. 07.02.2026)	-	Executive		-	N.A.	-	-	-

(#) 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 beenconsidered for Committee positions. None of the Directors is a director of 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 Kuantum 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	Kuantum Papers Limited	Executive Director
Sh. Pavan Khaitan, Vice Chairman & Managing Director	Kuantum Papers Limited	Executive Director
Sh. Vivek Bihani	Kuantum Papers Limited	Independent Director
Ms. Shireen Sethi	Kuantum Papers Limited	Independent Director
Sh. Munishwar Kumar	Kuantum Papers Limited	Independent Director
Sh. Jagdeep Hira	Kuantum Papers Limited	Executive Director

(c) Details of familiarization programmes imparted to independent directors are available at the website of the Company at https://www.kuantumpapers.com/wp-content/uploads/2026/04/Familiarisation-Programme.pdf

(d) During the financial year 2025-26, Four (4) Board Meetings were held on 20.05.2025, 08.08.2025, 07.11.2025 and 07.02.2026. 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)

Shri Jagesh Kumar Khaitan, aged 81 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 Kuantum 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' honoured 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 are 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 three 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 58 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 currently holds the position of Vice President at the Indian Paper Manufacturers Association (IPMA) and has previously served as the 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. Vivek Bihani (Independent Director)

Mr. Vivek Bihani, aged 60 years is an Engineer from BITS, Pilani and an MBA from IIM, Bangalore. He has total work experience of around 38 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.

4. Ms. Shireen Sethi (Independent Woman Director)

Shireen Sethi, aged 57 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. Munishwar Kumar (Independent Director)

Mr. Munishwar Kumar, aged 57 years, is a Master's in Business Administration from Thomas, Maine, USA. As an entrepreneur, with global bio-degradable packaging experience, he has successfully built and managed India's largest moulded fibre packaging Company. With a career spanning 35 years, he has played a key role in strategic planning, business development, executing green field and brownfield projects, financial management, mergers and acquisitions. He enjoys creative work through innovation and thrives in building businesses and achieving profitable growth.

6. Mr. Jagdeep Hira (Executive Director)

Mr. Jagdeep Hira aged 53 years, is a seasoned professional with over 32 years of experience in the pulp and paper industry, including specialty paper manufacturing and paper mill operations. A Bachelor of Engineering and alumnus of BITS Pilani, he has extensive expertise in operational strategy, cost optimization, efficiency enhancement, and regulatory compliance, along with valuable international exposure. He has held key leadership positions, including Managing Director at Yash Pakka Limited, Vice President at Century Pulp & Paper, and HOD at Ballarpur Industries Limited, and is known for driving sustainable growth, operational excellence, and long-term value creation.

(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 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 (Listing Obligations and Disclosures Requirements) 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.

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 criterion 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 07th February, 2026 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 duly registered themselves with the Independent Directors Databank and have complied with the requirements of obtaining/holding a valid registration.

During the year 2025–26, Mr. Bhavdeep Sardana resigned from the position of Independent Director of the Company with effect from the closing hours of February 07, 2026, on account of personal reasons, prior to the completion of his term. The Company has received confirmation from Mr. Bhavdeep Sardana that there are no material reasons for his resignation other than those stated in his resignation letter.

(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) is 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/wp-content/uploads/2026/04/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.

Name of the Director and Designation	Skills/Expertise/Competence possessed, required for the business and actually available
Mr. Vivek Bihani (Independent Director)	Venture Capitalist, Capital Market, Finance, Banking, Taxation, Accounting, Corporate Governance, Auditing, Business Administration, Leadership, Corporate Affairs.
Ms. Shireen Sethi (Independent Woman Director)	Media and Technology, Journalism, Education, Financial Reporting, Information Technology, Capital Management, Investors Relations, Leadership, Innovation, Entrepreneurship.
Mr. Munishwar Kumar (Independent Director)	Leadership, Governance, Industry Experience, planning, business development, executing green field and brownfield projects Marketing, Finance, Funds Management, Banking, Cost Reduction, Human Resources, Supply Chain.
Mr. Jagdeep Hira (Whole Time Director)	Governance, Leadership, Strategic Planning, Manufacturing, Marketing, Business Administration, Funds Management, Banking, Cost Reduction, Human Resources, Supply Chain.

(n) Details of remuneration paid to the directors during the financial year 2025-26 (Amount in Rs.)

Name of the Director	Salary	Perks+ contribution to PF/other Funds	Commission	Sitting Fee	Total
Sh. Jagesh Kumar Khaitan	1,68,96,000	17,97,619	14,13,859	-	2,01,07,478
Sh. Pavan Khaitan	5,76,00,000	46,81,294	1,27,24,735	-	7,50,06,028
Sh. Vivek Bihani	-	-	-	2,10,000	2,10,000
Ms. Shireen Sethi	-	-	-	2,35,000	2,35,000
Sh. Bhavdeep Sardana (Resigned during year)	-	-	-	2,35,000	2,35,000
Sh. Munishwar Kumar	-	-	-	1,00,000	1,00,000
*Sh. Jagdeep Hira (Appointed as Whole Time Director w.e.f. 07.02.2026)	16,55,406	9,00,470	-	-	25,55,875

*For the purpose of Directors' Remuneration above, the remuneration paid to Shri Jagdeep Hira corresponds proportionately to period of his appointment/re-designation as Whole Time Director w.e.f. 07th February, 2026. The total remuneration paid to him earlier as CEO-Operations and then as Whole Time Director (w.e.f. 07th February, 2026) for the financial year 2025-26, is Rs. 1,02,23,500/-.

(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.kuantumpapers.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 do 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.kuantumpapers.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.kuantumpapers.com . All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended March 31, 2026 and a declaration to that effect signed by the CEO/Vice Chairman & 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. As at 31st March, 2026, the Committee comprised four directors, including three Non-Executives & Independent Directors and one Executive Non-Independent Director.

During the year, the Audit Committee was re-constituted with the addition of Shri Munishwar Kumar, Independent Director as Member, while Shri Bhavdeep Sardana ceased to be a member of the Committee due to resignation on account of personal reasons. During the financial year 2025-26, Audit Committee met 4 times on 20.05.2025, 08.08.2025, 07.11.2025 and 07.02.2026.

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 (upto 07.02.2026)	Member	Independent, Non-Executive Director	4	4
Shri Munishwar Kumar (w.e.f. 07.02.2026)	Member	Independent, Non-Executive Director	-	-

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 then members of the Audit Committee were present at the last AGM held on 29th August, 2025.

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 (c) 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, atleast 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:

i. management discussion and analysis of financial condition and results of operations;

ii. management letters / letters of internal control weaknesses issued by the statutory auditors;

iii. internal audit reports relating to internal control weaknesses;

iv. the appointment, removal and terms of remuneration of the chief internal auditor; and

v. 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 Requirements) 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 2025-26, the Nomination and Remuneration Committee was re-constituted with addition of Shri Munishwar Kumar, Independent Director as Member whereas Shri Bhavdeep Sardana ceased to be the Chairman and Member of the Committee pursuant to his resignation on account of personal reasons. Shri Vivek Bihani, Independent Director, was appointed as Chairman of the Committee w.e.f. 07.02.2026. During the year 2025-26, two meetings of the Committee were held on 20.05.2025 and 07.02.2026, and all the Members of the Committee attended the meetings.

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 (upto 07.02.2026)	Chairman	Independent, Non-Executive Director	2	2
Shri Vivek Bihani (w.e.f. 07.02.2026)	Chairman	Independent, Non-Executive Director	2	2
Ms. Shireen Sethi	Member	Independent, Non-Executive Director	2	2
Shri Munishwar Kumar (w.e.f. 07.02.2026)	Member	Independent, Non-Executive Director	-	-

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 Obligations and Disclosure Requirements) Regulation 2015 as well as section 178 of the Companies Act, 2013. 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 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 year 2025-26, Shri Bhavdeep Sardana ceased to be the Chairman and member of the Committee pursuant to his resignation w.e.f. 07.02.2026 and Shri. Vivek Bihani, Independent Director was appointed as Chairman of the Committee in his place. During the financial year 2025-26, the Committee met once on 07th February, 2026 which was attended by all the Members viz. Shri Bhavdeep Sardana, Independent Director, Shri Jagesh Kumar Khaitan, Executive Director and Ms. Shireen Sethi, Independent Director.

The Composition as at 31st March, 2026, 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 Bhavdeep Sardana (upto 07.02.2026)	Chairman	Independent, Non-Executive Director	1	1
Shri Vivek Bihani (w.e.f. 07.02.2026)	Chairman	Independent, Non-Executive Director	-	-
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 2025-26, the Company had received only eleven complaints that were duly replied/redressed/disposed off. No complaints were pending at the end of the year 2025-26. 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 Stakeholders' Relationship Committee, 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, IEPF, 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 Obligations and Disclosure Requirements) Regulation, 2015, top 1,000 listed entities, determined on the basis of market capitalisation are required to constitute Risk Management Committee. Though, now the Company is not covered among top 1,000 listed entities as at 31st December, 2023, 31st December, 2024, 31st March, 2025 and 31st March, 2026, yet in terms of Regulation 3(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is complying with this requirement.

The Company has a duly constituted Risk Management Committee. During the financial year 2025-26, the Committee met twice on 20.05.2025 and 07.11.2025.

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
Ms. Shireen Sethi	Member	Independent, Non-Executive Director	2	2
Shri Bhavdeep Sardana (upto 07.02.2026)	Member	Independent, Non-Executive Director	2	2
Shri Vivek Bihani (w.e.f. 07.02.2026)	Member	Independent, Non-Executive Director	-	-

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 2025-26, the Committee met twice on 20.05.2025 and 07.02.2026

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 Bhavdeep Sardana (upto 07.02.2026)	Member	Independent, Non-Executive Director	2	2
Ms. Shireen Sethi	Member	Independent, Non-Executive Director	2	2
Shri Jagdeep Hira (w.e.f. 07.02.2026)	Member	Non-Independent, Executive Director	-	-

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. Review the Company's disclosure of CSR matters, including any annual social responsibility report.

v. Review the CSR Report, with the Management, before submission to the Board for approval.

vi. 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 Company i.e. www.kuantumpapers.com.

(f) 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, Shri Vivek Bihani and Shri Jagdeep Hira as Members to the Committee. During the Financial Year 2025-26, eight Meetings of Finance

Committee were held with requisite quorum present therein.

Recommendations of the Committees

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

4. RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year 2025-26 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 in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereto and applicable Industry Standards. 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.kuantumpapers.com/wp-content/uploads/2026/02/Related-Party-Transaction-Policy.pdf

5. DISCLOSURES AND COMPLIANCES

i. During the financial year ended 31st March, 2026 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 Regulations.

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.kuantumpapers.com/wp-content/uploads/2025/02/Policy-for-Determining-Material-Subsidiaries.pdf

v. The Company's Audit Committee reviews the Financial Statements of the Company

vi. During the financial year ended 31st March, 2026 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 Khetan	CEO(Operations)	Resigned w.e.f. close of business hours of 25.08.2025
2.	Mr. Jagdeep Hira	CEO(Operations)/Whole Time Director	Appointed w.e.f. 01.09.2025 (Whole Time Director w.e.f 07.02.2026)
3.	Mr. Sanjay Khosla	Chief Marketing Officer	Continues in Employment
4.	Mr. Vikram Kumar Khaitan	Chief Financial Officer	Continues in Employment
5.	Ms. Prachi Sharma	Vice President (Corporate Strategy)	Continues in Employment
6.	Mr. MN Reddy	Vice President (Technical Excellence)	Continues in Employment
7.	Mr. Thallapaneni Suresh Babu	Vice President (Process Excellence)	Appointed w.e.f. 09.10.2025
8.	Mr. Rohit Kapila	Vice President (Technical)	Resigned w.e.f. close of business hours of 31.07.2025
9.	Mr. Gurinder Singh Makkar	Company Secretary	Continues in Employment

viii. Disclosure of certain types of agreements binding listed entities

There are no such agreements of contracts binding listed companies as detailed in SEBI (Listing Obligations and Disclosures Requirements), 2015 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 31.03.2026 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 RE. 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 2025-26	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., 31.03.2026	Nil	Nil

xv. During the year under review, the Company has credited amount of Rs. 2,30,530/- 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 2025-26.

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 31st March, 2026.

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. Vivek Bihani (Independent Director)	Nil	Nil
4.	Ms. Shireen Sethi (Independent Director)	Nil	Nil
5.	Mr. Munishwar Kumar (Independent Director)	Nil	Nil
6.	Mr. Jagdeep Hira (Whole Time Director)	Nil	Nil

There are no outstanding convertible Instruments allotted to any of the Directors as at March 31, 2026.

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

There were no changes 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. As on 31st March, 2026, 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.

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 2025-26.

10. SECRETARIAL AUDIT AND SECRETARIAL COMPLIANCE REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had appointed M/s S.K. Sikka & Associates, Company Secretaries, a firm of Company Secretaries in Practice, for a period of five consecutive years to undertake the Secretarial Audit of the Company. Secretarial Audit Report for FY 2025-26 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 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2025-26 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.kuantumpapers.com. We affirm that during the financial year 2025-26, no employee was denied access to the Audit Committee.

12. FUND RAISING BY ISSUANCE OF DEBT SECURITIES

Pursuant to 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 31st March, 2026 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 31st March, 2026. The said certificate is annexed at **Annexure-8** and forms part of Annual Report.

14. MEANS OF COMMUNICATION

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/Business Standard/Financial Express (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.kuantumpapers.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 https://scores.sebi.gov.in/, a website maintained by SEBI. The main featureof 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, 2026 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, India Ratings and Research (Ind-Ra) has assigned the following credit ratings to the Company's bank facilities and Fixed Deposits:

Instrument Description	Rating Assigned along with Outlook/Watch	Rating Action
Term loan	IND A/Stable	Assigned
Fixed deposit	IND A/Stable	Assigned
Fund-based working capital limits	IND A/Stable	Assigned
Non-fund-based working capital limits	IND A1	Assigned

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 has price review mechanism to protect against material movement in price of raw materials. The Company exposes itself moderately to the price risk on account of procurement of commodities. The Company has adequate risk assessment and minimization system in place including for commodities. During the year under review, no hedging activities on any commodity were carried out by the Company. As the Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out, therefore, there is no disclosure to offer in terms of SEBI Master Circular dated January 30, 2026.

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 disclosure 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. 0.29 Crores (including out of pocket expenses) for financial year 2025-26, 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 hence no complaint was pending as on end of the year 2025-26.

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
26th AGM	Friday	07.07.2023	11.30 a.m.	Through Video conferencing (VC)	0
27th AGM	Friday	30.08.2024	11.30 a.m.	Through Video conferencing (VC)	1
28th AGM	Friday	29.08.2025	11.30 a.m.	Through Video conferencing (VC)	3

b. Special Resolutions passed in the previous three AGMs

Financial Year	AGM Date	Details of the Special Resolutions Passed
2022-23	07.07.2023	Nil
2023-24	30.08.2024	Approval of charges for service of documents on shareholders
2024-25	29.08.2025	i. Approval of re-appointment of Shri Jagesh Kumar Khaitan (DIN: 00026264) as Chairman for a period of three years ii. Approval of revision in terms and payment of the managerial remuneration to Shri Pavan Khaitan (DIN: 00026256), Vice Chairman & Managing Director iii. Approval to advance any loan / give guarantee / provide security u/s 185 of the Companies Act, 2013.

c. No Extra Ordinary General Meeting of the shareholders was held during the financial year ended March 31, 2026.

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 2025-26, two Special Resolutions were passed, through Postal Ballot, the voting pattern of the same is as under:

Subject Matter of the Postal Ballot	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
Special Resolution passed on 19th March, 2026 for re-designation of Shri Munishwar Kumar (DIN: 00434341), as an Independent Director	Remote E-voting	62	60318336	99.99	15	3408	0.01	-	-
Special Resolution passed on 19th March, 2026 for appointment of Shri Jagdeep Hira (DIN: 07639849) as a Director and Whole Time Director of the Company.	Remote E-voting	65	60318608	99.99	12	3136	0.01	-	-

Conduct of Postal Ballot

Sushil K Sikka of S K Sikka & Associates, Practicing Company Secretary, Chandigarh (COP No. 3582) conducted the aforesaid postal ballot exercises as Scrutinizer for postal ballot programmes, in a fair and transparent manner. The above said Resolutions in Postal Ballot Programme were 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	27th August, 2026
Day	Thursday
Time	11.30 a.m.
Venue	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Record date for Dividend	20th August, 2026
Cut off date For voting	20th August, 2026
Book closure dates	21.08.2026 to 27.08.2026 (both days inclusive)
Remote E-Voting Period	Monday, the 24th day of August, 2026 (9.00 a.m. IST) to Wednesday, the 26th day of August, 2026 (5.00 p.m. IST).

(ii) Financial Year: April 01 to March 31

(iii) Financial Calendar 2026-27 (Tentative)

Particulars	Tentative Schedule
Financial Results for Quarter ended 30.06.2026	By Second week of August, 2026
Financial Results for Quarter ended 30.09.2026	By Second week of November, 2026
Financial Results for Quarter ended 31.12.2026	By Second week of February, 2027
Financial Results for Quarter ended 31.03.2027	By 2nd /3rd week of May, 2027
Notice/ Directors Report 2026-27	August, 2027

(iv) Dividend Payable Date

Considering the satisfactory business operations coupled with healthy cash flows during the year under review, your Directors have proposed a final dividend of Rs. 2.50/- per share (previous year Rs. 3/- per share) on the Equity Shares of face value of Re. 1.00 each for financial year 2025-26.

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.

(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 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 December, 2025 and 31st March, 2026, 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.kuantumpapers.com/wp-content/uploads/2024/12/Dividend-Distribution-Policy.pdf

(vi) Listing

Sr. 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

The Company has paid annual listing fee upto and including Financial Year 2026-27 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) 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/dematerialisation/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 Limited
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

(ix) Share Transfer/Transmission System

In terms of Regulation 40(1) of SEBI Listing Regulations, securities can be transferred only in dematerialised form. All requests for transfer and/or dematerialisation of securities held in physical form should be lodged with the office of the Company's RTA for dematerialisation. The Registrars and Share Transfer Agent have put in place an appropriate share transfer/transmission system to ensure timely share transfers/transmission 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 date 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.

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.

(x) Distribution of Equity Shareholding

(a) Shareholding Pattern as on 31st March, 2026

Sr. 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	46,434	0.05
3.	**Others:**		
	Private Bodies Corporate	45,41,827	5.20
	Indian Public	2,10,61,497	24.14
	NRIs/OCBs	2,57,652	0.30
	Total	**8,72,63,630**	**100.00**

(b) Distribution of shareholding as on 31st March 2026

Shareholding of Nominal Value of Rs.	No. of shareholders	%age of shareholders	No. of shares	%age of holding
1 to 5,000	20976	97.246	7952967	9.114
5,001 to 10,000	312	1.446	2294700	2.630
10,001 to 20,000	147	0.682	2024745	2.320
20,001 to 30,000	51	0.236	1254889	1.438
30,001 to 40,000	24	0.112	858921	0.984
40,001 to 50,000	16	0.074	706849	0.810
50,001 to 1,00,000	18	0.083	1306553	1.497
1,00,001 and above	26	0.121	70864006	81.207
Total	**21570**	**100.000**	**87263630**	**100.000**

(xi) De-materialization of Shares

The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) to offer depository Services to the shareholders. As on 31st March, 2026, 99.41% of the shares of the Company have been dematerialized.

(xii) Reconciliation of Share Capital Audit

As required under the 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 31st March, 2026, 99.41% of the Equity Shares were in dematerialised form.

(xiii) Compliance Officer

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

(xiv) CEO/ Managing Director

Mr. Pavan Khaitan
Phone: 172-5172737
E-mail: kuantumcorp@kuantumpapers.com

(xv) Chief Financial Officer

Mr. Vikram Kumar Khaitan
Phone: 172-5172737
E-mail: kuantumcorp@kuantumpapers.com

(xvi) Designated Email Id For Investors

kuantumcorp@kuantumpapers.com

(xvii) Corporate Identity Number (CIN):

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

(xviii) Outstanding GDRs/ADRs/Warrants etc .

Not applicable/None

(xix) Plant Location

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

(xx) Address for correspondence

(a) Registered Office: Paper Mill, Saila Khurd-144529
Distt. Hoshiarpur, Punjab, India

(b) 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

Kuantum Papers Limited

I have examined the compliance of the conditions of Corporate Governance by Kuantum Papers Limited for the year ended 31st March, 2026, 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. 7636/2026
UDIN: F004241H000445605

Place: Chandigarh
Date: 26th May, 2026

ANNEXURE-7

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the said Listing Regulations)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kuantum 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, 2026, 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. Munishwar Kumar	00434341
6.	Mr. Jagdeep Hira	07639849

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, 2026.

For S. K. SIKKA & ASSOCIATES
Company Secretaries

(SUSHIL K. SIKKA)
Prop.
FCS 4241, CP 3582
Peer Review Cert. No. 7636/2026
UDIN: F004241H000445671

Place: Chandigarh
Date: 26th May, 2026

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,
Kuantum Papers Ltd
Saila Khurd- Distt. Hoshiarpur, Punjab

Re: Financial Statements for the year 2025-26 – Certification by CEO and CFO

We, Pavan Khaitan, Vice Chairman & Managing Director (CEO) and Vikram Kumar Khaitan, CFO, of Kuantum Papers Ltd., on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31 March 2026 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 Kuantum Papers Limited
(CIN: L21012PB1997PLC035243)

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

Vikram Kumar Khaitan
CFO

Place : Chandigarh
Dated: 26th May, 2026

ANNEXURE-9

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I, Pavan Khaitan, Chief Executive Officer of Kuantum Papers Limited, 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, 2026.

For Kuantum Papers Limited
(CIN: L21012PB1997PLC035243)

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

Place : Chandigarh
Dated: 26th May, 2026

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	kuantumcorp@kuantumpapers.com
7.	Telephone	+91 1884 502737
8.	Website	www.kuantumpapers.com
9.	Financial year for which reporting is being done	1st April, 2025 to 31st March, 2026
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	Gurinder Singh Makkar, Company Secretary Email: gurindermakkar@kuantumpapers.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.	Paper and Paper Products	Manufacturing and selling of Maplitho, Copier, Creamwove and value-added Specialty Papers	100

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

S No.	Product/Service	NIC Code	% of Turnover of the entity
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	-	-	-

20. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States and UT)	26
International (No. of Countries)	26

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

4.04%

c. A brief on types of customers

The Company is having one of the largest customers bases including Educational Institutions, Publishers, Corporate Clients, Printing Houses, Government Agencies and Export markets. We provide high quality paper for various applications such as Notebooks, Textbooks, Publications, Office stationery, Commercial printing, Diary, Paper Cups, Paper Straws, Wedding cards & Thermal paper. This broad customer base reflects the Company's diversified product mix, quality & strong presence pan India and in international markets.

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)**	635	609	95.91%	26	4.09%
2.	Other than Permanent **(E)**	-	-	-	-	-
3.	**Total employees (D + E)**	**635**	**609**	**95.91%**	**26**	**4.09%**
	WORKERS					
4.	Permanent **(F)**	764	764	100%	-	-
5.	Other than Permanent **(G)**	730	706	96.71%	24	3.29%
6.	**Total workers (F + G)**	**1494**	**1470**	**98.39%**	**24**	**1.61%**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent **(D)**	2	2	100%	-	-
2.	Other than Permanent **(E)**	-	-	-	-	-
3.	**Total employees (D + E)**	**2**	**2**	**100%**	**-**	**-**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent **(F)**	5	5	100%	-	-
5.	Other than Permanent **(G)**	4	4	100%	-	-
6.	**Total workers (F + G)**	**9**	**9**	**100%**	**-**	**-**

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	2	-	-

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

Particulars	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.48%	10.34%	11.44%	18.13%	52.08%	19.04%	22.04%	44.29%	22.63%
Permanent Workers	7.95%	-	7.95%	9.68%	-	9.68%	13.59%	-	13.59%

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	-	No

VI. CSR DETAILS

25. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (Rs./crores): 1,093.16

(iii) Net worth (Rs./crores): 1,228.32

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)	FY 2025-26			FY 2024-25		
		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/)	-	-		-	-	
Investors (other than shareholders)		-	-		-	-	
Shareholders		11	-	All Complaints resolved satisfactorily	11	-	All Complaints resolved satisfactorily
Employees and workers		-	-		-	-	
Customers		36	-	All Complaints resolved satisfactorily	65	-	All Complaints resolved satisfactorily
Value Chain Partners		-	-		-	-	

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	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	**Risk:** Wood raw material constitutes a major portion of the pulp furnish for the paper manufacturing in the Company. Availability of quality raw material, i.e., wood, may be a risk due to a major gap between demand and supply. Further, price mismatches may be another big challenge, which is mainly due to demand for quality raw materials and acceptance of all types of wood by other wood-based Industries like MDF/Ply/ Peeling/ Particle Boards.	To mitigate supply risk associated with wood procurement for pulping and finally for manufacturing of paper, the Company has already taken major initiatives towards promotion of Social, Farm and Agroforestry programmes in and around the Mills within a radius of 150-200 KM with local farm communities to ensure consistent and regular supply of quality wood on sustained basis. 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 of Punjab and adjoining states. The Company has also developed potential wood and bamboo suppliers for a sustained & uninterrupted supply of wood and bamboo, irrespective of seasons as they have sufficient potential to secure wood from farmers directly.	Negative Implication
2.	Coal availability & energy cost	Risk / Opportunity	**Risk:** Consistent supply of coal is a challenge & higher usage of coal increases the GHG emissions. **Opportunity:** Since this opens up avenues to move towards non-fossil fuel- based energy sources.	We have mitigated risk of coal availability by buying coal from auction source. Secondly the Company has a well-defined strategy to reduce its dependency on Coal through renewable energy sources and Biomass fuels like rice husk, agro dust, wood dust, bark etc.	Negative Implication
3.	Greenhouse Gas (GHG) Emissions	Risk	**Risk:** The pulp and paper manufacturing process emits GHGs through the combustion of fossil fuels and biomass in boilers and processing units. Regulatory risks associated with emissions are rising. However, using carbon-neutral biomass can reduce both fuel costs and regulatory exposure. Companies that effectively manage emissions benefit from operational efficiency and reduced compliance costs.	The Company has adopted a multifaceted emission reduction strategy. This includes substituting fossil fuels with biofuels, maximizing efficiency in power generation units, and utilizing CO_2 emissions to produce value-added products like Precipitated Calcium Carbonate. Complementing these efforts is a large-scale Social, Farm & Agro Forestry programme, which is aimed at carbon sequestration and sustainable raw material sourcing.	Negative Implications

S. No.	Material issue identified	Indicate whether risk or opportunity	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)
4.	Water Management	Risk	**Risk:** Water is a critical resource in pulp processing, cooling, and energy production. High water usage and resulting wastewater pose operational, environmental, and regulatory risks, especially under water-scarcity scenarios.	The Company has implemented comprehensive water conservation initiatives. These include recycling backwater and condensate, using treated water for non-process applications, upgrading equipment, and reducing per-unit water consumption significantly through 3R (Reduce, Reuse, Recycle) principles. The Company has started using surface/canal water to reduce groundwater usage.	Negative Implications
5.	Unforeseen climatic conditions affecting the farming, thereby restricting the supply of wheat straw	Risk	**Risk:** Since wheat straw is a key input material for Agro pulp for the Company, any unforeseen climatic conditions may affect its supply. Further, if Company faces its shortage, consequently the procurement cost increases and production may be delayed which can affect overall operations and profitability.	The Company has developed potential suppliers who can provide a sustainable and regular supply regardless of seasons, as they have sufficient storage capacity.	Negative Implication
6.	Regulatory Issues and Compliance	Risk	**Risk:** Non-compliance may affect the brand image and customer trust, and engagement.	Adherence to the compliance monitoring system	Negative Implications
7.	Talent Management, Attraction, Retention	Opportunity	**Opportunity:** This may enhance competence, skills, and vital knowledge for organizational growth.	1. Continuous enhancement of employee competencies through structured training and development programs. 2. Strengthening multitasking capabilities by implementing planned job rotations across and within departments. 3. Aligning high-potential talent with critical organizational roles through strategic workforce planning and talent mapping.	Positive Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	All the policies are 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 9001:2015 (Quality Management System) ISO 14001:2015 (Environmental Management System) ISO 45001:2018 (Occupational Health & Safety Management System) FSC® (Forest Stewardship Council): License Code FSC-C109585 DSIR Certification: TU/IV-RD/3724/2025 (In-House R&D Unit) BIS Certification: IS 14490:2024 (Plain Copier Paper) BIS Certification: IS 1848 (Part 1): 2018 (Writing & Printing Paper)								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Goals and targets are set annually, and specific commitments are set periodically. Specific sustainability targets have been identified and timelines for achieving carbon neutrality are being defined. Our Mission statement, Manufacturing Excellence, and specific long-term & short-term goals are all approved by top management.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of identified commitments/targets are reviewed periodically by the Senior Management in its Business Review meetings.								
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 Kuantum 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 being 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).	The Board of Directors is the highest authority responsible for implementation and oversight of the Business Responsibility Policy.								
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 responsible for decision- making on sustainability-related issues and implementation of the Business Responsibility Policy. He updates the Board of Directors and takes guidance from them time to time.								

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	Committee and Board									Half yearly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non- compliances	Committee and Board									Half yearly								

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 has established a robust functional review framework, supported by a strong and independent internal audit system that ensures comprehensive oversight of all critical policies. Throughout the year, external independent audit firms are also engaged to conduct additional assessments. Furthermore, periodic third-party evaluations are carried out to ensure continuous compliance and performance enhancement.								

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)	All principles are covered by policies								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

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	3	The Directors and Key Managerial Personnel of the Company are given extensive information through periodical updates and detailed presentations, which include awareness training on topics like ESG & CSR, SEBI & MCA amendments, and latest circulars. Exhaustive presentations on the Company's internal control systems, Audit process and on new development initiatives.	100%
Key Managerial Personnel	2		100%
Employees other than BoD and KMPs	82	Employees undergo regular training programmes in the areas of skill upgradation, process orientation, soft skill development and safety.	100%
Workers	102	Workers are given regular process training, safety training, firefighting training and other technical trainings.	100%

Note:

1. All constituents/all stakeholders have been sensitized towards the need for sustainable business.
2. To sync in with changing business dynamics, various operations/ processes of the Company are being digitalized to reduce human error and improve decision making.

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 Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Category	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					
Compounding fee					

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

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	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, Kuantum Papers has a robust Anti-Corruption and Anti-Bribery Policy as part of its commitment to ethical, transparent, and accountable governance. This is embedded within the Company's Code of Conduct and Supplier Code of Conduct, which are applicable to all Directors, Senior Management, Employees, and Business Partners.

The policies are publicly accessible at: https://www.kuantumpapers.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:**

Category	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	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**

Not Applicable

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

Category	FY 2025-26	FY 2024-25
Number of days of accounts payable	22 Days	21 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 unless otherwise stated)

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. i. Purchase from Trading Houses	41212.01	41972.49
	a. ii. Total Purchases	76988.36	72296.04
	a. iii. Purchases from trading houses as % of total purchases	53.53%	58.06%
	b. Number of trading houses where purchases are made from	365	407
	c. i. Purchase from top ten trading houses	16306.01	17682.37
	c. ii. Total Purchases from Trading Houses	41212.01	41972.49
	c. iii. Purchases from top 10 trading houses as % of total purchases from trading houses	39.57%	42.13%
Concentration of Sales	a. i. Sales to Dealers/ Distributors	100962.43	109976.19
	a. ii. Total Sales	109315.63	110704.22
	a. iii. Sales to dealers/distributors as % of total sales	92.36%	99.34%
	b. Number of dealers/distributors to whom sales are made	122	118
	c. i. Sales to top ten dealers/distributors	44642.26	47800
	c. ii. Total Sales to Dealers/ Distributors	100962.43	109976.19
	c. iii. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	44.22%	43.46%
Share of RPTs in	a. i. Purchases (Purchases with related parties)	-	-
	a. ii. Total Purchases	76988.36	72296.04
	a. iii. Purchases (Purchases with related parties as % to Total Purchases)	-	-
	b. i. Sales (Sales to related parties)	176.59	-
	b. ii. Total Sales	109315.63	110704.22
	b. iii. Sales (Sales to related parties as % to Total Sales)	0.16 %	-
	c. i. Loans & advances (Loans & advances given to related parties)	-	-
	c. ii. Total loans and advances	-	-
	c. iii. Loans & advances (Loans & advances given to related parties as % to Total loans & advances)	-	-
	d. i. Investment in Related Parties	-	-
	d. ii. Total Investments made	-	-
	d. iii. Investments (Investments in related parties as a % of Total Investments made)	-	-

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
244	Farm Forestry Best Practice, Agriculture Productivity, Plantation Management, Health & Safety	100% of Farmers
96	Human Rights, Labour Practices, Sustainability, Health & Safety	100% Contract worker

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, the Company has established strong systems to manage and prevent conflicts of interest involving its Board members and Senior Management. A formal Code of Conduct sets clear ethical standards and is applicable to all Directors and Senior Management. It mandates annual disclosures of financial interests, shareholdings, and affiliations with other entities.

In line with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Directors are required to recuse themselves from any Board discussions or decisions where a conflict may arise. They also annually affirm their commitment to act in the best interest of the Company.

Senior Management submits quarterly declarations confirming they have not entered any material, financial, or commercial transactions that could conflict with the Company's interests. Additionally, all related-party transactions are subject to strict internal reviews and statutory approvals to uphold transparency, fairness, and ethical governance.

PRINCIPLE 2

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

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.**

Category	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	28.10%	27.0%	Our commitment to advancing technological capabilities, ensuring environmental compliance, and achieving sustainability goals in line with industry standards is demonstrated through these investments. R&D efforts focus on reducing chemical consumption, improving pulp yield, and expanding plantation area to enhance carbon sequestration. These initiatives also generate revenue, create livelihood and employment opportunities for farmers and surrounding communities, and contribute to increasing farmers' income—reflecting our dedication to sustainable and responsible plantation agriculture.
Capex	6.61%	12.20%	Investment in WTP upgradation includes the addition of Multigrade Filters for improved Canal water utilization and reduced groundwater dependency, along with enhanced testing capabilities in our in-house laboratories.

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

   Yes, Sustainable sourcing procedure is in place. The Company uses Social, Farm, and agroforestry-based wood from known sources, supporting sustainable forestry practices.

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

   100%, the Company's input is sourced sustainably. Kuantum Papers is FSC® certified since 2012 (License Code: FSC-C109585), ensuring all raw materials are procured from responsibly managed forests that meet environmental, social, and economic standards. The Company uses FSC® Transfer, Percentage, and Credit systems and is certified by SCS Global Services. Its FSC® certificate is available at: https://www.kuantumpapers.com/wp-content/uploads/2023/03/fsc-certificate.jpg

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

   a. **Plastics (including packaging):** The Company has registered with the Central Pollution Control Board for extended producer responsibility (EPR). The company has engaged with the duly approved agency for the equivalent recycling of plastic from the open market in a responsible manner to meet the EPR obligation.

   b. **E-waste:** The Company sends its E-waste to authorized dismantlers, recyclers, and re-processors for proper disposal as per requirement of Punjab Pollution Control Board.

   c. **Hazardous waste:** The Company disposes of hazardous waste to an approved external agency for beneficial usage, recycling, or disposal under the Punjab Pollution Control Board requirement.

   d. **Other waste:** The Company complies with the Punjab Pollution Control Board's requirement for non-hazardous waste disposal, and it is sent to authorized external agency for beneficial usage, recycling, or disposal, while chipper dust is reused internally in boilers as a fuel to replace Fossil Fuel.

   The ETP sludge used to manufacture dry boards while the fly ash is sent for cement manufacturing. Paper waste that is generated during the manufacturing and finishing stages is also reused within the Company's pulping process.

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

   Yes, the Company falls under the purview of Extended Producer Responsibility (EPR) and has implemented a structured waste collection and management plan in full alignment with the EPR plan submitted to the Pollution Control Boards. The Company is registered with the Central Pollution Control Board (CPCB) under the Plastic Waste Management Rules, 2016, and ensures proper collection, segregation, and disposal of post-consumer plastic waste through authorized recyclers.

   Regular compliance reporting, audits, and detailed documentation ensure transparency and traceability across the value chain. In FY 2025-26, the Company successfully met its EPR targets across all applicable categories, reaffirming its commitment to environmental responsibility and circular economy principles.

LEADERSHIP INDICATORS

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

NIC Code	Name of Product /Service	% of total Turnover contributed	The boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an 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 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 the 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 the action taken to mitigate the same**

Name of Product / Service	Description of the risk / concern	Action Taken
	Not Applicable	

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 reused input material to total material	
	FY 2025-26	FY 2024-25
	Nil	

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

Category	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	360.68	-	-	200.49
E-waste	-	-	0.62	-	-	1.48
Hazardous waste	-	-	2.48	-	-	0.64
Other waste (Fly Ash & Dry Board)	-	-	69134.00	-	-	81251.86

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
Not Applicable	

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 (in FY 2025-26)										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Daycare facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	609	609	100%	609	100%	NA	NA	NA	NA	NA	NA
Female	26	26	100%	26	100%	26	100%*	NA	NA	NA	NA
Total	**635**	**635**	**100%**	**635**	**100%**	**26**	**100%***	**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 (in FY 2025-26)										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Daycare facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	764	764	100%	764	100%	NA	NA	NA	NA	NA	NA
Female	-	-	-	-	-	NA	NA	NA	NA	NA	NA
Total	**764**	**764**	**100%**	**764**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Other than Permanent workers											
Male	706	706	100%	706	100%	NA	NA	NA	NA	NA	NA
Female	24	24	100%	24	100%	24	100%*	NA	NA	NA	NA
Total	**730**	**730**	**100%**	**730**	**100%**	**24**	**100%***	**NA**	**NA**	**NA**	**NA**

* Maternity benefit applies only to female employees.

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

Particulars	FY 2025-26	FY 2024-25
Cost incurred on wellbeing measures as a % of the total revenue of the Company	0.13%	0.09%

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

Benefits	FY 2025-26			FY 2024-25		
	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	Coverage is done for all employees and workers as applicable and all dues have been deducted and deposited as per statutory regulations.					

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 being taken by the entity in this regard?

   Yes, the premises and offices of Kuantum Papers Limited are designed to be accessible to differently abled employees and workers, in full compliance with the provisions of the Rights of Persons with Disabilities Act, 2016. The Company has implemented inclusive infrastructure features such as ramps, handrails, accessible washrooms, wide doorways, and designated parking spaces to ensure ease of access and safety.

   Workspaces are adapted as needed to accommodate individual requirements, supported by assistive systems where necessary. Kuantum is firmly committed to fostering an inclusive, respectful, and equitable work environment. The Company also conducts periodic reviews of its infrastructure and workplace policies to enhance accessibility and align with evolving statutory norms and best practices.

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, the Company is committed to fostering an inclusive, equitable, and discrimination-free workplace in alignment with the Rights of Persons with Disabilities Act, 2016. The Company has implemented a comprehensive Equal Opportunity Policy that ensures fair treatment for all employees and explicitly prohibits discrimination based on disability or any other non-merit factor.

   The policy mandates the provision of reasonable accommodation and accessible infrastructure to enable persons with disabilities to perform their roles effectively and with dignity. It also aligns with the Company's broader Code of Conduct, which upholds the principles of meritocracy, human dignity, and respect for individual differences across all levels of employment.

   Kuantum promotes diversity and inclusion as integral to its organizational culture and sustainable growth. The Company regularly reviews and updates its policies to remain compliant with evolving legal frameworks and best practices. For more details, please visit: https://www.kuantumpapers.com/policies/

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
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 workers? If yes, give details of the mechanism in brief.**

   Yes, the Company has a comprehensive and inclusive grievance redressal mechanism in place for all categories of employees and workers, ensuring their concerns are heard and addressed in a timely and transparent manner. The mechanisms are structured as follows:

   Permanent Workers: A formal grievance redressal system is in place, including an internal Grievance Redressal Committee, regular one-on-one interactions, and an open-door policy with the HR department. Grievances can be raised verbally or in writing and are addressed within defined timelines in accordance with Company policy and applicable labour laws.

   Contractual and Temporary Workers: These workers have access to grievance redressal channels coordinated through HR and their respective contractors. Issues may be raised through supervisors, complaint boxes, or during scheduled review meetings. Orientation sessions are conducted regularly to ensure awareness of the available grievance mechanisms.

   Permanent Employees: A structured grievance redressal framework is available, incorporating a multi-tier escalation matrix, anonymous reporting options, and employee feedback channels. All complaints are handled confidentially, with resolution overseen by HR and relevant department heads to ensure fairness and objectivity.

   Other than Permanent Employees: Interns, trainees, and other non-permanent staff are also covered under the Company's grievance redressal policy. They may report concerns through HR, dedicated email IDs, or suggestion/complaint boxes. Equal emphasis is placed on confidentiality, timely resolution, and creating a safe, respectful, and inclusive work environment.

   These mechanisms reflect Kuantum's commitment to employee welfare, fair treatment, and continuous engagement across its diverse workforce.

7. **Membership of employees and workers in association(s) or Unions recognized by the listed entity.**

Category	FY 2025- 26			FY 2024- 25		
	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	635	-	-	586	-	-
Male	609	-	-	571	-	-
Female	26	-	-	15	-	-
Total Permanent Workers	764	14	1.83	770	14	1.81
Male	764	14	1.83	770	14	1.81
Female	-	-	-	-	-	-

8. **Details of training given to employees and workers:**

Category	FY 2025-26					FY 2024-25				
	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	609	609	100%	609	100%	571	571	100%	571	100%
Female	26	26	100%	26	100%	15	15	100%	15	100%
Other	-	-	-	-	-	-	-	-	-	-
Total	**635**	**635**	**100%**	**635**	**100%**	**586**	**586**	**100%**	**586**	**100%**
Workers										
Male	764	764	100%	764	100%	770	770	100%	770	100%
Female	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	**764**	**764**	**100%**	**764**	**100%**	**770**	**770**	**100%**	**770**	**100%**

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	609	609	100%	571	571	100%
Female	26	26	100%	15	15	100%
Total	**635**	**635**	**100%**	**586**	**586**	**100%**
Workers						
Male	764	764	100%	770	770	100%
Female	-	-	-	-	-	-
Total	**764**	**764**	**100%**	**770**	**770**	**100%**

10. **Health and safety management system**

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

Yes, the Company has implemented a robust Occupational Health and Safety Management System (OHSMS) under ISO 45001:2018, certified and periodically audited by the British Standards Institution (BSI). The system is designed to ensure a safe, healthy, and compliant work environment and reflects the Company's deep commitment to employee well-being and responsible corporate conduct.

This safety management system covers 100% of the workforce, including both permanent and non-permanent employees, and is systematically implemented across all operational areas. The Company operates a fully equipped Occupational Health Centre (OHC) that conducts regular health check-ups, wellness assessments, and preventive health monitoring.

Key Components of the Health & Safety System:

- **Regular Plant Safety Inspections** to identify and mitigate risks.
- **Structured Accident Reporting, Investigation, and Prevention Protocols** to analyze root causes and implement corrective actions.
- **Periodic Testing of Equipment, Buildings, and Machinery** to ensure operational safety and compliance.
- **Worker Permit System and LOTO (Lockout/Tagout) Procedures** to prevent accidental energy releases during maintenance activities.
- **Inspection and Certification of Lifting Equipment,** including cranes, wire ropes, and lifting tackles, as per statutory norms.
- **Comprehensive Safety Training Programs and Awareness Campaigns** conducted regularly for all workers and staff.
- **Functioning Safety Committees** comprising representatives from both management and workforce, which meet periodically to review safety performance, address concerns, and recommend improvements.
- **Internal and External Audits** are carried out routinely to evaluate compliance with safety standards and to drive continuous improvement.

Through these integrated practices, Kuantum Papers ensures a culture of safety, prevention, and accountability, thereby strengthening operational excellence and workforce morale.

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

Yes, the Company has a well-defined and proactive framework for identifying work-related hazards and assessing risks, both for routine and non-routine activities. Health, Safety, and Environment (HSE) risk management is deeply integrated into the Company's operational strategy, forming the foundation of a strong safety culture across all facilities.

Processes for Hazard Identification and Risk Assessment:

- **Hazard Identification and Risk Assessment (HIRA):** All activities—routine, non-routine, and emergency are subject to systematic HIRA to evaluate potential risks and define appropriate control measures.
- **Job Safety Analysis (JSA):** Conducted prior to the initiation of high-risk tasks to break down job steps, identify associated hazards, and assign preventive actions accordingly.
- **Standard Operating Procedures (SOPs):** Each process is governed by SOPs that embed safety protocols and are strictly followed by trained personnel. SOPs are reviewed periodically for relevance and updated as necessary.
- **Employee Participation:** Workers and staff are actively engaged through hazard identification tours, safety suggestion schemes, near-miss reporting, and toolbox talks, creating a culture of shared responsibility for safety.
- **Hierarchy of Controls:** The Company applies the hierarchy of controls—elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE)—to mitigate identified risks effectively.
- **Handling of Hazardous Substances:** Special risk assessments and control plans are in place for handling hazardous chemicals, with clear labeling, storage protocols, and emergency response plans.
- **Training and Competency Development:** Regular safety training programs, mock drills, and awareness sessions ensure that all employees and contractors are well-versed in safe work practices and emergency preparedness.
- **Safety Committees:** Each operational site has a functional Safety Committee comprising representatives from both management and the workforce. These committees meet regularly to review incident reports, near-misses, audit findings, and to recommend corrective actions.
- **Audit and Continuous Improvement:** Internal and third-party audits are conducted at planned intervals. Findings are used to drive continuous improvement through corrective and preventive action plans.

Through this comprehensive and dynamic approach, Kuantum Papers ensures a safe and resilient work environment while continuously enhancing its occupational risk management practices in line with industry best standards and statutory requirements.

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

Yes, the Company has a structured and accessible system for employees and workers to report work-related hazards and withdraw from unsafe conditions. The mechanism includes open-door access to supervisors and safety officers, anonymous reporting options, and dedicated procedures at each site for logging hazards, unsafe acts, and near-miss incidents. Employees are trained to recognize risks and are empowered to remove themselves from potentially dangerous situations by following established emergency protocols.

Regular safety patrols, audits, inspections, committee meetings, and mock drills reinforce risk awareness and ensure continuous monitoring. All reports and suggestions are documented, reviewed, and acted upon as part of the Company's ongoing commitment to a safe and proactive workplace culture.

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

Yes, the Company provides comprehensive non-occupational medical and healthcare services to all employees. These include regular health check-ups, mental health support, general medical care, and family health coverage through health insurance and ESI schemes. The plant is staffed with qualified medical professionals, and on-site medical services extended to non- occupational illnesses for employees and their families. The Company also ensures access to external medical facilities when needed and maintains ambulance services for prompt emergency response.

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

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

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

The Company prioritizes the well-being of its employees by implementing a comprehensive approach to ensure a safe and healthy workplace. The following measures reflect the company's commitment to workplace safety:

- **Occupational Health & Safety Management System (OHSMS):** The Company is certified under internationally recognized standards, ensuring that its health and safety management practices meet global benchmarks. The company continuously strives for excellence in maintaining a secure work environment.
- **Risk Management Framework:** The company has established an Environment, Health & Safety (EHS) Risk Management framework that focuses on the continuous identification, assessment, and mitigation of potential risks. This framework is designed to proactively address hazards and ensure workplace safety.
- **Employee Involvement:** The Company encourages active participation from its workforce through hazard spotting tours, suggestion schemes, and regular safety meetings. This ensures that all employees are engaged in maintaining safety standards and feel empowered to contribute ideas for improvements.
- **Safety Training and Awareness:** The company provides ongoing safety training and awareness programs for all employees, ensuring they are well-equipped to handle potential risks and respond effectively to emergencies.
- **Personal Protective Equipment (PPE):** Adequate PPE is provided to employees based on their roles and the specific risks associated with their tasks. This ensures that employees are protected while performing their duties.
- **Emergency Preparedness:** The Company has developed robust emergency response protocols to address any workplace incidents promptly. Regular drills and preparedness exercises are conducted to ensure that employees are familiar with emergency procedures.
- **Health and Wellness Programs:** The company offers comprehensive health and wellness programs, including medical check-ups and support services, to ensure the physical and mental well-being of employees.

  By implementing these measures, the Company fosters a safe, healthy, and productive work environment, underscoring its dedication to the welfare of its employees.

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

Category	FY 2025-26			FY 2024-25		
	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	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. **Assessments for the year:**

Category	% 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.**

The Company prioritize continuous improvement in our health and safety practices through regular internal audits, which are conducted periodically. Based on the findings of these audits, corrective and preventive measures are promptly implemented to address any identified issues. In the event of an accident, detailed investigations are carried out to thoroughly understand the root causes and determine the necessary steps to prevent similar incidents in the future. The lessons learned from each accident are carefully analyzed and shared with employees at regular intervals to enhance safety awareness and ensure that best practices are consistently followed throughout the organization.

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, Kuantum Papers Limited provides life insurance and compensatory benefits to both employees and workers:

Employees: Permanent employees are covered under a comprehensive life insurance policy. In the event of death, the nominee receives a lump sum payout along with additional benefits such as gratuity, provident fund, and financial support under the Company's welfare program, ensuring long-term security for the family.

Workers (including Contractual): Workers are covered under group insurance schemes and the Employees' State Insurance (ESI) scheme, which provides medical care and financial compensation to dependents in case of work-related death. The Company ensures all eligible contractual workers are enrolled under ESI through active coordination with contractors.

These measures reflect Kuantum's commitment to the welfare and protection of its entire workforce.

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 has established a robust framework to ensure that all statutory liabilities, social security contributions, and other mandated payments, are properly deducted and deposited by its value chain partners. This is achieved through clearly defined contractual obligations, periodic confirmations, and regular audits. The Company conducts due diligence and monitors compliance to verify the timely deposit of statutory dues by contractors and service providers. Training and guidance are also provided to partners to help them understand and fulfill their legal responsibilities. In case of non-compliance, appropriate corrective actions are enforced. This comprehensive approach ensures transparency, accountability, and adherence to statutory norms across the value chain.

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 are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.**

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

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, the Company provides transition assistance programs to support employees during retirement or separation. These include financial planning guidance, post-retirement benefit support, and skill development or reskilling opportunities where applicable. The aim is to ensure a smooth transition and enhance continued employability, reflecting the Company's commitment to employee well-being beyond active service.

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 Working Conditions	100%, upon entering into agreements/contracts, of the value chain partners are required to sign the Supplier Code of Conduct. Through which they affirm and guarantee their adherence to conducting business with honesty and integrity, treating all individuals with dignity and respect, ensuring health and safety standards, providing optimal working conditions, supporting communities, and complying with all the laws and regulations of the countries in which they operate.

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.

To address significant risks and concerns arising from assessments of health and safety practices and working conditions of value chain partners, the company has implemented a range of corrective actions. These include conducting thorough risk assessments and gap analyses to identify deficiencies, followed by the development of enhanced safety protocols and the requirement for value chain partners to update their practices. Additionally, the company has introduced targeted training and awareness programs to improve safety standards and hazard management. Regular monitoring and audits are conducted to ensure ongoing compliance, while corrective action plans are put in place where immediate improvements are needed. The company also collaborates with its partners to implement best practices and provides technical support to foster a culture of continuous improvement. To enforce accountability, penalties for non-compliance are imposed, and repeated failures may lead to a review or termination of business relationships. These comprehensive measures ensure the ongoing enhancement of health and safety standards across the value chain.

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.**

   The Company follows a structured Stakeholder Engagement Policy to identify and prioritize key internal and external stakeholders across its operations. Stakeholder groups are mapped based on materiality and influence, with regular assessments to ensure relevance. Engagement mechanisms include surveys, site visits, community meetings, and dedicated communication channels. Insights gathered are used to align business strategies with stakeholder expectations, fostering transparency, mutual respect, and long-term value creation.

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)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, Annual Reports, AGM, Newspapers, Advertisements, Website	Quarterly and periodically	Discuss financial performance, governance, strategic direction, and any concerns related to investments or returns.
Internal	No	Email, SMS, Newsletters, Notice Board	Quarterly	Appraisals and feedback, Career management, Building a safety culture and inculcating safe work practices, On-the-Job trainings
Customers	No	Email, Customer Visits, Website, Advertisements, Relationship Meetings, and Reviews	Quarterly	Understanding customers' expectations and the gaps, if any, in the Company's product offerings
Lenders	No	Video Conferences, Meetings / Calls, visits	As and when needed	Projects & Expansion plans, funding, ESG performance KPIs & compliance reporting, disclosures or site visit requirements
Government bodies and regulators	No	Meetings, visits	As and when needed	To ensure 100% compliance with all rules, regulations, and laws
Communities	Yes	Community Meetings, Notice Board, Pamphlets, Newspaper	As and when needed	Address local development, community welfare, environmental concerns, and corporate social responsibility initiatives.
Suppliers	No	Visits by the Company's managers, Awareness Meeting, One-to-One meetings	As and when needed	Address procurement processes, quality standards, delivery schedules, and payment terms.

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 has established a structured process for stakeholder consultation, overseen by the CSR Committee of the Board. The Committee engages with key stakeholders on economic, environmental, and social (EES) issues and presents biannual reports to the Board, ensuring that stakeholder feedback informs strategic decisions. Senior management also conducts regular interactions with stakeholders, and key insights are escalated to the Board as needed. This approach ensures that stakeholder perspectives are integrated into the Company's governance, policymaking, and sustainability agenda.

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, Stakeholder consultation plays a vital role in the Company's approach to identifying and managing environmental and social issues. The Company actively engages with local communities, employees, regulatory bodies, and other stakeholders to gather insights on environmental concerns, social needs, and community expectations.

   Inputs from these consultations are integrated into policy decisions and operational strategies, particularly in areas such as water conservation, waste management, and CSR initiatives. For instance, feedback from local stakeholders has shaped the Company's afforestation efforts, community development programs, and environmental compliance priorities. Regular surveys, dialogue sessions, and joint reviews help align the Company's sustainability agenda with stakeholder expectations, ensuring that initiatives are inclusive, effective, and aligned with ESG and CSR commitments.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The Company has a structured approach to engaging with vulnerable and marginalized groups in its surrounding communities. Through regular field visits and consultations, the Company identifies specific needs related to water access, sanitation, education, healthcare, and livelihood opportunities.

   In response, the Company has implemented several targeted initiatives:

   - **Water and Sanitation:** Installed RO plants and overhead tanks, provided free treated water, constructed public toilets and sewage treatment systems to ensure clean water access and improved hygiene.
   - **Education Support:** Offered subsidized education through its own institution and supported government schools by building toilets, donating classroom furniture, and providing essential learning aids.
   - **Healthcare Access:** Donated critical medical equipment to local hospitals and health centers to enhance primary healthcare services.
   - **Livelihood Development:** Established skill training centers focused on tailoring, spoken English, and other employment-oriented skills to empower local youth and women.
   - **Water Conservation and Irrigation Support:** Developed water conservation structures to support agricultural sustainability and benefit thousands of families.

   These interventions are aligned with stakeholder feedback and demonstrate Kuantum's commitment to inclusive growth and social equity, ensuring that development reaches the most underserved segments of society.

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	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	635	635	100%	586	586	100%
Other than permanent	-	-	-	-	-	-
Total Employees	**635**	**635**	**100%**	**586**	**586**	**100%**
Workers						
Permanent	764	764	100%	770	770	100%
Other than permanent	730	730	100%	996	996	100%
Total Workers	**1494**	**1494**	**100%**	**1766**	**1766**	**100%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025-26					FY 2024-25				
	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	635	-	-	635	100%	586	-	-	586	100%
Male	609	-	-	609	100%	571	-	-	571	100%
Female	26	-	-	26	100%	15	-	-	15	100%
Other than permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	764	-	-	764	100%	770	-	-	770	100%
Male	764	-	-	764	100%	770	-	-	770	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent	730	730	100%	-	-	996	941	94%	55	6%
Male	706	706	100%	-	-	954	899	94%	55	6%
Female	24	24	100%	-	-	42	42	100%	-	-

3. a. **Details of remuneration/salary/wages, in the following format (Monthly Basis):**

Category	Male		Female	
	Number	Median remuneration / salary / wages of the respective category (Rs.)	Number	Median remuneration / salary / wages of the respective category (Rs.)
Board of Directors (BoD)	3	31,42,042	Nil	Nil
Key Managerial Personnel	2	4,70,833	Nil	Nil
Employees other than BoD and KMP	604	45,791	26	41,190
Workers	764	24,296	Nil	Nil

b. Gross wages paid to females as % of total wages paid by the entity, in the following format

Category	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	2.92%	1.95%

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, the company has a designated committee responsible for overseeing human rights matters. This team ensures implementation of human rights policies, monitors compliance, and addresses related issues promptly, reinforcing the Company's commitment to ethical and responsible business conduct.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to upholding the highest standards of human rights and labour practices, and has a dedicated Human Rights Policy that applies to all its employees. This policy ensures compliance with relevant laws and promotes the principles of human rights in the workplace. The company is continuously enhancing and refining its systems to ensure the effective implementation of its policies, particularly in the areas of human rights and labour practices. To support this, a robust Grievance Redressal System is in place, providing a platform for open and constructive discussions to address any concerns related to labour practices and human rights, ensuring fair and just resolution of all grievances.

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

Category	FY 2025-26			FY 2024-25		
	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	Nil			Nil		
Discrimination at the workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights-related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Category	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers		
Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is dedicated to maintaining a respectful and inclusive workplace, free from all forms of harassment, including sexual harassment. The company upholds a strict zero-tolerance policy towards any unacceptable conduct and actively encourages employees to report any concerns related to harassment. The company is prompt and responsive in addressing complaints of harassment or other inappropriate behaviour. A specialized committee has been established to thoroughly investigate complaints of sexual harassment and recommend suitable actions when necessary. Additionally, the company ensures transparency by providing detailed disclosures on sexual harassment complaints and their resolution in the Annual Report for the year ending 31st March, 2026.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company incorporates human rights clauses in its agreements with suppliers and customers. The Company promotes adherence to applicable laws and ESG standards across its value chain, reinforcing its commitment to responsible and ethical business practices.

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	The Company undertakes 100% internal assessment through its HR and IR functions.
Forced/involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
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.

The Company has undertaken a series of corrective actions. These include enhancing safety protocols and procedures to ensure a safer working environment for employees and stakeholders. In response to identified risks, the company has invested in advanced safety equipment and implemented more rigorous safety training programs for all staff. Regular audits and inspections are now conducted to monitor adherence to these updated safety measures. Additionally, the company has set up a more proactive reporting system, enabling employees to report potential hazards or unsafe practices quickly, which allows for faster resolution. The company has also increased its engagement with external experts to evaluate the effectiveness of these changes and ensure compliance with the latest health and safety standards. These steps are part of a continuous effort to mitigate risks and improve the overall safety and well-being of the workforce.

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.**

While no standalone human rights due diligence has been conducted, the Company ensures compliance through regular audits by internal, SMETA, ISO, and FSC® auditors. Regulatory oversight also supports adherence to applicable human rights laws across all plant and office locations. The Company remains committed to conducting formal due diligence as required in the future.

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, the Company has ensured that its premises are accessible to differently abled visitors, with features such as ramps and accessible entrances. The Company regularly reviews its infrastructure to maintain compliance with the Rights of Persons with Disabilities Act, 2016, and to promote inclusivity.

4. **Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	Currently, this is not being assessed. However, the Company's suppliers' Code of Conduct addresses many of these aspects.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
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

Businesses 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	FY 2025-26	FY 2024-25
From Renewable sources (GJ)		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	36,78,650	39,20,683
Energy consumption through other sources (C)	-	-
Total energy consumption from renewable sources (A+B+C)	**36,78,650**	**39,20,683**
From non-renewable sources (GJ)		
Total electricity consumption (D)	47,666	34,196
Total fuel consumption (E)	26,33,170	25,51,570
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**26,80,836**	**25,85,766**
Total energy Consumed (A+B+C+D+E+F) GJ	**63,59,486**	**65,06,449**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0006	0.0006
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)*	0.0119	0.0119
Energy intensity in terms of physical output (Total energy consumption/total production) (GJ/MT)	39.04	38.95
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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.

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by the World Bank for India which is 20.42.

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) under the PAT Scheme, and targets have been achieved.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
Water withdrawal by source			
(i) Surface water	Kilolitres	3590997	2009977
(ii) Groundwater	Kilolitres	3553846	4954758
(iii) Third party water	Kilolitres	-	-
(iv) Seawater / desalinated water	Kilolitres	-	-
(v) Others	Kilolitres	-	-
Total volume of water withdrawal (i + ii + iii + iv + v)	Kilolitres	**7144843**	**6964735**
Total volume of water consumption	Kilolitres	7144843	6964735
Water intensity per rupee of turnover (Total water consumed / Revenue from operations)	Litre per Rupee of turnover	0.0007	0.0006
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)*	Litre per Rupee of turnover adjusted for PPP	0.0133	0.0127
Water intensity in terms of physical output	Kilolitres/ Ton of Production	42.08	41.69
Water intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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 water evaluation has been carried out by Haber (Elixa Technologies Pvt Ltd.)

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by the World Bank for India which is 20.42.

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others (for irrigation, horticulture, internal use)	6089835	5823809
No treatment	-	-
With treatment – please specify level of treatment	6089835	5823809
Total water discharged (in kilolitres)	**6089835**	**5823809**

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 Online Effluent Quality and Flow Monitoring system is installed, which is connected to the servers of the Pollution Control Board. Effluent quality is monitored by the Regional Office of the Punjab Pollution Control Board from time to time, and effluent samples are analysed by an NABL-approved lab. The Company is meeting all prescribed norms. In-house Environmental Cell monitors all parameters on a daily basis.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

While Kuantum Papers has not implemented a full Zero Liquid Discharge (ZLD) system due to technical and economic constraints inherent to integrated pulp and paper operations, the Company has adopted advanced water treatment technologies to ensure regulatory compliance and responsible reuse. Treated effluent is safely utilized for irrigating more than 2,000 acres of agricultural land through a dedicated pipeline network in nearby villages. This approach aligns with best practices and sectoral assessments, including findings from the Central Pulp & Paper Research Institute (CPPRI), which confirm that ZLD is not a feasible solution for such processes. The Company remains committed to water conservation and continuously invests in optimizing wastewater treatment and resource efficiency.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format.**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	Mg/nm3	78.28	89.88
SOx	Mg/nm3	49.01	56.64
Particulate matter (PM)	Mg/nm3	26.50	27.97
Persistent organic pollutants (POP)	ND	-	-
Volatile organic compounds (VOC)	ND	-	-
Hazardous air pollutants (HAP)	ND	-	-
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, Online Air emission monitoring systems are installed in the plant, and are connected to CPCB & PPCB. At prescribed frequency, the quality of air emission is checked by an NABL-approved lab.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	257104	243947
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	6966	8074
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Kg/Rs of Revenue from Operations	0.000024	0.000023
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. *	Kg/Rs of Revenue from Operations adjusted for PPP	0.0005	0.0005
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2e/ Ton of Production	1.62	1.51

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, the same has been done internally.

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by the World Bank for India which is 20.42.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, the Company has implemented multiple initiatives to reduce GHG emissions across its operations:

- **Biofuel Use:** The Co-Generation Power Plant utilizes biomass fuels such as rice husk, wood dust, wheat straw, and agro-residues, reducing reliance on fossil fuels.
- **Recovery Boiler:** Operates entirely on black liquor (a biofuel byproduct of pulping), contributing significantly to renewable energy generation.
- **Clonal Plantation Program:** A state-of-the-art clonal nursery produced 4.77 million saplings in FY 2025-26, which will help with carbon sequestering through social farm forestry programme.

These measures are integral to Kuantum's long-term strategy for climate action, environmental stewardship, and sustainable sourcing.

9. **Provide details related to waste management by the entity in the following format:**

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	360.68	200.49
E-waste (B)	0.62	1.48
Bio-medical waste (C)	0.05	0.04
Construction and demolition waste (D)	-	-
Battery waste (E)	5.17	5.93
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	2.48	2.18
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	69134	81250.32
Total (A+B + C + D + E + F + G + H)	**69503.00**	**81460.44**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000063	0.0000074
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP*)	0.0001	0.0001
Waste intensity in terms of physical output (Total waste /total production)	0.43	0.49
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	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-

Parameter	FY 2025-26	FY 2024-25
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.64	0.64
(ii) Landfilling	-	-
(iii) Other disposal operations	69134.00	81250.32
Total	**69134.64**	**81250.96**

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.

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2023 by the World Bank for India, which is 20.20

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce the usage of hazardous and toxic chemicals in your products and processes, and the practices adopted to manage such waste.

The Company follows a structured waste management strategy under its ISO 14001:2015 certified Environmental Management System (EMS). Waste is properly segregated, stored, and either recycled or safely disposed of in compliance with PPCB regulations.

Key initiatives include:

- **SOPs & Training:** Standard Operating Procedures for managing hazardous, non-hazardous, e-waste, and biomedical waste, with regular staff training.
- **Reduction of Hazardous Chemicals:** Continuous efforts to identify and use safer chemical alternatives in operations.
- **Recovery Systems:** 96+% of pulping chemicals and 20% of processed water are recovered and reused.
- **By-product Utilization:** Fly ash is responsibly disposed off for use in cement manufacturing.
- **Safe Storage & Handling:** Waste is stored securely with appropriate containment and TREM cards for safe transport.

These practices support Kuantum's commitment to sustainability, regulatory compliance, and environmental stewardship.

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 being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable - The Company does not have any of its manufacturing facilities in ecologically sensitive areas.			

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
Not Applicable					

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 / actions\ taken by regulatory agencies, such as pollution control boards or by courts	Corrective action taken, if any	Remarks
Not Applicable					

LEADERSHIP INDICATORS

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

   Surface water taken from the Kandi Canal does not come under the water stress area.

   (i) **Name of the area:** The plant is located at Saila Khurd, Tehsil Garhshankar, District Hoshiarpur, Punjab.

   (ii) **Nature of Operations:** Integrated Pulp & Paper Manufacturing Plant

   (iii) **Water withdrawal, consumption, and discharge in the following format:** Refer to point no. 6.3 and 6.4 Essential Indicator.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not Applicable	
Total Scope 3 emissions per rupee of turnover	Kg/Rs per turnover		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

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: - Not Applicable

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 the 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
Refer the Annexure-2 to the Director's Report on Conservation of Energy & Technology Absorption.			

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes, the Company has a comprehensive Business Continuity and Disaster Management Plan to ensure operational resilience during emergencies. The plan is supported by the Company's Risk Management Policy and ISO 14001:2015-certified Environmental and OHS Management Systems. On-site Emergency Plans, approved by regulatory authorities, address process-related risks. Mock drills are conducted regularly in coordination with local agencies, and trained emergency response teams remain on standby. SOPs and Safe Maintenance Practices ensure preparedness across all departments. The strategy covers natural disasters, pandemics, and other disruptions, ensuring safety, asset protection, and continuity of critical operations

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 environmental impact has been reported from Kuantum Papers' value chain. The Company mitigates potential risks through sustainable sourcing, a Supplier Code of Conduct, and use of renewable energy, water treatment, and waste reduction practices thereby ensuring compliance and environmental responsibility across operations.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   No such impact assessment was carried out during the year.

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.**

The Company is a part of 5 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 anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	None	

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
	Given the Company's experience and expertise over more than 4 decades, the company proactively, through the associations in which it has membership, engages with various stakeholders and provides its inputs on various areas such as renewable energy space, health and safety, etc. Over the years, the company's senior management has played key roles in leading industry associations. The Company is committed to engage in the public policy advocacy process in a responsible and ethical manner.	Through Public awareness and industry-related trade associations to which the Company belongs, through Industry bodies.	No	As and when required	-

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 an independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
None of the projects undertaken by the company in FY 2025-26 require Social Impact Assessments					

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/Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has established effective grievance redressal mechanisms for the community through regular interactions with villagers, panchayat members, and local authorities. A dedicated team from Industrial Relations and Environment departments addresses concerns and feedback promptly. Grievances requiring further attention are resolved through the structured CSR framework, ensuring transparency and alignment with community welfare goals.

4. Percentage of input material (inputs to total inputs by value) sourced from supplier.

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	49%	48%
Sourced directly from within India	94%	92%

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	FY 2025-26	FY 2024-25
Rural	85.44%	77.13%
Semi-Urban	-	-
Urban	-	-
Metropolitan	14.56%	22.87%

(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
Not applicable	

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 Rs.)
N.A. Refer Annexure-1 to the Director's Report and Management Discussions and Analysis section/ Annual Report, for details on other CSR activities /projects.			

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes, the Company has a Fibre Sourcing Policy that promotes inclusive growth by giving preference to suppliers from marginalized and vulnerable groups. This includes encouraging small and marginal farmers to participate in the wood supply chain. The Company ensures equal opportunity by directly procuring wood from these farmers and supporting them through the provision of high-yielding clonal saplings with shorter rotation cycles. This approach not only strengthens rural livelihoods but also aligns with the Company's commitment to equitable and sustainable development.

3. b. From which marginalized /vulnerable groups do you procure?

The Company primarily procures raw materials such as agro-residue and wood from marginalized and vulnerable groups, especially small and marginal farmers in nearby rural areas. It actively supports these farmers by providing high-yield, fast-growing clonal saplings at subsidized rates and promoting intercropping practices on small landholdings to enhance their income. A structured buyback arrangement ensures market access and income security for these growers.

Additionally, the Company fosters the development of local vendors, particularly micro, small, and medium enterprises (MSMEs), by building their capabilities and integrating them into its supply chain. These efforts align with national initiatives like 'Make in India' and 'Aatmanirbhar Bharat,' promoting self-reliance, inclusive economic development, and social equity across the communities it operates in.

3. c. What percentage of total procurement (by value) does it constitute?

Our procurement from small farmers, direct and through aggregators, represents about 48% of our total agro and wood procurement for the year.

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
Not applicable				

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.

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Promotion of education and Montessori methodology in the surrounding areas of Hoshiarpur district	1700	100%
2.	Street construction and laying of interlocking blocks in nearby areas	4750	100%
3.	Classroom construction and flooring in Government Schools and Anganwadis	320	100%
4	Installation of Solar Streetlights and Solar Panels of 1 kW each to meritorious students	11000	100%
5.	Construction of a Community Hall at village Saila Khurd	1200	100%
6.	Development of sports infrastructure in nearby areas	200	100%
7.	Development of a park at village Saila Kalan	950	100%
8.	Construction of tube wells and water storage facilities as well as installation of water coolers and RO systems across villages	8150	100%
9.	Provision of health facilities in nearby communities and support to charitable hospitals	2000	100%
10.	Workers' training and skill development	100	100%
11.	Development works of 25 villages	25000	100%

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**

   Kuantum Papers Limited has a robust mechanism in place to effectively receive and respond to consumer complaints and feedback. Consumers can easily connect with the company through multiple communication channels, including email and telephone. The company has established systems for continuous engagement with dealers and consumers to gather valuable feedback and promptly address any concerns. A dedicated team is available to resolve product-related queries and complaints. Regular communication is maintained through email, meetings, and telephone, ensuring that all consumer concerns are handled efficiently. Furthermore, the company ensures full compliance with relevant marketing communication regulations and codes, upholding transparency and trust in its interactions with consumers.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%, All products of the company contain all relevant information as required under applicable laws, including environmental and social parameters.
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

Category	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-		-	-	
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of essential services	-	-		-	-	
Restrictive Trade Practices	-	-		-	-	
Unfair Trade Practices	-	-		-	-	
Other*	36	-	All complaints are resolved	65	-	All complaints are resolved

*All these complaints relate to either the product not meeting customer expectations on the product performance or logistics gaps like wrong supply / short supply. The company has robust systems in place to address these issues on a priority basis directly and through the company's dealer network.

4. **Details of instances of product recalls on account of safety issues:**

Category	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls		

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, the Company has implemented a comprehensive Information Security Policy that outlines a robust framework for managing cyber security risks and ensuring data privacy. This policy is supported by detailed operational procedures and is internally accessible to all employees. It establishes clear protocols to safeguard digital assets, prevent cyber threats, and ensure the confidentiality, integrity, and availability of data. Data privacy requirements are also embedded in all third-party agreements to ensure compliance across the value chain. For more details, please refer to the policy at: 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; recurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   Nil/NA

7. **Provide the following information relating to data breaches**

   a. **Number of instances of data breaches along with impact:** No instances of data breaches occurred.

   b. **Percentage of data breaches involving personally identifiable information of customers:** Not Applicable

   c. **Impact, if any, of the data breaches:** Not Applicable

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)**

   Information about the Company's products and services is readily available on its official website: www.kuantumpapers.com

   The platform provides comprehensive details on product offerings, specifications, and applications, ensuring easy access for customers, dealers, and other stakeholders.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company proactively undertakes initiatives to inform and educate consumers about the safe and responsible use of its products. It ensures full compliance with applicable regulations and industry codes related to advertising, promotion, and product communication. Kuantum Papers Limited provides clear, transparent, and informative content to help consumers make informed choices. Furthermore, the Company actively promotes sustainability and safety across the product lifecycle by engaging consumers on best practices for responsible usage, reinforcing its commitment to consumer awareness and environmental stewardship.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services**

   The Company has a structured communication mechanism to promptly inform dealers and consumers about any potential disruption or discontinuation of essential services. In the event of such occurrences, timely notifications are issued through appropriate channels, including direct communication, email, and dealer networks. This ensures that stakeholders are well-informed and can take necessary measures in advance. The Company's proactive and transparent approach helps minimize inconvenience, maintain business continuity, and reinforce consumer trust.

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, the Company provides product information that exceeds the requirements mandated by local laws. In addition to statutory disclosures, detailed information on product quality, usage guidelines, sustainability attributes, and environmental impact is displayed to promote informed and responsible consumption. This reinforces transparency and builds consumer trust.

   The Company also conducts regular consumer satisfaction surveys across key product lines and major operational locations. These surveys provide critical insights into customer expectations and experiences, enabling continuous improvement in product performance, service delivery, and overall consumer engagement.

Management Discussion and Analysis

1. Overview

This Management Discussion and Analysis (MDA) outlines Kuantum Papers Limited's strategic response to the shifting business environment during FY 2025–26. It provides an integrated view of the Company's operating context, domestic and global economic scenarios, industry dynamics, operational and financial performance, risks, opportunities and human capital development initiatives. The MDA should be read, in conjunction with the audited financial statements and disclosures in the Annual Report. All financial statements have been prepared in compliance with Ind AS and relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Global Economy[1]

The global economy continued to demonstrate resilience through year 2025 with global growth rate of around 3.4%, despite persistent macro-economic challenges, including heightened geopolitical tensions, evolving trade dynamics, and tighter financial conditions. However, the economic environment has become more uncertain with the outbreak of conflict in the Middle East, which has emerged as a significant downside risk to global growth and stability.

After withstanding higher trade barriers and elevated uncertainty last year, global activity now faces a major test from the outbreak of war in the Middle East. This is the latest culmination in a series of events that have been re-shaping international relations and raising geopolitical tensions markedly across all regions in recent years. In year 2025, the global economy operated within a 'growth-moderation' phase. Assuming that the conflict remains limited in duration and scope, global growth is projected to slow to 3.1% in 2026 and 3.2% in 2027. Slowdown in growth and increase in inflation are expected to be particularly pronounced in emerging market and developing economies.

Downside risks dominate the outlook. A longer or broader conflict, worsening geopolitical fragmentation, a reassessment of expectations surrounding artificial-intelligence-driven productivity, or renewed trade tensions could significantly weaken growth and destabilize financial markets. Elevated public debt and eroding institutional credibility further heighten vulnerabilities. At the same time, activity could be lifted if productivity gains from AI materialize more rapidly or trade tensions ease on a sustained basis.

Global growth moderated compared to previous years, reflecting the cumulative impact of restrictive monetary policies, conflicts, trade fragmentation, and elevated uncertainty. Advanced economies experienced subdued expansion amid weaker demand and tighter financial conditions, while Emerging Markets and Developing Economies (EMDEs) remained relatively more resilient, supported by domestic demand, though increasingly exposed to external shocks—particularly rising commodity prices and supply disruptions.

The 2026 US-Israel war on Iran triggered a major global economic shock, characterized by surge in oil prices, significant disruption to shipping in the Strait of Hormuz, and a potential global recession. Global growth is expected to slow while inflation could exceed the previous percentages. The war could lead to potential energy crisis, supply chain disruptions, inflationary pressures and monetary policy shift. Even with a ceasefire, economists warn of long-term "scarring" on the global economy, as supply chains and infrastructure require significant time to recover.

A key trend influencing the global macroeconomic landscape has been the interruption of the disinflation process. After a period of easing price pressures, global inflation is expected to rise modestly in year 2026, driven by higher energy and commodity prices stemming from geopolitical developments, before resuming its downward trajectory thereafter. This temporary reversal in disinflation poses challenges for policymakers, requiring a careful balance between controlling inflation and supporting growth.

Outlook

According to the International Monetary Fund, global growth is projected at 3.1% in year 2026, with a marginal improvement to 3.2% in 2027, assuming that geopolitical tensions remain contained. However, risks to the outlook are firmly tilted to the downside. A prolonged or intensifying conflict, further geopolitical fragmentation, renewed trade tensions, or tighter financial conditions could significantly weaken growth prospects and disrupt global markets.

Inflation is expected to increase modestly in year 2026 before declining again in year 2027, reflecting the impact of rising commodity prices and supply-side pressures. Emerging markets and developing economies are likely to face relatively higher inflationary pressures and growth challenges, particularly those that are commodity importers or carry existing macroeconomic vulnerabilities.

Overall, the global economy remains in a fragile recovery phase, requiring strong policy coordination, credible macroeconomic frameworks, and enhanced international cooperation to navigate ongoing uncertainties and sustain long-term growth. The global economy is transitioning into a phase of moderate and uneven growth, with resilience in emerging markets offset by continued softness in advanced economies. Downside risks remain elevated, including geopolitical tensions, trade disruptions, fiscal pressures, and climate-related uncertainties, necessitating greater adaptability and strategic recalibration for businesses.

[1] https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

3. Indian Economy[2]

India's economy continued to exhibit strong momentum in FY 2025–26, reaffirming its position as the fastest-growing major economy globally for the fourth consecutive year. India's economy in FY 2025-26 has emerged as one of the most dynamic in the global landscape, with real GDP growth estimated at around 7.4% in FY 2025-26, driven by the twin engines of consumption and investment, making it the fastest growing major economy by a significant margin. This strong performance is being driven by a combination of resilient domestic demand, especially in consumption and services and a sustained, policy anchored push on public infrastructure and capital expenditure, which has helped crowd in private investment rather than crowd it out. The government's front loaded infrastructure roadmap, including large scale investments in roads, railways, logistics, housing, defense, manufacturing, and urban infrastructure, has not only lifted growth but also improved supply chain efficiency and regional connectivity, thereby supporting MSMEs and manufacturing clusters.

Domestic demand remained the cornerstone of growth. Private Final Consumption Expenditure (PFCE) increased its share to 61.5% of GDP, reflecting a supportive macroeconomic environment characterised by low inflation, stable employment conditions and rising real incomes. Rural consumption was supported by favourable agricultural output, while urban demand strengthened due to tax rationalisation and improved purchasing power, indicating broad-based consumption growth.

Investment activity also remained robust, with Gross Fixed Capital Formation (GFCF) accounting for 30.0% of GDP. Investment growth accelerated in the first half of FY26, expanding by 7.6%, supported by sustained public capital expenditure, infrastructure development and improving private sector participation.

On the supply side, sectoral performance remained balanced. The agriculture sector grew by approximately 3.1%, supported by a favourable monsoon, while allied activities such as livestock and fisheries continued to provide stability with growth of around 5–6%. The industrial sector showed improving traction, with manufacturing registering strong growth of 8.4% in H1 FY26, supported by robust demand and improved business activity indicators. Overall industrial growth is estimated at 6.2%, aided by infrastructure expansion and construction activity.

The services sector continued to be the primary growth driver, with Gross Value Added (GVA) growth of around 9.1%, reflecting broad-based expansion across segments such as finance, real estate and professional services.

Inflation moderated significantly during the year, with headline CPI easing to low levels (around 1.7% during April–December FY26), primarily driven by a sharp correction in food prices and favourable supply-side conditions. This disinflation supported real income growth and consumption demand, while core inflation remained contained despite intermittent pressures.

Fiscal and monetary policies remained supportive of growth. Strong tax collections, rationalisation of GST rates and sustained capital expenditure ensured fiscal discipline while supporting economic activity. On the monetary front, the Reserve Bank of India implemented cumulative repo rate cuts and liquidity measures, improving credit flow and reducing borrowing costs. The banking sector remained resilient, with gross NPAs declining to multi-decade lows and profitability improving.

India's external sector remained stable despite global uncertainties. Total exports maintained momentum, supported by strong services exports, while remittances continued to provide a stable source of external financing. The current account deficit remained moderate, and foreign exchange reserves provided a comfortable import cover, ensuring external stability. Structural reforms, including GST rationalisation, deregulation measures and the implementation of labour codes, further strengthened the business environment and enhanced economic efficiency.

Outlook

The outlook for the Indian economy remains positive, supported by strong domestic fundamentals and policy continuity. Real GDP growth for FY 2026–27 is projected in the range of 6.8%–7.2%, with medium-term growth potential estimated at around 7%.

Growth is expected to be driven by resilient consumption demand, improving private investment and continued government focus on infrastructure development. Stable inflation, strengthening balance sheets across corporates and banks and ongoing policy reforms are expected to sustain economic momentum.

While the global environment remains uncertain due to geopolitical tensions, trade fragmentation and financial volatility, India is relatively well-positioned. External risks may impact exports and capital flows intermittently; however, strong domestic demand, prudent macroeconomic management and adequate policy buffers provide resilience.

[2]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219912&reg=48&lang=2

Going forward, continued emphasis on fiscal discipline, supply-side reforms and investment in infrastructure and digital ecosystems is expected to further enhance productivity and support long-term growth. Overall, the Indian economy is expected to maintain a steady growth trajectory, balancing resilience with caution amid evolving global dynamics.

Behind the headline growth, sectoral patterns show a broadening recovery; services, business support activities, manufacturing and construction have also picked up, supported by policy thrusts such as the Production Linked Incentive (PLI) schemes and renewed industrial estate modernisation. On the macro-prudential side, inflation has moderated during FY 2025-26, thanks to a combination of softer food price inflation, relatively stable energy costs, and effective monetary policy management. This has allowed the RBI to avoid aggressive tightening.

Despite global uncertainties, India is predicted to sustain its growth trajectory, supported by strong domestic demand, disinflationary trends and a moderate macro- economic environment.

4. Global Pulp and Paper Industry[3]

The global pulp and paper industry is expected to grow steadily in the coming years, mainly due to rising demand for sustainable packaging, hygiene products and eco-friendly alternatives to plastic. The global pulp and paper market size was valued at USD 351.7 billion in 2025 and is projected to grow from USD 357.6 billion in 2026 to USD 416.56 billion by 2035, exhibiting a CAGR of 1.7% during the forecast period. Asia Pacific dominated the pulp and paper market with a market share of 56% in 2025.

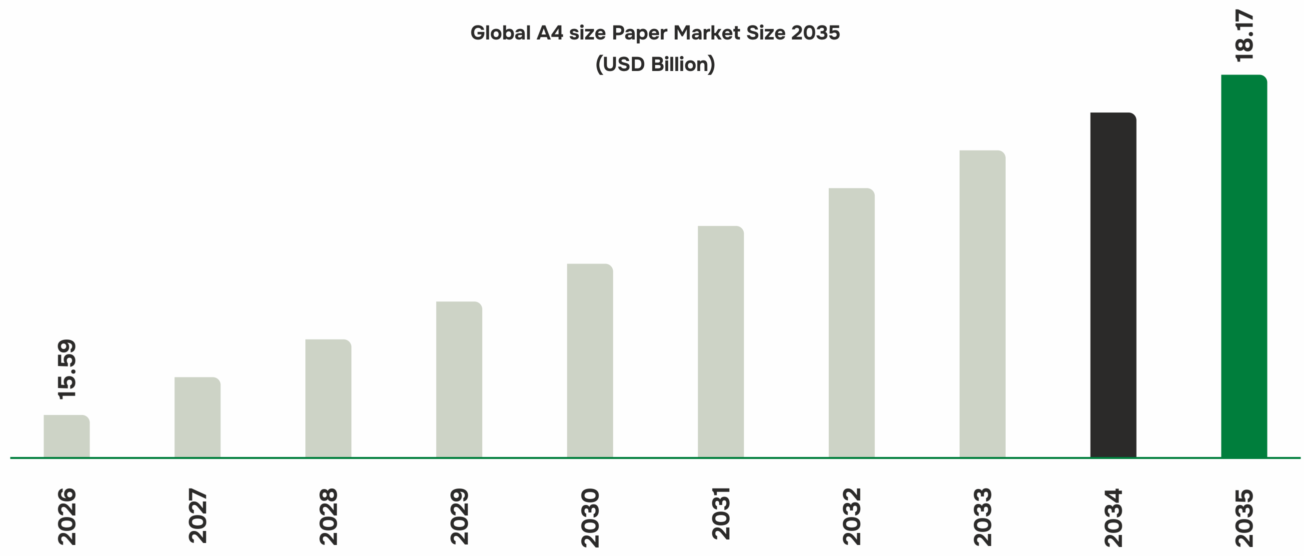
This growth reflects a global shift toward more environmentally responsible products, especially in packaging and consumer goods.

Asia Pacific is the leading region and is projected to dominate the global market for pulp and paper during the forecast period. Asia Pacific contributed 56.40% to the global market in 2025, with a valuation of USD 198.3 billion, and is projected to reach USD 202.1 billion in 2026. In this region, China is the largest manufacturer and consumer of the product globally. China is set to stand at USD 122.9 billion in 2026. Additionally, the rising adoption of pulp and paper-based products, improving lifestyles, and healthier economic growth will provide lucrative opportunities for paper-based products in the country. India is anticipated to be valued at USD 27.2 billion in 2026, while Japan is set to reach USD 14.1 billion in the same year.

Overall, the pulp and paper industry is evolving through innovation, greater environmental focus and increased adoption of paper- based products in sectors like food, healthcare and retail. With global awareness about sustainability on the rise, the industry is likely to remain an essential part of the green economy in the years ahead.

5. Global Writing and Printing Paper Industry[4]

According to the latest market estimates, the global paper goods market is entering a stable growth phase as increasing hygiene awareness, rapid expansion of e-commerce, and sustainability-driven material transitions reshape consumption patterns and procurement strategies. The market, valued at USD



Source: Business Research Insights

[3]https://www.fortunebusinessinsights.com/pulp-and-paper-market-103447

309.30 billion in 2025, is projected to reach USD 317.03 billion in 2026 and expand to USD 405.83 billion by 2036, registering a 2.5% CAGR over the forecast period.[4.1]

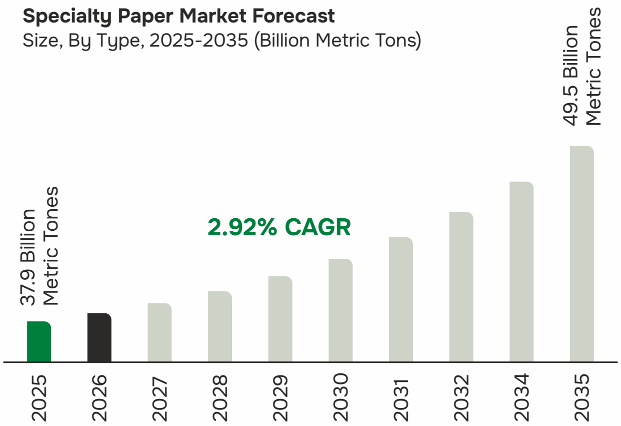
As procurement strategies evolve, buyers are shifting from standardized sourcing toward specification-driven purchasing, prioritizing certified product performance, sustainability credentials, and supply chain traceability.

The global kraft paper market was valued at USD 66.5 billion in 2025. The market is expected to grow from USD 71 billion in 2026 to USD 128.3 billion in 2035, at a CAGR of 6.8% according to latest report published by Global Market Insights Inc.[4.2]

The global A4 size paper Market is set to rise from USD 15.59 Billion in 2026 to hit USD 18.17 Billion by 2035, growing at a CAGR of 1.6% between 2026 and 2035.[4.3]

In summary, the global printing paper market is poised for moderate yet consistent growth, supported by the rising demand for sustainable products and expanding applications across various industries. The emphasis on environmental responsibility and innovation in paper production is expected to shape the market's trajectory in the coming years.

6. Global Specialty Paper Industry- Growth Trend[5]



Source: IMARC Report

The global specialty paper market is experiencing steady growth, driven by increasing demand for sustainable and high-performance paper solutions across various industries.

The global specialty paper market size reached 37.9 billion metric tons in 2025. Looking forward, the market is expected to reach 49.5 billion metric tons by 2034, exhibiting a CAGR of 2.92% during 2026-2034. Europe currently dominates the market, holding a significant market share of over 33.8% in 2025. The increasing demand for high-quality packaging material, growing adoption in the food and beverage industry, the rapid expansion of the construction industry, and rising need in the production of masking tapes are some of the factors driving the market growth.

The growth of the specialty paper market is largely attributed to the rising preference for eco-friendly and biodegradable materials, particularly in the packaging industry. The expanding e-commerce sector is also fuelling demand for specialty papers used in packaging and wrapping solutions. Advancements in printing technologies have further enhanced the applications of specialty papers in high-quality printing, labelling and graphics. Additionally, innovations in coatings and finishes are improving paper durability and functionality, supporting diverse applications across industries.

In summary, the specialty paper industry is set to experience robust growth, fuelled by the global shift towards sustainable materials, technological advancements and the increasing demand for high-performance paper solutions across various sectors.

7. Global Paper Industry Trends

Shift toward Sustainability: There is growing demand for recyclable, biodegradable and compostable paper products, especially in packaging as governments and companies move away from plastic.

Growth in Specialty Papers: Specialty papers used in applications like food packaging, labels, medical uses and industrial processing are witnessing steady demand. These papers often have unique properties like water resistance, durability, or barrier coatings.

Packaging Boom: E-commerce, food delivery and consumer goods sectors are driving strong demand for paper-based packaging boards, including folding box board (FBB), solid bleached sulfate (SBS) and kraft paper.

[4.1] https://www.morningstar.com/news/accesswire/1158200msn/global-paper-goods-market-outlook-2026-2036-china-india-lead-growth-as-procter-gamble-kimberly-clark-and-international-paper-expand
[4.2] https://www.gminsights.com/industry-analysis/kraft-paper-market
[4.3] https://www.businessresearchinsights.com/market-reports/a4-size-paper-market-119864
[5] https://www.imarcgroup.com/specialty-paper-market

Decline in Writing & Printing Paper in Developed Markets: Digital substitution in education, offices and publishing continues to reduce the demand for traditional printing and writing paper in North America and Europe.

Technological Advancements: Automation, AI and Industry 4.0 tools are being adopted to improve operational efficiency, reduce waste and enhance customization in paper manufacturing.

Regional Growth in Asia-Pacific: Countries like China, India, Indonesia and Vietnam are emerging as key producers and consumers due to industrial expansion, population growth and increasing consumer awareness.

Volatile Raw Material Prices: Fluctuations in pulp prices and energy costs are impacting profitability, prompting investments in in-house pulping and alternative raw materials.

8. Indian Pulp and Paper Industry[6]

The Indian pulp and paper industry is one of the fastest-growing sectors globally, currently ranking as the 15th largest paper producer in the world. Despite having nearly 15% of the global population, India accounts for only 5% of global paper output, indicating significant growth potential. The industry caters to various segments, including writing and printing paper, packaging, tissue and specialty papers. Key drivers of demand include rising literacy rates, increasing school enrollments, higher education spending, the nationwide ban on single-use plastics and the rapid expansion of e-commerce.

Paper consumption in India is expected to grow at a rate of between 6% and 7% annually and reach 30 million tons by 2026-2027, according to India's Business Standard.[6.1]

This has created a growing reliance on imports to meet local demand. With per capita paper consumption in India still at 15–16 kg compared to the global average of 57 kg, there is a large untapped market. Demand is expected to grow at a steady rate of 6–7% per year, with total consumption projected to exceed 35 million tonnes by 2035. The market value of the Indian paper industry is forecasted to reach USD 19.1 billion by 2033, with an estimated CAGR of around 7.5%.[6.2]

Over the past 5-7 years, the industry has seen investments of over 25,000 crore in expanding production capacity and adopting modern technology.[6.2] However, it still faces significant challenges, particularly in sourcing raw materials. India experiences an annual wood shortage of around 2 million tonnes, which increases production costs by roughly USD 150 per tonne compared to other Asian producers. Additionally, the country's wastepaper recovery rate is just 15%, far below the global average of 30-85%. The absence of a structured agroforestry policy also limits sustainable raw material sourcing and hinders further investment, especially among small and medium paper mills.

Despite these obstacles, the Indian pulp and paper industry contributes significantly to the economy and sustainability goals. It is one of the few sectors that is "wood positive," meaning it plants more trees than it uses. The industry supports over 1.2 million hectares of agroforestry and provides employment to more than 2 million people, both directly and indirectly. It also contributes around Rs. 5,000 crore annually to the national exchequer. With the adoption of automation, energy-efficient technologies and integrated systems, the sector is becoming more competitive and environmentally responsible. These strengths position India's pulp and paper industry for long-term growth, driven by strong domestic demand, innovation and alignment with national goals like "Make in India" and "Aatmanirbhar Bharat."

9. Indian Writing and Printing Paper[7]

The Indian writing and printing paper industry is growing steadily due to rising literacy levels, government policies like the National Education Policy (NEP) and increasing demand for education-related materials. According to the Indian Paper Manufacturers Association (IPMA), the writing and printing paper market is growing at a rate of 3% per year. Within this market, copier paper is growing even faster, at a rate of 4.5% annually and now makes up about 25% (one-fourth) of the total domestic demand for paper, paperboard and newsprint.

India's total paper consumption is around 25-28 million tonnes per year and the writing and printing paper segment plays a significant role in this. The implementation of the NEP is leading to the printing of new books and learning materials, which has increased the demand for such paper. The start of the academic year in April-June usually brings a seasonal rise in demand.

On the other hand, the Indian industry is facing challenges from cheaper imported paper, which puts pressure on local producers by bringing down prices. This has led to a 10-15% drop in domestic prices in recent months. At the same time, the cost of raw materials and logistics remains high, squeezing profit margins for Indian manufacturers.

Despite these difficulties, the industry is trying to grow stronger by improving product quality, increasing

[6.1] https://www.industrialinfo.com/news/article/indias-paper-consumption-to-rise-by-2027--310801

[6.2] https://thepulpandpapertimes.com/news/my-knowledge/indian-paper-industry-2188

[6.3] https://thepulpandpapertimes.com/news/india/ipma-writing-2109

[7] https://thepulpandpapertimes.com/news/my-knowledge/indian-paper-industry-2188

production and promoting the use of domestically made paper. Overall, the Indian writing and printing paper sector is evolving steadily, supported by educational needs and growing local demand, though it must continue to tackle pricing and competition issues.

10. Indian Specialty Paper

India's specialty paper industry is growing quickly because of rising demand in areas like hygiene, packaging and food safety. Specialty papers include products like tissue paper, decor paper, thermal paper, filter paper, cigarette paper and fine printing papers. Among these, tissue paper is seeing the fastest growth due to people becoming more health-conscious and needing better hygiene products.

11. Indian Paper Industry Trends

High Growth Potential: India is one of the fastest-growing paper markets globally, with paper consumption expected to reach around 30 million tonnes by FY 2026–27, growing at 6–7% CAGR.

Low Per Capita Consumption: India's per capita paper consumption (15-16 kg) remains significantly lower than the global average (57 kg), indicating ample room for growth as literacy, urbanization and income levels rise.

Rise in Writing & Printing Paper Demand: Despite global declines, the Indian market is expected to remain resilient due to increasing school enrollments, government education programs and the New Education Policy.

Boom in Packaging Boards: The demand for premium packaging boards is growing rapidly, fuelled by e-commerce, FMCG, pharma and foodservice sectors shifting toward eco-friendly alternatives.

Focus on Sustainability and Agro-Forestry: Paper manufacturers are investing in backward integration through agro-forestry, water conservation and renewable energy to ensure raw material security and regulatory compliance.

Increased Investment in Capacity Expansion: Companies are expanding production, especially in tissue, specialty and packaging papers, to cater to rising demand and export opportunities.

Regulatory Push: The ban on single-use plastics, along with environmental and packaging norms, is boosting the market for fibre- based alternatives in India.

12. Opportunities and Threats

Opportunities

Supportive Government Policies

Government measures such as the ban on certain plastics and heightened education expenditure will potentially bolster long-term growth. These policies offer innovative uses for paper products, thereby, propelling businesses and institutions towards more sustainable packaging and communication methods.

NEP Bolstering Printing and Writing Paper Demand

The National Education Policy (NEP), with a surging literacy rate and funding for education, is expected to drive heightened demand for notebooks, textbooks and other printed materials in the printing and writing paper segment.

Shift towards Sustainability

A rise in environmentally conscious consumers and businesses is strengthening the demand for eco-friendly products, thereby, enabling the paper industry to capitalise on the shift from plastic to paper packaging.

Circular Economy and Recycling Initiatives

Emphasis on reuse, recycling, and waste minimization aligns with circular economy models, encouraging innovation in sustainable product design within the paper sector.

Biorefinery and Bio-based Products

The developing biorefineries within pulp and paper mills allows for diversification of products such as bio-based chemicals, fuels and wood-based textile fibres, thereby, supporting the low-carbon economy.

Threats

High Raw Material Costs

The cost of key materials such as wood pulp has escalated sharply. Moreover, with other industries competing for the same raw materials and supply issues from past years, the prices remain high, thereby, financially straining the budgets of paper companies. However, backward integrated wood & agro pulp mill backed paper plants have mitigated impact to some extent.

Declining Sale Prices

The companies have witnessed a decline in average prices of paper goods. Concurrently, they remain incapable in conveying the rising input costs to customers due to cheap imports flooding the market and hindering their profits.

Impact of Digital Alternatives

With a growing population opting for digital learning, cloud communication, and e-governance, a gradual de-escalation is witnessed in the demand for traditional printing and writing paper, posing challenges for the segment.

13. Risks & Concerns and Risk Management

Risk Category	Description	Mitigation Strategy
Raw Material Supply	Seasonal availability of agro residue and surging demand for wood from other industries can cause supply shortages and escalate prices.	The Company ensures efficient supply through farmer tie-ups in-house production, buy-back programs and backward integration in terms of pulping.
Energy Dependence	Rising power costs and fossil fuel dependence can impact operational efficiency and heighten expenses.	The Company has established an in-house power plant and chemical recovery systems to reduce external dependence and minimise expenses.
Environmental Regulations	Strict pollution and water usage rules require consistent compliance.	Investments in effluent treatment, afforestation and resource-saving practices ensure adherence to environmental standards.
Import Competition	Cost-effective paper imports from ASEAN and East Asia may negatively impact sales and profit margins.	The Company is aided by government policies like the Paper Import Monitoring System by prioritizing product quality and cost efficiency.
Market and Policy Changes	The dynamic nature of government regulations and education policies can regulate the demand for paper products.	The Company consistently monitors policy updates and aligns its product strategy in accordance with standards such as NEP 2024 and plastic ban regulations.
Price Volatility	Fluctuations in pulp, bamboo and imported materials can significantly impact profit margins.	Smart pricing strategies, regular reviews and partial backward integration limit the impact.
Currency Fluctuations	Conducting international trade exposes the Company to exchange rate changes.	The Company utilises hedging and other financial tools to manage foreign exchange risks.
Interest Rate Surge	Higher interest rates can escalate borrowing costs and reduce profits.	The Company maintains a low-risk debt profile and meticulously plans borrowings to ensure financial stability.
Workforce Challenges	Challenges in identifying and retaining skilled employees can impact operational efficiency.	Nationwide recruitment, career growth opportunities and employee incentive programs are instrumental in the attraction and retention of key talent.
Health and Safety Risks	Employees are subject to safety risks in the operation of machinery.	Adherence to strict safety standards, regular training and proactive risk identification are instrumental in maintaining a safe work environment.
Digital Substitution	Digitalisation may reduce paper demand.	The Company is identifying growth opportunities in emerging segments such as sustainable packaging and specialty papers to adapt to the evolving needs.
Old Technology Risk	Outdated machinery may not align with the future global standards, resulting in inefficiencies.	The Company is modernising infrastructure and facilitating digital transformation through Project Nirmaan.
Transportation and Logistics Delays	Port congestion or freight disruptions can hinder seamless delivery.	The Company operates with a strong logistics network and substantial storage capacity. It ensures efficient functioning through meticulous supply chain monitoring.
Economic Slowdowns	Inflation or declining consumer expenditure can lower demand rates.	Flexible manufacturing and a diverse product portfolio enables the Company to adapt to dynamic market changes.
Legal and Compliance Risks	Legal non-compliance can result in penalty charges and reputational damage.	A dedicated compliance system and regular audits ensure legal adherence.

14. SWOT Analysis

Strengths	Elaboration
Integrated pulp manufacturing	The Company produces its own pulp using agro waste and wood, minimising costs and ensuring consistent raw material supply.
Wide product range	The Company offers a diverse range of writing, printing, copier, premium maplitho, cup stock base and specialty papers.
Focus on technology and automation	Investments in automation, advanced control systems (QCS/DCS) and digital tools through Project Nirmaan bolsters productivity and operational efficiency.
Strong sustainability practices	Through surface water utilisation, afforestation programs and chemical recycling, the Company reinforces its strong commitment to the environment.
Strategic location	The Company's strategic location in Punjab's agro belt ensures seamless production through reliable access to key raw materials such as wheat straw and sarkanda grass.

Weaknesses	Elaboration
High investment and prolonged setup period	Establishment of advanced paper production machinery and utilities demands substantial resources and considerable time. However time planning and cost benefit can have positive impact.
Seasonal supply and higher transportation cost for agro-residues	Seasonal availability of agro-based raw materials and high transportation cost is a challenge which can be mitigated to some extent by better planning.
Exposure to global pulp price changes	Exposure to global pulp price volatility for non-integrated operations may impact profitability and cost stability which can be reduced by integrated operations.
Dependence on fossil fuels	Sector-wide dependence on coal and fossil-based energy sources is still prevalent.

Opportunities	Elaboration
Growing demand for high- quality paper	Rising demand for premium copier paper, maplitho, and export-grade writing and printing paper presents strong growth prospects.
New product categories	The Company is steering growth by diversifying its product portfolio in the notebook, branded stationery, tissue paper and other value added products.
Export potential	The Company cost-efficient manufacturing offers export opportunities, predominantly in Asia and Africa where demand is surging.
Eco-friendly packaging market	Restrictions on single-use plastics are boosting demand for sustainable paper-based products like Kupstock (cup base) and Sipps (straw paper).
Industry 4.0 and AI integration	Through Project Nirmaan, the adoption of AI, IoT, cloud computing, and automation will enhance operational efficiency, minimise costs and improve product quality
Custom production for niche clients	The Company's flexible production process facilitates the manufacture of tailored products for schools, publishers and high-margin markets.

Threats	Elaboration
Cheap imports from FTA countries	Influx of low-cost paper imports from ASEAN and East Asian countries, particularly China and Indonesia, exerts downward pressure on domestic prices and market share.
Rising raw material costs	Escalating demands from biomass, MDF and plywood industries may raise wood and agro raw material prices.
Stricter environmental laws	The enforcement of stringent pollution and water use regulations will require additional investment in pollution control and sustainability measures.
Digitalization	Growing digitalization and cloud-based information management may reduce corporate printing demand.

15. Company's Segment-Wise Financial Performance & Analysis

Kuantum Papers Limited, with a legacy spanning over four decades, is a leading manufacturer of agro and wood-based Writing & Printing, Copier, and Specialty papers. The Company operates under a single business segment as per Indian Accounting Standards – the manufacturing and sale of paper. During FY 2025–26, the end-use distribution of Kuantum's paper products was approximately: 34.51% for printing and publishing, 27.75% for notebooks, 20.34% for photocopier paper, 5.24% for diaries, with the remainder catering to various other applications.

Kuantum's writing and printing papers serve a wide range of end uses, including books, notebooks, annual reports, directories, account books, envelopes, calendars, and general office stationery. In addition to its core offerings, the Company has built a strong portfolio of specialty products such as thermal paper, bond paper, parchment, azurelaid, cartridge, coloured, ledger, and stiffener papers. A key area of focus has been the development of sustainable specialty papers like base paper for cup stock and carry bags, which support the reduction of single-use plastics and reinforce the Company's commitment to environmental responsibility.

The broader Indian paper industry experienced a difficult year due to cyclical pressures, middle east war effects, risen input costs and lower NSR. An influx of low-priced imports led to oversupply and muted realizations in the domestic market. Concurrently, raw material costs, especially for domestic wood, escalated significantly due to limited availability and increased demand from competing wood-based industries. These developments exerted considerable pressure on industry profitability.

Despite these external challenges, Kuantum Papers delivered a resilient and benchmark-setting performance, underscoring its operational agility and strategic depth. Through continuous cost optimization, backward integration, and efficient operations, the Company maintained strong margins in adverse market conditions. Net Sales Realization declined by approximately 3-4%. Vis-a-Vis the paper industry peers, the Company was able to maintain a satisfactory EBITDA of 15.4%. During the year under review, Kuantum achieved highest-ever paper finished production of 1,62,885 MT (previous year 160,861 MT), reflecting efficient utilization of all paper machines.

The summarized financial performance of the Company for the financial year 2025-26 is given hereunder:

(Rs. in Crores)

Particulars	2025-26	2024-25
Sales & other income	1,099.56	1,113.12
EBITDA	168.24	248.68
Profit (Loss) before tax	56.55	155.38
Net Profit (Loss) after tax	41.95	115.18

The financial details and performance highlights are further elaborated in the Directors' Report and Financial Statements sections of this Annual Report.

16. 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 Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and subsequent amendments. The adoption of Ind AS ensures consistency, transparency and comparability of the Company's financial reporting aligning with global accounting standards.

17. 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 2025-26	FY 2024-25	% Change	Reason for Change of more than 25%
Current Ratio (in times)	0.66	0.83	-20%	-
Current Ratio (in times)-without considering current maturity of debts.	1.27	1.47	-14%	-
Debt Equity Ratio (in times)	0.71	0.54	31%	Paper mill expansion project is going on due to which overall long term debt increased.
Debt Service Coverage Ratio (in times)	0.96	1.50	-36%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices.
Return on Net Worth (%)	3.44	9.86	-65%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices.
Inventory Turnover (in times)	6.03	6.02	0%	-

Ratios	FY 2025-26	FY 2024-25	% Change	Reason for Change of more than 25%
Trade Receivables Turnover (in times)	29.64	33.70	-12%	-
Trade Payables Turnover (in times)	17.52	17.37	1%	-
Net Capital Turnover (in times)	19.98	12.71	57%	Increased due to decline in net sales realisation per MT of paper by 3-4% and decrease in net current assets.
Interest Coverage Ratio (in times)	3.00	7.09	-58%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices. Increase in debt due to Paper Mill expansion project.
Operating Profit Margin (%)	15.39	22.46	-31%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices.
Net Profit Margin (%)	3.84	10.42	-63%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices.
Return on Capital Employed (%)	4.50	9.66	-53%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices.

18. Outlook

India is the world's fastest-growing paper market, with a projected demand of 30 million tonnes by FY 2026-27, growing at an annual rate of 6-7%. This development is fuelled by factors such as increasing literacy rates, economic expansion, education expenditures, augmenting e-commerce and government restrictions on single-use plastics. Consequently resulting in a surging demand for writing, printing, packaging and specialty papers.

Kuantum Papers is poised to utilise these conditions by harnessing its strong in-house pulp manufacturing capabilities. By prioritising sustainable operations through agro-forestry and efficient water and energy usage, the Company aims to diversify its product portfolio through integrated operations, thereby, minimising production expenses and reducing environmental impact. It enables the Company to maintain a competitive edge in a capital-intensive and regulated industry.

By augmenting investments in capacity expansion, primarily in high-margin areas like tissue and specialty paper, through advanced paper machinery installation, recovery system upgradation and increasing pulp production, the Company is reinforcing its commitment to long-term, value-driven growth.

In addition to manufacturing upgrades, Kuantum is integrating digital transformation and Industry 4.0 technologies to improve operational efficiency, minimise expenses and bolster real-time decision-making. The Company maintains its commitment to product innovation and customer requirements, predominantly in premium segments.

Despite global trade issues, raw material price fluctuations and regulatory pressures, Kuantum's robust long-term strategy is centred on sustainable growth, operational efficiency and value-creation for all stakeholders.

Conclusion

Kuantum is aligned with the evolving paper industry through its focus on cost leadership, sustainability, innovation and digitalization. With robust presence in the writing and printing segment, expanding operations in specialty packaging papers and a commitment to environmental responsibility, Kuantum is poised to meet domestic and global requirements, support rural employment and promote a sustainable economy.

19. Human Resources and Industrial Relations

Kuantum Papers Limited acknowledges its employees as its greatest strength. As of March 31, 2026, the Company had 1,399 employees across various roles including managerial, technical, supervisory and operational staff. Kuantum Papers Limited follows effective human resource policies that promote performance, fairness, inclusion and consistent development.

During the year, several career-oriented training programs were conducted to prepare the employees for Industry 4.0. These included practical sessions on data integration, automation, smart maintenance and control system operations. Additional training focused on improving quality, safety and processes, with support from both external consultants and internal teams. Kaizen initiatives encouraged continuous improvement within production and quality departments, while cross-functional knowledge sharing enhanced collaboration and flexibility across the organization.

To promote employee engagement, Kuantum Papers Limited conducted its annual employee satisfaction survey to gather feedback and improve the work environment. The Company also celebrated key milestones, safety week and cultural events. Mechanisms were established to address employee grievances, gather suggestions and ensure workplace safety through dedicated committees.

Throughout FY 2025-26, industrial relations at Kuantum maintained regular dialogue with union leaders and worker representatives and discussions regarding wages and benefits were managed amicably. Kuantum Papers Limited prioritises open communication, fair practices and workforce welfare.

Moreover, Kuantum Papers Limited is dedicated to the growth and development of its employees. It has implemented structured systems for career planning, regular evaluations and job rotations. As the Company expands and adopts automated processes, it is proactively engaged to reskill its workforce to fulfil operational requirements.

20. Internal Control Systems and their Adequacy

Kuantum Papers Limited has established a robust and well-structured internal control system designed to provide reasonable assurance regarding the safeguarding of assets, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies.

The Company has implemented SAP as its integrated ERP platform, further strengthening internal controls and ensuring seamless, real-time monitoring of business processes. Annual business plans are prepared and from these, detailed quarterly budgets for both revenue and capital expenditure are formulated. Actual performance is closely tracked against these budgets and any deviations are promptly analysed and addressed.

Internal controls are supported by regular management reviews and an independent internal audit mechanism conducted by a reputed firm of Chartered Accountants. These audits cover a wide range of operational areas and assess the adequacy and effectiveness of existing controls. The internal audit scope includes evaluating policies, practices, procedures, authorisation protocols, reliability of the management information system and the safeguarding of assets.

Internal audit reports are presented to the Audit Committee, which closely monitors the effectiveness of the control systems, reviews audit findings and guides implementation of corrective measures. The Statutory Auditors also regularly interact with the Audit Committee to ensure alignment in audit observations and progress on recommended improvements. The internal financial control systems of the Company were independently reviewed and the same were adequate and were operating effectively for the year ended 31st March, 2026.

The Company maintains a formal Code of Conduct, well-documented policies and standard operating procedures across departments to reinforce the internal control environment. Overall, the internal control framework is geared towards ensuring accuracy in financial reporting, operational efficiency, statutory compliance and asset protection thereby contributing significantly to sound corporate governance and risk mitigation.

21. Cautionary Statement

This Management Discussion and Analysis contains forward-looking statements that reflect the Company's current views, expectations and projections with respect to future performance, business strategies and market conditions, as permitted under applicable laws and regulations. These statements are based on certain assumptions and are subject to known and unknown risks, uncertainties and other factors - many of which are beyond the Company's control.

Actual results, performance, or achievements may differ materially from those expressed or implied in these forward-looking statements due to various factors, including but not limited to: fluctuations in global and domestic demand and supply dynamics, volatility in raw material availability and pricing, changes in finished goods pricing, evolving regulatory and tax frameworks, environmental and economic conditions, judicial outcomes, industrial relations and other unforeseen events.

The Company undertakes no obligation to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these statements, which are made based on information available as of the date of this report.

Independent Auditors' Report

To the Members of Kuantum Papers Limited

Report on the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Kuantum Papers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, 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, 2026, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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.

Description of Key Audit Matter

Key Audit Matters	How our Audit Addressed the matter
Revenue Recognition- The Company's revenue primarily arises from the sale of products and is recognized upon the transfer of control of the goods to the customer, provided there are no remaining performance obligations. Revenue is measured at the fair value of the consideration received or receivable and is presented net of trade discounts and rebates. Revenue is a key driver of the Company's profitability and is therefore inherently susceptible to the risk of material misstatement. This risk is elevated by the potential for premature recognition, inaccurate cut-off procedures, and improper estimation of discounts, rebates, and other variable consideration. The estimation of such elements, assessment of performance obligations, and determination of the transfer of control involve significant management judgment. These complexities increase the risk of revenue misstatement, making revenue recognition a key focus area during the audit.	Our procedures included and were not limited to the following: 1. Evaluated appropriateness and consistency of revenue recognition policies with Ind AS 115. 2. Verified recognition of revenue only upon transfer of control and fulfilment of performance obligations. 3. Tested design and operating effectiveness of controls over timing of revenue recognition, including period-end cut-off and Computation and accrual of discounts and volume rebates. 4. Performed Test of Details and Substantive Testing: • Cut-off Procedures: Verified a sample of sales transactions around year-end using dispatch/shipping documents and goods acceptance receipts to ensure proper cut-off. • Transaction Testing: Selected statistical samples of revenue transactions and matched them to sales invoices, delivery notes, and customer confirmations. • Conducted variance/trend analysis of revenue, discounts, and rebates across periods. • Assessed manual adjustments and journal entries posted to revenue accounts to identify unusual or unsupported entries.

Key Audit Matters	How our Audit Addressed the matter
Procurement and physical verification of agriculture based raw materials- 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. 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. In view of the above, we have identified the confirmation of physical inventories of raw material as a key audit matter.	Our procedures included and were not limited to the following: 1. 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. 2. 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. 3. Assessed the appropriateness of the underlying data and estimates used for calculation of the yield ratio and compared the same with the previous years. 4. Tested the manual journal entries to identify unusual items. 5. 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.

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.

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.

   (e) On the basis of written representations received from the directors as on March 31, 2026 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note 38 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 43 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 2025, 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.

Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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 Regn No. 000018N/N500091

(ATUL BAGLA)
PARTNER
M No. 091885
UDIN : 26091885EAMGAH8513

PLACE : CHANDIGARH
DATED : MAY 26, 2026

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 Kuantum Papers Limited ("the Company") as of 31st March 2026 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.

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 2026, 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 Regn No. 000018N/N500091

(ATUL BAGLA)
PARTNER
M No. 091885
UDIN : 26091885EAMGAH8513

PLACE : CHANDIGARH
DATED : MAY 26, 2026

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, 2026 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, 2013. 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	69.94	2008-2009	CESTAT, Chandigarh
Goods and Service Tax Act	GST	9.59	2018-19	Commissioner Appeals
Goods and Service Tax Act	GST	1,246.65	2019-20	Commissioner Appeals
Goods and Service Tax Act	GST	0.07	2025-26	Commissioner Appeals

*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 previous years, 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, 2026.

ix. a) According to the information and explanations given to us, 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 45IA 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 Regn No. 000018N/N500091

(ATUL BAGLA)
PARTNER
M No. 091885
UDIN : 26091885EAMGAH8513

PLACE : CHANDIGARH
DATED : MAY 26, 2026

Balance Sheet

As at 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	Note	As at 31 March, 2026	As at 31 March, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,809.88	1,601.30
Capital work-in-progress	3	262.54	155.23
Right-of-use assets	4	9.91	-
Investment property	5	7.11	7.24
Other intangible assets	6	10.73	10.08
Intangible assets under development	6	0.75	1.06
Investments	7	1.00	-
Financial assets			
- Other financial assets	8	10.82	4.92
Income tax assets (net)	9	7.66	1.56
Other non-current assets	10	22.93	60.11
Total non-current assets		**2,143.33**	**1,841.50**
Current assets			
Inventories	11	131.44	126.20
Financial assets			
- Trade receivables	12	44.27	39.09
- Cash and cash equivalents	13	40.93	9.24
- Other bank balances	14	7.55	12.20
- Other financial assets	8	0.75	0.98
Other current assets	15	30.59	83.55
Total current assets		**255.53**	**271.26**
TOTAL ASSETS		**2,398.86**	**2,112.76**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	8.73	8.73
Other equity	17	1,219.59	1,203.98
Total equity		**1,228.32**	**1,212.71**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	589.70	402.73
- Lease liabilities	19	8.93	-
- Other financial liabilities	20	27.42	26.20
Deferred tax liabilities (net)	21	154.51	139.97
Deferred income	22	4.08	4.33
Total non-current liabilities		**784.64**	**573.23**
Current liabilities			
Financial liabilities			
- Borrowings	18	270.14	250.92
- Lease liabilities	19	0.98	-
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	23	9.37	9.34
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	54.67	32.51
- Other financial liabilities	20	47.07	26.65
Other current liabilities	24	3.42	5.44
Deferred income	22	0.25	0.25
Current Tax liabilities (net)	25	-	1.71
Total current liabilities		**385.90**	**326.82**
TOTAL LIABILITIES		**1,170.54**	**900.05**
TOTAL EQUITY AND LIABILITIES		**2,398.86**	**2,112.76**

Material accounting policy information	2	
Notes to the financial statements	3-45	

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: 26th May 2026

For and on behalf of the Board of Directors of
Kuantum Papers Limited

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
Vice Chairman & Managing Director
DIN - 00026256

Vikram Kumar Khaitan
Chief Financial Officer

Gurinder Singh Makkar
Company Secretary

Place : Chandigarh
Dated: 26th May 2026

Place : Chandigarh
Dated: 26th May 2026

Statement of Profit and Loss

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	Note	Year ended 31 March, 2026	Year ended 31 March, 2025
Revenue from operations	26	1,093.16	1,107.04
Other income	27	6.40	6.08
Total income		**1,099.56**	**1,113.12**
Expenses			
Cost of materials consumed	28	395.69	357.41
Purchase of stock-in-trade		0.10	0.00
Changes in inventories of finished goods and work in progress	29	(0.04)	2.14
Employee benefits expense	30	92.88	80.63
Finance costs	31	46.36	39.30
Depreciation and amortisation expense	32	65.33	54.00
Other expenses	33	442.69	424.26
Total expenses		**1,043.01**	**957.74**
Profit before income tax		**56.55**	**155.38**
Income tax expense	34		
Current tax		-	25.63
Adjustment of tax relating to earlier years		-	0.28
Deferred tax		14.60	14.29
Total income tax expense		**14.60**	**40.20**
Profit for the year		**41.95**	**115.18**
Other comprehensive income/(expense)			
Items that will not be re-classified to profit or loss			
- Remeasurement of defined benefit liability/(assets)		0.44	(0.18)
- Mark to market gain / (losses) on cash flow hedges		(0.67)	-
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liability/(assets)		(0.11)	0.05
- Mark to market gain / (losses) on cash flow hedges		0.17	-
Other comprehensive income/(expense) for the year (net of income tax)		**(0.17)**	(0.13)
Total comprehensive income/(expense) for the year		**41.78**	**115.05**
Earnings per equity share [nominal value of Re. 1 (previous year Re. 1)]	35		
a) Basic (Rs.)		4.81	13.20
b) Diluted (Rs.)		4.81	13.20

Material accounting policy information	2
Notes to the financial statements	3-45

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
Vice Chairman & Managing Director
DIN - 00026256

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: 26th May 2026

Vikram Kumar Khaitan
Chief Financial Officer

Place : Chandigarh
Dated: 26th May 2026

Gurinder Singh Makkar
Company Secretary

Place : Chandigarh
Dated: 26th May 2026

Statement of Changes in Equity

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

A. Equity share capital

Particulars	Note	
Balance as at 1 April 2024	16	8.73
Changes in equity share capital during the year		-
Balance as at 31 March 2025		**8.73**
Balance as at 1 April 2025		**8.73**
Changes in equity share capital during the year		-
Balance as at 31 March 2026		**8.73**

B. Other equity

Particulars	Reserves and surplus			Total
	Capital redemption reserve (Refer note 17)	General reserve (Refer note 17)	Retained earnings (Refer note 17)	
Balance as at 1 April 2024	**32.00**	**24.58**	**1,058.54**	**1,115.12**
Total comprehensive income for the year ended 31 March 2025				
Profit/(Loss) for the year	-	-	115.18	**115.18**
Other comprehensive income/(expense) (net of tax)	-	-	(0.13)	**(0.13)**
Total comprehensive income for the year	-	-	**115.05**	**115.05**
Dividend	-	-	(26.18)	**(26.18)**
Balance as at 31 March 2025	**32.00**	**24.58**	**1,147.41**	**1,203.98**
Total comprehensive income for the year ended 31 March 2026				
Profit/(loss) for the year	-	-	41.95	**41.95**
Other comprehensive income/(expense) (net of tax)	-	-	(0.17)	(0.17)
Total comprehensive income for the period	-	-	**41.78**	**41.78**
Dividend	-	-	(26.18)	(26.18)
Balance as at 31 March 2026	**32.00**	**24.58**	**1,163.01**	**1,219.59**

Material accounting policy information 2
Notes to the financial statements 3-45

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
Vice Chairman & Managing Director
DIN - 00026256

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: 26th May 2026

Vikram Kumar Khaitan
Chief Financial Officer

Place : Chandigarh
Dated: 26th May 2026

Gurinder Singh Makkar
Company Secretary

Place : Chandigarh
Dated: 26th May 2026

Cash Flow Statement

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
A Cash flow from operating activities		
Profit before income tax	56.55	155.38
Adjustments for:		
Depreciation and amortisation expense	65.33	54.00
Loss/ (profit) on sale of property, plant and equipment	0.24	3.36
Finance costs	46.36	39.30
Interest income	(1.00)	(0.84)
Foreign exchange (gain)/loss (unrealized)	-	(0.07)
Liabilities no longer required written back	(0.08)	(0.74)
Rental income	(0.50)	(0.56)
Others	(0.17)	(0.23)
Cash flow from operating activities before changes in following assets and liabilities	**166.73**	**249.60**
Changes in working capital:		
(Increase)/ decrease in other non-current assets	0.68	0.20
(Increase)/ decrease in inventories	(5.24)	(13.42)
Decrease/ (increase) in trade receivables	(5.17)	(4.88)
(Increase)/decrease in other financial assets	(5.91)	0.90
(Increase)/ decrease in other current assets	52.96	(4.71)
Increase/ (decrease) in provisions	0.44	(0.28)
(Decrease)/ increase in trade payables	22.19	(15.00)
Increase/ (decrease) in other financial liabilities	2.30	(1.60)
Increase/ (decrease) in other current liabilities	(2.01)	(1.52)
Cash generated by operating activities	**226.97**	**209.29**
Income tax paid / tax deducted at source (net of refund)	(7.81)	(32.34)
Net cash generated from operating activities (A)	**219.16**	**176.95**
B Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(327.05)	(312.95)
Proceeds from sale of property, plant and equipment	0.43	1.84
Rental income and others	0.50	0.56
Payment to acquire investments	(1.00)	-
Decrease/ (increase) in deposit accounts (having original maturity of more than three months)	4.69	(4.79)
Interest received	1.19	0.74
Net cash (used) in investing activities (B)	**(321.24)**	**(314.60)**
C Cash flows from financing activities		
Proceeds from long term borrowings	370.25	379.37
Repayment of long term borrowings	(140.05)	(260.99)
Proceeds/(Repayment) of short term borrowings (net)	(25.35)	22.76
Interest paid	(45.01)	(38.81)
Dividend paid	(26.06)	(26.04)
Net cash generated from/ (used in) financing activities (C)	**133.78**	**76.29**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**31.69**	**(61.35)**
Cash and cash equivalents at the beginning of the year (see below)	**9.24**	**70.59**
Cash and cash equivalents at the end of the year (see below)	**40.93**	**9.24**

Cash Flow Statement

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Notes:		
Cash and cash equivalents include :		
Balance with banks in current accounts	0.75	9.14
Fixed deposits with original maturities upto 3 months	40.00	0.04
Cash in hand	0.18	0.06
	40.93	**9.24**

Material accounting policy information	2
Notes to the financial statements	3-45

The accompanying notes form an integral part of the financial statements

1. 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 ".

2. During the year, the Company paid in cash Rs.4.60 crores (31 March 2025: Rs.3.60 crore) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 33 (b)).

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
Vice Chairman & Managing Director
DIN - 00026256

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: 26th May 2026

Vikram Kumar Khaitan
Chief Financial Officer

Place : Chandigarh
Dated: 26th May 2026

Gurinder Singh Makkar
Company Secretary

Place : Chandigarh
Dated: 26th May 2026

Notes to the Financial Statements

for the year ended 31st March 2026

1. Reporting entity

Kuantum 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

The standalone financial statements of the Company 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 31st March 2026, 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. 41.96 crore for the year ended 31st March 2026. 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 26th May 2026.

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 crore, 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 39 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 20 and 38 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources

Notes to the Financial Statements

for the year ended 31st March 2026

- Note 2(p) - Impairment of financial assets
- Note 2(q) - Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(a)(vi) - Fair value measurement
- Note 2(c) and 3 – Assessment of useful life of Property, plant and equipment
- 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), 21 and 34 – 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 entirely 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) 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.

Notes to the Financial Statements

for the year ended 31st March 2026

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 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.

c) 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.

d) 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 value of investment property is disclosed in the notes. Fair value 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.

Notes to the Financial Statements

for the year ended 31st March 2026

e) **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
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.

f) **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.

Notes to the Financial Statements

for the year ended 31st March 2026

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.

g) 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 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.

h) 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.

i) 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.

j) 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.

Notes to the Financial Statements

for the year ended 31st March 2026

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.

- 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.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost. Trade receivables are disclosed in Note 12.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract Liabilities are disclosed in Note 24 as Advances received from customers.

k) 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:

Notes to the Financial Statements

for the year ended 31st March 2026

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.

l) 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.

m) 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 at the end of the reporting period in India.

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.

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.

n) 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.

Notes to the Financial Statements

for the year ended 31st March 2026

i) The company as a lessee

The Company's lease asset classes primarily consist of leases for buildings and plant & machinery. 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.

Right of use assets

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.

Lease Liabilities

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 interest rate implicit in the lease or if that rate cannot be readily determined, 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 re-measurement 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 re-measurement in statement of profit and loss.

Short-term leases and leases of low-value assets

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.

ii) The Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease , based on whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. Leases that transfer substantially all risks and rewards of ownership are classified as finance leases, while all other leases are classified as operating leases. 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.

Notes to the Financial Statements

for the year ended 31st March 2026

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

o) 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 FVTOCI 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 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

Notes to the Financial Statements

for the year ended 31st March 2026

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 31st March 2026

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.

p) 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 as 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.

q) 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

Notes to the Financial Statements

for the year ended 31st March 2026

Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

r) 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.

s) 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.

t) 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.

u) 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. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges.

Foreign exchange differences on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs to the extent that they are regarded as an adjustment to interest costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other operating revenue or other expenses.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

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 2024	415.00	162.31	1,109.93	1.94	6.64	5.81	1,701.63	41.48
Additions	1.69	15.39	171.86	0.45	1.91	0.42	191.73	298.18
Disposals and adjustments	-	0.00	7.73	0.01	0.67	1.56	9.98	184.43 #
Balance as at 31 March 2025	**416.69**	**177.70**	**1,274.07**	**2.38**	**7.88**	**4.66**	**1,883.38**	**155.23**
Balance as at 1 April 2025	416.69	177.70	1,274.07	2.38	7.88	4.66	1,883.38	155.23
Additions	0.03	4.19	265.47	0.10	1.25	0.96	271.99	379.30
Disposals and adjustments	-	-	0.43	-	0.66	-	1.09	271.99 #
Balance as at 31 March 2026	**416.72**	**181.88**	**1,539.10**	**2.48**	**8.48**	**5.62**	**2,154.28**	**262.54**
Accumulated depreciation								
Balance as at 1 April 2024	-	24.38	201.42	1.18	2.24	4.60	233.81	-
Depreciation for the year	-	5.41	46.08	0.19	0.73	0.63	53.05	-
Disposals and adjustments	-	0.00	2.77	0.01	0.43	1.56	4.78	-
Balance as at 31 March 2025	**-**	**29.79**	**244.73**	**1.35**	**2.55**	**3.66**	**282.08**	-
Balance as at 1 April 2025	-	29.79	244.73	1.35	2.55	3.66	282.08	-
Depreciation for the year	-	5.76	55.36	0.20	0.85	0.57	62.74	-
Disposals and adjustments	-	-	0.15	-	0.27	-	0.43	-
Balance as at 31 March 2026	**-**	**35.55**	**299.94**	**1.55**	**3.12**	**4.23**	**344.39**	**-**
Carrying amount (net)								
As at 31 March 2025	**416.69**	**147.91**	**1,029.34**	**1.03**	**5.34**	**1.00**	**1,601.30**	**155.23**
As at 31 March 2026	**416.72**	**146.34**	**1,239.17**	**0.92**	**5.35**	**1.39**	**1,809.88**	**262.54**

Represents capital-work-in-progress capitalized during the year.

Note:

a. Refer note 18 for information on property, plant and equipment pledged as security by the Company.

b. Refer note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. Capitalised borrowing costs related to the plant and equipment amounted to Rs. 21.12 crore (previous year: Rs. 10.92 crore).

d. The company has not revalued/fair valued its Property, Plant and Equipment (including Investment Properties) and Intangible Assets during the current and previous year.

e. 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.

f. Disclosure for Capital Work in Progress

CWIP ageing schedule

As at March 31,2026

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	230.42	31.96	0.16	-	262.54
Projects temporarily suspended	-	-	-	-	-

As at March 31,2025

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	154.11	1.12	-	-	155.23
Projects temporarily suspended	-	-	-	-	-

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

4 Right of Use (ROU) Assets

Particulars	Plant and equipment
Gross carrying amount	
Balance as at 1 April 2024	-
Additions	-
Disposals and adjustments	-
Balance as at 31 March 2025	**-**
Balance as at 1 April 2025	-
Additions	9.91
Disposals and adjustments	-
Balance as at 31 March 2026	**9.91**
Accumulated depreciation	
Balance as at 1 April 2024	-
Depreciation for the year	-
Balance as at 31 March 2025	-
Balance as at 1 April 2025	
Depreciation for the year	-
Balance as at 31 March 2026	-
Carrying amount (net)	-
As at 31 March 2025	-
As at 31 March 2026	**9.91**

5 Investment property

Particulars	Total
Gross carrying amount	
Balance as at 1 April 2024	8.40
Additions	-
Disposals and adjustments	-
Balance as at 31 March 2025	**8.40**
Balance as at 1 April 2025	8.40
Additions	-
Disposals and adjustments	-
Balance as at 31 March 2026	**8.40**
Accumulated depreciation	
Balance as at 1 April 2024	1.03
Depreciation for the year	0.13
Balance as at 31 March 2025	**1.16**
Balance as at 1 April 2025	1.16
Depreciation for the year	0.13
Balance as at 31 March 2026	**1.29**
Carrying amount (net)	
As at 31 March 2025	**7.24**
As at 31 March 2026	**7.11**

Note: Fair value and valuation technique disclosure

As at 31 March 2026, the Company has not obtained a fresh valuation of its investment property. Management has assessed the need for revaluation and believes that the fair value determined as at 31 March 2024 remains appropriate, based on the following:

a) Market Conditions: The real estate market has remained stable during the year, with no material changes in rental yields, occupancy, or other factors affecting valuation.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

b) Consistency in Assumptions: Projected lease rentals, occupancy levels, and other cash flow inputs remain broadly consistent with those used in the prior year's valuation.

c) Prior Valuation Basis: The fair value of Rs. 14.39 crore as at 31 March 2024 was determined by an independent registered valuer using the income approach (Discounted Cash Flow method), based on assumptions relating to leasable area, rental terms, cost and discounting parameters.

6 Other intangible assets and Intangible assets under development

Particulars	Computer Software	Intangible assets under development
Gross carrying amount		
Balance as at 1 April 2024	10.54	0.42
Additions	10.89	11.53
Disposals and adjustments	-	10.89 #
Balance as at 31 March 2025	**21.43**	**1.06**
Balance as at 1 April 2025	21.43	1.06
Additions	3.10	2.79
Disposals and adjustments	-	3.10 #
Balance as at 31 March 2026	**24.53**	**0.75**
Accumulated amortisation		-
Balance as at 1 April 2024	10.54	-
Amortisation for the year	0.81	-
Disposals and adjustments	-	-
Balance as at 31 March 2025	**11.35**	-
Balance as at 1 April 2025	11.35	-
Amortisation for the year	2.45	-
Disposals and adjustments	-	-
Balance as at 31 March 2026	**13.81**	**-**
Carrying amount (net)		-
Balance as at 31 March 2025	**10.08**	**1.06**
Balance as at 31 March 2026	**10.73**	**0.75**

Represents intangible assets under development capitalized during the year.

a. Disclosure for Intangible assets under development

Intangible assets ageing schedule:

As at March 31, 2026

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.75	-	-	-	**0.75**
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.06	-	-	-	**1.06**
Projects temporarily suspended	-	-	-	-	-

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

7 Investments

Particulars	Note	As at 31 March 2026		As at 31 March 2025	
		Number	Amount	Number	Amount
Non Current					
Fair value through Profit and Loss ("FVTPL")					
Investments in mutual funds (quoted)					
- ICICI Prudential Short Term Fund	(a)	1,59,715	1.00	-	-
		1,59,715	**1.00**	**-**	**-**

Note:

(a) Investment in mutual funds of Rs. 1 cr. (31 Mar 2025: Nil) is earmarked as security for equipment finance facility availed by the Company.

8 Financial Assets- Other financial assets

Particulars	Note	As at 31 March 2026		As at 31 March 2025	
		Current	Non-Current	Current	Non-Current
Deposits with original maturity of more than 12 months	(a)	-	-	-	0.04
Balance in unclaimed dividend accounts		-	0.50	-	0.38
Security deposits - Others		0.05	10.32	0.05	4.50
Interest accrued on deposits		0.08	-	0.27	-
Advances to employees		0.08	-	0.13	-
Others		0.54	-	0.52	-
	(b)	**0.75**	**10.82**	**0.98**	**4.92**

Note:

(a) Includes restricted deposits of Rs. Nil (31 March 2025: Rs. 0.04 crore) pledged as security for letter of credit, bank guarantee or held for margin money.

(b) Financial assets carried at amortized cost

9 Income tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance income-tax and tax deducted at source	7.66	1.56
	7.66	**1.56**

10 Other non-current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Capital advances	22.76	59.25
Advances other than capital advances		
- Prepaid expenses	0.17	0.39
Lease equalisation reserve *	-	0.47
	22.93	**60.11**

* Refer to Note 40

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

11 Inventories

(at lower of cost or net realisable value)

Particulars	As at 31 March 2026	As at 31 March 2025
Raw material and packing material#	73.10	59.19
Work-in-progress	1.95	1.65
Finished goods	0.02	0.28
Stores, spares and others#	31.12	28.79
Chemical and fuels	25.24	36.29
	131.44	**126.20**

Note:

# Includes material in transit	1.85	0.01

12 Financial Assets- Trade receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Trade receivables	44.27	39.09
	44.27	**39.09**
Less: Allowance for credit impairment	-	-
	44.27	**39.09**

Note:

Trade receivable ageing schedule

As at March 31, 2026

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	19.02	25.25	-	-	-	-
(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 2026

(Rs. in Crores, unless otherwise stated)

As at March 31, 2025

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	21.66	17.42	-	-	0.01	-
(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.

Trade receivables include Rs. 0.93 crore (31 March 2025 - Rs. Nil) receivable from related parties. Refer note 41 for details.

13 Financial Assets- Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks		
- in current accounts	0.75	9.14
- Fixed deposits with original maturities upto 3 months	40.00	0.04
Cash in hand	0.18	0.06
	40.93	**9.24**

14 Financial Assets- Other bank balances

Particulars	Note	As at 31 March 2026	As at 31 March 2025
Deposit accounts with original maturity of more than 3 months and upto 12 months from the reporting date	(a)	7.55	12.20
		7.55	**12.20**

Note:

(a) These deposits include restricted bank deposits pledged as security for letters of credit, bank guarantees and held for margin money amounting to Rs. 7.55 crore (31 March 2025: Rs. 12.20 crore).

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

15 Other current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Recoverable from / balance with government authorities	9.09	15.00
Prepaid expenses	4.18	3.27
Advances for supply of goods		
- considered good	16.64	64.79
- considered doubtful	0.10	0.10
Less : expected credit loss for doubtful advances	(0.10)	(0.10)
Others	0.68	0.49
	30.59	**83.55**

16 Equity Share capital

(i) Details of share capital

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 1 each. (31 March-2025 Rs.1 each)	25,00,00,000	25.00	25,00,00,000	25.00
	25,00,00,000	**25.00**	**25,00,00,000**	**25.00**
Authorised				
Preference shares of Rs. 10 each.	3,00,00,000	30.00	3,00,00,000	30.00
	3,00,00,000	**30.00**	**3,00,00,000**	**30.00**
Issued, subscribed and fully paid up				
Equity shares of Rs. 1 each fully paid up (31 March-2025 Rs. 1 each)	8,72,63,630	8.73	8,72,63,630	8.73
	8,72,63,630	**8.73**	**8,72,63,630**	**8.73**

(ii) Reconciliation of number of shares outstanding at beginning and end of the year

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	8,72,63,630	8.73	8,72,63,630	8.73
Increase on account of sub-division of equity shares	-	-	-	-
Balance at the end of the year	**8,72,63,630**	**8.73**	**8,72,63,630**	**8.73**

(iii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 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.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

(iv) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of the shareholder	As at 31 March 2026		As at 31 March 2025	
	Number of shares	% of equity shares held	Number of shares	% of equity shares held
Kapedome Enterprises Limited {Holding Company} (Equity shares of Rs. 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%	-

(v) *Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2026*

During the five years immediately preceding 31 March 2026 ('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.

17 Other Equity

(also refer to Statement of Changes in Equity)

Particulars	Capital redemption reserve	General reserve	Retained earnings	Total
Balance at 1st April, 2024	32.00	**24.58**	**1,058.54**	**1,115.12**
Add: Profit/(loss) for the year			115.18	115.18
Less: Dividend			(26.18)	(26.18)
Other comprehensive income(net of tax)			(0.13)	(0.13)
Transferred from retained earnings	-	-	-	-
Balance at 31st March, 2025	**32.00**	**24.58**	**1,147.41**	**1,203.98**
Add: Profit/(loss) for the year			41.95	41.95
Less: Dividend			(26.18)	(26.18)
Other comprehensive income(net of tax)			(0.17)	(0.17)
Transferred from retained earnings	**-**	**-**	-	-
Balance at 31st March, 2026	**32.00**	**24.58**	**1,163.01**	**1,219.59**

(a) 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.

(b) 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.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

(c) Retained earnings represent the profits that the Company has earned till balance sheet date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(d) Other comprehensive income (net of tax) represents actuatrial gains and losses and return on plan assets (excluding interest income) on remeasurements of defined benefit obligation and mark to market gain / (losses) on cash flow hedges.

18 Financial Liabilities - Borrowings

Financial Liabilities carried at amortised cost

I Non-current borrowings

Particulars	Note	As at 31 March 2026	As at 31 March 2025
Secured:			
Term-loans			
- From banks/NBFCs	18(a), (g)	668.73	501.00
- Vehicle loans	18(b)	3.73	3.96
Total (A)		**672.46**	**504.95**
Unsecured:			
Term-loans			
- From banks/NBFCs	18(c), (g)	50.00	-
Public deposits	18(d)		
- from related parties (refer note 41)		3.04	3.08
- others		15.11	15.22
Loans from related parties (refer note 41)	18(e)		
- Mr. Jagesh Kumar Khaitan		-	0.63
- Mrs. Usha Khaitan		-	0.42
- Kapedome Enterprises Limited		34.15	21.00
Total (B)		**102.30**	**40.35**
Total non-current borrowings (including current maturities) (A+B)		**774.76**	**545.31**
Less: Current maturities of non-current borrowings		**185.06**	**142.58**
		589.70	**402.73**

II Current borrowings

Particulars	Note	As at 31 March 2026	As at 31 March 2025
Secured:			
Loans repayable on demand	18(f)		
- Working capital		71.93	97.28
Current maturities of non-current borrowings			
Term loan			
- From banks/NBFCs		164.72	134.31
- Vehicle loans		1.22	1.12
Unsecured:			
Current maturities of non-current borrowings			
Term loan			
- From banks/NBFCs		12.91	-
Public deposits			
- From related parties (refer note 41)		5.67	3.46

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	Note	As at 31 March 2026	As at 31 March 2025
- From others		7.48	7.60
Current maturities of other non-current borrowings		6.21	7.15
		270.14	**250.92**

Note:

18 (a) Term Loan of:

i. Rs. 592.35 crores (31 March 2025 - Rs.465.76 crore) are secured by a first pari 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 Saila Khurd 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 Promoter directors.

ii. Rs 10.89 crores (31 March 2025 - Rs. 13.59 crores) is secured by exclusive charge on the office premises at Industrial Area Chandigarh and is also secured by personal guarantee of Promoter directors.

iii. Rs.18.73 crores (31 March 2025 - Rs. 24.79 crores) is secured by exclusive charge on machinery.

iv. Rs. 50.00 Crores (31 March 2025 - Nil) is secured by a subservient and continuing charge by way of hypothecation over current assets, 10% security deposit and personal guarantee of Promoter directors.

v. Rs. 3.24 Crores (31 March 2025 - 3.15 Crores) has been adjusted in the secured loans pursuant to the accounting treatments as recommended in IND AS 109.

vi. During the current year, the nominal (floating) interest rate was in the range of 7.50% to 13.00% per annum (31 March 2025 - 8.50% to 9.65% per annum).

vii. The term loans are repayable in quarterly installments with tenure ranging from 3 - 7 years.

viii. FCNR'B Loan of USD 19.16 Million (31 March 2025 - Nil) equivalent to Rs. 181.34 Crores (31 March 2025 - Nil) is included in Secured Term Loan of Rs. 668.73 Crores (31 March 2025 - Rs. 501 crore).

18 (b) Vehicle loans of Rs 3.73 crores (31 March 2025 - Rs. 3.96 crores) are secured against hypothecation of the specified vehicles purchased from proceeds of the said loans. The fixed rate of interest is in range from 8.20% to 10.59% per annum (31 March 2025 - 8.40% to 10.59% per annum). The vehicle loans are repayable in monthly equal installment with tenure ranging from 1-5 year

18 (c) Unsecured loan- Rs. 50.00 Crores (31 March 2025 - Nil) unsecured terms loans backed by personal guarantee of Promoter directors.

18 (d) Public deposits carry interest rate ranging between 8.50% to 9.75% per annum (31 March 2025 - 8.50% to 9.75% per annum) and carry a maturity period from 12 to 36 months from the respective date of deposits.

18 (e) The fixed rate of interest on loans from promoters, directors and relatives in current year is at rate of 9% per annum (31 March 2025: 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.

18 (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 Promoter directors. The floating rate of interest on the loans is 7.61% to 9.60% per annum (31 March 2025: 8.75% to 9.60% per annum).

18 (g) The term loans are repayable in quarterly installments with tenure ranging from 3 - 7 years.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

19 Lease Liabilities

Particulars	As at 31 March 2026		As at 31 March 2025	
	Current	Non-Current	Current	Non-Current
Lease liabilities (Refer Note 40)	0.98	8.93	-	-
	0.98	**8.93**	**-**	**-**

Reconciliation of movements of liabilities to cash flows arising from financing activities (Borrowings and Lease Liabilities)

Particulars	As at 31 March 2026	As at 31 March 2025
Borrowings at the beginning of the year (current and non current) including short term		
- Borrowings (current and non current) including short term	653.65	512.50
- Lease liabilities (current and non current)	-	-
	653.65	**512.50**
Cash flow movements:		
- Proceeds from borrowings*	344.90	402.13
- Repayment of borrowings*	(140.05)	(260.99)
- Repayment of lease liabilities	-	-
	204.85	**141.14**
Non Cash flow movements:		
- Forex loss on restatement of FCNR'B Loan	1.34	-
- Addition to lease liabilities	9.91	-
	11.26	-
Borrowings at the end of the year (current and non current) including short term		
- Borrowings (current and non current) including short term	859.84	653.65
- Lease liabilities (current and non current)	9.91	-
Total	**869.75**	**653.65**

* Including net movement during the year for short term borrowings

20 Financial Liabilities- Other financial liabilities

Financial Liabilities carried at amortised cost	As at 31 March 2026		As at 31 March 2025	
	Current	Non-Current	Current	Non-Current
Interest accrued	1.30	0.33	1.26	0.36
Unpaid dividends	0.50	-	0.38	-
Capital creditors	35.34	-	16.80	-
Security deposits	0.70	27.09	-	25.84
Employee related payables	8.54	-	8.18	-
Liability for mark to market loss on forward contracts*	0.67	-	-	-
Others	0.02	-	0.03	-
	47.07	**27.42**	**26.65**	**26.20**

* The Company has entered into foreign exchange forward contracts to manage foreign exchange risk arising from foreign currency borrowings and related interest payments. The outstanding notional amount of forward contracts as at 31 March 2026 is USD 19.16 million (31 March 2025 - Nil). The fair value of the outstanding forward contracts resulted in a net derivative liability of Rs. 0.67 crore as at 31 March 2026 (31 March 2025 - Nil).

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

21 Deferred tax liabilities (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax liabilities on account of:		
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	157.25	140.34
Leave encashment payable	0.09	-
Deferred tax assets on account of:		
Loss allowance for doubtful receivables and advances	0.02	0.02
Loss as per Income Tax	1.56	-
Expenses allowable on payment basis	0.43	0.34
Processing fee Amortization as per IND AS-109	0.81	-
	154.51	**139.97**

Movement in temporary differences:

2025-2026

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities on account of:				
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	140.34	16.91	-	157.25
Remeasurement of defined benefit liability/(assets)	-	(0.11)	0.11	-
Leave encashment payable	-	0.09	-	0.09
Deferred tax assets on account of:				
Mark to market gain / (losses) on cash flow hedges	-	(0.17)	0.17	-
Loss allowance for doubtful receivables and advances	0.02	-	-	0.02
Loss as per Income Tax	-	1.56	-	1.56
Expenses allowable on payment basis	0.34	0.08	-	0.43
Processing fee Amortization as per IND AS-109	-	0.81	-	0.81
	139.97	**14.60**	**(0.06)**	**154.51**

2024-2025

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities on account of:				
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	126.69	13.65	-	140.34
Deferred tax assets on account of:				
Provision for employee benefits	-	(0.05)	0.05	-
Loss allowance for doubtful receivables and advances	0.02	-	-	0.02
Expenses allowable on payment basis	0.94	(0.60)	-	0.34
Processing fee Amortization as per IND AS-109	-	-	-	-
	125.73	**14.29**	**(0.05)**	**139.97**

22 Deferred income

Particulars	As at 31 March 2026		As at 31 March 2025	
	Current	Non-Current	Current	Non-Current
Deferred income on government grant	0.25	4.08	0.25	4.33
	0.25	**4.08**	**0.25**	**4.33**

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

23 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
- Payable to Micro Enterprises and Small Enterprises [refer note below]	9.37	9.34
- Other trade payables	54.67	32.51
	64.04	**41.85**

Trade payables include Rs. 0.001 crore (31 March 2025 - Rs. Nil) payable to related parties. Refer Note 41 for details.

Trade payable ageing schedule

As at March 31, 2026

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	-	9.37	-	-	-	-
(ii) Others	2.39	49.42	2.86	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

As at March 31, 2025

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	-	9.34	-	-	-	-
(ii) Others	10.15	19.40	2.96	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Where due date of payment is not available date of transaction has been considered.

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 2026	As at 31 March 2025
(a) The amounts remaining unpaid but not due to micro and small enterprises as at the end of the year		
- Principal	9.37	9.34
- 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	-	-

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
(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 the year	-	-
(e) 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 Rs. Nil (31 March 2025: Rs. 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.

24 Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Contract liabilities (Advance from customers)	0.59	2.72
Statutory dues	2.83	2.72
	3.42	**5.44**

25 Current tax liabilities (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for income tax (net of advance tax)	-	1.71
	-	**1.71**

26 Revenue from operations

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Sale of products	1,085.21	1,099.76
Other operating revenues		
Scrap sales	7.40	6.12
Export incentives	0.55	1.16
	1,093.16	**1,107.04**
Revenue disaggregation by geography is as follows:		
Geography		
India	1,041.10	1,027.90
Outside India	44.11	71.86

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 2026 & Previous year ended 31 March 2025.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Reconciliation of revenue recognized with the contracted price is as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Contracted price	1,110.65	1,140.48
Reductions towards variable consideration components	17.49	33.44
Revenue recognised	**1,093.16**	**1,107.04**

The reduction towards variable consideration comprises cash discounts, trade discounts and rebates etc.

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Contract Balances		
Trade receivables	44.27	39.09
Contract liabilities	0.59	2.72

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.

27 Other income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest income:		
on bank deposits	0.88	0.73
others *	0.12	0.11
Rental income	0.50	0.56
Liabilities no longer required written back	0.08	0.74
Others	4.82	3.94
	6.40	**6.08**

* Represents interest on security deposit to Punjab State Power Corporation Limited etc.

28 Cost of materials consumed

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Raw material consumed		
Opening stock of raw materials	57.67	45.50
Add: Purchases of raw materials	373.32	336.13
Less: Closing stock of raw materials	71.25	57.67
	359.73	**323.97**
Packing material consumed		
Opening stock of packing materials	1.52	1.38
Add: Purchases of packing materials	36.29	33.58
Less: Closing stock of packing materials	1.85	1.52
	35.96	**33.44**
	395.69	**357.41**

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

29 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening stock		
Work-in-progress	1.65	3.83
Finished goods	0.28	0.24
	1.93	**4.07**
Less: Closing stock		
Work-in-progress	1.95	1.65
Finished goods	0.02	0.28
	1.97	**1.93**
	(0.04)	**2.14**

30 Employee benefits expense

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus	82.93	72.03
Contributions to provident fund and other funds (also refer note 39)	8.50	7.59
Staff welfare expenses	1.45	1.02
	92.88	**80.63**

31 Finance costs

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest expense on financial liabilities measured at amortised cost	43.84	37.55
Other borrowing costs *	2.52	1.75
	46.36	39.30

* It includes Rs. 1.34 Crores attributed to foreign exchange adjustment as per IND AS 23 on FCNR'B loan.

32 Depreciation and amortisation expense

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation on property, plant and equipment and investment property	62.87	53.19
Amortisation of intangible assets	2.46	0.81
	65.33	**54.00**

33 Other expenses

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Stores and spares consumed	35.07	31.99
Chemicals consumed	205.94	193.54
Power and fuel	139.91	134.01
Water Charges	7.75	9.54
Rent	0.38	0.38

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Repair and maintenance		
- Buildings	1.11	1.70
- Machinery	12.04	13.92
- General Repair	0.08	0.10
Insurance	2.10	3.98
Rates and taxes	0.37	0.50
Legal and professional fees [refer note 33(a)]	6.89	6.51
Loss on sale of property, plant and equipment	0.24	3.36
Exchange loss on foreign exchange fluctuations (net)	0.77	0.10
Corporate social responsibility expenses [refer note 33(b)]	4.60	3.60
Bank charges	0.71	0.88
Commission on sales	2.92	1.38
Donation	0.01	0.21
Miscellaneous expenses	21.80	18.57
	442.69	**424.26**

Note (a): Auditors' remuneration (excluding taxes as applicable)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
As Auditor		
Statutory audit	0.20	0.18
Limited review of quarterly results	0.09	0.09
In other capacity		
Reimbursement of expenses	0.01	0.01
	0.29	**0.28**

Note (b): Detail of corporate social responsibility expenditure

(i) Gross amount required to be spent by the company during the year is Rs. 4.60 crore (31 March 2025: Rs. 3.59 crore)

(ii) Amount approved by the Board to be spent during the year is Rs. 4.60 crore (31 March 2025: Rs. 3.60 crore)

(iii) 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 (a) above	4.60	-	**4.60**

(iv) Nature of CSR Activities: Village school repair, street construction, assistance for education, solar lights, healthcare, water and sewerage services in nearby areas

(v) Details of related party transactions : NA

(vi) 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 2026

(Rs. in Crores, unless otherwise stated)

34 Tax expense

a) Income tax recognised in statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current tax	-	25.63
Deferred tax		
Attributable to -		
Adjustment of tax relating to earlier years	-	0.28
Origination and reversal of temporary differences	14.60	14.29
Total tax expense recognised in the current year	**14.60**	**40.20**

b) Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	(0.11)	0.05
- Mark to market gain / (losses) on cash flow hedges	0.17	-
Total income tax recognised in other comprehensive income	**0.06**	**0.05**
Bifurcation of the income tax recognised in other comprehensive income into:-		
- Items that will not be reclassified to profit or loss	0.06	0.05
- Items that may be reclassified to profit or loss	-	-
	0.06	**0.05**

35 Earnings per share

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(i) Profit for basic earning per share of Re. 1 each	41.95	115.18
(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)	4.81	13.20

36 Financial instruments - Fair value 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 2026			As at 31 March 2025		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets							
Non-current							
Investments in mutual funds (quoted)	1	1.00	-	-	-	-	-
Other financial assets	3	-	-	10.82	-	-	4.92

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	Level of hierarchy	As at 31 March 2026			As at 31 March 2025		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Current							
Trade receivable		-	-	44.27	-	-	39.09
Cash and cash equivalents	3	-	-	40.93	-	-	9.24
Other bank balances	3	-	-	7.55	-	-	12.20
Other financial assets	3	-	-	0.75	-	-	0.98
Total financial assets		**1.00**	**-**	**104.32**	**-**	**-**	**66.43**

Particulars	Level of hierarchy	As at 31 March 2026			As at 31 March 2025		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities							
Non-current							
Borrowings	3	-	-	589.70	-	-	402.73
Lease Liabilties	3	-	-	8.93	-	-	-
Other financial liabilities	3	-	-	27.42	-	-	26.20
Current							
Borrowings	3	-	-	270.14	-	-	250.92
Lease Liabilties	3	-	-	0.98	-	-	-
Trade payables	3	-	-	64.04	-	-	41.85
Other financial liabilities	3	-	-	3.16	-	-	1.64
Employee related payables	3	-	-	8.54	-	-	8.18
Capital creditors	3	-	-	35.34	-	-	16.80
Others	3	-	-	0.02	-	-	0.03
Total financial liabilities		-	-	**1,008.28**	-	-	**748.35**

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 2026 and 31 March 2025.

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 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.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

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 ad hoc 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 2026	As at 31 March 2025
Trade receivables	44.27	39.09
Cash and cash equivalents	40.93	9.24
Other bank balances	7.55	12.20
Other financial assets	11.57	5.90
	104.32	**66.43**

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 2026	As at 31 March 2025
Revenue from top customer	7%	6%
Revenue from top five customers	30%	28%

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 2026

(Rs. in Crores, unless otherwise stated)

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 2026			
Less than 6 Months	44.27	-	44.27
More than 6 Months	-	-	-
	44.27	**-**	**44.27**
31 March 2025			
Less than 6 Months	39.07	-	39.07
More than 6 Months	0.02	-	0.02
	39.09	**-**	**39.09**

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 2026				
Borrowings (including current maturities)	270.14	581.70	8.00	859.84
Lease liabilities (current and non current)	1.86	9.72	1.94	13.52
Trade payables	64.04	-	-	64.04
Other financial liabilities	47.07	27.42	-	74.49
	383.11	**618.84**	**9.94**	**1,011.88**
31 March 2025				
Borrowings (including current maturities)	250.92	275.83	126.90	653.65
Lease liabilities (current and non current)	-	-	-	-
Trade payables	41.85	-	-	41.85
Other financial liabilities	26.65	26.20	-	52.85
	319.42	**302.04**	**126.90**	**748.35**

(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.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

(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.

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 2026	As at 31 March 2025
Fixed rate borrowings	249.18	55.37
Floating rate borrowings	610.66	598.28
	859.84	**653.64**

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 2026		
Interest rate (0.5% movement)	(3.05)	3.05
For the year ended 31 March 2025		
Interest rate (0.5% movement)	(2.99)	2.99

(c) 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.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Exposure to currency risk

The following table provides details of the Company's exposure to currency risk:

Liabilities	Currency	As at 31 March 2026		As at 31 March 2025	
		Amount (Rs. crore)	Amount in foreign currency (in lacs)	Amount (Rs. crore)	Amount in foreign currency (in lacs)
Borrowings (secured)	USD	181.34	191.59	-	-
Less: Derivative contracts		(181.34)	(191.59)	-	-
Borrowings (unsecured)	USD	-	-	-	-
Less: Derivative contracts		-	-	-	-
Interest accrued but not due on unsecured loan	USD	-	-	-	-
Less: Derivative contracts		-	-	-	-
Trade Receivable	USD	-	-	1.46	1.71
	EURO	-	-	-	-
Capital creditors	EURO	2.42	2.22	2.95	3.20
	USD	3.56	3.86	9.27	10.86
Trade payables	USD	-	-	-	-
Net exposure in respect of recognised assets and liabilities		**5.98**		**10.76**	

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2026 and 31 March 2025 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 2026		As at 31 March 2025	
	Profit or Loss		Profit or Loss	
	Strengthening	Weakening	Strengthening	Weakening
USD / EURO (1% movement)	(0.06)	0.06	(0.11)	0.11

37 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 borrowings, net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

The Company's adjusted net debt to equity ratio was as follows.

Particulars	As at 31 March 2026	As at 31 March 2025
Total debt	869.75	653.64
Less: cash and bank balances	(48.48)	(21.44)
Adjusted net debt	821.27	632.21
Total equity	1,228.32	1,212.71
Adjusted net debt to equity ratio	**0.67**	**0.52**

38 Contingent liabilities and commitments (to the extent not provided for)

A (i). Contingent liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Claims against the Company not acknowledged as debts:		
Income tax matters*	13.81	13.81
Excise duty matters	5.17	5.17
GST matters	12.64	12.56
Others	-	-

A (ii). Other pending litigations

Particulars	As at 31 March 2026	As at 31 March 2025
Excise duty, Central Excise Act, 1944*	0.52	0.52

*Refund case is pending with Commissioner (Excise), Rs. 0.52 crore is classified under Note 15 -Recoverable from / balance with government authorities.

B. Commitments

Particulars	As at 31 March 2026	As at 31 March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances)	127.49	224.40

39 Employee benefits

I. Assets and liabilities relating to employee benefits

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Gratuity - Asset / (Liability)	0.02	0.08
	0.02	**0.08**

For details about the related employee benefit expenses, refer to note 30.

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. 5.65 crore (31 March 2025: Rs. 5.02 crore) under provident fund scheme and Rs.0.43 crore (31 March 2025: Rs. 0.40 crore) under ESI scheme. These have been included in note 30 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.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

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. 1.83 crore

The following table sets out the status of the defined benefit plan as required under Ind-AS 19 - Employee Benefits:

b) Reconciliation of present value of defined benefit obligation

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Present value of obligation at the beginning of the year	15.25	13.73
Benefits paid	(0.83)	(1.24)
Current service cost	1.61	1.64
Interest cost	1.06	0.99
Actuarial losses/(gains)	(0.39)	0.14
Present value of obligation at the end of the year	**16.69**	**15.25**

c) Reconciliation of the present value of plan assets

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Fair value of plan assets at the beginning of the year	15.33	13.63
Contributions	1.09	2.00
Interest Income	1.11	0.94
Benefits paid	(0.83)	(1.24)
Fair value of plan assets at the end of the year	**16.71**	**15.33**

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

d) Expenses recognized in the Statement of Profit and Loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current service cost	1.61	1.64
Interest cost	1.06	0.99
Interest income	(1.06)	(0.98)
Expenses recognized in profit and loss account	**1.61**	**1.65**

e) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Acturial gain/(loss) on the defined benefit obligation	0.39	(0.14)
Return on plan assets excluding interest income	0.05	(0.04)
Amount recognized in other comprehensive income	**0.44**	**(0.18)**

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 2026	Year ended 31 March 2025
	Per Annum	Per Annum
Economic assumptions		
Discount rate	**7.70%**	**6.93%**
Salary escalation rate per annum	**6.00%**	**7.50%**

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2012-14) rates.

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 2026		Year ended 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(0.49)	0.53	(0.56)	0.61
Future salary growth rate (0.50% movement)	0.53	(0.50)	0.60	0.56

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.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

i) Expected benefit payments

Maturity profit of defined benefit obligation

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Within 1 year	5.52	1.35
1-2 year	0.91	3.24
2-3 year	0.64	0.86
3-4 year	1.10	0.62
4-5 year	0.89	0.98
5-6 years	0.49	0.76
6 year onwards	7.14	7.43

40 Leases:

A. Leases as lessee

Operating 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 has taken office and residential premises under cancellable operating lease agreements. 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. 0.38 crore for the year ended 31 March 2026. (31 March 2025: Rs. 0.38 crore)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Expenses relating to short-term leases	0.38	0.38
	0.38	**0.38**

Notes:

a. The Company incurred Rs. 0.38 Crore 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.

b. The total cash outflow for leases, including cash outflow for short term leases is Rs. 0.38 Crore during the current year.

Finance leases:

The Company has taken Plant and Machinery under non-cancellable Finance lease agreements. Lease payments charged during the year in Statement of Profit and Loss aggregate to Rs. Nil (31 March 2025: Rs. Nil).

i) The following is the break up of current and non current liabilities as at March 31, 2026 and March 31, 2025:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current lease liabilities	0.98	-
Non-current lease liabilities	8.93	-
Total	**9.91**	**-**

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

ii) The following is the movement in lease liabilities during the year ended:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening balance	-	-
Add: Lease liabilities recognised during the year	9.91	-
Add: Interest cost accrued during the year	-	-
Less: Payment of lease liabilities including interest	-	-
Balance at the end	**9.91**	-

iii) Maturity analysis of lease liabilities on an undiscounted basis:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Not later than one Year	1.86	-
Later than 1 year and not later than five years	9.72	-
Later Than five Years	1.94	-
Total lease liabilties	**13.52**	-

B. Leases as lessor

Operating leases:

The Company has leased out its investment property on operating lease basis which has been terminated by the lessee in FY 2025-26 as per the terms of the lease agreement.

i. The future minimum lease payments under operating leases receivable are as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Within one year	-	0.56
Later than one year and less than five years	-	2.48
More than five years	-	0.89

ii. Amounts recognised in profit or loss

During the year ended 31 March 2026, property rentals of Rs.0.50 crore (31 March 2025: Rs. 0.56 crore) have been included in other income (Including lease straight lining) (refer note 27).

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Income generated from property	0.50	0.56

41 Related party disclosures

A. List of related parties and nature of relationship where control exists

(i) Holding Company — Kapedome Enterprises Limited

(ii) Associate enterprises of the Holding Company — Kulture Forever Pvt Ltd, Greencone Environs Pvt Ltd

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

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Mr. Jagesh Kumar Khaitan, Chairman

Mr. Pavan Khaitan, Vice Chairman & Managing Director

Mr. Jagdeep Hira, Whole time Director (w.e.f. 07.02.2026)

(ii) Key Management Personnel & Individuals not owning, directly or Indirectly, an interest in voting power of the Reporting enterprise

Mr. Vikram Kumar Khaitan, Chief Financial Officer (w.e.f. 05.11.2024)

Mr. Gurinder Singh Makkar, Company Secretary

Mr. Roshan Garg, Chief Financial Officer (Till 04.11.2024)

(iii) Non Executive directors

Mr. Vivek Bihani

Ms. Shireen Sethi

Mr. Drishinder Singh Sandhawalia (Till 02.08.2024)

Mr. Bhavdeep Sardana (Till 07.02.2026)

Mr. Munishwar Kumar (w.e.f. 05.11.2024)

(iv) 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

C. Transactions with related parties during the current / previous year:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
(i) Unsecured loans taken		
Mr. Jagesh Kumar Khaitan	3.84	2.48
J.K. Khaitan HUF	0.39	-
Mrs. Usha Khaitan	1.44	0.98
Ms. Deeksha Khaitan	0.52	0.03
Ms. Malavika Khaitan	0.46	0.03
Mrs. Shashi Khaitan	-	1.00
Kapedome Enterprises Limited	21.00	72.50

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
(ii) Unsecured loans repaid		
Mr. Jagesh Kumar Khaitan	3.11	2.20
Ms. Deeksha Khaitan	0.52	0.03
Ms. Malavika Khaitan	0.46	0.03
Mrs. Usha Khaitan	1.44	0.98
Mr. Drishinder Singh Sandhawalia	-	0.39
Mrs. Simran Sandhawalia	-	0.43
Mrs. Kushal Pal Sandhawalia	-	0.35
Mrs. Abha Khaitan	-	2.50
Mrs. Shashi Khaitan	-	1.00
Kapedome Enterprises Limited	7.85	71.56
(iii) Interest on unsecured loans		
Mr. Jagesh Kumar Khaitan	0.32	0.27
J.K. Khaitan HUF	0.03	-
Mrs. Aparna Khaitan	0.10	0.10
Mrs. Usha Khaitan	0.13	0.13
Ms. Deeksha Khaitan	0.05	0.05
Ms. Malavika Khaitan	0.05	0.05
Mrs. Shashi Khaitan	0.10	0.10
Mrs. Abha Khaitan	-	0.00
Mr. Drishinder Singh Sandhawalia	-	0.01
Mrs. Simran Sandhawalia	-	0.01
Mrs. Kushal Pal Sandhawalia	-	0.01
Kapedome Enterprises Limited	2.71	0.31
(iv) Compensation to key managerial personnel		
Short-term employee benefits *		
Mr. Jagesh Kumar Khaitan	1.82	1.70
Mr. Pavan Khaitan	6.19	4.13
Mr. Jagdeep Hira	1.02	-
Mr. Vikram Kumar Khaitan	0.76	0.24
Mr. Gurinder Singh Makkar	0.30	0.27
Mr. Roshan Garg	-	1.40
Commission to Directors		
Mr. Jagesh Kumar Khaitan	0.14	0.45
Mr. Pavan Khaitan	1.27	1.10
(v) Stipend		
Ms. Malavika Khaitan	-	0.01
Ms. Deeksha Khaitan	-	0.01
(vi) Directors sitting fees (non-executive director)		
Mr. Vivek Bihani	0.02	0.03
Ms. Shireen Sethi	0.02	0.03
Mr. Bhavdeep Sardana	0.02	0.02
Mr. Drishinder Singh Sandhawalia	-	0.00
Mr. Munishwar Kumar	0.01	0.01
(vii) Reimbursement of expenses		
Mr. Jagesh Kumar Khaitan	0.05	0.03
Mr. Pavan Khaitan	0.04	0.06
Mr. D. S. Sandhawalia	-	0.00

* As the future liability for Post employment benefits is provided on an actuarial basis for the company as a whole, the amount pertaining to individuals is not ascertainable and therefore not included above.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
(viii) Kapedome Enterprises Limited		
Other Charges (rent)	-	0.01
Purchase of Land & Building	-	2.33
(ix) Greencone Environs Pvt Ltd		
Maintenance and repair services	0.26	0.19
Purchase of Machinery	3.75	-
(x) Kulture Forever Pvt Ltd		
Purchase of Tissue Paper	0.15	0.01
Sale of Paper	2.12	-
Lease Rent of Machinery	0.00	-
(xi) Equity Dividend		
Kapedome Enterprises Limited	17.41	17.41
Mr. Jagesh Kumar Khaitan	0.43	0.44
J.K. Khaitan HUF	0.00	-
Mrs. Usha Khaitan	0.04	0.04
Mr. Pavan Khaitan	0.44	0.44
Mrs. Aparna Khaitan	0.08	0.08

D. Outstanding Balances

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Unsecured loans		
Fixed Deposits		
Mr. Jagesh Kumar Khaitan	3.84	2.48
J.K. Khaitan HUF	0.39	-
Mrs. Shashi Khaitan	1.00	1.00
Ms. Deeksha Khaitan	0.55	0.55
Ms. Malavika Khaitan	0.49	0.49
Mrs. Usha Khaitan	1.44	1.02
Mrs. Aparna Khaitan	1.00	1.00
Loans from related parties (unsecured)		
Mr. Jagesh Kumar Khaitan	-	0.63
Mrs. Usha Khaitan	-	0.42
Kapedome Enterprises Limited	34.15	21.00
Trade Payable Related Parties		
Kulture Forever Pvt Ltd	0.00	-
Trade Receivable Related Parties		
Kulture Forever Pvt Ltd	0.93	-

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.

42 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.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

43 Dividends

The following dividends were declared and paid by the Company:

Particulars	As at 31 March 2026	As at 31 March 2025
Rs. 3/- per equity share (31 March 2025: Rs. 3/- per equity share)	26.18	26.18
	26.18	**26.18**

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 2026	As at 31 March 2025
Rs. 2.50/- per equity share (31 March 2025: Rs. 3/- per equity share)	21.82	26.18
	21.82	**26.18**

44 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) Wilful Defaulter

No bank has declared the company as "wilful 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 2026 and the year ended 31 March 2025.

(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 2025-26 beyond the stipulated period.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

(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.

(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 38 A(i)).

(xi) Details of Crypto Currency or Virtual Currency

Particulars	31 March 2026	31 March 2025
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 25-26	FY 24-25	% Change	Reason for Change *
Current Ratio (in times)	Current Assets	Current Liabilities	0.66	0.83	-20%	
Current Ratio (in times) without considering current maturity of debts.	Current Assets	Current Liabilities excluding current maturity of debts	1.27	1.47	-14%	

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

Ratios	Numerator	Denominator	FY 25-26	FY 24-25	% Change	Reason for Change *
Debt Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.71	0.54	31%	Paper mill expansion project is going on due to which overall long term debt increased.
Debt service coverage ratio (in times)	Earnings for debt service = PAT + Non Cash Items + Interest on Term Loan	Debt service = Interest on Term Loan + Principal Repayments	0.96	1.50	-36%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices.
Return on Net Worth (%)	Net Profits after taxes	Average Shareholder's Equity	3.44	9.86	-65%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices.
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	6.03	6.02	0%	
Trade receivables turnover (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	29.64	33.70	-12%	
Trade payables turnover (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	17.52	17.37	1%	
Net capital turnover (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities excluding current maturities of long term debt	19.98	12.71	57%	Increased due to decline in net sales realisation per MT of paper by 3-4% and decrease in net current assets.
Net Profit Margin (%)	Net Profit	Net sales = Total sales - sales return	3.84	10.42	-63%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices.
Return on capital employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	4.50	9.66	-53%	Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 3-4% during last year and 5-6% increase in raw material prices.
Return on Investment (Equity)			NA	NA	NA	

* Reasons are given in case where variation are 25% or more.

Notes to the Financial Statements

for the year ended 31 March 2026

(Rs. in Crores, unless otherwise stated)

45 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: 26th May 2026

For and on behalf of the Board of Directors of
Kuantum Papers Limited

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
Vice Chairman & Managing Director
DIN - 00026256

Vikram Kumar Khaitan
Chief Financial Officer

Place : Chandigarh
Dated: 26th May 2026

Gurinder Singh Makkar
Company Secretary

Place : Chandigarh
Dated: 26th May 2026

Notes

Kuantum Papers Limited

Regd Office:
Paper Mill Saila Khurd 144 529
Distt Hoshiapur Punjab

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