

**02.08.2025**

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| <b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai 400 001<br><b>Scrip Code: 532937</b><br><b>Scrip ID: KUANTUM</b> | <b>National Stock Exchange of India Limited</b><br>Exchange Plaza<br>Plot No. C/1, G Block,<br>Bandra-Kurla Complex, Bandra (East)<br>Mumbai 400 051<br><b>Trading Symbol: KUANTUM</b> |
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**Sub : Annual Report for F.Y. 2024-25 and Notice of 28<sup>th</sup> Annual General Meeting**

Dear Sir,

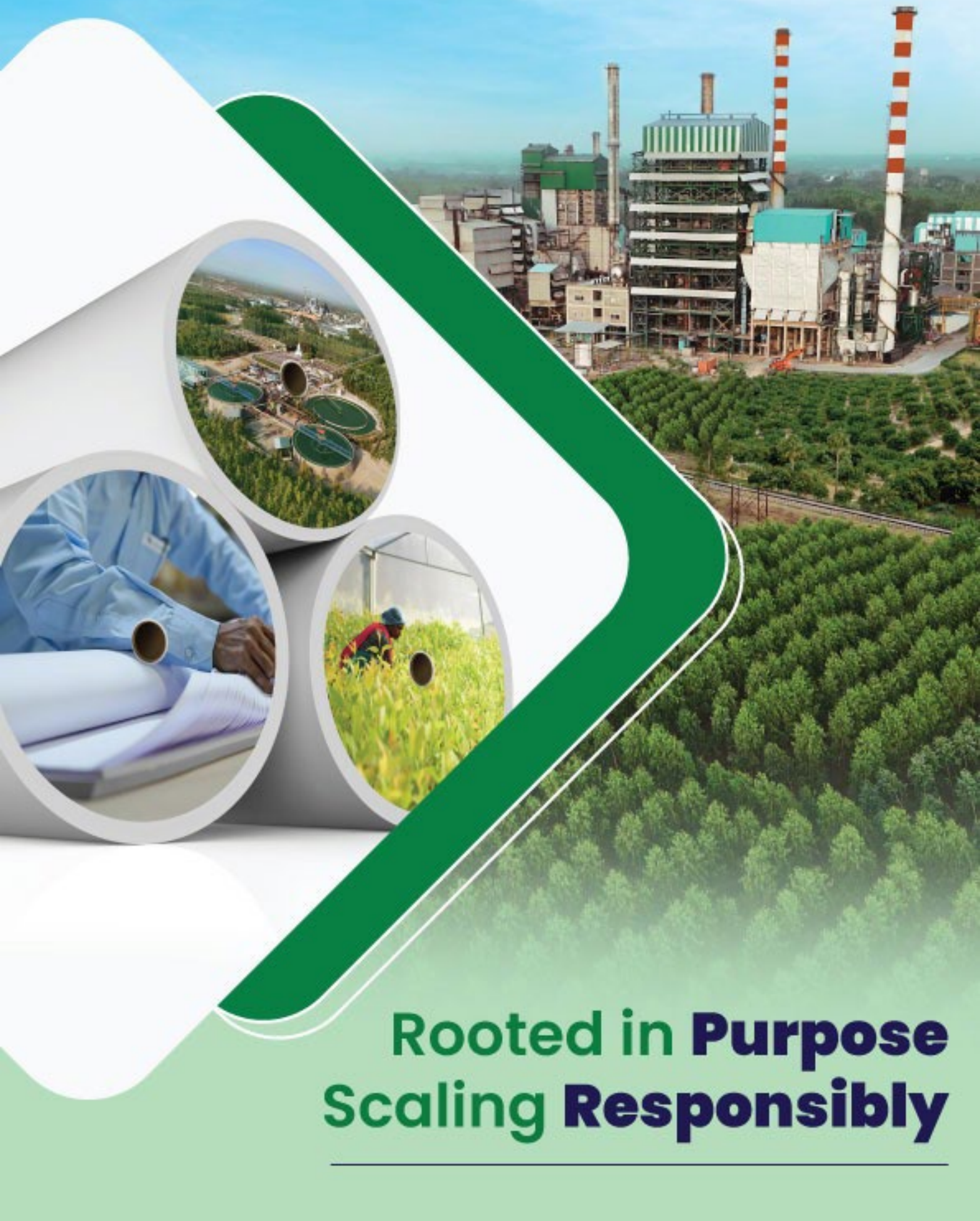
Pursuant to Regulation 30 and 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions, please find enclosed herewith:

- Annual Report for the financial year 2024-25.
- Notice convening 28<sup>th</sup> Annual General Meeting scheduled to be held on Friday, the 29<sup>th</sup> day of August, 2025 at 11.30 a.m., through Video-Conferencing ("VC") or Other Audio Visual Means ("OAVM").

Kindly take the same on records.

Thanking you,  
Yours faithfully,  
**For Kuantum Papers Limited**

**Gurinder Singh Makkar**  
**Company Secretary and Compliance Officer**  
**M.No.: F5124**



**Rooted in Purpose**  
**Scaling Responsibly**

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NAVIGATE  
through  
the pages



Website:  
[www.kuantumpapers.com](http://www.kuantumpapers.com)



Scan the QR Code 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, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Corporate Overview

|                                               |    |
|-----------------------------------------------|----|
| About Us                                      | 02 |
| Our Journey                                   | 04 |
| A Year in Review                              | 06 |
| Operating Environment                         | 08 |
| Geographical Presence                         | 11 |
| Chairman's Message                            | 12 |
| Vice Chairman and Managing Director's Message | 14 |
| Our Clientele                                 | 16 |
| Our Product Portfolio                         | 18 |
| Financial Highlights                          | 20 |
| Value Creation Model                          | 22 |
| Operational Excellence                        | 24 |
| Digital Transformation                        | 26 |
| Human Resource                                | 28 |
| Environment                                   | 32 |
| Social                                        | 36 |
| Board of Directors                            | 40 |
| Management Team                               | 41 |
| Key Achievements                              | 42 |
| Company Information                           | 43 |

Statutory Reports

|                                                    |     |
|----------------------------------------------------|-----|
| Directors' Report                                  | 44  |
| Corporate Governance Report                        | 66  |
| Business Responsibility & Sustainability Reporting | 89  |
| Management Discussion and Analysis                 | 122 |

Financial Statements

|                                   |     |
|-----------------------------------|-----|
| Independent Auditors' Report      | 132 |
| Balance Sheet                     | 140 |
| Statement of Profit and Loss      | 141 |
| Statement of Changes in Equity    | 142 |
| Cash Flow Statement               | 143 |
| Notes to the Financial Statements | 145 |

Rooted in purpose,  
we continue to grow  
responsibly

AT KUANTUM PAPERS, OUR STRATEGY HAS BEEN CLEAR, TO STRENGTHEN OPERATIONAL EFFICIENCIES, OPTIMISE COST STRUCTURES, AND GROW RESPONSIBLY WHILE STAYING ROOTED IN OUR VALUES.

This year we stayed firmly on course, even as realisations faced pressure due to import-led pricing. We upheld production volumes and delivered one of the strongest margin performances in the industry, which testifies to the depth of our strategy and the dedication of our people.

Sustainability remains at the core of our actions. With a focus on biomass usage, increased agro-pulp integration, the expansion of in-house clonal sapling capacity, and lower consumption of groundwater in our operations, we are further reducing our environmental impact while preparing for long-term resource security.

Project Nirmaan, our Industry 4.0-led, AI-based transformation, is steadily reshaping our operations through automation, digital controls, and process innovation. Simultaneously, our mill upgradation and expansion plan is progressing as scheduled, reinforcing our readiness for future demand with smarter, greener infrastructure.

As we scale our ambitions, we are guided by the belief that progress must serve a greater purpose. Whether it is adopting greener technologies, launching new eco-friendly products, building community-focused ecosystems, or expanding our business footprint, we remain committed to creating shared value for our stakeholders, our customers, our people and the communities we serve.

## ABOUT US

# Leading Purposefully, Scaling Sustainably

KUANTUM PAPERS LIMITED IS AN ECO-CONSCIOUS AND PURPOSE-DRIVEN PAPER MANUFACTURER, ESTABLISHED IN 1980 IN SAILA KHURD, DISTRICT HOSHIARPUR, PUNJAB.

Over the years, we have steadily grown in size and scale by prioritising manufacturing excellence, innovation, sustainability, and operational efficiency. Our commitment to responsible growth and long-term value creation continues to define our identity.

With over four and a half decades of experience in paper making, we have developed a diverse portfolio of Writing & Printing, Copier, and Specialty Papers that cater to a broad range of applications in the market. Our fully backward-integrated operations enable seamless control across the value chain—from raw material sourcing and pulping to power generation and chemical recovery. This approach

ensures superior product quality, cost-effectiveness, and reduced environmental impact.

With a strong pan-India dealer network and a growing international presence, we are well positioned to serve a wide spectrum of customers. Our efforts extend beyond business, as we remain committed to empower local communities with a focus on education, health and rural development. We continuously strive to attain world-class standards while upholding our pledge to be sustainable across all operational facets.



## 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 and Integrity
- Customer Centricity
- Team Unity
- Consistent Pursuit
- Respect for Stakeholders

### Performance Highlights (FY 2024-25)

₹ **1,113** crores

Total Revenue

₹ **249** crores

EBITDA

**22.4%**

EBITDA Margin

₹ **115** crores

Profit After Tax

**10.3%**

PAT Margin

₹ **1,213** crores

Net Worth

**1,60,845** Metric Tonnes (MT)

Paper Sales Volume

## OUR JOURNEY Tracing the Path of Purposeful Progress

### 1980

Mill established with PM 1 and PM 2 with a 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 Ltd.

### 2008

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

### 2012

The Company was renamed Kquantum Papers Limited

Secured FSC® certification since 2011, License Code FSC-C109585

### 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 (Gapcon-Italy) and Size Press (Bellmer, Germany) 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, ISO 14001, OHSAS 18001, QMS and EMS certifications

### 2018

Project KORE launched with Accenture for operational excellence  
SAP S4 HANA implemented

### 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 capacity crossed 1,50,000 TPA

### 2023

Record-breaking revenues and highest-ever EBITDA margins  
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  
Major upgrades undertaken on PM 1, PM 2 & Power Plant  
Commenced Mill Upgradation and Expansion Project with an outlay of ₹735 crore

### 2025

Surface water approval received from Punjab Government & Water Treatment Plant commissioned  
Commissioned Twin Roll Presses at Agro & Hardwood Pulp Mills  
Orders placed for upgradation of all Paper Machines, Lime Kiln & Displacement Digester System (DDS)

## A YEAR in Review

### FIRST QUARTER

FY 2024-25



The Company began the year with a strong focus on operational stability and performance optimisation. Despite pricing challenges, we delivered our highest-ever average finished paper production and pulp throughput. The quarter also saw progress on Project Nirmaan, with AI integration initiated in the power boiler segment to enable automated control and improved energy efficiency.

On the product side, we launched Kosmo Litho SPX, a new multi-colour printing paper developed on PM 2. We also implemented a sustainable water management solution by getting approval from the Punjab Government to use canal water for our operations. Additionally, our social farm forestry initiative expanded by 570 acres in this quarter, improving rural engagement and resource circularity.

### SECOND QUARTER

FY 2024-25



In a challenging demand environment marked by high imports and pricing pressure, the Company continued to reinforce operational efficiencies. We commissioned a state-of-the-art veneer chip washing system to enhance pulp quality and yield. The Company also installed a dedicated surface water treatment plant to improve canal water quality and replace groundwater usage in our processes. The re-launch of Konquer Copier Paper in a vibrant new packaging further strengthened our premium product positioning in the market.

Project Nirmaan advanced with online sensor integration in the Wood Bleach Section, paving the way for greater chemical efficiency. We also closed bank funding for our Mill Upgradation and Expansion Project and placed major orders for several of the project components, which remained on schedule for completion by March 2026.

### THIRD QUARTER

FY 2024-25

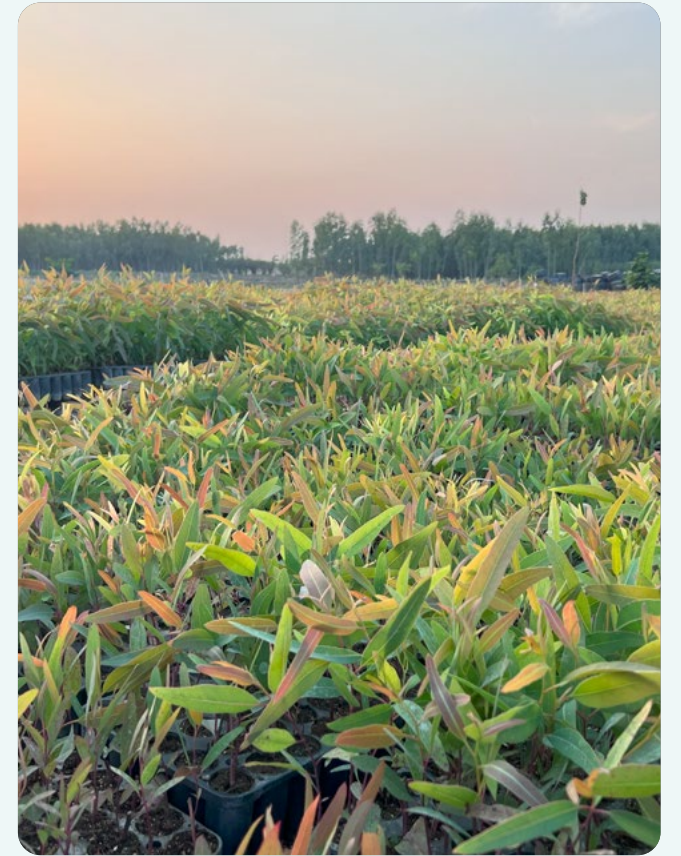


Operational resilience remained our priority as we navigated through muted demand in the domestic market. We implemented a cost optimisation plan across 11 verticals, delivering significant savings, including those on account of our AI-led Project Nirmaan. Commissioning of Twin Roll Press (TRPE) systems on both the Agro & Wood Pulp Mills enabled improved chemical efficiency and substantial freshwater savings.

We introduced a new variant of Kuantum Korra, a premium-grade writing paper made with over 90% agro furnish, known for its high smoothness. The ongoing mill expansion programme progressed well, and moved into the execution phase.

### FOURTH QUARTER

FY 2024-25



The final quarter of the year was marked by strong execution across projects and sustainability initiatives. Under Project Nirmaan, advanced process controls were implemented in Agro Cook and PM 4 to optimise chemical use and improve runnability. Work commenced on the Agro Bleach Advanced Control module, now under the optimisation phase.

The Company commissioned a new closed hood with heat recovery across PM 1 to PM 3, enhancing steam efficiency and product quality. A new HRSCC clarifier for wood chip wash water was also introduced to improve pulp consistency. On the innovation front, we developed a new copier paper grade with higher agro content, further reinforcing our product sustainability roadmap. We added significant green footprints to our operations by upgrading the capacity of our in-house Clonal Propagation Centre (CPC) by 8 Lakhs saplings in Q4, thereby increasing the overall capacity to 40 Lakhs saplings by the end of FY 24-25.

OPERATING ENVIRONMENT

# Shaping a Sustainable and Resilient Future

## Domestic Paper Industry Landscape

India is rapidly establishing itself as one of the world’s most dynamic paper markets, driven by rising domestic consumption, the growth of e-commerce, robust economic momentum and a growing focus on sustainable development. The paper industry is also a significant contributor to employment and economic activity, with linkages across packaging, education, printing, e-commerce and hygiene sectors.

India has built a reputation for its fiber-diverse supply chain and increasing reliance on sustainable raw materials globally. Our industry’s ability to respond to volume growth with responsible sourcing continues to be a key strength.



Domestic market share (%)



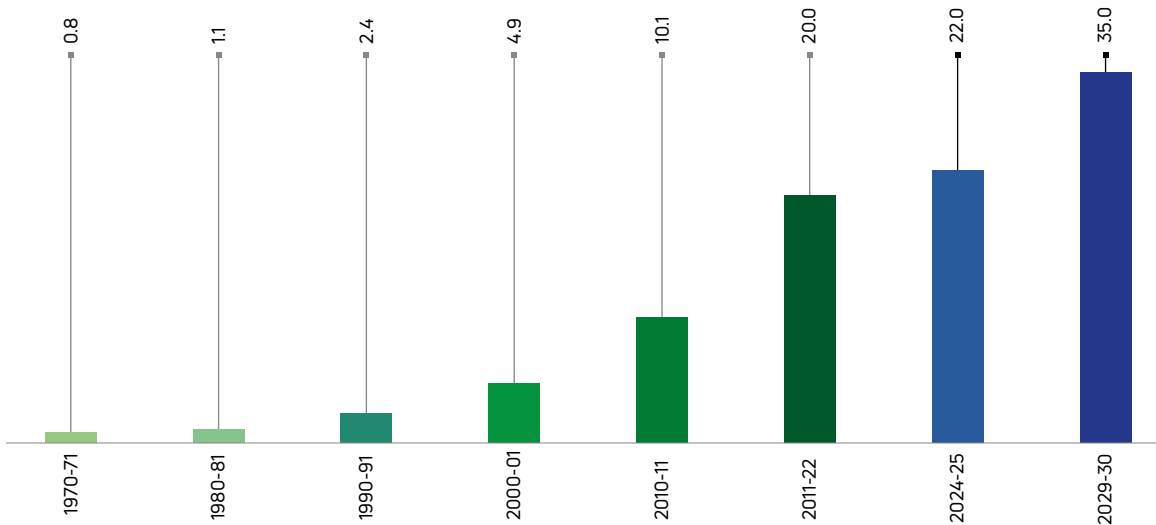
- 55% - Packaging Boards & Container Boards
- 25% - Writing & Printing Paper
- 10% - Specialty Paper
- 10% - Newsprint

Estimated production in terms of raw material used (%)



- 71% - Recovered Paper/Recycled Fiber
- 21% - Wood/Bamboo
- 8% - Agro Residue

## Growth of Paper Production in India (Million Tonnes)



### Structural and Market Trends

The domestic paper market continues to evolve rapidly, influenced by shifting trade flows, environmental imperatives and growing demand from education and packaging sectors. Demand for paper is rising, while at the same time, low-cost imports from countries with free trade agreements have led to pressures on local producers.

Amid these trade dynamics, there is also a broader transformation in consumption habits. Rising income levels, policies on education and emphasis on sustainability are redefining how and where paper is consumed. Our industry is gradually moving towards efficient, closed-loop production cycles, making paper a central part of the circular economy.

### Key Growth Drivers

- The government’s investment and focus on education and the implementation of the National Education Policy are set to enhance demand from the education sector.
- Rising literacy rates and an increase in the number of schools and universities, along with higher student enrolments, are key drivers of growth in the writing and printing paper industry.
- Higher environmental concerns and awareness are driving the substitution of plastic products with paper, presenting new opportunities for the industry.
- The online retail industry is expected to grow 20–25% over the next 2–3 years, boosting the demand for paper in packaging.
- Increasing use of computers and photocopying machines in corporate offices is fuelling the demand as well.
- Expansion of co-working spaces and new office locations is contributing to the growth.

# 500,000+

Individuals employed directly by the Indian paper industry



Advancing with Purpose, Ready for the Future

The Paper Industry in India is undergoing a significant transformation, driven by the growing emphasis on literacy, the government’s focus on education, the need for sustainable packaging and expanding consumption patterns. In this dynamic environment, Kuantum Papers is making significant strides through a strategic approach rooted in sustainability, innovation and operational excellence.

By leveraging a diverse fiber mix of agro residues such as wheat straw and bagasse and wood chips, veneer waste and wood logs, we ensure a steady raw material supply without placing undue pressure on natural ecosystems. This supports both input material security and ecological resilience, in line with our commitment to circularity and responsible sourcing. We have further strengthened cost-efficient production through backward integration and advanced our sustainability agenda through the Social Farm Forestry Programme.

Innovation remains at the heart of our growth journey. Through Project Nirmaan, our Industry 4.0-led, AI-based initiative, we are reimagining

how paper is manufactured. We have integrated automation, real-time monitoring and smart analytics into our systems, which has enhanced production efficiency, ensuring better control over quality and creating a more agile and responsive value chain.

Recognising that quality is a key differentiator in a competitive market, we are consistently investing in R&D and process improvement. From improving pulp quality to enhancing sheet formation and developing new products, every aspect of our operations is being optimised to deliver paper that meets the most stringent domestic and global standards.

At the core of our strategy lies a deep commitment to being future-ready. Whether it’s through adopting clean technologies, investing in people or strengthening stakeholder relationships, we are working towards a purpose-led growth journey to thrive in the evolving global landscape.



GEOGRAPHICAL PRESENCE

Scaling Business with Purposeful Reach



Map not to scale, for representation purposes only.

## CHAIRMAN'S MESSAGE

# Advancing with Integrity and Prudence



Customer preferences and market trends also continued to evolve. Demand for high-quality and eco-friendly paper products is on the rise. We responded by expanding our product range, increasing our production flexibility, and investing in technology to meet these changing expectations. Our extensive dealer network and enduring customer relationships played a key role in helping us navigate the year successfully. These collective efforts allowed us to stay focused on growth, efficiency, and long-term value, even in a difficult operating environment.

## Dear Shareholders,

It is my privilege to share an overview of Kquantum Papers' performance for the financial year 2024-25. The year unfolded against a backdrop of global uncertainty marked by elevated input costs, geopolitical tensions, and volatile market conditions. Yet, India's economy displayed remarkable resilience, supported by policy reforms and continued investments in infrastructure. Within this broader context, Kquantum remained focused on its core priorities, strengthened operational efficiencies, and continued progressing on its path of sustainable, responsible growth.

The global economy remained under pressure due to rising conflicts, supply chain disruptions, and trade restrictions. These factors led to fluctuations in raw material prices, energy costs, and pulp supplies, making it a difficult year for the paper industry globally. Currency movements and shipping costs added to the uncertainty. At the same time, these challenges pushed companies to rely more on local sourcing and reinforce domestic supply chains. At Kquantum, our integrated operations and local raw material sourcing helped reduce risk and maintain steady operations.

We also witnessed encouraging shifts in the market. In India, stable demand from the education, publishing, and packaging sectors continues to support growth. Interest in sustainable and eco-friendly paper products is rising, particularly with the decline of single-use plastics. The demand for high-quality, specialty, and value-added papers is increasing at a fast pace. Kquantum is well-positioned to tap into these opportunities, backed by a strong product portfolio, continuous technology upgrades, and a widespread dealer network across the country and export markets.

## Year in Review

In financial year 2024-25, Kquantum Papers delivered a steady operational performance despite a challenging external environment. The Company maintained consistent production levels throughout the year, supported by its integrated manufacturing model and strong focus on efficiency. While revenues were impacted by weaker market prices and higher input costs, Kquantum protected its core margins through disciplined cost controls, process improvements, and effective use of local raw materials.

Kquantum Papers continues to draw strength from its core capabilities, which help us stay steady and competitive in a dynamic business environment. Our fully backward integrated manufacturing operations ensure consistent product quality, efficient cost management, and reliable supply across product categories.

We also continued to strengthen operations through targeted investments. Machinery upgrades, energy-saving initiatives and automation improved product quality and cost efficiencies. Our digital initiatives contributed meaningfully by enhancing operational visibility and reducing downtime. Overall, our emphasis on efficiency and consistent execution helped us maintain resilience during a difficult year.

## Our Key Strengths

Kquantum Papers continues to draw strength from its core capabilities, which help us stay steady and competitive in a dynamic business environment. Our fully backward integrated manufacturing operations ensure consistent product quality, efficient cost management, and reliable supply across product categories. With a wide range of products in writing & printing, copier and specialty papers, we are well equipped to serve diverse needs across education, publishing, office stationery, and packaging segments. Our long-standing pan-India dealer network plays a crucial role in sustaining sales volumes and adapting to evolving market conditions.

Operational efficiency is another pillar we are continuously reinforcing. Investments in automation, process upgrades, and digital technologies have improved productivity, reduced downtime, and optimised resource use across our plants. Digital transformation has strengthened our ability to manage production with greater precision and speed, enhancing our cost competitiveness. Our disciplined approach to execution, market responsiveness, and focus on quality continues to drive consistent performance and long-term value creation.

## Caring for Communities

At Kquantum Papers, we believe that our growth should contribute meaningfully to the communities around us. Over the years, we have focused on initiatives that promote education, health, and community

development. These efforts aimed to improve access to essential services in the areas surrounding our operations. Through skill-building programs, local employment opportunities, and community partnerships, we strive to create long-term, tangible benefits for people in the region.

A key part of our community engagement is our work with farmers and rural communities through Social Farm Forestry Programme and sustainable sourcing models. By encouraging the use of agro-based raw materials, we help farmers generate steady incomes while also strengthening our raw material base. Additionally, we have been supplying treated water from our plant to nearby villages for irrigation, which has helped improve agricultural activities in water-stressed areas. These efforts not only support livelihoods but also promote environmental responsibility and resource conservation. Our approach to social responsibility reflects our commitment to creating shared value, supporting rural economies, and contributing to the long-term well-being of our communities.

## Rising Against the Challenges

The year brought several headwinds for the paper industry, including high raw material costs, changes in global pulp prices, energy cost pressures, and stiff competition from imports. Despite these, Kquantum Papers stayed focused on ensuring operational stability and efficiency. We maintained steady production by closely managing our costs, improving our supply chain, and utilising digital tools to enhance process efficiency. Our strong focus on integrated manufacturing, cost control, and strategic decisions helped us safeguard our core performance.

Customer preferences and market trends also continued to evolve. Demand for high-quality and eco-friendly paper products is on the rise. We responded by expanding our product range, increasing our production flexibility, and investing in technology to meet these changing expectations. Our extensive dealer network and enduring customer relationships played a key role in helping us navigate the year successfully. These collective efforts allowed us to stay focused on growth, efficiency, and long-term value, even in a difficult operating environment.

In conclusion, I would like to extend my heartfelt gratitude to all our valued stakeholders, including, customers, employees, business partners, and the wider community, for their continued trust and support. Your confidence in Kquantum Papers has been instrumental in enabling us to navigate challenges and pursue our long-term objectives.

We remain firmly committed to delivering sustainable growth, enhancing operational excellence, and creating enduring value for all stakeholders.

Warm regards,

**Jagesh Kumar Khaitan**  
 Chairman  
 Kquantum Papers Limited



## VICE CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

# Anchored in Purpose, Rising Responsibly

### Dear Shareholders,

It gives me immense joy to present the Annual Report for the financial year 2024-25. This year has been defined by strategic initiatives, a resilient approach and strong margins despite dynamic market conditions. Our mill upgradation and expansion project is well underway, and we maintained strong production, improved operational efficiency and advanced key projects in technology enhancement and capacity building.

A significant milestone in our journey this year was the integration of AI into the mill operations, enabling great operational predictability, process optimisation and intelligent decision-making. The year brought its share of challenges; however, we strengthened our foundation for future growth and continued to sharpen our focus on quality, sustainability and long-term value creation.

### Thriving Amid Market Dynamics

The Indian paper industry continues to experience cost pressures due to high raw material prices, volatile global pulp markets and increasing competition from cheaper imports from China and ASEAN nations. Nevertheless, demand for writing and printing paper remains steady, buoyed by the education sector—one of the industry's key growth drivers.

With a large and expanding student population, the development of educational infrastructure and rising demand for textbooks, notebooks and exam sheets, paper continues to play a crucial role in this sector. The ongoing implementation of the National Educational Policy (NEP), which includes curriculum reforms across several Indian states, is also expected to increase the demand for high-quality writing and printing paper. Furthermore, government programmes focused on education and skill development, along with increased expenditure on school materials and publishing, are set to drive consistent demand.

With a diverse product portfolio, spanning premium maplitho, copier paper and customised grades designed for textbooks, notebooks and educational stationery, we are well-positioned to meet these evolving consumer requirements. Our strong partnerships with leading educational publishers, coupled with our order-based manufacturing model, ensure agility, efficiency and adaptability in this market landscape.

The specialty paper segment is also experiencing strong growth, particularly in packaging and labelling, fuelled by the rise of

e-commerce and a growing emphasis on eco-friendly products. In today's world, sustainability has become imperative, with both businesses and consumers seeking environmentally responsible solutions and alternatives to single-use plastic products.

At Kquantum Papers, we remain committed to leveraging these opportunities through capacity expansion, product innovation and operational efficiency.

### Resilient Financials and Operational Excellence

In FY 2024-25, we maintained a stable financial performance despite a softer pricing environment. Our revenue stood at ₹1,113 crores, and we delivered an EBITDA of ₹249 crores, achieving a healthy EBITDA margin of 22.4%. Net profit for the year was ₹115 crores. A strong focus on cost control, particularly in raw material procurement, energy savings and overall operational efficiency, helped us sustain profitability while continuing to invest in our mill upgradation and expansion project. With a total outlay of ₹735 crore, we have already issued purchase orders for this project and several large-scale initiatives under execution.

On the operational front, we achieved record paper sales volumes of 1,60,845 metric tonnes, with production running at high capacity levels throughout the financial year. We made significant progress in improving energy, water and chemical efficiency, and increased the use of biomass in our boiler operations. With steady advancement in the adoption of digital tools and process upgrades, we further improved productivity, enhanced product quality and strengthened operational resilience.

### Driving Sustainable Progress

At Kquantum Papers, sustainability is woven into every aspect of our daily operations, guided by the vision of 'Kquantum for Earth,' which emphasises resource efficiency, environmental stewardship and innovation. Circular economy principles drive our approach, resulting in high chemical recovery rates and extensive water recycling. Treated effluent is utilised to support local agriculture, benefitting rural communities and livelihoods.

Through the adoption of the latest technology in water management and recycling, we currently recycle over 90% of paper machine processed water for critical operations, achieving overall freshwater savings of 3,000 m<sup>3</sup> per day. Our advanced effluent treatment plant

A significant milestone in our journey this year was the integration of AI into the mill operations, enabling great operational predictability, process optimisation and intelligent decision-making.

ensures all discharged water meets strict regulatory standards and is used to irrigate approximately 2,000 acres of agricultural land, supporting the farming community. In a major step towards reducing reliance on groundwater, we secured approval from the Punjab Government to draw water from the nearby canal— this surface water now accounts for 30% of our overall water intake.

Our Social Farm Forestry Programme is a cornerstone of our long-term vision for a greener, more sustainable tomorrow. By the end of FY 2024-25, nearly 12,500 acres of land had been brought under this initiative, positively impacting 15,000 farmers. We also enhanced the capacity of our in-house Clonal Propagation Centre (CPC) to 40 L saplings a year. These high-yield, low-maintenance clonal saplings provide a secondary source of income to the farmers and also secure wood raw material supply for the future.

As a proactive measure to ensure responsible sourcing, we have implemented measures to ensure full compliance with the European Union Deforestation Regulation (EUDR), reinforcing our dedication to combating deforestation and promoting the sustainable management of natural resources. Further, energy-saving measures, including upgraded turbines, increased use of renewable biomass and plant-wide LED lighting, have reduced both fuel consumption as well as GHG emissions. We remain steadfast in achieving world-class standards in paper making while ensuring our operations are sustainable across all facets.

### Empowering Communities, Enriching Lives

True transformation occurs when business success encompasses holistic growth, uplifting and empowering the communities it serves. Through focused CSR efforts, we have created measurable impact across education, healthcare and rural development.

This year, we focused on improving access to quality education by upgrading classrooms and sports infrastructure, as well as providing clean drinking water facilities in government schools and anganwadis. I take great pride in sharing that our rural infrastructure projects, including the development of village roads, installation of tube well, construction of community hall and provision of solar streetlights in nearby villages, have significantly enriched the quality of life. Further, Kquantum's Healthcare Outreach Programme benefitted over 13,950 individuals in surrounding villages and remote areas, providing timely access to essential medical services and preventive care. Each of these initiatives reflects our commitment to serve the underserved communities through purposeful and impactful action.

### Shaping a Holistic Work Culture

In a rapidly evolving industry, Kquantum Papers places people at the heart of progress, dedicated to nurturing a workforce that is agile, skilled and prepared for the future. Through structured learning ecosystems, leadership development initiatives and professional certification programmes, we continuously invest in our people to enhance their capabilities. These initiatives are designed to fuel both personal and professional growth, enabling them to grow in tandem with the organisation.

We believe in fostering a culture that celebrates diversity, equity and inclusion. Every employee, regardless of background, is empowered to thrive and contribute meaningfully to the organisation's growth story. This approach strengthens our ability to adapt to change and sustain long-term growth.

### Charting the Next Chapter

As we look to the future, we remain focused on growing from strength to strength. Our ongoing mill upgradation and expansion project is progressing well and is expected to increase the total paper production capacity from 450 TPD to 675 TPD by March 2026. This includes the modernisation of all four paper machines, expansion of the pulp mill and addition of a new coating plant for specialty paper grades. These upgrades are expected to enhance efficiency, diversify product portfolio and quality and scale our operations.

We are actively integrating AI into our core operations through advanced platforms such as dataPARC, KPI Dashboards and Model Predictive Control (MPC) Systems. These tools replicate real-time process behaviours across areas such as pulp line optimisation, paper machine dynamics and boiler steam efficiency, merging physical operations with virtual intelligence to build a more efficient mill.

In line with our vision of 'Kquantum for Earth,' we are on track to reduce fresh water consumption to below 30 m<sup>3</sup> per tonne of paper by 2027 and aim to approach near-zero freshwater intake for core operational processes. We also plan to develop the CPC capacity to 1 crore clones per annum and expand our plantation coverage to 5000 hectares over the next 2-3 years.

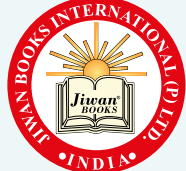
Finally, I would like to take this opportunity to sincerely thank all our shareholders, customers, vendors, employees and all business partners for their continued trust and support. Your belief in our journey inspires us to move forward with confidence and purpose. Kquantum Papers will continue to focus on delivering an exceptional experience to our valued customers, esteemed suppliers, dedicated employees and the community at large.

Warm regards,

**Pavan Khaitan**  
Vice Chairman & Managing Director  
Kquantum Papers Limited

# OUR Clientele

|                                                                                     |                                                                                                                      |                                                                                                                   |                                                                                       |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|    | <br>Medical   IIT-JEE   Foundations | <br>ABHINAV<br>Trader Pvt. Ltd. |    |
|    |                                     |                                 |    |
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|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            |    | <br>Adding Life to Paper               |                                                                    |
| <br>DELIVERING QUALITY IN TIME<br>(A unit of DB Corp Ltd.) |    | <br>NAVNEET EDUCATION LIMITED          | <br>Regd No. 1326702<br>Excellence                                 |
|                                                           |   | <br>SMART BOOKS FOR<br>SMART LEARNING | <br>RACHNA SAGAR<br>PRIVATE LIMITED<br>- EDUCATIONAL PUBLISHERS - |
|                                                          |  | <br>make   manage   move             |                                                                  |
|                                                          |  |                                      | <br>www.sona.in                                                  |
|                                                          |  | <br>committed to quality             |                                                                                                                                                       |

## OUR PRODUCT Portfolio

### Maplitho



↑  
**KOSHEEN**  
 GSM Range: 54 - 120

Multi color high end printing,  
 premium diary printing



↑  
**KRESTO**  
 GSM Range: 52 - 120

Multi color printing, notebook  
 manufacturing, calendar printing

### Creamweave



↑  
**KUANTUM GOLD**  
 GSM Range: 40 - 100

Notebook manufacturing  
 general printing



↑  
**KAPPA PREMIUM**  
 GSM Range: 42 - 100

Printing, book publishing,  
 calendar printing, notebook



↑  
**KUANTUM KORRA**  
 GSM Range: 46 - 90

Notebook manufacturing,  
 commercial printing

### Copier



↑  
**K.ONE**  
 GSM Range: 65, 68, 70, 75, 80

High speed copying, premium  
 multipurpose office needs



↑  
**KODEXA FS**  
 GSM Range: 80

Legal documentation  
 purpose



↑  
**KALEELA** (Color Copier)  
 GSM Range: 72

Custom photo-copying,  
 presentation, proposals,  
 project report



↑  
**KONQUER**  
 GSM Range: 65, 70, 75, 100

High speed copying, premium  
 multipurpose office needs

### Specialty



↑  
**KOSMO CARTRIDGE**  
 GSM Range: 60 - 170

Illustration, scrap books,  
 drawing books



↑  
**KOSMO PARCHMENT**  
 GSM Range: 80 - 105

Watermark paper for printing  
 of secured documents,  
 certificates, insurance policies



↑  
**KOSMO STIFFNER**  
 GSM Range: 60 - 200

Soap inner wrapping



↑  
**KOSMO ENFOLD**  
 GSM Range: 58 - 150

High-end envelopes



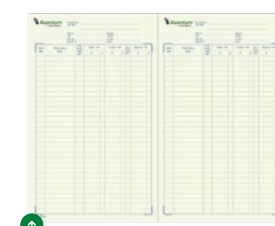
↑  
**KOSMO PREMIUM**  
 GSM Range: 60 - 200

High-end drawing books,  
 scrap books, printing



↑  
**KOSMO LITHO** (Color Maplitho)  
 GSM Range: 60 - 90

Premium colored paper for  
 GR books, publicity material,  
 notebook



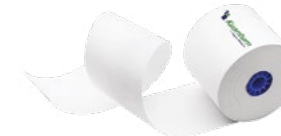
↑  
**KOSMO KODEXA**  
 GSM Range: 58 - 90

Premium ledger paper for  
 financial, log books



↑  
**KOSMO KARD**  
 GSM Range: 68 - 200

Base paper for Wedding Card



↑  
**KOSMO THERMIC**  
 GSM Range: 40 - 80

Base paper for thermal paper



↑  
**KOSMO KUPSTOCK**  
 GSM Range: 120 - 200

Disposable paper cups



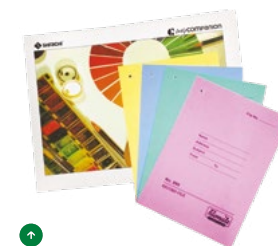
↑  
**KOSMO SIPPS**  
 GSM Range: 60 - 120

Base paper for making straws



↑  
**KRAYO** (Color)  
 GSM Range: 49-68

Colored paper for GR books,  
 publicity material, notebook



↑  
**KRAYO BOARD** (Color)  
 GSM Range: 80 - 150

Colored paper for file cover,  
 scrap books, chart paper



↑  
**KREDA**  
 GSM Range: 58 - 95

Ledger paper for account  
 books, log books



↑  
**KUANTUM BOND**  
 GSM Range: 85 - 100

Premium letterheads

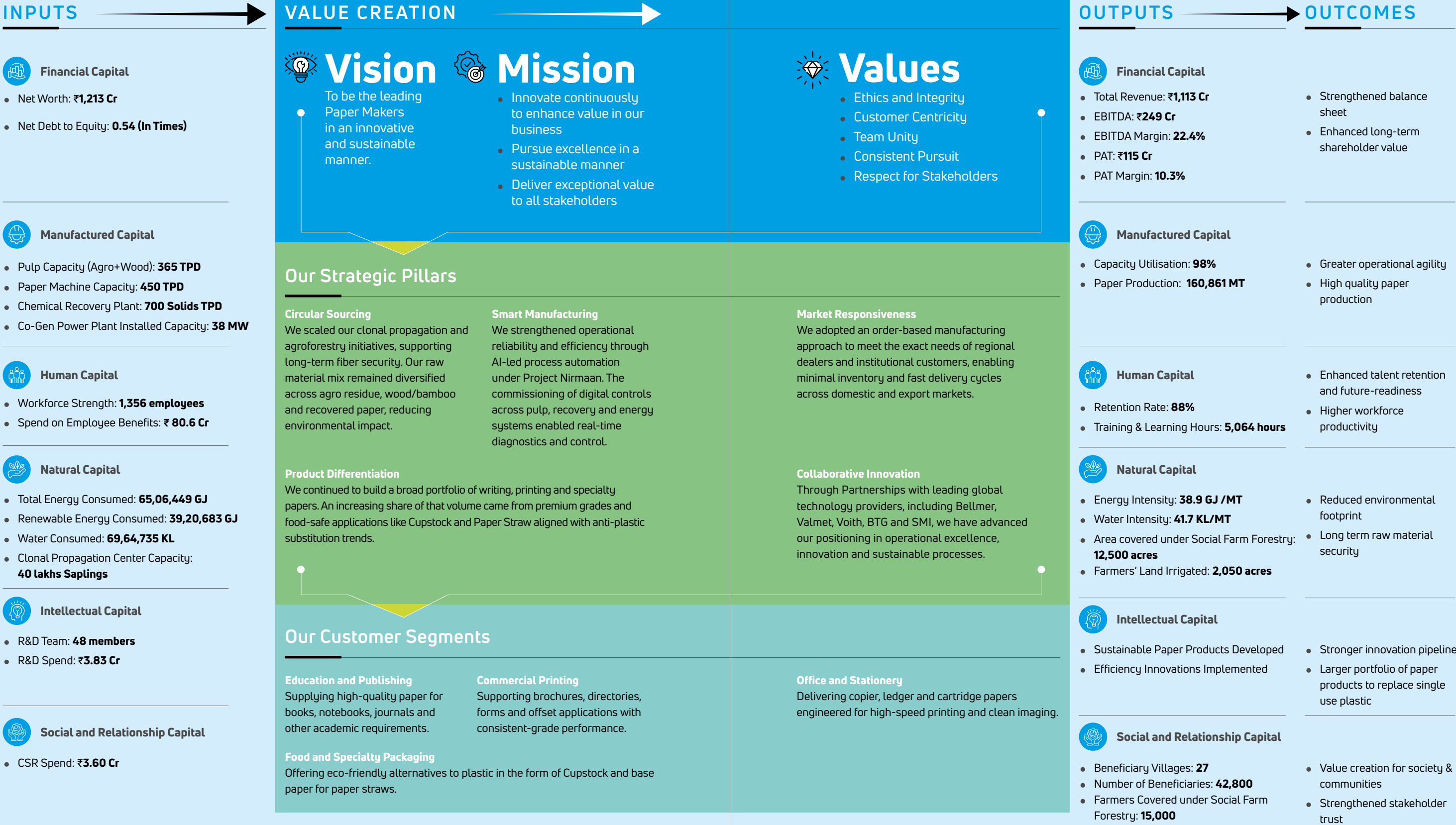
FINANCIAL HIGHLIGHTS

Scaling Financial  
Strength, Sustainably



VALUE CREATION MODEL

# A Purposeful Path to Long-Term Value



OPERATIONAL EXCELLENCE

# Purpose-Led Performance, Enduring Results

DRIVEN BY CONTINUOUS IMPROVEMENT, WE HAVE BUILT AN EFFICIENT AND SUSTAINABLE MANUFACTURING ECOSYSTEM, IMPROVING OUTPUT EFFICIENCY.

During the year, we undertook a series of transformative initiatives in production, digitalisation and sourcing that lowered our operational cost, improved quality of products and supported long-term environmental goals.



## Enhancing Productivity, Product Quality & Cost Efficiency

We continued to strengthen quality assurance at both pulp processing and paper manufacturing stages. Through a combination of mechanical upgrades and intelligent controls, we enhanced process stability, reduced chemical usage, and improved the consistency of our finished products. We focused on striking the right balance between output, efficiency, and environmental responsibility. By standardising key processes and fine-tuning resource-intensive operations, we achieved measurable improvements in productivity while lowering our energy footprint and operational costs.



### Pulp and Fiber Improvements

New refiner plate designs improved fiber development, leading to better formation, smoother surface and increased sheet strength. Online consistency control at the Twin Roll Press ensured a uniform pulp feed to the bleach plant improving pulp brightness control and reducing chemical use.



### Paper Machine Upgrades

Key upgrades were made to the head box lip, forming and press sections, improving sheet dryness and runnability during grade transitions. Online sensors for GSM, moisture and brightness enabled early deviation alerts, minimising off-spec production.



### Energy and Cost Efficiency

Steam and power use were optimised by tuning boiler and turbine operations. LED lighting and VFDs across pumps and agitators also contributed to Scope 2 emission reduction. 4 – 5 % Improvement in steam efficiency from boiler optimisation and soot blower sequencing.



### Boosting Reliability and Plant Uptime

We adopted condition monitoring, vibration analysis and spare standardisation to reduce unplanned downtime. Pre-planned shutdown protocols reduced maintenance turnaround and maximised uptime of critical equipment.



### Process Optimisation and Grade Consistency

Standardised machine settings across shifts and grades helped improve daily output, reduce transition losses and improve fiber retention. Low-silica agro input and finetuning digester controls further enhanced fiber yield and soda recovery performance.

## DIGITAL TRANSFORMATION

# Driving Digital Transformation through Project Nirmaan

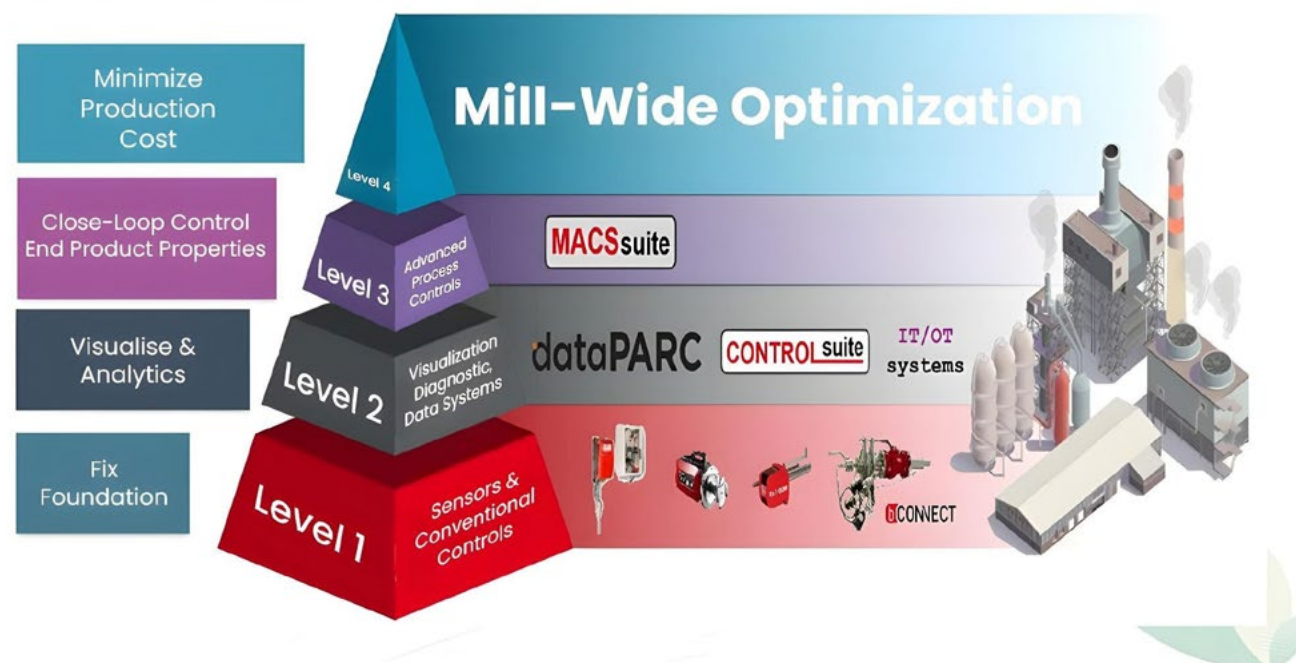
DIGITAL TECHNOLOGIES TODAY ARE THE BACKBONE OF RESPONSIVE, AGILE AND HIGH-PERFORMANCE OPERATIONS. IN LINE WITH THIS BELIEF, WE UNDERTOOK THE CALIBRATED DEPLOYMENT OF INTELLIGENT SYSTEMS AND DATA-DRIVEN CONTROLS THAT ENABLE US TO MAKE SMARTER DECISIONS, FASTER. THIS TRANSFORMATION ENABLED US TO UNLOCK PREVIOUSLY UNTAPPED EFFICIENCIES BY EMBEDDING AGILITY, PRECISION AND TRANSPARENCY INTO EVERY TOUCHPOINT OF OUR OPERATIONS, FROM INPUT PLANNING TO FINISHED GOODS.

'Project Nirmaan', implemented in collaboration with BTG and Kuantum's business excellence team, marks a significant leap in our digitalisation journey. The project focuses on streamlining core manufacturing functions while building a strong digital foundation for sustainable growth. By aligning people, processes, and technology platforms, it is driving significant improvements in product quality and overall equipment efficiency.

## Closed-loop Automation through Project Nirmaan

Building on this digital infrastructure, Project Nirmaan has facilitated the implementation of closed-loop automation powered by AI-based predictive tools and Advanced Process Control (APC) systems. These cutting-edge technologies have been strategically deployed across critical units, including the boiler and pulp and paper sections, to bring greater stability, accuracy and foresight in operations. The APC systems enable predictive maintenance by identifying potential failures before they occur, support virtual modelling for process simulation and provide real-time optimization capabilities to ensure efficiency and quality. Together, these advancements have not only reduced variability but have also laid the groundwork for a smarter, more responsive manufacturing environment.

## APC – DIGITAL TRANSFORMATION



# Value Addition through AI

By leveraging real-time data and analytics, we are able to maintain tighter control over critical parameters such as pulp brightness and chemical dosing. The implementation of advanced control systems, including Model Predictive Control (MPC), has yielded significant efficiencies in the pulp bleaching operations. These improvements have not only optimised resource utilisation but have also contributed to a meaningful reduction in effluent discharge and air emissions, reinforcing the company's environmental stewardship objectives. This has enhanced process consistency, product quality and operational reliability across our pulp mill.

## 50%

Reduction in hardwood pulp brightness variation & improved quality consistency

## 25% +

Reduction in caustic soda consumption through process optimisation

## 10%

Reduction in ClO<sub>2</sub> through process optimisation

The digitally enabled energy management system has facilitated identification and implementation of energy-saving measures across pumps and blowers, further enhancing energy efficiency.

## 0.15%

Increase in boiler efficiency following AI based control stabilisation



Kuantum's digitalisation strategy has emerged as a cornerstone of operational advancement, delivering measurable impact across sustainability, cost efficiency and process excellence. The company's ongoing investments in digital infrastructure and intelligent process systems are aligned with its broader commitment to sustainable and efficient manufacturing.

## HUMAN RESOURCE

# Purpose-Driven Culture, People-Led Growth

WE CONSIDER OUR PEOPLE AS THE BACKBONE OF OUR SUSTAINED OPERATIONAL EXCELLENCE AND INNOVATION.

At Kquantum Papers, our human resource practices are rooted in respect, empowerment and continuous improvement. During the year, we continued to align our people strategy with our business goals by investing in talent, expanding learning ecosystems, promoting inclusivity and strengthening employee engagement.



## Strategic Talent Acquisition

Our recruitment strategy focuses on building a capable and future-ready workforce to drive complex plant operations. Every hiring mandate is initiated through structured job analysis, in collaboration with department heads. This ensures clarity in role expectations and helps attract high calibre candidates for core & support functions.

## Campus Connect Programme and Community Hiring

We have strengthened our partnerships with technical universities including IITs, regional engineering colleges and polytechnic institutes by offering campus placements to 50+ students in the last two years. Through internships, pre-placement talks and targeted hiring drives, we continue to build a pool of bright & talented young minds. Hiring for skilled & semi-skilled positions is also complemented by focused outreach in neighbouring districts, which supports local youth employment and workforce stability.



## Talent Retention and Workforce Stability

Retaining high-performing talent in manufacturing is a strategic priority. Our approach blends competitive compensation, clear career pathways and professional development opportunities leading to 88% retention rate. Performance based incentives and structured promotion cycles create a sense of purpose and recognition across functions.

## Proactive Engagement and Feedback

We conduct regular HR Connect sessions, skip-level meetings and anonymous feedback loops to stay connected with employee expectations. Insights from these platforms help us take timely action on emerging concerns and reinforce trust within the workforce.



**Learning, Training and Capability Building**

We follow a structured Training Need Analysis (TNA) model to identify learning gaps and deliver role-specific training. Employees participated in technical workshops, behavioural sessions and leadership modules that support both immediate performance and long-term career progression. We also collaborated with skill institutions to upskill 300+ technicians in areas like machine operations, energy efficiency and compliance protocols.

300+

Frontline employees trained under skill development programmes during the year

5,064

Total training & learning hours

**Building a Future-Ready Workforce**

As we enter a phase of capacity expansion and digital transformation, we are preparing our workforce for future operational needs. Training modules in automation, sustainability practices and data-driven decision-making are being actively delivered through internal academies and expert-led sessions.



**Workplace Safety and Compliance**

All employees undergo safety training tailored to their role, including emergency preparedness, PPE usage and hazard response. Regular mock drills and toolbox talks ensure that safety remains a shared responsibility across all departments. Safety compliance audits and awareness drives ensure a zero-compromise culture.



**Thriving Workplace Culture**

Our people philosophy is anchored in inclusivity and mutual respect. We actively involve employees in decision-making forums, strategy sessions and cross functional projects. Structured platforms ensure that every voice—across levels and roles—is heard and valued.

**Diversity, Equity and Inclusion**

We strive to create an inclusive culture where every individual, irrespective of gender, background, or identity, is heard, valued, and given the opportunity to succeed. We are particularly focused on strengthening female



representation within our workforce through proactive hiring, support networks and career development pathways. By building diverse teams, we unlock broader perspectives and foster innovation that reflects the world we serve.

**Communication, Feedback and Trust**

We have institutionalised multi-level communication—from daily department briefings to quarterly leadership town halls. Forums such as 'Coffee with CEO – Operations' and suggestion boxes facilitate open dialogue and problem-solving across levels.

**Listening to Improve**

Anonymous suggestion mechanisms, MoM-tracked HR Connect sessions and employee surveys allow us to listen actively and act meaningfully. These feedback loops have improved transparency, morale and responsiveness.

**Engagement, Recognition and Wellbeing**

Our engagement calendar includes cultural celebrations, family events, birthday recognitions and welcome programmes for new joiners. Town halls and informal gatherings create opportunities for team bonding and motivation.

**Wellbeing & Health**

We provide secure, on-site accommodation with facilities that include an on-site dispensary, dedicated club hall, sports facilities and a company run high school.

We conducted a flagship wellness programme, 'Self-Care Day', focused on mental health, stress management and nutrition. Employees across shifts and roles attended specialised health camps, yoga and wellness sessions.

**Cross-Functional Growth**

Leadership Connect sessions and capability building workshops ensure alignment between mid-level talent and organisational priorities. This helps build a strong succession pipeline and future leadership continuity.



ENVIRONMENT

# Sustaining Growth with Responsibility

OUR COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY GOES BEYOND COMPLIANCE. IT IS DEEPLY INTEGRATED INTO OUR OPERATIONAL STRATEGY AND LONG-TERM VISION.

As a responsible manufacturer in a resource-intensive sector, we prioritise conservation, circularity and clean technologies to minimise our environmental footprint and create lasting ecological value.



### Building a Circular Manufacturing Ecosystem

We follow a closed-loop recovery model to improve resource efficiency and contribute to lower operating costs and reduced chemical usage. Our processes include internal recycling and reuse of water, recovery of chemicals, reuse of treated effluent for irrigation and utilization of fly ash for eco-brick production. These steps ensure that waste from one process becomes the input for another, thereby laying the foundation of circular operations.

### Responsible Water Stewardship

We maintain high internal water recycling and reuse through High-Rate Solid Contact Clarifiers (HRSCC), Condensate Polishing Units and Multi Plate Settlers (MPS). The introduction of Twin Roll Presses in the agro and wood pulping sections along with these measures has led to a reduction of water consumption by 5 m<sup>3</sup> per ton of pulp.

We have got approval from the Punjab Government to draw water from the nearby canal and now this surface water accounts for 30% of our water intake, which is a major step toward reducing dependency on groundwater.



90% +

Paper machine processed water is recycled within the facility

5m<sup>3</sup>/tonnes

Freshwater savings achieved through closed-loop systems

### Irrigation of Farmlands

Our Effluent Treatment Plant (ETP) plays a pivotal role by enabling 100% reuse of treated water for agricultural irrigation via a 15-kilometer pipeline network.

2,050 acres

Farmland irrigated with treated effluent



### Circularity in Chemical Recovery

Our state-of-the-art HERB chemical recovery boiler allows the recovery & recycling of more than 96% of caustic soda that is used in the pulping process. This process helps reduce waste and operational costs, conserve resources, and minimize environmental impact.

# 96% +

White liquor recovery through our chemical recovery systems

### Driving Renewable Steam Generation

A substantial portion of the steam requirement in processed is now derived from black liquor, a renewable by product of the pulping process. This helps reduce fossil fuel dependency and GHG emissions.

# 35%

Steam generated using renewable black liquor

### Fueling a Greener Future

Our Co-Generation Power Plant uses biomass like rice husk, wood dust and agri waste which reduces dependence on fossil fuels and also prevents burning of stubble in fields.

# 35% +

Biomass used for power generation

# 39.2 lakhs GJ

Energy used from renewable sources

### Energy Efficiency and Renewable Integration

We have upgraded turbines, installed high efficiency motors and adopted LED lighting to lower energy consumption. These initiatives are supported by real-time monitoring to optimise energy efficiency across the facility.

### Utilising By-Products Sustainably

Fly ash is repurposed for eco-brick production and co-processing in cement plants and ETP sludge is used for board making.



# Shaping the Future with Social Farm Forestry

### Sustainable Sourcing

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

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.

### Securing Future Fiber through R&D

To ensure sustainable and secure raw material supply, we continued to scale our Hi-Tech Clonal Nursery while exploring new wood species. We have initiated lab- and field-level trials with hybrids, targeting higher yield, shorter rotation cycles and improved fiber strength.

Our Clonal R&D Team developed new high-yield eucalyptus clones and piloted alternative species like Melia and Subabul. The establishment of five casuarina Model plots with full buyback assurance and ongoing farmer engagement programs helped deepen rural partnerships and ecological stewardship.

# 40 lakhs

Saplings produced annually at our Hi-Tech Clonal Nursery

### Precision Science from Our Plantation Laboratory

Our in-house Plantation Lab supports scientific clone selection based on fiber characteristics and wood density. It also develops nutrient protocols using foliar diagnostics, improving yield and bark-to-wood ratio. With support from our lab, we track plantation performance and identified disease risks early. These systems enhance reliability while supporting carbon sequestration and traceable sourcing.



### Promoting Social Farm Forestry

Our on-site Clonal Propagation Center (CPC) has been pivotal in ensuring the cultivation of superior clones of various fast-growing and high-yielding pulp wood species. These clones are distributed to the local farming community at subsidized rates and the farmers are provided training about soil development, pre-planting and post-planting activities as part of the Social Farm Forestry Programme. This allows them an additional source of income and also enables the Company to secure its future source of wood raw material. This year we enhanced the capacity of our in-house Clonal Propagation Centre (CPC) to 40 L saplings a year and aim to take the capacity of the CPC to 1 crore clones per annum in the next two years.

# 45 lakhs

Clonal saplings distributed

# 12,500 acres

Area covered under social farm forestry

# 15,000

Farmers benefitted



SOCIAL

# Empowering Communities, Sustaining Futures

WE BELIEVE THAT INCLUSIVE GROWTH FORMS THE FOUNDATION OF LONG-TERM VALUE CREATION.

Our Corporate Social Responsibility (CSR) initiatives are shaped by deep community engagement, alignment with national priorities and a commitment to build resilient, self-sustaining ecosystems around our operations. During FY 2024-25, we advanced this agenda through impactful interventions across education, healthcare, infrastructure and environment.

₹3.60 Cr

CSR Spend

13,950

People Benefitted



## Improving Access to Quality Education

We recognise the transformative power of education and have implemented targeted initiatives to ensure that children from neighbouring villages have equitable access to affordable learning opportunities. These efforts are directed towards reducing barriers to education and supporting long-term community development.

### Building Learning Ecosystems

We operate a full-fledged high school near our plant, offering affordable and quality

education to the children of employees and neighbouring villages. The school is equipped with trained faculty, science labs, a library and digital classrooms to ensure holistic learning.

### Strengthening Government School Infrastructure

We also extended infrastructure support to government schools across several villages. This included constructing classrooms and sanitation blocks, repairing roofs and boundary walls and providing essential items like benches and fans to enhance learning environments.

500+

Students enrolled in Kquantum-run high school

27

Villages benefitted



## Road Connectivity and School Access

Under our flagship 'Road to Education' initiative, we improved key road stretches in nearby villages to enable safer and faster access to schools, health centres and markets. This has significantly improved school attendance and reduced dropout risks, especially during the monsoon season.

1,500+

School-going children gained improved access through rural road upgrades



Skill Development

We continue to support livelihood enhancement through skill-building programmes, vocational training, and income generating opportunities tailored to local needs. By enabling individuals to develop relevant capabilities and access sustainable means of earning, our initiatives contribute to economic resilience and improved quality of life within the communities we engage with.

Apprenticeships and Hands-on Industrial Training

We offer structured apprenticeship programmes in mechanical, electrical and process departments to youth from nearby villages. These programmes bridge the gap between education and employment by offering real-time industry exposure.

Local Enterprise Support

We promote local employment by engaging rural microenterprises and self-help groups in auxiliary tasks such as plantation services, material supplies and support functions.

Healthcare access

Access to quality healthcare remains a key priority in our community outreach efforts. Through a combination of mobile health services, emergency support infrastructure, and targeted awareness programmes, we aim to address both immediate medical needs and long-term wellness outcomes.

We conducted multiple free health camps and drives across nearby villages, offering diagnostic, specialist consultation and primary treatment facilities.

Our fully operational dispensary near the plant provides consultation and free medicines through qualified medical staff. Ambulance services are also extended to neighbouring communities during emergencies.

2,500+

Benefitted from free health camps



Water and Sanitation Access

Access to clean water and safe sanitation is essential for public health and community well-being. Our interventions focus on building reliable infrastructure and encouraging lasting behavioural change. By combining on-ground facilities with awareness campaigns, we aim to create healthier living environments and reduce the incidence of waterborne diseases in rural areas.

Provision of Clean Drinking Water Facilities

We installed a tubewell at village Saila Kalan and also provided water coolers and RO's to facilitate availability of clean drinking water in surrounding areas.

Sanitation Infrastructure

Under our rural sanitation drive, we installed sewage pipelines and decentralised sewage treatment plants in selected villages to improve hygiene and waste management facilities.

Awareness and Behavioural Change

Through collaboration with local Panchayats and schools, we ran periodic sanitation campaigns to promote personal hygiene, sanitation best practices and promote clean living.

Environmental Outreach and Green Communities

We take a proactive approach to environmental stewardship by working closely with local communities to promote greener practices and build ecological awareness. Our efforts span plantation drives, farmer engagement, and school based programmes that together support biodiversity, improve soil health, and cultivate long-term environmental responsibility.

Plantation Drives and Green Belts

We carried out plantation drives in schools, community areas and public roads across nearby villages. These efforts were complemented by awareness sessions on organic farming, soil health and residue management.

25,000+

Saplings planted across village Mazara Dingria, Saila Khurd and Bharatpur Jattan



Farmer Outreach and Soil Health

Our plantation and R&D teams engaged with farmers through training sessions on soil health, agroforestry and sustainable residue management techniques.

School and Youth Engagement

Environmental awareness was driven through eco-club initiatives in schools, supported by educational kits, tree plantation activities and competitions on climate themes.



## Board of Directors



**Jagesh Kumar Khaitan**  
Chairman

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



**Pavan Khaitan**  
Vice Chairman & Managing Director

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



**Vivek Bihani**  
Director (Independent)

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



**Bhavdeep Sardana**  
Director (Independent)

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



**Shireen Sethi**  
Director (Independent)

Currently the COO of Network 1 Media Pvt. Ltd. and has over two decades of experience as a journalist, manager and advisor to many National & Global Media Corporations and has founded multiple successful businesses in the media, technology & education sectors. She has also been working extensively with FICCI advising the trade body in the Technology Commercialization Department and has been instrumental in multiple initiatives of the organization including The India Innovation Growth Program (a JV between Lockheed Martin & Ministry of Science & Tech), Millennium Alliance and DRDO-ATAC 877.



**Munishwar Kumar**  
Director (Non - Executive)

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.

## Management Team



**Sushil Kumar Khetan**  
Chief Executive Officer - Operations

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



**Sanjay Khosla**  
Chief Marketing Officer

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



**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 more than 2 decades of experience in consulting and manufacturing industries. Her core area of expertise is Strategic Planning, SWOT Analysis, Finance Management and New Business Development. She is a dynamic leader and has a strong ability of driving Growth and Change Management.



**Nandivardhan Morareddy**  
Vice President - Technical Excellence

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

### Our Associate Vice Presidents

|                                                     |                                                    |
|-----------------------------------------------------|----------------------------------------------------|
| <b>Abhineet Kumar</b><br>Procurement-<br>Commercial | <b>Sudhir Kumar Sharma</b><br>Procurement-<br>Wood |
| <b>Ajay Sharma</b><br>Human Resources               | <b>Naveen Kumar Soni</b><br>Procurement-Agro       |
| <b>Nagmeet Saran</b><br>Sales                       | <b>Sanjay Kumar</b><br>Quality Control             |
| <b>Neeraj Gupta</b><br>Paper Machine                | <b>Ajesh Gupta</b><br>Administration               |
| <b>Rajan Vivek Kaushish</b><br>Pulp                 |                                                    |
| <b>Sandeep Pabha</b><br>Mechanical                  |                                                    |
| <b>Parveen Goyal</b><br>Electrical                  |                                                    |
| <b>Y Vikas Singla</b><br>Projects                   |                                                    |

## KEY ACHIEVEMENTS

# Awards and Certifications



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



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



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



**Quality Management System  
Certificate ISO 9001**  
2015 (R&D) (March 2018)



**FSC® Certificate**  
(March 2022)



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

## COMPANY Information

### Registered Office & Works

Paper Mill  
Salla 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

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Fax: 01884-502700  
Email: kquantumcorp@kquantumpapers.com  
Website: www.kquantumpapers.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  
RBL Bank Ltd  
Canara Bank  
HDFC Bank Ltd



# Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting the 28th Annual Report on the business and operations together with Audited Financial Statements of your Company for the financial year ended 31st March 2025.

## FINANCIAL HIGHLIGHTS

The summarized financial results of the Company for the financial year 2024-25 are given hereunder:

(₹ in Lakhs)

| Particulars                                                               | 2024-25          | 2023-24          |
|---------------------------------------------------------------------------|------------------|------------------|
| Sales & other income                                                      | 1,11,312.38      | 1,21,693.66      |
| Operating Profit                                                          | 24,867.58        | 33,870.49        |
| Interest                                                                  | 3,930.00         | 4,284.70         |
| Gross Profit                                                              | 20,937.58        | 29,585.79        |
| Depreciation                                                              | 5,399.79         | 4,824.73         |
| Profit (Loss) before tax                                                  | 15,537.79        | 24,761.06        |
| Provision for                                                             |                  |                  |
| - Current Tax                                                             | 2,562.94         | 5,461.74         |
| - Adjustment of Tax-Earlier Years                                         | 27.73            | 32.30            |
| - Deferred Tax                                                            | 1,429.04         | 884.45           |
| Net Profit (Loss) after tax                                               | 11,518.08        | 18,382.58        |
| Other comprehensive Income (Expense)                                      | (13.47)          | (61.72)          |
| <b>Total comprehensive Income/(Loss) for the year (Net of Income Tax)</b> | <b>11,504.61</b> | <b>18,320.86</b> |

## DIVIDEND

Considering the satisfactory business operations coupled with satisfactory cash flows during the year under review, your Directors have proposed a dividend of ₹ 3/- (i.e. @ 300%) per share (previous year ₹ 3/- per share) on the Equity Shares of ₹ 1.00 each for financial year 2024-25.

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 2024-25 was a year of strong 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 highest 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—rose to unprecedented levels due to constrained supply chains and rising competition from other wood-dependent sectors. These adverse dynamics placed continued pressure on industry-wide profitability.

Despite these external pressures, Kuantum delivered a resilient and industry-leading performance. While Net Sales Realization (NSR) declined by approximately 13-14%, the Company effectively contained the drop in EBITDA margin to just 5.5%, recording a robust EBITDA margin of 22.4% among the highest in the Indian paper sector. This outcome underscores Kuantum's structural cost advantages, operational agility, and commitment to efficiency.

The Company achieved its highest-ever finished paper production of 160,861 MT, surpassing the previous year's 153,058 MT. This milestone was enabled by strong process stability and full-capacity operation of all 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.

In a major water sustainability milestone, Kuantum commenced use of canal-based surface water in May 2024, 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.

On the backward integration front, Kquantum recorded its highest-ever clonal sapling production of 44.88 lakh, with 40 lakh saplings distributed across more than 5,000 acres in five northern states. This initiative supports long-term wood security, promotes agro-forestry, and reinforces the Company's commitment to rural livelihoods and environmental stewardship.

In summary, FY 2024–25 was a year marked by resilience, innovation, and high performance for Kquantum 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, Kquantum Papers Ltd. has embarked on a transformative capital expenditure program of ₹ 73,500 Lakhs. 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 being installed 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, Kquantum 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' Kquantum 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 over two years, drawing on the collective expertise of global partners and in-house teams.

The financial closure for the overall Capex plan has been secured, with ₹ 53,500 Lakhs sanctioned as project term loan ensuring timely implementation. All major projects are scheduled for completion by March 31, 2026.

Looking ahead, Kquantum 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:

Kquantum 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 research contributions to reputed industry journals:

- "Suitability of Casuarina Clone (CH-1) in Punjab" – Forestry Research and Engineering: International Journal, July 2024.
- "Evaluating Ecologically Important Bamboo Species for the Pulp and Paper Industry" – Indian Journal of Soil Conservation, November 2024.
- "Kquantum's Leap in the Paper Industry: Boosting Productivity and Quality with AI" – Indian Pulp and Paper Technical Association: The Official International Journal, February 2025.

These recognitions and publications underscore Kuantum's dedication to advancing sustainable practices, driving industry innovation, and contributing meaningfully to the scientific and industrial community. The company continues to set benchmarks in environmental responsibility and operational excellence, reinforcing its position as a leader in the pulp and paper sector.

## 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.

The global pulp and paper market size is estimated at USD 379.58 billion in 2024 and is anticipated to reach around USD 551.15 billion by 2034, expanding at a CAGR of 3.80% from 2024 to 2034.

The global book publishing paper market size was estimated at USD 78.00 billion in 2024 and expected to rise to USD 105.91 billion by 2033, experiencing a CAGR of 3.4% during the forecast period.

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

The global paper packaging market was valued at USD 410.5 billion in 2024, with expectations to reach USD 596.5 billion by 2034, growing at a CAGR of 3.8%.

The Indian paper industry accounts for about 5% of the world's production of paper. The estimated annual turnover of the industry is ₹ 80,000 Crore and its tax contribution to the exchequer is around ₹ 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 FY25 on the back of fall in the realizations despite higher input costs on the back of increased competition from imports. 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 unprecedented 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 "Atmanirbhar Bharat," the Government has brought the imports of paper under compulsory registration from the 1st October 2022. The import policy of major paper products, such as newsprint, handmade paper, wallpaper base, duplicating paper, coated paper, uncoated paper, Maplitho and offset paper, excluding currency paper, bank bonds and cheque paper and security printing paper, has been amended from 'Free' to 'Free subject to compulsory registration under Paper Import Monitoring System' by the Directorate General of Free Trade.

## FINANCE

### (i) Term Loan for Capex Project

The capex project of ₹ 73,500 Lakhs for mill wide upgradation & modernization are being funded by mix of debt & internal accruals. The Company has successfully tied-up loan amount of ₹ 53,500 Lakhs for execution of the project & balance ₹ 20,000 Lakhs shall be infused in the form of internal accruals.

### (ii) Working Capital

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

### (iii) Fixed Deposits

As on 31 March 2025, your Company had Fixed Deposits of ₹ 2935.65 Lakhs. There were no overdue deposits as on 31 March 2025. The above deposits have been accepted for a period of 1 year to 3 years as per the Fixed Deposit Schemes duly approved by the Board of Directors pursuant to the compliance of the provisions of Sections 73 to 76 of Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules 2014.

| Details of Deposits:                                                                                                                                                     | ₹ in Lakhs |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Accepted during the year (excluding renewals)                                                                                                                            | 126.06     |
| Accepted during the year including renewals                                                                                                                              | 1,639.81   |
| Remained unpaid or unclaimed as at the end of the year                                                                                                                   | Nil        |
| Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved |            |
| (i) at the beginning of the year;                                                                                                                                        | Nil        |
| (ii) maximum during the year;                                                                                                                                            | Nil        |
| (iii) at the end of the year;                                                                                                                                            | Nil        |
| The details of deposits which are not in compliance with the requirements of Chapter V of the Act                                                                        | Nil        |

## EXTERNAL CREDIT RATING

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

| Facilities                 | Amount (₹ in crore) | Rating                                     | Rating Action                                                                                  |
|----------------------------|---------------------|--------------------------------------------|------------------------------------------------------------------------------------------------|
| Long Term Bank Facilities  | 856.94              | CARE A; Stable (Single A; Outlook: Stable) | Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned |
| Short Term Bank Facilities | 66.55               | CARE A1 (A One)                            | Reaffirmed and removed from Rating Watch with Developing Implications                          |
| Fixed Deposit              | 33.22               | CARE A; Stable (Single A; Outlook: Stable) | Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned |

## CHANGES IN THE NATURE OF BUSINESS

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

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

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

## HOLDING / SUBSIDIARIES / JOINT VENTURES / 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) -Non-Independent, Executive Director
2. Ms Shireen Sethi -Independent, Non-Executive Director
3. Mr Bhavdeep Sardana -Independent, Non-Executive Director

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

During the year under review, the Company has spent an amount of ₹ 360.36 Lakhs against the CSR obligation of ₹ 359.49 Lakhs. Details about the CSR policy and initiatives taken by the Company during the year are available on your Company's website [www.kuantumpapers.com](http://www.kuantumpapers.com). The Report on CSR activities is given in **Annexure-1** forming part of this Report.

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

## VIGIL MECHANISM / WHISTLE BLOWER

Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called the 'Whistle Blower Policy' for Directors and employees to report concerns of unethical 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](http://www.kuantumpapers.com). No complaint has been received during the year under review.

## RISK MANAGEMENT

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

During FY 2024-25, two Meetings were held on 11th April, 2024 and 04th November, 2024, wherein, relevant mitigation measures identified for the Company were reviewed and discussed.

The Company believes that managing risks helps in optimising returns. A risk management framework 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 comprises of various processes, structures and guidelines which assist the Company to identify, assess, monitor, and manages its risks, including any material changes to its risk profile. To achieve this, the Company has clearly defined the responsibility and authority of the Company's Management and the Risk Management Committee to oversee and manage these Programs. Details of the various risks, which can affect the Company's business and the management's perception, are more elaborately given in the 'Management Discussion & Analysis' attached to this Report.

## INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

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

The Company has designed and implemented a process driven framework for Internal Financial Controls. For the year ended on March 31, 2025, the Board is of the opinion that the Company has sound Internal Financial Controls commensurate with the size, scale and complexity of its business operations. During the year, such controls were tested and were operating effectively.

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

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

The Management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2025. 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 the Company has made any Public/ Rights/ Bonus/Buy back of Equity Shares of the Company. As on 31st March, 2025, the paid up Equity Share Capital of the Company stood at ₹ 8,72,63,630 divided into 8,72,63,630 equity shares of face value of ₹ 1/- each.

## KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2025 were as under:

1. Mr. Pavan Khaitan, Vice Chairman & Managing Director
2. Mr. Vikram Kumar Khaitan, CFO (w.e.f. 05th November, 2024)
3. 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 (transactions where the value exceeds ₹ 1,000 Crores or 10% of the annual consolidated turnover, whichever is lower), or which is required to be reported in Form AOC-2 in terms of section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, as amended.

Statements giving details of all related party transactions were placed before the Audit Committee on a quarterly basis. The Audit Committee as well as all the Directors who were Independent Directors approved the same. The policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at link <https://www.kquantumpapers.com/wp-content/uploads/2024/11/Related-Party-Transaction-Policy.pdf>

All the related party transactions are done at arm's length and pertain to FY 2024-25.

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. Bhavdeep Sardana, Independent Director, Ms. Shireen Sethi, Independent Director and Mr. Pavan Khaitan, Executive Director. An Independent Director is the Chairperson of the Committee.

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

## DIVIDEND DISTRIBUTION POLICY

Pursuant to the provision of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the top 1,000 listed entities based on market capitalisation 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, 2024 and 31st March, 2025, 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 2024-25, Shri Drishinder Singh Sandhawalia resigned as Non-Executive Director and Mr. Munishwar Kumar was appointed as Non Executive Director of the Company.

Further, during the financial year 2024-25, the Shareholders of the Company, by way of Special Resolution passed on 25th May, 2024, through Postal Ballot, duly approved the Re-appointment of Mr. Pavan Khaitan as vice Chairman & Managing Director for a period of three years w.e.f. 01st April, 2024.

During the year 2024-25, Shri Roshan Garg resigned from the post of Chief Financial Officer (CFO) and Key Managerial Personnel of the Company w.e.f. close of business hours of 04th November, 2024, on account of personal reasons. Mr. Vikram Kumar Khaitan was appointed as Chief Financial Officer (CFO), a Key Managerial Personnel, categorized as Senior Management Personnel, of the Company w.e.f. 05th November, 2024.

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

## **DECLARATION BY INDEPENDENT DIRECTORS**

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

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

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

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

In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company are registered on the Independent Director Databank maintained by the Indian Institute of Corporate Affairs (IICA) and hold valid certificate of registration.

## **INDUCTIONS & TRAINING OF BOARD MEMBERS**

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

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

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

Your Company follows a structured familiarisation programme through various reports and internal policies for all the Directors with a view to update them on the Company's policies on a regular basis. Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Executive Directors on the Company's manufacturing, marketing, finance and other important aspects. All our Directors are aware and also updated, whenever required, of their role, responsibilities and obligations under the provisions of the Companies Act, 2013 and Rules made there under an Agreement/ Regulation 25 of the Listing Regulations, 2015. The details of the Familiarisation Programmes for Independent Directors are made available on Company's website at the web link: <https://www.kuantumpapers.com/wp-content/uploads/2025/05/Familiarisation-Programme.pdf>

## **PERFORMANCE EVALUATION OF THE DIRECTORS AND MEETING OF INDEPENDENT DIRECTORS**

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

- Performance of the directors and key attributes of the Directors that justify his/her extension/continuation on the Board of the Company.
- Participation of the Directors in the Board proceedings and their effectiveness.

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

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

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

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

During the year under review, a meeting of Independent Directors was held on 11th February, 2025. The performance of the Non-

Independent Directors and the Board as a whole vis- à-vis the performance of the Chairman of the Company was reviewed by the Independent Directors.

## DISCLOSURES ON BOARD EVALUATION:

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

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

### ii. Previous year's observations and actions taken:

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

### iii. Proposed actions envisaged:

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

## SEPARATE MEETING OF INDEPENDENT DIRECTORS

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors separately met on 11th February, 2025.

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](http://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 2024-25:

| Sr. No. | Category                                          | No. of complaints during financial year 2024-25                                                | No. of complaints pending as at end of year 2024-25 |
|---------|---------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 1       | Child labour / forced labour / involuntary labour | The Company does not hire Child Labour, Forced Labour or involuntary Labour (No Case Reported) | Not Applicable                                      |
| 2       | Sexual Harassment                                 | No reported case                                                                               | Not Applicable                                      |
| 3       | Discriminatory Employment                         | No reported case                                                                               | Not Applicable                                      |

## STATEMENT AS TO INTERNAL COMPLAINTS COMMITTEE

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

## STATEMENT ON COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

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

## NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Management Discussions and Analysis report ("MD&A Report") providing a detailed overview of your Company's performance, industry trends, business and risks involved is provided separately and forms part of Annual Report.

## COMMITTEES OF THE BOARD

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

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

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

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

## PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website at [www.kuantumpapers.com](http://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, 2025, 99.31% Equity Shares were in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited and rest 0.69% were in physical form.

## INSURANCE:

The properties/assets of your Company are adequately insured.

## INDIAN ACCOUNTING STANDARDS

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

## STATUTORY AUDITORS & AUDITOR'S REPORT

M/s O P Bagla & Co. LLP, Chartered Accountants, (Firm Registration No. 000018N/N500091), Statutory Auditors of the company were appointed for a period of five years by the shareholders of the Company to hold office from the conclusion of the 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting. Being eligible as a Firm, for re-appointment as Statutory Auditors of the Company, they have expressed their consent and eligibility for being re-appointed for a second term of consecutive five years w.e.f. the conclusion of ensuing 28th Annual General Meeting until the conclusion of 33rd Annual General Meeting, subject to the approval of shareholders at ensuing AGM.

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

The Auditors report for the financial year 2024-25 does not contain any qualification, reservation or adverse remark. The Notes on Accounts referred to in the Annexure to the Statutory Auditor's Report are self-explanatory and do not call for any comments.

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

## APPLICABILITY AND MAINTENANCE OF COST RECORDS

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

## COST AUDITORS

M/s R.J. Goel & Co., Delhi were appointed as Cost Auditors for conducting the cost audit of the Company for the year ended 31st March 2025. The Company's Cost Audit Report for the year ended 31st March 2024 was duly filed during the financial year 2024-25 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 2025-26. For the year 2024-25, the Cost Audit report shall be duly filed within prescribed time.

## SECRETARIAL AUDITORS & REPORTS

M/s S.K. Sikka & Associates, Company Secretaries were appointed as Secretarial Auditors to conduct Secretarial Audit of the Company and they have submitted the Secretarial Audit Report for the year ending 31st March, 2025 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 Disclosures Requirements) Regulations, 2015, read with Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, the Company is required to obtain a certificate from Practicing Company Secretary that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said Certificate has been obtained from the M/s S.K. Sikka & Associates, Company Secretaries, which is given at **Annexure-7** and forms part of Board's Report.

Pursuant to Section 204 of the Companies Act, 2013 further read with amended Regulation 24A of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 M/s S.K. Sikka & Associates, Company Secretaries have been 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 ensuing 28th AGM until the conclusion of 33rd AGM to be held in year 2030, subject to the approval of shareholders at ensuing 28th AGM.

## INTERNAL AUDITOR

Internal Audit for the year ended 31st March, 2025 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) of the SEBI further read with Regulation 3(2) of Listing Regulations, applicable to the Company, the Company has taken Directors and Officers Insurance Policy (D & O) for all of its Directors.

## UNCLAIMED SUSPENSE ACCOUNT

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

## RESOLUTION AND MATTERS APPROVED THROUGH POSTAL BALLOT DURING FINANCIAL YEAR

During the year under review, two Special Resolution were passed through postal Ballot process on 25th May, 2024, for re-appointment of Mr. Pavan Khaitan as vice Chairman & Managing Director for a period of three years w.e.f. 01st April, 2024 and on 18th December, 2024 for appointment of Shri Munishwar Kumar(DIN: 00434341) as Non-Executive Director.

## 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](http://www.kuantumpapers.com).

## DISCLOSURE ABOUT THE RECEIPT OF COMMISSION

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

## CORPORATE GOVERNANCE

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

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As required under the provision of the Section 124 & 125 and other applicable provisions of the Act, dividends that remain unpaid / Unclaimed for a period of consecutive 7 years, are required to be transferred to the account administered by the Central Government viz. Investor Education and Protection Fund

("IEPF"). Further, according to the said Rules, the shares on which Dividend has not been encashed or claimed by the Members for 7 consecutive years or more shall also be transferred to the demat account of the IEPF Authority. In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the abovementioned unpaid dividends and shares requiring transfer to Investor Education and Protection Fund during the year 2024-25, 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 March 31, 2025 is uploaded on the website of the Company and can be accessed at [www.kuantumpapers.com](http://www.kuantumpapers.com) under the weblink i.e. <https://www.kuantumpapers.com/wp-content/uploads/2025/05/MGT-7-2024-25.pdf>

## TRANSFER TO RESERVES

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

## CAUTIONARY STATEMENT

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

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

The information relating to conservation of energy, technology absorption and foreign exchange earnings & outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure-2** which forms part of this Report.

## 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 ₹ 102 Lakhs per annum if employed throughout the year and ₹ 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, excluding the Statement containing other Particulars of Employees. Any shareholder interested in obtaining such details may write to the Company Secretary of the Company.

## LISTING OF SECURITIES

The securities (Equity Shares) of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to the BSE and NSE up to the financial year 2025-26.

## 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/FLs/ 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 2024-25.

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

- (i) in the preparation of the annual accounts for the year ended 31 March 2025, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures;
- (ii) such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2025 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 SUSTANABILITY REPORT (BRSR)

As at 31st March, 2025, the Company is not covered amongst top 1000 listed entities based on market capitalisation, yet in terms of Regulation 34(2)(f) further read with Regulation 3(2) of the Listing Regulations, Business Responsibility and Sustainability Report (BRSR) of the Company for FY 2024-25 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 2024-25 with Banks or Financial Institution.

## ACKNOWLEDGMENT

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

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

**Jagesh Kumar Khaitan**  
Chairman  
DIN: 00026264

Dated: 20th May, 2025  
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 to actively contribute to the social and economic development of the communities of the area in which we operate. In doing so, build a better, sustainable way of life for the underprivileged, and raise their overall standard of living. In addition, we are committed to conserving and preserving the environment.

#### (ii) Strategy

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

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

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

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

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

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

During the year 2024-25, 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       | Ms. Shireen Sethi, Member                                               | Independent, Non-Executive          |                                                          | 2                                                            |
| 3*      | Mr. Bhavdeep Sardana, Member<br>(Appointed as Member w.e.f. 03.08.2024) | Independent, Non-Executive          | 2                                                        | 1                                                            |
| 4*      | Mr. Drishinder Singh Sandhwalia<br>(Resigned w.e.f. 03.08.2024)         | Non- Independent, Non-Executive     |                                                          | 1                                                            |

\*Before 03.08.2024, Mr. Drishinder Singh Sandhwalia, Non Executive Director was a Member of CSR Committee and he attended one CSR Committee Meeting held on 29th May, 2024. Consequent to his resignation, Mr. Bhavdeep Sardana was appointed as member of CSR Committee and he attended one Meeting dated 11th February, 2025

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

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

## 4. Provide the executive summary along with web- link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

- Average net profit of the company as per sub-section (5) of section 135: ₹ 17,974.50 Lakhs
  - Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 359.49 Lakhs.
  - Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
  - Amount required to be set-off for the financial year, if any: ₹ 3.01 Lakhs.
  - Total CSR obligation for the financial year [(b)+(c )-(d)]: ₹ 356.48 Lakhs.
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 360.36 Lakhs.
  - Amount spent in Administrative Overheads: NIL
  - Amount spent on Impact Assessment, if applicable: Not Applicable
  - Total amount spent for the Financial Year [(a)+(b)+(c )]: ₹ 360.36 Lakhs.
  - CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year | Amount Unspent (₹ In Lakhs)                                                           |                  |                                                                                                                     |        |                  |
|-------------------------------------------|---------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------|--------|------------------|
|                                           | 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 |
| ₹ 360.36 Lakhs                            |                                                                                       |                  |                                                                                                                     |        | Not Applicable   |

- Excess amount for set-off, if any: ₹ 3.88 Lakhs (As detailed below)

| Sl. No. | Particulars                                                                                     | Amount (₹ in Lakhs) |
|---------|-------------------------------------------------------------------------------------------------|---------------------|
| (i)     | Two percent of average net profit of the company as per sub-section (5) of Section 135          | 359.49              |
| (ii)    | Total amount spent for the Financial Year (₹ 360.36 Lakhs spent + ₹ 3.01 Lakhs carried forward) | 363.37              |

| Sl. No. | Particulars                                                                                                                                                                                                                                                                                                                  | Amount (₹ in Lakhs) |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]                                                                                                                                                                                                                                                                        | 3.88                |
| (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)] ₹ 360.36 Lakhs (Year 2024-25 expenditure made on CSR) + ₹ 3.01 Lakhs (Excess spent of previous year 2023-24, set off) - ₹ 359.49 Lakhs (CSR Obligation for year 2024-25) = ₹ 3.88 Lakhs (excess spent carried forward to succeeding financial years) | 3.88                |

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

| Sl. 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       | *2021-22                  | 0                                                               | 134.39                                                                    | 2.00                               | NA                                                                                         | 0      | NA                | 132.39                                                      | -                  |
| 2       | *2022-23                  | 0                                                               | 132.39                                                                    | 132.39                             | NA                                                                                         | 0      | NA                | 0                                                           | -                  |
| 3       | *2023-24                  | 0                                                               | 0                                                                         | 0                                  | NA                                                                                         | 0      | NA                | 0                                                           | -                  |

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

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

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

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

## 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (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: 20th May, 2025

## 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:

- Replaced Air Preheater in Boiler 5, improving thermal efficiency and lowering power usage below 10% of total generation.
- Achieved reduced auxiliary power/MT of HP steam (from 21.37 to 20.73 kWh/MT) and reduced HP steam generation per MT of paper by 4%.
- Reduced soot blowing in recovery boiler, saving 5 MT/day of HP steam.
- Condensate Polishing Unit installed – 350 KL/day water saved, 0.5% auxiliary steam reduction.
- Installed multiple VFDs (Variable Frequency Drives) on plant systems and WTP pumps, saving a total of over 2,517 kWh/day.
- Installed Star-Delta converters on underloaded motors and replaced IE1/re-wound motors with IE4 motors.
- Upgraded outdated DC systems to energy-efficient AC technology (e.g., PM4 Lenox Rewinder).
- Energy Management System and DataPARC integration enabled real-time monitoring and energy optimization.
- MACS boiler automation reduced steam losses and improved oxygen control.
- Power optimization at chemical recovery plant – resulted in savings of 364 kWh/day.
- False ceiling and closed dryer hoods are installed at PM1/2/3 enhanced thermal efficiency.
- PM4 rewinder upgraded from DC to energy-efficient AC drives.
- LED lighting was implemented across plant and colony.

##### (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 invested ₹ 353.92 lakhs, covering key upgrades across the plant, including the installation and integration of an Energy Monitoring System with DataPARC, transformer overhauls and replacement, electrical augmentations at the ETP and 66kV substation, replacement of IE1 motors with high-efficiency IE4 motors,

and the installation of Variable Frequency Drives (VFDs) across the facility.

#### II. TECHNOLOGY ABSORPTION

##### (i) The efforts made towards technology absorption:

- Advanced Process Control (APC) introduced in Boiler 5 to reduce fuel consumption and in bleaching plants to reduce chemical consumption and enhance product quality.
- Twin Roll Presses installed in Agro and Wood Street of pulp mill, reduced freshwater usage by 4 m<sup>3</sup>/ton of paper.
- Full-scale mill digitization using DataPARC – real-time dashboards for pulp, paper, and power operations. Energy Monitoring System integrated with DataPARC enabled real-time tracking of energy KPIs.
- Adopted advanced condition monitoring tools: thermal imaging, vibration analyzers, IoT sensors for predictive maintenance.
- Electrical grid reliability enhanced via relay coordination, short circuit, and load flow studies using ETAP.
- Installed chip washing system for veneer chips for improving pulp quality and reliability.
- Trials conducted with digester and wash aid additives to optimize chemical usage and wood fiber quality.
- PM1-PM3 upgraded with new hoods, false ceilings, and closed systems to improve thermal efficiency and product quality.
- Installed pressure screens and upgraded centricleaners at PM1 & PM2 to reduce fiber loss and improve product quality.
- PM4 enhanced with new vacuum pumps, heat exchanger, suction couch roll doctor, and electromechanical stretchers to improve efficiency.
- Upgraded utility cooling towers and enabled 100% canal water use in softeners.
- DM plant conversion to canal water – reduced chemical usage and cut cost by 30%.
- Reused 800 KLD of treated ETP water for chip washing.
- New HRSCC clarifier installed for wheat straw washing to improve washing efficiency to reduce silica and chlorides.
- Online ClO<sub>2</sub> dosing introduced for process water for precision disinfection.

**(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 the 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.<br><br>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                                                                                                                                                                                                                                                                                                  |

**(iv) The expenditure incurred on Research and Development:**

During the year the company has spent ₹ 383.42 lakhs on Research & Development. The company has performed various Research and Development activities.

- Developed premium grades: Kosmo Litho BT & SPX, Konquer (copier), Kosmo EXP (diary), Kappa Premium III CRP.
- Introduced Copier EXP with higher agro pulp for improved sustainability.
- Pigment dye transition for stability and color retention.
- Single-dye innovation for colored paper improved consistency and reduced complexity.
- Modified starch used to lower chemical costs and improve efficiency.

**R&D activities in Plantation:**

- Evaluated Vietnamese acacia chips; studied pulping & bleaching across 16 bamboo species (11 viable).
- Clone production capacity expanded to 40 lakhs plants/year with further expansion to 60 lakhs planned.
- Developed Melia dubia and Subabul clones for pulp trials.

- Distributed 2,000 bamboo seedlings to farmers
- Standardized Apical Cutting method for Eucalyptus – 1.5 lakh plants distributed.
- Trial planting of new Eucalyptus clone (E-3) to assess adaptability and pulping suitability.

**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: ₹ 7,185.95 Lakhs
- Foreign Exchange Outgo: ₹ 12,445.66 Lakhs

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

**(Jagesh Kumar Khaitan)**

Place: Chandigarh  
Dated: 20th May, 2025

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**

| S.No.                                                             | Requirements of Rule 5(1)                                                                                                                                                                                                                                                                                                             | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------|-------------------------------------|----------|--------------------------------------------|----------|-------------------------------------------------------------------|--------|--------------------------------------------------------------|------|------------------------------------------|--------|
| (i)                                                               | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year                                                                                                                                                                                                      | <table><tr><th>Name</th><th>Ratio</th></tr><tr><td>Mr. Jagesh Kumar Khaitan</td><td>67.73: 1</td></tr><tr><td>Mr. Pavan Khaitan</td><td>163.51:1</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                | Name | Ratio | Mr. Jagesh Kumar Khaitan            | 67.73: 1 | Mr. Pavan Khaitan                          | 163.51:1 |                                                                   |        |                                                              |      |                                          |        |
| Name                                                              | Ratio                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| Mr. Jagesh Kumar Khaitan                                          | 67.73: 1                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| Mr. Pavan Khaitan                                                 | 163.51:1                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| (ii)                                                              | The percentage of increase / Decrease in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;                                                                                                                                                | <table><tr><th>Name</th><th>%</th></tr><tr><td>Mr. Jagesh Kumar Khaitan (Chairman)</td><td>-11.84%</td></tr><tr><td>Mr. Pavan Khaitan (VC &amp; Managing Director)</td><td>17.26%</td></tr><tr><td>Mr. Roshan Garg (CFO) (Resigned w.e.f. 04.11.2024) (Annualized %)</td><td>22.96%</td></tr><tr><td>Mr. Vikram Kumar Khaitan (CFO) (Appointed w.e.f. 05.11.2024)</td><td>N.A.</td></tr><tr><td>Mr. Gurinder Singh Makkar (Annualized %)</td><td>12.56%</td></tr></table>                                                                                                                         | Name | %     | Mr. Jagesh Kumar Khaitan (Chairman) | -11.84%  | Mr. Pavan Khaitan (VC & Managing Director) | 17.26%   | Mr. Roshan Garg (CFO) (Resigned w.e.f. 04.11.2024) (Annualized %) | 22.96% | Mr. Vikram Kumar Khaitan (CFO) (Appointed w.e.f. 05.11.2024) | N.A. | Mr. Gurinder Singh Makkar (Annualized %) | 12.56% |
| Name                                                              | %                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| Mr. Jagesh Kumar Khaitan (Chairman)                               | -11.84%                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| Mr. Pavan Khaitan (VC & Managing Director)                        | 17.26%                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| Mr. Roshan Garg (CFO) (Resigned w.e.f. 04.11.2024) (Annualized %) | 22.96%                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| Mr. Vikram Kumar Khaitan (CFO) (Appointed w.e.f. 05.11.2024)      | N.A.                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| Mr. Gurinder Singh Makkar (Annualized %)                          | 12.56%                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| (iii)                                                             | The percentage increase in the median remuneration of employees in the financial year;                                                                                                                                                                                                                                                | 8.68%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| (iv)                                                              | The number of permanent employees on the rolls of company;                                                                                                                                                                                                                                                                            | 1,356 employees as on 31.03.2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| (v)                                                               | Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: | <div><div><div>- Average percentage increase in the managerial remuneration : 18.19%.</div><div>- Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 10.23%</div></div><div>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.</div></div> |      |       |                                     |          |                                            |          |                                                                   |        |                                                              |      |                                          |        |
| (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 ₹) | 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                          | 2,19,01,529                    | Regular              | 80  | Graduate with Marketing Management & Strategic Courses from IIM, Ahmedabad | 17 July 2010 (Total Exp. 56 Yrs.)                        | Vice Chairman & Managing Director, Amrit Banaspati Co. Ltd. | 1.66%                   | Father of Sh. Pavan Khaitan                             |
| Sh. Pavan Khaitan        | Vice Chairman & Managing Director | 5,28,70,870                    | Regular              | 57  | Chartered Accountant                                                       | 1 April 2007 (Total Exp. 32 Yrs.)                        | Managing Director, Amrit Banaspati Co. Ltd.                 | 1.69%                   | Son of Sh. Jagesh Kumar Khaitan                         |
| Sh. Sushil Kumar Khetan  | CEO – Operations                  | 1,51,80,398                    | Regular              | 59  | Chartered Accountant & Company Secretary                                   | 1 June 2022 (Total Exp. 40 Yrs.)                         | Director (Operations) & CFO, Emami Paper Mills Ltd.         | -                       | -                                                       |

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

**Jagesh Kumar Khaitan**

Chairman

DIN: 00026264

Place: Chandigarh  
Dated: 20th May, 2025

# ANNEXURE-4

## SECRETARIAL AUDIT REPORT

### FORM NO. MR-3

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

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

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

Based on my verification of Kquantum Papers Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March, 2025, 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, 2025 according to the provisions of the following Acts/Laws/Regulations and the amendments thereof, if any:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 2018 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period).**
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

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

**I further report that** there were no unspent CSR amount lying with the Company. The Company has fully spent the CSR amounts

towards its CSR Obligation for reporting period, as per the provisions of Section 135 of the Companies Act, 2013 read with rules thereunder.

**I further report that**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Independent Director. 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. 1057/2021

UDIN: F004241G000370024

Place: Chandigarh

Date: 20/05/2025

## Annexure A to Secretarial Auditors' Report

To,  
The Members  
**Kquantum Papers Limited**

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

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

**For S. K. SIKKA & ASSOCIATES**  
Company Secretaries

**(SUSHIL K. SIKKA)**

Prop. FCS 4241, CP 3582  
Peer Review Cert. No. 1057/2021  
UDIN: F004241G000370024

Place: Chandigarh  
Date : 20/05/2025

# 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 31.03.2025, comprising of a Chairman, a VC & Managing Director and four non-Executive Directors. Out of four, three Non-Executive Directors were Independent Directors as on 31.03.2025 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 during 2024-25 |          | Whether attended the last AGM | No. of directorships in other public limited companies | Audit and SRC Committee Position held in other Indian Public Limited Companies( #) |        |
|------------------------------------------------------|-----------------------------------------------------------|----------------------------|--------------------------------------|----------|-------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------|--------|
|                                                      |                                                           |                            | Held                                 | Attended |                               |                                                        | Chairman                                                                           | Member |
| Sh. Jagesh Kumar Khaitan, Chairman                   | Father of Sh. Pavan Khaitan                               | Promoter, Executive        | 5                                    | 5        | Yes                           | 1                                                      | -                                                                                  | -      |
| Sh. Pavan Khaitan, Vice Chairman & Managing Director | Son of Sh. Jagesh Kumar Khaitan                           | Promoter, Executive        |                                      | 5        | Yes                           | 1                                                      | -                                                                                  | -      |
| Sh. Vivek Bihani                                     | -                                                         | Independent, Non-Executive |                                      | 5        | Yes                           | -                                                      | -                                                                                  | -      |
| Ms. Shireen Sethi                                    | -                                                         | Independent, Non-Executive |                                      | 5        | Yes                           | -                                                      | -                                                                                  | -      |
| Sh. Bhavdeep Sardana                                 | -                                                         | Independent, Non-Executive |                                      | 4        | Yes                           | 3                                                      | -                                                                                  | -      |

| Name of Director                               | Relationship with other Directors (Inter-se Relationship) | Category      | No. of Board Meetings during 2024-25 |          | 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. D.S. Sandhawalia<br>(Resigned during year) | -                                                         | Non-Executive |                                      | 1        | No / N.A.                     | -                                                      | -                                                                                  | -      |
| Mr. Munishwar Kumar<br>(Appointed during year) | -                                                         | Non-Executive |                                      | 2        | No / 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 been considered for Committee positions. None of the Directors is a director on any other listed company.

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

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

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

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

**(c)** Details of familiarization programmes imparted to independent directors are available at the website of the Company at <https://www.kquantumpapers.com/wp-content/uploads/2025/05/Familiarisation-Programme.pdf>

**(d)** During the financial year 2024-25, Five (5) Board Meetings were held on 29.05.2024, 03.08.2024, 04.11.2024, 12.11.2024 and 11.02.2025. The maximum interval between any two meetings was not more than stipulated time by Law.

**(e) Brief Profile of Directors**

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

**1. Shri Jagesh Kumar Khaitan (Chairman)**

Sh. Jagesh Kumar Khaitan, aged 80 years, a Graduate with Marketing Management and Strategic Management courses from IIM, Ahmedabad has been associated with the industry for the last 50 years. He is the Chairman of Kquantum Papers Ltd. since 17th July 2010.

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

He has been on the Board of Directors of various reputed companies. He has been conferred the honour

of "Legend" by Globe Oil India in recognition of his services and contribution to edible oil industry. Also, he was the recipient of a prestigious award 'UDYOG RATNA' 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 57 years is a Graduate in Commerce from Panjab University and a Chartered Accountant. He joined the company in 1997 and has been spearheading various initiatives that have rationalized the cost, enhanced quality, focused on specialty paper and ultimately optimizing the resources to their fullest. He has been recently appointed as President of the Indian Pulp & Paper Technical Association (IPPTA). He has been instrumental in undertaking projects including debottlenecking and overall upgradation of the paper mill. Under his aegis, the backward integration cum upgradation project of the Company had been successfully completed. Mr. Pavan Khaitan

has now positioned the Company on a transformative journey. He has taken numerous initiatives at the group level on areas of plants set up, production, expansions marketing, financial management, risk management, human resources and quality management.

### 3. Ms. Shireen Sethi (Independent Woman Director)

Ms. Shireen Sethi, aged 56 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.

### 4. Mr. Vivek Bihani (Independent Director)

Mr. Vivek Bihani, aged 59 years is an Engineer from BITS, Pilani and an MBA from IIM, Bangalore. He has total work experience of around 37 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.

### 5. Mr. Bhavdeep Sardana (Independent Director)

Mr. Bhavdeep Sardana, aged 49 years is Master's in Business Administration from Durham University (UK) and Bachelors in Science (Hons) in Chemistry with Chemical Engineering from Northumbria University, Newcastle Upon Tyne (UK). Presently he is working as Sr. VP & CEO at The Sukhjit Starch & Chemicals Limited and is responsible for successfully implementing expansions at various units. He leads all B2B sales with Paper, Food & Pharma Majors. He actively engages with State Govts and Govt. of India on policies affecting the agro-processing industry and ease of doing business reforms. He has to his credit vast experience of more than two decades in the fields of Sales, Marketing, Manufacturing, expansion and liaison. He has held various important positions at CII, taking a lead in industry positioning with Government.

### 6. Mr. Munishwar Kumar (Non-Executive Director)

Mr. Munishwar Kumar, aged 56 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 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 thrive in building businesses and achieving profitable growth.

## (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 (LODR) Regulations, 2015 to be placed before the Board, have been placed, the same have been discussed and appropriate decisions were taken, adherence to legally prescribed composition and procedures, timely induction of additional/ women Directors and replacement of Board members/Committee members, whenever required, whether the Board regularly reviews the investors grievance redressal mechanism and related issues, Board facilitates the independent directors to perform their role effectively.

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 Chairman and 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:** Continuous innovations based on insight, analytics and Directors' expertise;
4. **Simplicity, Speed and Accuracy:** Accuracy in delivering the performance and efficiency in performance;

5. **Business Results:** The reward to the Company and its business results achieved through performance of directors are considered as a performance evaluation criteria for Non-Executive Director.

**(j) Independent Directors' Meeting**

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors separately met on 11th February, 2025 inter alia, to discuss:

- Evaluation of the performance of non- Independent Directors and the Board as a whole;
- Evaluation of the performance of the Chairperson of the Company, taking into account the views of executive directors and non- executive directors;
- 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 Independent Directors were present at the Meeting.

**(k) Declaration Of Independence By Independent Directors and Disclosure**

In terms of Regulation 25(8) of SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank well within stipulated time frame and hold valid certificate of registration.

During the year 2024-25, none of the independent directors resigned before expiry of term.

**(l) Familiarisation Programme for Directors**

Your Company follows a structured familiarisation programme through various reports and internal policies for all the Directors with a view to update them on the Company's

policies on a regular basis. Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Managing Director on the Company's manufacturing, marketing, finance and other important aspects. All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made there under an Agreement/ Regulation 25 of the Listing Regulations, 2015. The details of the Familiarisation Programmes for Independent Directors are made available on Company's website at the web link: <https://www.kuantumpapers.com/wp-content/uploads/2025/05/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<br>(Vice Chairman & Managing Director) | Leadership, Technology, Governance, Finance, Accounting, Taxation, Auditing, Legal, and Risk Management, Compliance, Production , industry Experience , Marketing, Funds Management, Corporate Affairs, Banking, Cost Reduction, Human Resources, Supply Chain and overall management. |
| Mr. Munishwar Kumar<br>(Non-Executive 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.                                                               |

| Name of the Director and Designation              | Skills/Expertise/Competence possessed, required for the business and actually available                                                                                                                                  |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ms. Shireen Sethi<br>(Independent Woman Director) | Media and Technology , Journalism, Education, Financial Reporting, Information Technology, Capital Management, Investors Relations, Leadership, Innovation, Entrepreneurship.                                            |
| Mr. Vivek Bihani<br>(Independent Director)        | Venture Capitalist, Capital Market, Finance, Banking, Taxation, Accounting, Corporate Governance, Auditing, Business Administration, Leadership, Corporate Affairs.                                                      |
| Mr. Bhavdeep Sardana<br>(Independent Director)    | Governance, Leadership, Strategic Planning, Marketing, Sales, Liaison, Manufacturing, Expansion, Business Administration, Manufacturing, Expansion, Business Administration, Governance, Leadership, Strategic Planning. |

**(n) Details of remuneration paid to the directors during the financial year 2024-25 (Amount in ₹)**

| Name of Director                                       | Salary      | Perks+contribution to PF/other Funds | Commission  | Sitting Fee | Total       |
|--------------------------------------------------------|-------------|--------------------------------------|-------------|-------------|-------------|
| Sh. Jagesh Kumar Khaitan                               | 1,58,40,000 | 15,23,945                            | 45,37,584   | -           | 2,19,01,529 |
| Sh. Pavan Khaitan                                      | 3,84,00,000 | 34,70,665                            | 1,10,00,205 | -           | 5,28,70,870 |
| Sh. D.S. Sandhawalia<br>(Resigned during 2024-25)      | -           | -                                    | -           | 35,000      | 35,000      |
| Sh. Vivek Bihani                                       | -           | -                                    | -           | 2,60,000    | 2,60,000    |
| Ms. Shireen Sethi                                      | -           | -                                    | -           | 2,80,000    | 2,80,000    |
| Sh. Bhavdeep Sardana                                   | -           | -                                    | -           | 2,30,000    | 2,30,000    |
| Sh. Munishwar Kumar<br>(Appointed during year 2024-25) | -           | -                                    | -           | 50,000      | 50,000      |

**(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](http://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](http://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](http://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, 2025 and a declaration to that effect signed by the CEO/Managing Director is attached and forms part of this report.

**(r) Code of Conduct for Prevention of Insider Trading**

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

**3. COMMITTEES OF THE BOARD**

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

**(a) Audit Committee**

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

The Company continues to derive immense benefit from the deliberations of the Audit Committee. During the year 2024-25, the Committee comprised of the following four directors of the Company, three non-executives & independent directors and one executive & non-independent director. During the financial year 2024-25, Audit Committee met 5 times on 29.05.2024, 03.08.2024, 04.11.2024, 12.11.2024 and 11.02.2025.

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 | 5                    | 5                        |
| Shri Pavan Khaitan    | Member   | Non-independent, Executive Director | 5                    | 5                        |
| Ms. Shireen Sethi     | Member   | Independent, Non-Executive Director | 5                    | 5                        |
| Shri Bhavdeep Sardana | Member   | Independent, Non-Executive Director | 5                    | 4                        |

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

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

All the members of the Audit Committee were present at the last AGM held on 30th August, 2024.

#### 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, at least on a quarterly basis, the details of related party transactions, pursuant to each of the omnibus approvals given;
- (i) scrutiny of inter-corporate loans and investments;
- (j) valuation of undertakings or assets of the Company, wherever it is necessary;
- (k) evaluation of internal financial controls and risk management systems;
- (l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) discussion with internal auditors of any significant findings and follow up there on;
- (o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

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

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

#### (b) Nomination and Remuneration Committee

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

During the year 2024-25, Shri Drishinder Singh Sandhawalia ceased to be a member of the Committee on account of resignation w.e.f. 03.08.2024 and Ms. Shireen Sethi, Independent Director was appointed as a Member of the Committee in his place. During the year 2024-25, the Committee met once on 04.11.2024 which was attended by all the directors viz. Shri Bhavdeep Sardana, Ms. Shireen Sethi and Mr. Vivek Bihani.

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

| Director                                               | Position | Category                                | No. of meetings held | No. of meetings attended |
|--------------------------------------------------------|----------|-----------------------------------------|----------------------|--------------------------|
| Shri Bhavdeep Sardana                                  | Chairman | Independent, Non-Executive Director     | 1                    | 1                        |
| Shri Vivek Bihani                                      | Member   | Independent, Non-Executive Director     | 1                    | 1                        |
| Shri Drishinder Singh Sandhawalia<br>(Upto 03.08.2024) | Member   | Non-Executive, Non Independent Director | 1                    | 0                        |
| Ms. Shireen Sethi (w.e.f. 03.08.2024)                  | Member   | Independent, Non-Executive Director     | 1                    | 1                        |

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

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

**Terms of reference:**

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

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

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

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

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

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

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

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

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

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

**(c) Stakeholders Relationship Committee**

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

During the year 2024-25, Shri Drishinder Singh Sandhawalia ceased to be the Chairman of the Committee on account of resignation w.e.f. 03.08.2024 and Mr. Bhavdeep Sardana, Independent Director was appointed as Chairman of the Committee in his place. During the financial year 2024-25, the Committee met once on 11th February, 2025 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, 2025, 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<br>(w.e.f. 03.08.2024)        | Chairman | Independent, Non-Executive Director     | 1                    | 1                        |
| Shri Drishinder Singh Sandhawalia (upto 03.08.2024) | Chairman | Non-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 2024-25, the Company had received only eleven complaints that were duly replied/ redressed/disclosed off. No complaints were pending at the end of the year 2024-25. The Company's complaint redressal systems are in order. The Company has designated Email Address exclusively for redressal of investors Complaints i.e. [kquantumcorp@kquantumpapers.com](mailto:kquantumcorp@kquantumpapers.com) and the same is also mentioned at the Company's Website.

**Terms of Reference:**

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

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

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

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

**(d) Risk Management Committee**

Pursuant to the Regulation 21 of SEBI (Listing obligation and Disclosure Requirement) Regulation, 2015, top 1,000 listed entities, determined on the basis of market capitalisation are required to constitute Risk Management Committee. Though, now the Company is not covered among top 1,000 listed entities as at 31st December, 2024 and 31st March, 2025, 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 2024-25, the Committee met twice on 11.04.2024 and 04.11.2024.

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<br>(W.e.f. 03.08.2024)   | Member   | Independent, Non-Executive Director     | 2                    | 1                        |
| Shri D.S. Sandhawalia<br>(Upto 03.08.2024) | Member   | Non-independent, Non-Executive Director | 2                    | 1                        |
| Shri Bhavdeep Sardana                      | Member   | Independent, Non-Executive Director     | 2                    | 2                        |

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

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

**The Risk Management Committee has the following terms of Reference:**

- i. To formulate a detailed risk management policy which shall include:
  - (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (iii) Business continuity plan.
- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- vii. Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for the same;
- viii. Review the Enterprise Risk Management framework;
- ix. Review the Company's risk appetite and strategy relating to key risks, including market risk, product risk, reputational risk and cyber security risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks;
- x. Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels;
- xi. Review compliance with risk policies, monitor breach/trigger trips of risk tolerance limits and direct action;
- xii. Approve major decisions affecting the risk profile or exposure and give appropriate directions;
- xiii. Generally assist the Board in the execution of its responsibility for the governance of risk;
- xiv. Attend to such other matters and functions as may be prescribed from time to time.

**(e) Corporate Social Responsibility Committee**

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with schedule VII of the said Act and further read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has duly constituted Corporate Social Responsibility Committee.

During the financial year 2024-25, the Committee met twice on 29.05.2024 and 11.02.2025

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

| Director                                               | Position | Category                                | No. of meetings held | No. of meetings attended |
|--------------------------------------------------------|----------|-----------------------------------------|----------------------|--------------------------|
| Shri Pavan Khaitan                                     | Chairman | Non-Independent, Executive Director     | 2                    | 2                        |
| Shri Drishinder Singh Sandhawalia<br>(Upto 03.08.2024) | Member   | Non-independent, Non-Executive Director | 2                    | 1                        |
| Shri Bhavdeep Sardana<br>(w.e.f. 03.08.2024)           | Member   | Independent, Non-Executive Director     | 2                    | 1                        |
| Ms. Shireen Sethi                                      | Member   | Independent, Non-Executive Director     | 2                    | 2                        |

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

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

### Key Responsibilities/Terms of Reference of the CSR Committee:

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate the social impact of the Company's CSR activities. Review the Company's disclosure of CSR matters, including any annual social responsibility report.
- Review the CSR Report, with the Management, before submission to the Board for approval.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent for the intended purpose only.

The CSR Policy of the Company is available at Website of the i.e. [www.kquantumpapers.com](http://www.kquantumpapers.com).

### Finance Committee

Apart from above statutorily required Committees, the Board has also constituted Finance Committee consisting of Shri Jagesh Kumar Khaitan as Chairman and Shri Pavan Khaitan and Shri. Vivek Bihani as Members to the Committee. During the Financial Year 2024-25, 15 Meetings of Finance Committee were held with requisite quorum present therein.

### Recommendations of the Committees

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

## 4. RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year 2024-25 were on an arm's length basis and in the ordinary course of the business of the Company and do not attract provisions of Section 188 of the Companies Act, 2013. There were no significant or material transactions with

the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. All Related Party Transactions are placed before the Audit Committee of the Board of Directors for prior approval, as required under applicable law. The Audit Committee as well as all the Directors who were Independent Directors approved the same. A statement giving details of all related party transactions is placed before the Audit Committee of the Board of Directors for their review on a quarterly basis. The Policy on Related Party Transactions was also amended by the Board of Directors to incorporate the new requirements introduced under the SEBI Listing Regulations. The Policy on Materiality of and dealing with Related Party transactions as approved by the Board is uploaded on the Company's weblink: <https://www.kquantumpapers.com/wp-content/uploads/2024/11/Related-Party-Transaction-Policy.pdf>

## 5. DISCLOSURES AND COMPLIANCES

- During the financial year ended March 31, 2025 there were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- The Company has announced Whistle Blower Policy. All the personnel of the Company have the access to the Audit Committee.
- The Company has complied with the mandatory requirements of the Listing Regulation.
- The Company does not have a Material Subsidiary, but it has framed a Material Subsidiary Policy and the same is placed on the Company's website and the web link for the same is <https://www.kquantumpapers.com/wp-content/uploads/2025/02/Policy-for-Determining-Material-Subsidiaries.pdf>
- The Company's Audit Committee reviews the Financial Statements of the Company.
- During the financial year ended March 31, 2025 the Company did not engage in commodity hedging activities.

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

| Sr. | Name of Senior Manager    | Designation                           | Particulars of Change since the close of the previous financial year: |
|-----|---------------------------|---------------------------------------|-----------------------------------------------------------------------|
| 1   | Mr. Sushil Khaitan        | CEO(Operations)                       | Continues in Employment                                               |
| 2   | Mr. Sanjay Khosla         | Chief Marketing Officer               | Continues in Employment                                               |
| 3   | Mr. Roshan Garg           | Chief Financial Officer               | Resigned w.e.f. close of business hours of 04.11.2024                 |
| 4   | Mr. Vikram Kumar Khaitan  | Chief Financial Officer               | Appointed as CFO w.e.f. 05.11.2024                                    |
| 5   | Ms. Prachi Sharma         | Vice President (Corporate Strategy)   | Continues in Employment                                               |
| 6   | Mr. MN Reddy              | Vice President (Technical Excellence) | Continues in Employment                                               |
| 7   | Mr. Rohit Kapila          | Vice President (Technical)            | Appointment w.e.f 17.07.2024                                          |
| 8   | 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 LODR which directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity. Hence Information required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations is nil.

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

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

- xiv. In compliance with the terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of equity shares lying unclaimed in the 'Unclaimed Suspense Account' as on 31.03.2025 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 ₹ 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 2024-25 | 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., 31.03.2025                   | Nil                  | Nil                                             |

- xv. During the year under review, the Company has credited amount of ₹ 4,51,602/- 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](http://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 2024-25.
- xix. The Internal Auditor of the Company reports to and presents his internal audit report to the Audit Committee.
- xx. The Company has complied with all the Corporate Governance requirements specified in regulation 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 or any other relevant regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no instance of non-compliance of any requirement of Corporate Governance.

xxi. Disclosure of shares / convertible instruments held by directors as on March 31, 2025.

| 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. Munishwar Kumar (Non-Executive Director)          | Nil               | Nil                     |
| 4   | Mr. Vivek Bihani (Independent Director)               | Nil               | Nil                     |
| 5   | Mr. Bhavdeep Sardana (Independent Director)           | Nil               | Nil                     |
| 6   | Ms. Shireen Sethi (Independent Director)              | Nil               | Nil                     |

There are no outstanding convertible Instruments allotted to any of the Directors as at March 31, 2025.

## 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, 2025, the paid up Equity Share Capital of the Company stood at ₹ 8,72,63,630 divided into 8,72,63,630 equity shares of face value of ₹ 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 2024-25.

## 10. SECRETARIAL AUDIT AND SECRETARIAL COMPLIANCE REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s S.K. Sikka & Associates, Company Secretaries, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. Secretarial Audit Report as per Section 204 of Companies Act 2013 is given in this Annual Report. No adverse remarks, observations or comments have been made in the said report by the Practicing Company Secretary. Regulation 24 A of SEBI (LODR) Regulations read with SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019 mandated all listed entities to obtain annual secretarial compliance Reports on compliance with SEBI Regulations and circulars/guidelines issued thereunder from a company secretary in practice. Accordingly, the Company has obtained a Secretarial Compliance Report for FY 2024-25 from M/s S.K. Sikka & Associates, Practicing Company Secretaries and filed the same with BSE and NSE.

## 11. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Vigil Mechanism for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. The Mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.kquantumpapers.com](http://www.kquantumpapers.com). We affirm that during the financial year 2024-25, no employee was denied access to the Audit Committee.

## 12. FUND RAISING BY ISSUANCE OF DEBT SECURITIES

Pursuant to SEBI Circular No. SEBI/HO/DDR/S/ CIR/P/2018/144 dated November 26, 2018 further read with SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/ CIR/2023/172 dated October 19, 2023, the Company is not identified as a "Large Corporate" during the year ended March 31, 2025 as per the framework provided in the said Circulars. Hence the requirement of incremental borrowings by way of issuance of debt securities is not applicable to the Company. Moreover, the Company has not raised any fund by issuance of debt securities.

## 13. CEO/CFO CERTIFICATION

The Managing Director who is CEO and Chief Financial Officer have certified to the Board, inter-alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2025. The said certificate is annexed at **Annexure-8** and forms part of Annual Report.

## 14. MEANS OF COMMUNICATIONS

The Company communicates with the shareholders through its Annual Reports, Publication of quarterly Financial Results, press releases and reports and returns filed with Stock Exchanges and Registrar of Companies. The financial results are normally published in newspapers such as Economics Times (English) /Business Standard/ Financial Express 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](http://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 [www.scores.gov.in](http://www.scores.gov.in), a website maintained by SEBI. The main feature of this system is central database of all complaints, online upload of action taken reports (ATRs) by the concerned companies and online view by investors of action taken on complaints and its current status. The investors can register their grievances at Company's e-mail id i.e. [kuantumcorp@kuantumpapers.com](mailto:kuantumcorp@kuantumpapers.com) or [gurindermakkar@kuantumpapers.com](mailto: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](http://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, 2025 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](http://www.kuantumpapers.com).

## 17. CREDIT RATING OBTAINED BY THE COMPANY

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

| Facilities                 | Rating                                        | Rating Action                                                                                  |
|----------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------|
| Long Term Bank Facilities  | CARE A; Stable<br>(Single A; Outlook: Stable) | Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned |
| Short Term Bank Facilities | CARE A1<br>(A One)                            | Reaffirmed and removed from Rating Watch with Developing Implications                          |
| Fixed Deposit              | CARE A; Stable<br>(Single A; Outlook: Stable) | Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook 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 Circular dated November 15, 2018 further read with SEBI Master Circular dated July 11, 2023.

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

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

Total fees of ₹ 27.78 Lakhs (including out of pocket expenses) for financial year 2024-25, for all services, was paid by the Company, to the Statutory Auditors.

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

The Company has an Internal Complaints Committee which meets regularly to discuss and monitor if there is any sexual harassment in the work place and resolves the issues if any. During the financial year under consideration, the committee did not receive any complaints related to the sexual harassment of women and no hence complaint was pending as on end of the year 2024-25.

## 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 |
|----------|--------|------------|------------|---------------------------------|-----------------------------------|
| 25th AGM | Friday | 29.07.2022 | 11.30 A.M. | Through Video conferencing (VC) | 3                                 |
| 26th AGM | Friday | 07.07.2023 | 11.30 A.M. | Through Video conferencing (VC) | 0                                 |
| 27th AGM | Friday | 30.08.2024 | 11.30 A.M. | Through Video conferencing (VC) | 1                                 |

### b. Special Resolutions passed in the previous three AGMs

| Financial Year | AGM Dated  | Details of the Special Resolutions Passed                                                                                                                                                                                                                                 |
|----------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2021-22        | 29.07.2022 | <ul style="list-style-type: none"> <li>Re-appointment of Sh. Vivek Bihani (DIN 00014296) as Independent Director</li> <li>Re-appointment of Ms. Shireen Sethi (DIN 01576676) as Independent Director</li> <li>To amend Articles of Association of the Company.</li> </ul> |
| 2022-23        | 07.07.2023 | Nil                                                                                                                                                                                                                                                                       |
| 2023-24        | 30.08.2024 | Approval of charges for service of documents on shareholders                                                                                                                                                                                                              |

- c. No Extra Ordinary General Meeting of the shareholders was held during the financial year ended March 31, 2025.
- 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 2024-25, 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 25th May, 2024 for re-appointment of Shri Pavan Khaitan (DIN: 00026256) as Vice Chairman & Managing Director                        | Remote E-voting  | 77                                | 64608655     | 99.80   | 15                            | 129111       | 0.20   | -             | -            |
| Special Resolution passed on 18th December, 2024 for Appointment of Mr. Munishwar Kumar (DIN: 00434341), as Non-Executive Director, liable to retire by rotation | Remote E-voting  | 90                                | 63798022     | 99.9994 | 10                            | 354          | 0.0006 | -             | -            |

**Conduct of Postal Ballot**

Shri 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                     | 29th August, 2025                                                                                                |
| Day                      | Friday                                                                                                           |
| Time                     | 11.30 a.m.                                                                                                       |
| Venue                    | Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")                                            |
| Record date for Dividend | 22nd August, 2025                                                                                                |
| Cut off date For voting  | 22nd August, 2025                                                                                                |
| Book closure dates       | 23.08.2025 to 29.08.2025 (both days inclusive)                                                                   |
| Remote E-Voting Period   | Tuesday, the 26th day of August, 2025 (9.00 a.m. IST) to Thursday, the 28th day of August, 2025 (5.00 p.m. IST). |

**(ii) Financial Year: April 01 to March 31****(iii) Financial Calendar 2025-26 (Tentative)**

|                                                |                                  |
|------------------------------------------------|----------------------------------|
| Financial Results for Quarter ended 30.06.2025 | By Second week of August, 2025   |
| Financial Results for Quarter ended 30.09.2025 | By Second week of November, 2025 |
| Financial Results for Quarter ended 31.12.2025 | By Second week of February, 2026 |
| Financial Results for Quarter ended 31.03.2026 | By 2nd /3rd week of May, 2026    |
| Notice/ Directors Report 2025-26               | August, 2026                     |

**(iv) Dividend Payable Date**

Considering the strong business operations coupled with healthy cash flows during the year under review, your Directors have proposed a final dividend of ₹ 3/- per share (previous year ₹ 3/- per share) on the Equity Shares of face value of ₹ 1.00 each for financial year 2024-25.

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, 2024 and 31st March, 2025, yet in terms of Regulation 3(2) of SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has in place Dividend Distribution Policy. The Policy can be accessed on the Company's website at weblink: <https://www.kquantumpapers.com/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<br>Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 |

The Company has already paid annual listing fee for the year 2024-25 to BSE Limited and National Stock Exchange of India Limited.

## (vii) Stock Code

|                                                  |                 |
|--------------------------------------------------|-----------------|
| BSE Limited                                      | :532937         |
| National Stock Exchange of India Limited         | : KQUANTUM      |
| Demat ISIN in NSDL and CDSL<br>for equity shares | : INE 529101021 |
| Face Value per share:                            | : ₹ 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/demat/ re-materialisation/issue of duplicate shares/confirmation letters and allied activities are handled by MAS Services Ltd, New Delhi. The Company has participation as an issuer with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All the fees to both Depositories

stands paid till date. The shareholders may operate through any depository.

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

Address of Registrar and Transfer Agents

### M/s MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area, Phase - II,  
New Delhi - 110 020

Ph: - 011-26387281/82/83 Fax: - 011-26387384

email:- [info@masserv.com](mailto:info@masserv.com) website: [www.masserv.com](http://www.masserv.com)

## (ix) Share Transfer System

The Registrars and Share Transfer Agent have put in place an appropriate share transfer system to ensure timely share transfers and related activities. SEBI vide its Circular dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website: [www.kquantumpapers.com](http://www.kquantumpapers.com).

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

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, 2025

| Sr. No. | Description       | No. of equity shares held | Shareholding % |
|---------|-------------------|---------------------------|----------------|
| 1.      | <b>Promoters:</b> |                           |                |
|         | Individuals       | 33,12,810                 | 3.80           |
|         | Bodies Corporate  | 5,80,37,880               | 66.51          |

| Sr. No.   | Description                     | No. of equity shares held | Shareholding % |
|-----------|---------------------------------|---------------------------|----------------|
| <b>2.</b> | <b>Institutional Investors:</b> |                           |                |
|           | Mutual Funds/UTI                | 2,500                     | 0.00           |
|           | Banks/Financial Institutions    | 3,030                     | 0.00           |
|           | Insurance Companies             | -                         | -              |
|           | FII/FPIs                        | 75,242                    | 0.08           |
| <b>3.</b> | <b>Others:</b>                  |                           |                |
|           | Private Bodies Corporate        | 54,71,436                 | 6.27           |
|           | Indian Public                   | 2,00,67,720               | 23.00          |
|           | NRIs/OCBs                       | 2,93,012                  | 0.34           |
|           | <b>Total</b>                    | <b>8,72,63,630</b>        | <b>100.00</b>  |

**(b) Distribution of shareholding as on 31 March 2025**

| Shareholding of Nominal Value of ₹ 1/- each | No. of shareholders | %age of shareholders | No. of shares   | %age of holding |
|---------------------------------------------|---------------------|----------------------|-----------------|-----------------|
| 1 to 5,000                                  | 22209               | 97.583               | 7859189         | 9.006           |
| 5,001 to 10,000                             | 311                 | 1.366                | 2268616         | 2.600           |
| 10,001 to 20,000                            | 114                 | 0.501                | 1578395         | 1.809           |
| 20,001 to 30,000                            | 40                  | 0.176                | 974144          | 1.116           |
| 30,001 to 40,000                            | 20                  | 0.088                | 705022          | 0.808           |
| 40,001 to 50,000                            | 17                  | 0.075                | 755322          | 0.865           |
| 50,001 to 1,00,000                          | 23                  | 0.101                | 1656731         | 1.899           |
| 1,00,001 and above                          | 25                  | 0.110                | 7146621         | 81.897          |
| <b>Total</b>                                | <b>22759</b>        | <b>100.000</b>       | <b>87263630</b> | <b>100.000</b>  |

**(xi) De-materialization of Shares**

The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) and National Securities Depository Ltd. (NSDL) to offer depository Services to the shareholders. As on March 31, 2025, 99.31% of the shares of the Company have been dematerialized.

**(xii) Reconciliation of Share Capital Audit**

As required under the Securities & Exchange Board of India (SEBI) (Depositories and Participants) Regulations, 2018, quarterly audit of the Company's share capital is carried out by an independent auditor (Practicing Company Secretary) with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate/Report in regard to the same is submitted to BSE Limited and NSE and is also placed before Stakeholders' Relationship Committee and the Board of Directors. As on March 31, 2025, 99.31% of the Equity Shares were in dematerialised form.

**(xiii) Compliance Officer**

Mr. Gurinder Makkar (Company Secretary)  
Phone: 172-5172737

E-mail: [gurindermakkar@kquantumpapers.com](mailto:gurindermakkar@kquantumpapers.com)

**(xiv) CEO/ Managing Director**

Mr. Pavan Khaitan Phone: 172-5172737

E-mail: [kquantumcorp@kquantumpapers.com](mailto:kquantumcorp@kquantumpapers.com)

**(xv) Chief Financial Officer**

Mr. Vikram Kumar Khaitan Phone: 172-5172737

E-mail: [kquantumcorp@kquantumpapers.com](mailto:kquantumcorp@kquantumpapers.com)

**(xvi) Designated Email Id For Investors**

[kquantumcorp@kquantumpapers.com](mailto:kquantumcorp@kquantumpapers.com)

**(xvii) Corporate Identity Number (CIN):**

The Corporate Identity Number (CIN) of the Company, allotted by Ministry of Company Affairs, Government of India is CIN: 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](mailto:info@masserv.com) website : [www.masserv.com](http://www.masserv.com)

# ANNEXURE-6

## CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE

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

To,  
The Members of  
**Kquantum Papers Limited**

I have examined the compliance of the conditions of Corporate Governance by **Kquantum Papers Limited** for the year ended 31st March, 2025, 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

Place: Chandigarh  
Date: 20/05/2025

**SUSHIL K. SIKKA**  
Prop.  
FCS 4241, CP 3582  
Peer Review Cert. No. 1057/2021  
UDIN: F004241G000370068

# 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](http://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, 2025, 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. Bhavdeep Sardana     | 03516261 |

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

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

This Certificate has been issued at the request of the Company to make disclosure in its Annual Report of the financial year ended 31st March, 2025.

**For S. K. SIKKA & ASSOCIATES**  
Company Secretaries

**SUSHIL K. SIKKA**

Prop.

FCS 4241, CP 3582

Peer Review Cert. No. 1057/2021

UDIN: F004241G000370046

Place: Chandigarh  
Date: 20/05/2025

# ANNEXURE-8

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

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

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

### Re: Financial Statements for the year 2024-25 – Certification by CEO and CFO

We, Pavan Khaitan, Vice Chairman & Managing Director (CEO) and Vikram Kumar Khaitan, CFO, of Kquantum Papers Ltd., on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31 March 2025 and to the best of our knowledge and belief, hereby certify that -

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

**For Kquantum Papers Limited**  
(CIN: L21012PB1997PLC035243)

Place: Chandigarh  
Dated: 20th May, 2025

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

**Vikram Kumar Khaitan**  
CFO

## ANNEXURE-9

### DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I, Pavan Khaitan, Chief Executive Officer of Kuantum Papers Ltd, hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2025.

**For Kuantum Papers Limited**

(CIN: L21012PB1997PLC035243)

**Pavan Khaitan**

Vice Chairman & Managing Director/CEO

DIN: 00026256

Place: Chandigarh

Dated: 20th May, 2025

## ANNEXURE 10

# Business Responsibility & Sustainability Reporting

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

|    |                                                                                                                                                                                                                                                                    |                                                                                                              |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 1  | Corporate Identity Number (CIN) of the Listed Entity                                                                                                                                                                                                               | L21012PB1997PLC035243                                                                                        |
| 2  | Name of the Listed Entity                                                                                                                                                                                                                                          | KUANTUM PAPERS LIMITED                                                                                       |
| 3  | Date of incorporation                                                                                                                                                                                                                                              | 28-05-1997                                                                                                   |
| 4  | Registered office address                                                                                                                                                                                                                                          | Paper Mill, Saila Khurd, District Hoshiarpur, Punjab-144529                                                  |
| 5  | Corporate address                                                                                                                                                                                                                                                  | W1A, F.F, Tower A, Godrej Eternia Plot No. 70 Industrial Area-1, Chandigarh-160002                           |
| 6  | E-mail                                                                                                                                                                                                                                                             | kquantumcorp@kquantumpapers.com                                                                              |
| 7  | Telephone                                                                                                                                                                                                                                                          | +91 1884 502737                                                                                              |
| 8  | Website                                                                                                                                                                                                                                                            | www.kquantumpapers.com                                                                                       |
| 9  | Financial year for which reporting is being done                                                                                                                                                                                                                   | 1st April, 2024 to 31st March, 2025                                                                          |
| 10 | Name of the Stock Exchange(s) where shares are listed                                                                                                                                                                                                              | National Stock Exchange of India Ltd. (NSE) & BSE Ltd. (BSE)                                                 |
| 11 | Paid-up Capital (In Rs.)                                                                                                                                                                                                                                           | 8,72,63,630/- (Equity)                                                                                       |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report                                                                                                                                   | Mr Gurinder Makkar,<br>Company Secretary<br>Email: gurindermakkar@kquantumpapers.com<br>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 Paper, including value-added products viz. Copier, Bond, Security paper and Maplitho. | 100                         |

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

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

#### III. Operations

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

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 1                | 2                 | 3     |
| International | -                | -                 | -     |

**20 Markets served by the entity:****a. Number of locations**

| Locations                        | Number |
|----------------------------------|--------|
| National (No. of States)         | 20     |
| International (No. of Countries) | 24     |

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

6.49%

**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, 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)            | 586       | 571     | 97%       | 15     | 3%        |
| 2         | Other than Permanent (E) | -         | -       | -         | -      | -         |
| 3         | Total employees (D + E)  | 586       | 571     | 97%       | 15     | 3%        |
| WORKERS   |                          |           |         |           |        |           |
| 4         | Permanent (F)            | 770       | 770     | 100%      | -      | -         |
| 5         | Other than Permanent (G) | 996       | 954     | 96%       | 42     | 4%        |
| 6         | Total workers (F + G)    | 1766      | 1724    | 98%       | 42     | 2%        |

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

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

| Particulars         | FY 2024-25 |        |        | FY 2023-24 |        |        | FY 2022-23 |        |        |
|---------------------|------------|--------|--------|------------|--------|--------|------------|--------|--------|
|                     | Male       | Female | Total  | Male       | Female | Total  | Male       | Female | Total  |
| Permanent Employees | 18.13%     | 52.08% | 19.04% | 22.04%     | 44.29% | 22.63% | 17.55%     | 33.33% | 17.91% |
| Permanent Workers   | 9.68%      | -      | 9.68%  | 13.59%     | -      | 13.59% | 8.62%      | -      | 8.62%  |

## 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./lakhs): 1,10,703.86

(iii) Net worth (Rs./lakhs): 1,21,271.12

## 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 2024-25                                 |                                                              |                                        | FY 2023-24                                 |                                                              |                                        |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------|----------------------------------------|--------------------------------------------|--------------------------------------------------------------|----------------------------------------|
|                                                   |                                                                                                              | 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 ( <a href="https://www.kquantumpapers.com/policies/">https://www.kquantumpapers.com/policies/</a> )      | -                                          | -                                                            |                                        | -                                          | -                                                            |                                        |
| Investors (other than shareholders)               |                                                                                                              | -                                          | -                                                            |                                        | -                                          | -                                                            |                                        |
| Shareholders                                      |                                                                                                              | 11                                         | -                                                            | All Complaints resolved satisfactorily | 1                                          | -                                                            | All Complaints resolved satisfactorily |
| Employees and workers                             |                                                                                                              | -                                          | -                                                            |                                        | -                                          | -                                                            |                                        |
| Customers                                         |                                                                                                              | 65                                         | -                                                            | All Complaints resolved satisfactorily | 44                                         | -                                                            | 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                                 | <b>Risk:</b> Wood pulp constitutes the 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, i.e., 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.<br><br>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                   | <b>Risk:</b> Consistent supply of coal is a challenge & higher usage of coal increases energy cost.<br><br><b>Opportunity:</b> Since this opens up avenues to move towards non-fossil fuel-based energy sources.                                                                                                                                                                                                                                              | The Company has a well-defined strategy to reduce its dependency on Coal through renewable energy sources and Biomass fuels like Agro-wood dust, bark, rice husk, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Negative Implication                                                                           |
| 3      | Greenhouse Gas (GHG) Emissions  | Risk                                 | <b>Risk:</b> 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 <sub>2</sub> 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                                 | <b>Risk:</b> 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.<br><br>The Company has started using canal water in operation.                                           | Negative Implications                                                                          |
| 5      | Unforeseen climatic conditions affecting the farming, thereby restricting the Supply of wheat straw | Risk                                 | <b>Risk:</b> 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                                 | <b>Risk:</b> 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                                                                                                                                                                                                                          | <ol style="list-style-type: none"> <li>Continuous enhancement of employee competencies through structured training and development programs.</li> <li>Strengthening multitasking capabilities by implementing planned job rotations across and within departments.</li> <li>Aligning high-potential talent with critical organizational roles through strategic workforce planning and talent mapping.</li> </ol> | 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 @ <a href="https://www.kuantumpapers.com/policies/">https://www.kuantumpapers.com/policies/</a>                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |     |     |     |     |     |     |     |
| 2                                    | Whether the entity has translated the policy into procedures. (Yes / No)                                                                                                                                                                                 | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3                                    | Do the enlisted policies extend to your value chain partners? (Yes/No)                                                                                                                                                                                   | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4                                    | Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO Certification 9001:2015 (Quality Management System)<br>ISO Certification 14001: 2015 (Environmental Management System)<br>ISO Certification 9001:2015 (Quality Management System for R&D)<br>OHSMS Certification 45001:2018 (Occupation Health & Safety Management System)<br>FSC® Certification Licence Code: FSC-C109585 (Forest Stewardship Council)<br>DSIR Certification TU/IV-RD/3724/2022 (In house R&D Unit)<br>BIS Certification IS 14490: 2018 (Plain Copier Paper- Specification)<br>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. We, at Kuantum Papers pursue a Quality Journey. 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 be a truly sustainable and socially responsible organisation.<br><br>Mr. Pavan Khaitan<br>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                                                          |                                                                                                  |    |    |    |    |    |    |    |    |                                                                         |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances |                                                                                                  |    |    |    |    |    |    |    |    |                                                                         |    |    |    |    |    |    |    |    |

# 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)                                                   |    |    |    |    |    |    |    |    |    |
| 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)                                                                                               |    |    |    |    |    |    |    |    |    |

All principles are covered by policies

## 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

- 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<br>Key Managerial Personnel | 2                                                      | 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%                                                                       |
| Employees other than BoD and KMPs              | 71                                                     | Employees undergo regular training programmes in the areas of skill upgradation, process orientation, soft skill development and safety.                                                                                                                                                                                                                                       | 100%                                                                       |
| Workers                                        | 81                                                     | Workers are given regular process training, safety training, firefighting training and other technical trainings.                                                                                                                                                                                                                                                              | 100%                                                                       |

#### Note:

- All constituents/all stakeholders have been sensitized towards the need for sustainable business.
  - To sync in with changing business dynamics, various operations/ processes of the Company are being digitalized to eliminate the element of human involvement and human error.
- Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| Monetary        |                 |                                                                     |                 |                   |                                        |
|-----------------|-----------------|---------------------------------------------------------------------|-----------------|-------------------|----------------------------------------|
| 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   |                 |                                                                     |                 |                   |                                        |
| Settlement      |                 |                                                                     | Nil             |                   |                                        |
| 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 |                 |                                                                     |                   |                                        |
| Punishment   |                 |                                                                     | Nil               |                                        |

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

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---------------------------------------------------------------------|
| Nil          | 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, Kquantum 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 Company enforces a strict Gifting Policy to regulate the exchange of gifts and prevent unethical practices. A Whistle-blower Policy is also in place, providing a secure channel for reporting any suspected misconduct or violations.

The policy is publicly accessible at: <https://www.kquantumpapers.com/policies/>

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

| Category  | FY 2024-25 | FY 2023-24 |
|-----------|------------|------------|
| Directors | Nil        | Nil        |
| KMPs      |            |            |
| Employees |            |            |
| Workers   |            |            |

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

| Particulars                                                                                  | FY 2024-25 |        | FY 2023-24 |        |
|----------------------------------------------------------------------------------------------|------------|--------|------------|--------|
|                                                                                              | Number     | Remark | Number     | Remark |
| 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 2024-25 | FY 2023-24 |
|------------------------------------|------------|------------|
| Number of days of accounts payable | 21 days    | 18 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 2024-25                             | FY 2023-24 |
| Concentration of Purchases | a. i. Purchase from Trading Houses                                                                  | 41972.49                               | 45812.79   |
|                            | ii. Total Purchases                                                                                 | 72296.04                               | 73709.78   |
|                            | iii. Purchases from trading houses as % of total purchases                                          | 58.06%                                 | 62.15%     |
|                            | b. Number of trading houses where purchases are made from                                           | 407                                    | 671        |
|                            | c. i. Purchase from top ten trading houses                                                          | 17682.37                               | 33758.50   |
|                            | c. ii. Total Purchases from Trading Houses                                                          | 41972.49                               | 45812.79   |
| Concentration of Sales     | c. iii. Purchases from top 10 trading houses as % of total purchases from trading houses            | 42.13%                                 | 73.69%     |
|                            | a. i. Sales to Dealers/ Distributors                                                                | 109976.19                              | 120619.80  |
|                            | a. ii. Total Sales                                                                                  | 110703.86                              | 121129.65  |
|                            | a. iii. Sales to dealers/distributors as % of total sales                                           | 99.34%                                 | 99.58%     |
|                            | b. Number of dealers/distributors to whom sales are made                                            | 118                                    | 112        |
|                            | c. i. Sales to top ten dealers/distributors                                                         | 47800                                  | 50697      |
| Share of RPTs in           | c. ii. Total Sales to Dealers/ Distributors                                                         | 109976.19                              | 120619.80  |
|                            | c. iii. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors            | 43.46%                                 | 42.03%     |
|                            | a. i. Purchases (Purchases with related parties)                                                    | -                                      | -          |
|                            | a. ii. Total Purchases                                                                              | 72296.04                               | 73709.78   |
|                            | a. iii. Purchases (Purchases with related parties as % to Total Purchases)                          | -                                      | -          |
|                            | b. i. Sales (Sales to related parties)                                                              | -                                      | -          |
|                            | b. ii. Total Sales                                                                                  | 110703.86                              | 121129.65  |
|                            | b. iii. Sales (Sales to related parties as % to Total Sales)                                        | -                                      | -          |
|                            | 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 |
|-------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 111                                       | Farm Forestry best Practice, Agriculture productivity, Plantation management, Health & Safety | 100% of Farmers                                                                                                    |
| 81                                        | Human rights, labour practices, sustainability, Health & Safety                               | 100% Contract worker                                                                                               |
| 81                                        | Human rights, labour practices, sustainability, Health & Safety                               | 90% Contractors                                                                                                    |

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 (LODR) Regulations, 2015, Directors are required to recuse themselves from any Board discussions or decisions where a conflict may arise. They also affirm annually 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

- 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 2024-25 | FY 2023-24 | Details of improvements in environmental and social impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------|------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R&D      | 27.0%      | 21.9%      | These investments demonstrate a commitment to advancing technological capabilities, ensuring environmental compliance, and achieving sustainability goals in line with industry standards. R&D Investments are focused on chemical consumption reduction, improving pulp yield, increase in plantation area to contribute to carbon sequestration from the environment, revenue generation, livelihood, and employment opportunities for farmers and the surrounding community, emphasizing our commitment to sustainable and responsible plantation agriculture. Besides helping to increase farmers income. |
| Capex    | 12.2%      | 14.7%      | Upgradation of plantation nursery with setting up additional mist chambers to create a controlled environment for the plant, reducing water usage and enhancing plant health, and promoting social wellbeing. Upgradation of ETP to efficiently manage waste and reduce environmental pollution.                                                                                                                                                                                                                                                                                                              |

- 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.

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

100%, the Company's input are sourced sustainably. Kquantum 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.kquantumpapers.com/wp-content/uploads/2023/03/fsc-certificate.jpg>

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

- 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.
- 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.
- 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.
- 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.

- 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 2024-25, 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 2024-25                                          | FY 2023-24 |
|                         | 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:

|                                   | FY 2024-25 |          |                 | FY 2023-24 |          |                 |
|-----------------------------------|------------|----------|-----------------|------------|----------|-----------------|
|                                   | Re-Used    | Recycled | Safely Disposed | Re-Used    | Recycled | Safely Disposed |
| Plastics (including packaging)    | -          | -        | 200.49          | -          | -        | 162.22          |
| E-waste                           | -          | -        | 1.48            | -          | -        | -               |
| Hazardous waste                   | -          | -        | 0.64            | -          | -        | 0.03            |
| Other waste (Fly Ash & Dry Board) | -          | -        | 81251.86        | -          | -        | 77742.10        |

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 2024-25 |                  |           |                    |           |                    |           |                    |           |                    |           |
|--------------------------------|-----------------------------------------|------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|
|                                | 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                           | 571                                     | 571              | 100%      | 571                | 100%      | NA                 | NA        | NA                 | NA        | NA                 | NA        |
| Female                         | 15                                      | 15               | 100%      | 15                 | 100%      | 15                 | 100%*     | NA                 | NA        | NA                 | NA        |
| Total                          | 586                                     | 586              | 100%      | 586                | 100%      | 15                 | 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 2024-25 |                  |           |                    |           |                    |           |                    |           |                    |           |
|--------------------------------|---------------------------------------|------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|
|                                | 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                           | 770                                   | 770              | 100%      | 770                | 100%      | NA                 | NA        | NA                 | NA        | NA                 | NA        |
| Female                         | -                                     | -                | -         | -                  | -         | NA                 | NA        | NA                 | NA        | NA                 | NA        |
| Total                          | 770                                   | 770              | 100%      | 770                | 100%      | NA                 | NA        | NA                 | NA        | NA                 | NA        |
| Other than Permanent employees |                                       |                  |           |                    |           |                    |           |                    |           |                    |           |
| Male                           | 954                                   | 954              | 100%      | 954                | 100%      | NA                 | NA        | NA                 | NA        | NA                 | NA        |
| Female                         | 42                                    | 42               | 100%      | 42                 | 100%      | 42                 | 100%*     | NA                 | NA        | NA                 | NA        |
| Total                          | 996                                   | 996              | 100%      | 996                | 100%      | 42                 | 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 2024-25 | FY 2023-24 |
|--------------------------------------------------------------------------------|------------|------------|
| Cost incurred on wellbeing measures as a % of the total revenue of the Company | 0.09%      | 0.09%      |

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

| Benefits | FY 2024-25                                                                                                                               |                                                |                                                      | FY 2023-24                                         |                                                |                                                      |
|----------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------------------|
|          | 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 accommodations 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%           |
| <b>Total</b> | <b>100%</b>         | <b>100%</b>    | <b>100%</b>         | <b>100%</b>    |

### 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 2024- 25                                         |                                                                                               |           | FY 2023- 24                                         |                                                                                               |           |
|----------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------|
|                                  | 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) |
| <b>Total Permanent Employees</b> | 586                                                 | -                                                                                             | -         | 583                                                 | -                                                                                             | -         |
| Male                             | 571                                                 | -                                                                                             | -         | 571                                                 | -                                                                                             | -         |
| Female                           | 15                                                  | -                                                                                             | -         | 12                                                  | -                                                                                             | -         |
| <b>Total Permanent Workers</b>   | 770                                                 | 14                                                                                            | 1.81      | 774                                                 | 14                                                                                            | 1.80      |
| Male                             | 770                                                 | 14                                                                                            | 1.81      | 774                                                 | 14                                                                                            | 1.80      |
| Female                           | -                                                   | -                                                                                             | -         | -                                                   | -                                                                                             | -         |

8. Details of training given to employees and workers:

| Category                       | FY 2024-25 |                               |           |                      |           | FY 2023-24 |                               |           |                      |           |
|--------------------------------|------------|-------------------------------|-----------|----------------------|-----------|------------|-------------------------------|-----------|----------------------|-----------|
|                                | Total (A)  | On Health and safety measures |           | On Skill upgradation |           | Total (D)  | On Health and safety measures |           | On Skill upgradation |           |
|                                |            | No. (B)                       | % (B / A) | No. (C)              | % (C / A) |            | No. (E)                       | % (E / D) | No. (F)              | % (F / D) |
| Employees                      |            |                               |           |                      |           |            |                               |           |                      |           |
| Male                           | 571        | 571                           | 100%      | 571                  | 100%      | 571        | 571                           | 100%      | 571                  | 100%      |
| Female                         | 15         | 15                            | 100%      | 15                   | 100%      | 12         | 12                            | 100%      | 12                   | 100%      |
| Other                          | -          | -                             | -         | -                    | -         | -          | -                             | -         | -                    | -         |
| Total                          | 586        | 586                           | 100%      | 586                  | 100%      | 583        | 583                           | 100%      | 583                  | 100%      |
| Other than Permanent employees |            |                               |           |                      |           |            |                               |           |                      |           |
| Male                           | 770        | 770                           | 100%      | 770                  | 100%      | 774        | 774                           | 100%      | 774                  | 100%      |
| Female                         | -          | -                             | -         | -                    | 100%      | -          | -                             | 100%      | -                    | 100%      |
| Other                          | -          | -                             | -         | -                    | -         | -          | -                             | -         | -                    | -         |
| Total                          | 770        | 770                           | 100%      | 770                  | 100%      | 774        | 774                           | 100%      | 774                  | 100%      |

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

| Category         | FY 2024-25 |            |             | FY 2023-24 |            |             |
|------------------|------------|------------|-------------|------------|------------|-------------|
|                  | Total (A)  | No. (B)    | % (B / A)   | Total (C)  | No. (D)    | % (D / C)   |
| <b>Employees</b> |            |            |             |            |            |             |
| Male             | 571        | 571        | 100%        | 571        | 571        | 100%        |
| Female           | 15         | 15         | 100%        | 12         | 12         | 100%        |
| <b>Total</b>     | <b>586</b> | <b>586</b> | <b>100%</b> | <b>583</b> | <b>583</b> | <b>100%</b> |
| <b>Workers</b>   |            |            |             |            |            |             |
| Male             | 770        | 770        | 100%        | 774        | 774        | 100%        |
| Female           | -          | -          | -           | -          | -          | -           |
| <b>Total</b>     | <b>770</b> | <b>770</b> | <b>100%</b> | <b>774</b> | <b>774</b> | <b>100%</b> |

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. Each facility 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 2024-25 | FY 2023-24 |
|-------------------------------------------------------------------------------|-----------|------------|------------|
| 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 is committed to maintaining a safe and healthy workplace with the vision of a **ZERO-Accident Plant**.

The Company is certified under **ISO 45001:2018** and follows a robust EHS risk management framework. Key measures include:

- **Regular safety training** for employees and contract workers.
- **Employee engagement** through safety meetings, suggestion schemes, and hazard identification.
- **Provision of PPE** and strict implementation of **Permit-to-Work** and **LOTO** systems.
- **Routine inspections** of equipment, buildings, and lifting devices.
- **Emergency preparedness** through drills and response protocols.
- **Occupational health services**, medical check-ups, and wellness programs.
- **Accident reporting and investigation** with follow-up corrective actions.
- **Monthly Safety Committee Meetings** chaired by top management.

These initiatives ensure a safe, compliant, and people-focused work environment.

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

| Category           | FY 2024-25            |                                       |         | FY 2023-24            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | 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 maintains a strong focus on continuous improvement in health and safety through regular internal audits and risk assessments. Any identified gaps are promptly addressed through well-defined **corrective and preventive actions (CAPA)**.

In case of incidents, detailed **root cause analysis** is carried out by cross-functional teams, with findings reviewed by senior management for strategic oversight. Key learnings are shared in **Safety Committee meetings** and communicated across all departments to prevent recurrence.

The progress and closure of all corrective actions are systematically monitored, reflecting the Company's commitment to a proactive safety culture and continuous organizational learning.

## 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/ worker |            | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |            |
|-----------|-----------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|           | FY 2024-25                              | FY 2023-24 | FY 2024-25                                                                                                                                        | FY 2023-24 |
| 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<br>Working Conditions                                           | 100%, Upon entering into agreements/contracts, 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 risks identified in the health and safety practices of value chain partners, Kuantum has implemented several corrective actions. These include comprehensive risk assessments, gap analyses, and the enforcement of updated safety protocols. Targeted training programs have been introduced to enhance awareness and hazard management. Regular audits and compliance checks are conducted, with corrective action plans implemented for any deficiencies. The Company also collaborates closely with partners to share best practices, provide technical support, and foster a culture of continuous improvement in workplace safety and conditions.

## 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.             |
| Employees                                   | 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 |
| Academic Institutions                       | No                                                              | Academic Interface / Plant visits / Class sessions                                                                     | As and when needed                                                                   | Knowledge sharing and improving awareness about Paper, its eco-friendly use, and paper manufacturing.                           |
| 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                                  |
| Collaborators                               | No                                                              | Video Conferences, Meetings / Calls, visits                                                                            | As and when needed                                                                   | Stronger partnership. Joint development projects                                                                                |
| Industries Bodies                           | No                                                              | Conferences and Seminars, Meetings                                                                                     | Quarterly                                                                            | Focus Discussions on macro trends impacting the Paper Industry.                                                                 |
| Government bodies and regulators            | No                                                              | Meetings, visits                                                                                                       | As and when needed                                                                   | To ensure 100% compliance with all rules, regulations, and laws                                                                 |
| Local Communities                           | Yes                                                             | Community Meetings, Notice Board, Pamphlets, Newspaper                                                                 | Bi-annually                                                                          | Address local development, community welfare, environmental concerns, and corporate social responsibility initiatives.          |
| Farmers/ Aggregators/ Supply Chain Partners | 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, policy-making, 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 2024-25  |                                        |             | FY 2023-24  |                                        |             |
|------------------------|-------------|----------------------------------------|-------------|-------------|----------------------------------------|-------------|
|                        | Total (A)   | No. of employees / workers covered (B) | % (B / A)   | Total (C)   | No. of employees / workers covered (D) | % (D / C)   |
| <b>Employees</b>       |             |                                        |             |             |                                        |             |
| Permanent              | 586         | 586                                    | 100%        | 583         | 583                                    | 100%        |
| Other than permanent   | -           | -                                      | -           | -           | -                                      | -           |
| <b>Total Employees</b> | <b>586</b>  | <b>586</b>                             | <b>100%</b> | <b>583</b>  | <b>583</b>                             | <b>100%</b> |
| <b>Workers</b>         |             |                                        |             |             |                                        |             |
| Permanent              | 770         | 770                                    | 100%        | 774         | 774                                    | 100%        |
| Other than permanent   | 996         | 996                                    | 100%        | 1000        | 1000                                   | 100%        |
| <b>Total Workers</b>   | <b>1766</b> | <b>1766</b>                            | <b>100%</b> | <b>1774</b> | <b>1774</b>                            | <b>100%</b> |

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

| Category             | FY 2024-25 |                       |           |                        |           | FY 2023-24 |                       |         |                        |         |
|----------------------|------------|-----------------------|-----------|------------------------|-----------|------------|-----------------------|---------|------------------------|---------|
|                      | 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            | 586        | -                     | -         | 586                    | 100%      | 583        | -                     | -       | 583                    | 100%    |
| Male                 | 571        | -                     | -         | 571                    | 100%      | 571        | -                     | -       | 571                    | 100%    |
| Female               | 15         | -                     | -         | 15                     | 100%      | 12         | -                     | -       | 12                     | 100%    |
| Other than Permanent | -          | -                     | -         | -                      | -         | -          | -                     | -       | -                      | -       |
| Male                 | -          | -                     | -         | -                      | -         | -          | -                     | -       | -                      | -       |
| Female               | -          | -                     | -         | -                      | -         | -          | -                     | -       | -                      | -       |
| Workers              |            |                       |           |                        |           |            |                       |         |                        |         |
| Permanent            | 770        | -                     | -         | 770                    | 100%      | 774        | -                     | -       | 774                    | 100%    |
| Male                 | 770        | -                     | -         | 770                    | 100%      | 774        | -                     | -       | 774                    | 100%    |
| Female               | -          | -                     | -         | -                      | -         | -          | -                     | -       | -                      | -       |
| Other than Permanent | 996        | 941                   | 94%       | 55                     | 6%        | 1000       | 954                   | 95%     | 46                     | 5%      |
| Male                 | 954        | 899                   | 94%       | 55                     | 6%        | 980        | 934                   | 95%     | 46                     | 5%      |
| Female               | 42         | 42                    | 100%      | -                      | -         | 20         | 20                    | 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)         | 2      | 24,29,500                                                             | Nil    | Nil                                                                   |
| Key Managerial Personnel         | 2      | 3,97,775                                                              | Nil    | Nil                                                                   |
| Employees other than BoD and KMP | 567    | 72,960                                                                | 15     | 72,343                                                                |
| Workers                          | 770    | 23,480                                                                | Nil    | Nil                                                                   |

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

| Category                                        | FY 2024- 25 | FY 2023- 24 |
|-------------------------------------------------|-------------|-------------|
| Gross wages paid to females as % of total wages | 1.95%       | 1.64%       |

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 has a dedicated Human Rights Policy and a robust Grievance Redressal System to address concerns related to human rights and labour practices. The system ensures timely, fair, and transparent resolution of grievances, reinforcing the Company's commitment to ethical conduct and employee well-being.

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

| Category                          | FY 2024-25            |                                       |         | FY 2023-24            |                                       |         |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                                   | 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                                   |         | 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 2024-25 | FY 2023-24 |
|----------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| 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 enforces a zero-tolerance policy towards discrimination and harassment, supported by a robust grievance redressal system and an active POSH Committee for gender-related concerns. The Company ensures confidentiality, fair treatment, and protection against retaliation, fostering a safe, inclusive, and transparent workplace. Disclosures on the handling of complaints are made in the Annual Report.

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                                                                                          | 100%                                                                           |
| Forced/involuntary labour                                                                             | The Company undertakes an internal assessment through its HR and IR functions. |
| 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 were observed during assessments. However, the Company has proactively enhanced safety protocols, invested in advanced equipment, conducted regular audits, and implemented rigorous training programs. A proactive reporting system and engagement with external experts further support continuous improvement in workplace safety and compliance.

## Leadership Indicators

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

The Company has a Board-approved Code of Conduct and other relevant policies covering key human rights principles including dignity, non-discrimination, and ethical conduct. While no human rights grievances have been reported, robust internal mechanisms are in place to address such complaints, with disciplinary action applicable for any violations.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

While no standalone human rights due diligence has been conducted, Kuantum Papers 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.                                                      |
| Forced/involuntary labour   | However, the company's suppliers' Code of Conduct addresses many of these aspects.          |
| 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 2024-25       | FY 2023-24       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>From Renewable sources (GJ)</b>                                                                                                                    |                  |                  |
| Total electricity consumption (A)                                                                                                                     | -                | -                |
| Total fuel consumption (B)                                                                                                                            | 39,20,683        | 34,56,023        |
| Energy consumption through other sources (C)                                                                                                          | -                | -                |
| <b>Total energy consumption from renewable sources (A+B+C)</b>                                                                                        | <b>39,20,683</b> | <b>34,56,023</b> |
| <b>From non-renewable sources (GJ)</b>                                                                                                                |                  |                  |
| Total electricity consumption (D)                                                                                                                     | 34,196           | 56,454           |
| Total fuel consumption (E)                                                                                                                            | 25,51,570        | 23,28,266        |
| Energy consumption through other sources (F)                                                                                                          | -                | -                |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b>                                                                                       | <b>25,85,766</b> | <b>23,84,720</b> |
| <b>Total energy Consumed (A+B+C+D+E+F) GJ</b>                                                                                                         | <b>65,06,449</b> | <b>58,40,743</b> |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)                                                              | 0.0006           | 0.0005           |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)* | 0.0119           | 0.0097           |
| Energy intensity in terms of physical output (Total energy consumption/total production) (GJ/MT)                                                      | 38.95            | 37.21            |
| 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 2023 by the World Bank for India, which is 20.20

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, unit of the Company is designated a consumer 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 2024-25     | FY 2023-24     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------|----------------|
| <b>Water withdrawal by source</b>                                                                                                                      |                                              |                |                |
| (i) Surface water                                                                                                                                      | Kilolitres                                   | 2009977        | -              |
| (ii) Groundwater                                                                                                                                       | Kilolitres                                   | 4954758        | 6717575        |
| (iii) Third party water                                                                                                                                | Kilolitres                                   | -              | -              |
| (iv) Seawater / desalinated water                                                                                                                      | Kilolitres                                   | -              | -              |
| (v) Others                                                                                                                                             | Kilolitres                                   | -              | -              |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>                                                                        | Kilolitres                                   | <b>6964735</b> | <b>6717575</b> |
| Total volume of water consumption (in kilolitres)                                                                                                      | Kilolitres                                   | 6964735        | 6717575        |
| Water intensity per rupee of turnover (Total water consumed / Revenue from operations)                                                                 | Litre per Rupee of turnover                  | 0.0006         | 0.0006         |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)* | Litre per Rupee of turnover adjusted for PPP | 0.0127         | 0.0112         |
| Water intensity in terms of physical output                                                                                                            | Kilolitres/ Ton of Production                | 41.69          | 42.80          |
| 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 Elixia Technologies Pvt Ltd.

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

4. Provide the following details related to water discharged:

| Parameter                                                                    | FY 2024-25     | FY 2023-24     |
|------------------------------------------------------------------------------|----------------|----------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |                |                |
| (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)                      | 5823809        | 5999863        |
| No treatment                                                                 | -              | -              |
| With treatment – please specify level of treatment                           | 5823809        | 5999863        |
| <b>Total water discharged (in kilolitres)</b>                                | <b>5823809</b> | <b>5999863</b> |

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 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 Kquantum 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 irrigation across approximately 2,050 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 the unit | FY 2024-25 | FY 2023-24 |
|-------------------------------------|-------------------------|------------|------------|
| NOx                                 | Mg/nm <sup>3</sup>      | 89.88      | 74.33      |
| SOx                                 | Mg/nm <sup>3</sup>      | 56.64      | 20.91      |
| Particulate matter (PM)             | Mg/nm <sup>3</sup>      | 27.97      | 28.56      |
| 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, which is connected with 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) &amp; its intensity, in the following format:

| Parameter                                                                                                                                                                          | Please specify unit                                   | FY 2024- 25 | FY 2023- 24 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------|-------------|
| Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)              | Metric tonnes of CO <sub>2</sub> equivalent           | 243947      | 351478      |
| Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)              | Metric tonnes of CO <sub>2</sub> equivalent           | 8074        | 13329       |
| 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                      | 0.000023    | 0.000030    |
| 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      | 0.0006      |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output                                                                                                           | Metric tonnes of CO <sub>2</sub> e/ Ton of Production | 1.51        | 2.32        |

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 2023 by the World Bank for India, which is 20.20

## 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 4.5 million saplings in FY 2024–25.

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 2024-25      | FY 2023-24      |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Total Waste generated (in metric tonnes)</b>                                                                                                      |                 |                 |
| Plastic waste (A)                                                                                                                                    | 200.49          | 162.22          |
| E-waste (B)                                                                                                                                          | 1.48            | 0.00            |
| Bio-medical waste (C)                                                                                                                                | 0.04            | 0.03            |
| Construction and demolition waste (D)                                                                                                                | -               | -               |
| Battery waste (E)                                                                                                                                    | 5.93            | -               |
| Radioactive waste (F)                                                                                                                                | -               | -               |
| Other Hazardous waste. Please specify, if any. (G)                                                                                                   | 2.18            | 2.75            |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)                  | 81250.32        | 77739.35        |
| <b>Total (A+B + C + D + E + F + G + H)</b>                                                                                                           | <b>81460.44</b> | <b>77904.35</b> |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)                                                              | 0.0000074       | 0.0000064       |
| 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)                                                                          | 0.49            | 0.50            |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>       |                 |                 |
| <b>Category of waste</b>                                                                                                                             |                 |                 |
| (i) Recycled                                                                                                                                         | -               | -               |
| (ii) Re-used                                                                                                                                         | -               | -               |
| (iii) Other recovery operations                                                                                                                      | -               | -               |
| <b>Total</b>                                                                                                                                         | <b>-</b>        | <b>-</b>        |

| Parameter                                                                                                         | FY 2024-25      | FY 2023-24      |
|-------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b> |                 |                 |
| <b>Category of waste</b>                                                                                          |                 |                 |
| (i) Incineration                                                                                                  | 0.64            | 0.03            |
| (ii) Landfilling                                                                                                  | -               | -               |
| (iii) Other disposal operations                                                                                   | 81250.32        | 77739.35        |
| <b>Total</b>                                                                                                      | <b>81250.96</b> | <b>77739.38</b> |

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:** 97% of pulping chemicals and 20% of process water are recovered and reused.
- **By-product Utilization:** Fly ash is responsibly disposed of for use in cement manufacturing.
- **Safe Storage & Handling:** Waste is stored securely with appropriate containment and TREM cards for safe transport.

These practices support Kquantum'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 | Remark |
|--------|--------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------|--------|
|--------|--------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------|--------|

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 Garshankar, 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 2024-25     | FY 2023-24 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------|------------|
| Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> 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 provide its inputs on various areas such as renewable energy space, health and safety, etc. Over the years, the company's senior management have 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 2024-25 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 2024- 25 | FY 2023- 24 |
|----------------------------------------------|-------------|-------------|
| Directly sourced from MSMEs/ small producers | 48%         | 56%         |
| Sourced directly from within India           | 92%         | 93%         |

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 2024-25 | FY 2023-24 |
|--------------|------------|------------|
| Rural        | 77.13%     | 78.77%     |
| Semi-urban   | -          | -          |
| Urban        | -          | -          |
| Metropolitan | 22.87%     | 21.23%     |

(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 INR) |
|--------|-------|-----------------------|-----------------------|
|--------|-------|-----------------------|-----------------------|

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 'Atmanirbhar 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 44% 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 in the surrounding areas                          | 530                                        | 100%                                                       |
| 2      | Installation and AMC of Water Coolers & RO systems                       | 650                                        | 100%                                                       |
| 3      | Street construction and laying of interlocking blocks in nearby areas    | 4,750                                      | 100%                                                       |
| 4      | Flooring and classroom construction in Government Schools and Anganwadis | 250                                        | 100%                                                       |
| 5      | Installation of solar street lights with poles and associated charges    | 9,150                                      | 100%                                                       |
| 6      | Construction of a Community Hall at Village Saila Khurd                  | 1200                                       | 100%                                                       |
| 7      | Development of sports infrastructure in nearby areas                     | 150                                        | 100%                                                       |
| 8      | Development of a park at Village Saila Kalan                             | 950                                        | 100%                                                       |
| 9      | Installation of a tube well for drinking water at Village Paddi Khutti   | 4,650                                      | 100%                                                       |
| 10     | Plantation drives in surrounding areas                                   | 6,570                                      | 100%                                                       |
| 11     | Provision of health facilities in nearby communities                     | 13,950                                     | 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 2024-25               |                                   | Remarks                     | FY 2023-24               |                                   | Remarks                     |
|--------------------------------|--------------------------|-----------------------------------|-----------------------------|--------------------------|-----------------------------------|-----------------------------|
|                                | Received during the year | Pending resolution at end of year |                             | Received during the year | Pending resolution at end of year |                             |
| Data privacy                   | -                        | -                                 |                             | -                        | -                                 |                             |
| Advertising                    | -                        | -                                 |                             | -                        | -                                 |                             |
| Cyber-security                 | -                        | -                                 |                             | -                        | -                                 |                             |
| Delivery of essential services | -                        | -                                 |                             | -                        | -                                 |                             |
| Restrictive Trade Practices    | -                        | -                                 |                             | -                        | -                                 |                             |
| Unfair Trade Practices         | -                        | -                                 |                             | -                        | -                                 |                             |
| Other*                         | 65                       | -                                 | All complaints are resolved | 44                       | -                                 | 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 cybersecurity 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 cybersecurity 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

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.kuantumpaper.com](http://www.kuantumpaper.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 2024-25. 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<sup>1</sup>

In Calendar Year 2024, the global economy demonstrated resilience, recording a growth rate of 3.3%, despite navigating macro headwinds such as ongoing geopolitical tensions, steep inflation for a predominant part of the year, re-alignment of supply chains, shifting trade patterns and alterations in monetary policies. The US economy performed well, driven by a strong corporate sector and high employment levels. In contrast, Europe, particularly Germany, underwent an economic slowdown due to slackened manufacturing and export performance.

Emerging markets performed better than developed countries, growing at 4.3%, compared to 1.8% in advanced economies. This disparity was primarily due to robust domestic demand and heightened foreign investments in emerging markets. Concurrently, China's economy grew by 5.0%, lower than predicted.

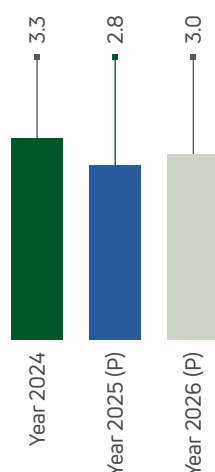
A key driver for global economic stability being the disinflation. Global inflation declined from 6.6% in the year 2023 to 5.7% in the year 2024, stabilising prices and strengthening economic activity. The disinflation was supported by timely monetary policies and steady energy supplies, thereby, building business confidence and maintaining the economy's growth trajectory.

### Outlook

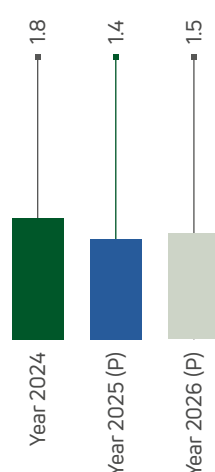
The global economy is projected to grow by 2.8 % in the year 2025 and 3.0% in the year 2026, supported by accommodative monetary policies. However, new U.S. tariffs hinder global trade flows, driving higher costs and supply chain challenges. Measures are undertaken to ease these tensions via negotiation. The outlook for Emerging Markets and Developing Economies (EMDEs) remains positive, with growth forecasted at 3.7% in 2025 and 3.9% in 2026. In contrast, advanced economies are projected to exhibit gradual growth, at 1.4% in year 2025 and 1.5% in year 2026.

Global Real GDP Growth Projection (%)

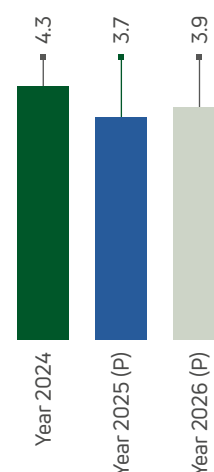
World Output



Advanced Economies



Emerging Markets and Developing Economies



\*Projected

Source: International Monetary Fund (IMF) World Economic Outlook 2025

<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>

### 3. Indian Economy<sup>2</sup>

In FY 2025, India's economy grew by 6.5%, despite global challenges such as geopolitical tensions, supply chain disruptions and shifting trade dynamics. The services sector being a key growth driver, significantly contributed to economic activity, due to improving India's digital infrastructure, which provided access to financial services and credit for individuals and businesses. This infrastructure upgrade spurred broader economic participation, thereby, escalating demand across various sectors.

Inflation eased from 5.4% in FY 2024 to 4.6% in FY 2025, providing economic stability.<sup>3</sup> The decline in inflation supported consumer confidence, driving demand in several industries. Moreover, the Indian government played a crucial role in this growth via key reforms, business-friendly regulations and substantial investments in infrastructure development, thereby, propelling India's economic expansion.

The government further expanded Indian industrial sector's growth, through the Production Linked Incentive (PLI) Scheme, particularly with a significant hike in the budget allocation for the textile sector. It is therefore, in line with India's broader strategy to bolster domestic manufacturing and global competitiveness, which positions India as a global manufacturing hub.

The education sector progressed significantly with programmes such as Samagra Shiksha and Pradhan Mantri Schools for Rising India (PM SHRI) schemes, which led to the establishment of over 12,000 exemplar schools nationwide, thereby, enhancing the learning environment.<sup>4</sup> The growing demand for educational materials and infrastructure, such as textbooks, digital resources and school supplies, has strengthened the paper industry. Moreover, the expansion of school facilities and the introduction of new educational programmes have driven the sector's growth, reinforcing the strong link between education sector reforms and the paper industry's expansion.

#### Outlook

India has emerged as the world's fourth-largest economy, with per capita income doubling since 2014, a testament to its

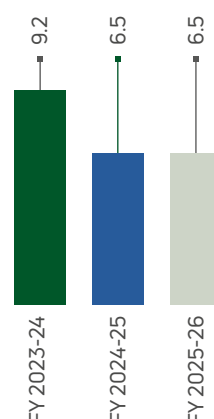
sustained economic progress. Despite global headwinds, the way forward remains optimistic, due to sustained domestic and foreign investments, robust manufacturing growth and improvement in trade and financial services.

India's economic outlook, therefore, remains positive with a projected growth rate of 6.5% in FY 2026, catalysed by sustained public investment in infrastructure, robust manufacturing growth and expanding trade and financial services. The government's sustained focus on capital expenditure, improving rural demand and the rapid growth of digital and physical infrastructure is predicted to further enhance industrial activity.

As supply chains stabilise and input costs remain at a measured pace, industries integrated with essential services and everyday consumption are well-positioned to benefit from heightened demand and bolstered operational efficiency. The recent rate cuts by the Reserve Bank of India (RBI) is set to inject liquidity, enhance credit access and market sentiment.

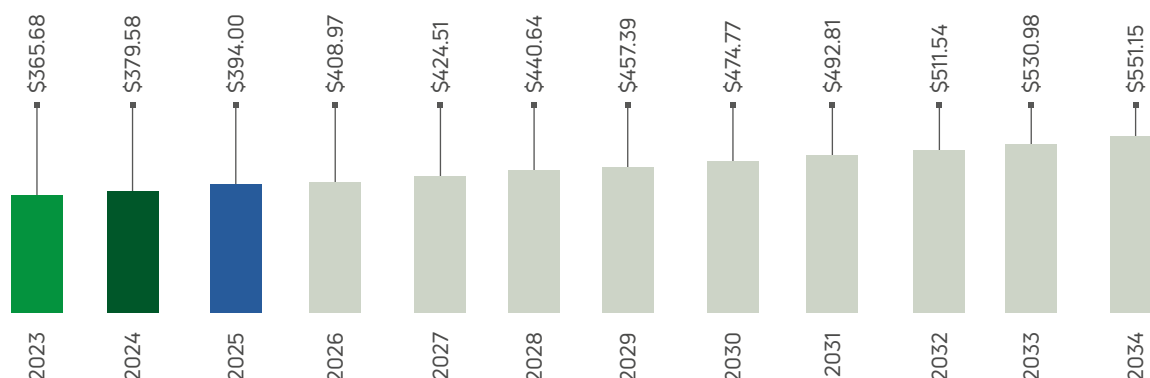
Simultaneously, the government undertakes protectionist measures for shifting global tariff landscape, safeguarding national economic interests. Despite global uncertainties, India is predicted to sustain its growth trajectory, supported by strong domestic demand, disinflationary trends and a moderate macro-economic environment.

#### GDP Growth Trend in India (in %)



### 4. Global Pulp and Paper Industry<sup>5</sup>

#### Global Pulp and Paper Industry Growth Trend (USD Billion)



Source: Precedence Research Report

<sup>2</sup><https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

<sup>3</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=2097892#>

<sup>4</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=2091737>

<sup>5</sup><https://www.precedenceresearch.com/pulp-and-paper-market>

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. In 2024, the industry was valued at approximately USD 379.58 billion and is projected to reach USD 551.15 billion by 2034, growing at a compound annual growth rate (CAGR) of 3.8%. This growth reflects a global shift toward more environmentally responsible products, especially in packaging and consumer goods.

Asia Pacific remains the leading region in the global pulp and paper market, contributing around 56.27% of global revenue in 2024. Countries like China, India and Japan are driving this growth, supported by expanding economies, growing populations and rising demand for food packaging and printed materials. Additionally, Southeast Asian countries such as Malaysia, Indonesia and Vietnam are witnessing increased paper consumption due to rapid urbanization and lifestyle changes.

A significant portion of this growth comes from the wrapping and packaging paper segment, which held the largest market share in 2024. This segment is expected to grow at a CAGR of 5.3% between 2024 and 2034, as businesses and consumers move away from single-use plastics toward recyclable and biodegradable paper solutions. The rise in e-commerce, food delivery services and demand for safe and sustainable packaging materials further boosts this trend.

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<sup>6</sup>

The global printing paper market is projected to experience steady growth over the next decade. The market was valued at approximately USD 126.91 billion in 2024 and is expected to reach around USD 161.06 billion by 2034, registering a compound annual growth rate (CAGR) of 2.4% during this period.

This growth is driven by several factors, including the increasing demand for sustainable and eco-friendly paper products. The sustainability segment, encompassing recyclable, compostable and FSC-certified papers, is projected to reach USD 20.5 billion by 2024, growing at a CAGR of 4.2%. This trend is fuelled by stringent government regulations promoting sustainable practices and a growing consumer awareness of environmental issues.

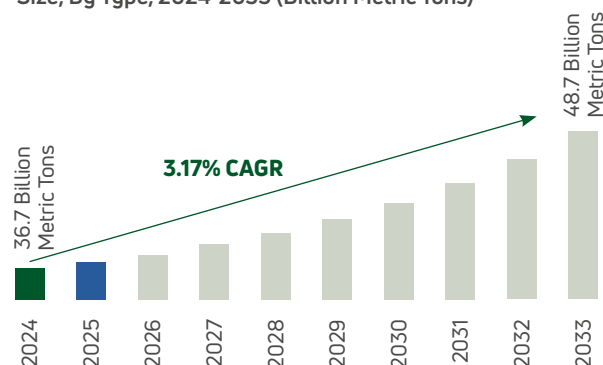
Regionally, the Asia-Pacific (APAC) area is expected to witness significant growth, propelled by rapid industrialization, urbanization and rising literacy rates in countries like China, India and Southeast Asian nations. North America and Europe also maintain substantial market shares, supported by established educational institutions and corporate sectors.<sup>7</sup>

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<sup>8</sup>

### Global Specialty Paper Industry Growth Trend

Size, By Type, 2024-2033 (Billion Metric Tons)



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 market reached 36.7 billion metric tons in 2024 and is projected to grow to 48.7 billion metric tons by 2033, registering a compound annual growth rate (CAGR) of 3.17% during the forecast period. Europe currently leads the market, accounting for over 33.8% of the global share in 2024, due to robust demand across key sectors such as food and beverage, construction and packaging.

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.

<sup>6</sup><https://www.marketresearchfuture.com/reports/printing-paper-market-24140>

<sup>7</sup><https://www.technavio.com/report/printing-and-writing-paper-market-industry-analysis>

<sup>8</sup><https://www.imarcgroup.com/specialty-paper-market>

**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.

**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<sup>9</sup>

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.

In FY 2024-25, India's paper consumption reached approximately 24 million tonnes. 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%.

Over the past 5-7 years, the industry has seen investments of over 25,000 crore in expanding production capacity and adopting modern technology. 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 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 "Atmanirbhar Bharat."

## 9. Indian Writing and Printing Paper<sup>10</sup>

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 22 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 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.

<sup>9</sup><https://thepulpandpapertimes.com/news/my-knowledge/indian-paper-industry-2188>

<sup>10</sup><https://thepulpandpapertimes.com/news/india/ipma-writing-2109>

## 10. Indian Specialty Paper <sup>11</sup>

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. The specialty paper segment in India was estimated to be around 1.3 to 1.5 million tonnes in 2022 and it is expected to grow by 11% to 13% every year, reaching about 1.9 to 2.3 million tonnes by 2027. This shows that more people and industries are using specialty paper for everyday use and packaging needs.

At the same time, the larger packaging paper and paperboard market, which includes many types of specialty papers, was valued at around USD 12.87 billion in 2024. This market is expected to grow to USD 17.74 billion by 2029, with a yearly growth rate of about 6.6%. The main reasons for this growth are the ban on single-use plastics, the rise of e-commerce and the need for eco-friendly and recyclable materials. As a result, specialty paper is becoming an important part of the Indian paper industry, offering good opportunities for future expansion.

## 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.<sup>12</sup>

**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.<sup>13</sup>

**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.

<sup>11</sup><https://thepulpandpapertimes.com/news/my-knowledge/indian-paper-industry-2188>

<sup>12</sup><https://thepulpandpapertimes.com/news/my-knowledge/indian-paper-industry-2188>

<sup>13</sup><https://thepulpandpapertimes.com/news/my-knowledge/indian-paper-industry-2188>

### 13. Risks & Concerns and Risk Management

| Risk Category                              | Description                                                                                                                             | Mitigation Strategy                                                                                                                                                 |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Raw Material Supply</b>                 | 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.                    |
| <b>Energy Dependence</b>                   | 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.                              |
| <b>Environmental Regulations</b>           | Strict pollution and water usage rules require consistent compliance.                                                                   | Investments in effluent treatment, afforestation and resource-saving practices ensure adherence to environmental standards.                                         |
| <b>Import Competition</b>                  | 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 prioritising product quality and cost efficiency.                            |
| <b>Market and Policy Changes</b>           | 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.         |
| <b>Price Volatility</b>                    | Fluctuations in pulp, bamboo and imported materials can significantly impact profit margins.                                            | Smart pricing strategies, regular reviews and partial backward integration limit the impact.                                                                        |
| <b>Currency Fluctuations</b>               | Conducting international trade exposes the Company to exchange rate changes.                                                            | The Company utilises hedging and other financial tools to manage foreign exchange risks.                                                                            |
| <b>Interest Rate Surge</b>                 | 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.                                                      |
| <b>Workforce Challenges</b>                | 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.                 |
| <b>Health and Safety Risks</b>             | 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.                   |
| <b>Digital Substitution</b>                | 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.             |
| <b>Old Technology Risk</b>                 | 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.                                                          |
| <b>Transportation and Logistics Delays</b> | 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. |
| <b>Economic Slowdowns</b>                  | 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.                                                      |
| <b>Legal and Compliance Risks</b>          | 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                                                                                                                                                             |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Integrated pulp manufacturing</b>      | The Company produces its own pulp using agro waste and wood, minimising costs and ensuring consistent raw material supply.                                              |
| <b>Wide product range</b>                 | The Company offers a diverse range of writing, printing, copier, premium maplitho, cup stock base and specialty papers.                                                 |
| <b>Focus on technology and automation</b> | Investments in automation, advanced control systems (QCS/DCS) and digital tools through Project Nirmaan bolsters productivity and operational efficiency.               |
| <b>Strong sustainability practices</b>    | Through surface water utilisation, afforestation programs and chemical recycling, the Company reinforces its strong commitment to the environment.                      |
| <b>Strategic location</b>                 | 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                                                                                                                                                                              |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>High investment and prolonged setup period</b>                       | Establishment of advanced paper production machinery and utilities demands substantial resources and considerable time. However time planning and cost benefit can have positive impact. |
| <b>Seasonal supply and higher transportation cost for agro-residues</b> | Seasonal availability of agro-based raw materials and high transportation cost is a challenge which can be mitigated to some extent by better planning.                                  |
| <b>Exposure to global pulp price changes</b>                            | Exposure to global pulp price volatility for non-integrated operations may impact profitability and cost stability which can be reduced by integrated operations.                        |
| <b>Dependence on fossil fuels</b>                                       | Sector-wide dependence on coal and fossil-based energy sources is still prevalent.                                                                                                       |

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

| Threats                                 | Elaboration                                                                                                                                                           |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Cheap imports from FTA countries</b> | 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. |
| <b>Rising raw material costs</b>        | Escalating demands from biomass, MDF and plywood industries may raise wood and agro raw material prices.                                                              |
| <b>Stricter environmental laws</b>      | The enforcement of stringent pollution and water use regulations will require additional investment in pollution control and sustainability measures.                 |
| <b>Digitalization</b>                   | Growing digitalization and cloud-based information management may reduce corporate printing demand.                                                                   |

## 15. Company's Segment-wise Financial Performance & Analysis

Kquantum 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 2024–25, the end-use distribution of Kquantum's paper products was approximately: 38% for printing and publishing, 28% for notebooks, 19% for photocopier paper, 5% for diaries, with the remainder catering to various other applications.

Kquantum'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. 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, Kquantum 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. While Net Sales Realization declined by approximately 13–14%, the impact on profitability was effectively contained, with EBITDA margin reducing by only 5.5%. The Company closed the year with an EBITDA margin of 22.4%, positioning it among the highest-performing paper manufacturers in India and reaffirming its cost leadership in the sector. During the year under review, Kquantum achieved highest-ever paper finished production of 160,861 MT (previous year 153,058 MT), reflecting efficient utilization of all paper machines.

The summarized financial performance of the Company for the financial year 2024–25 is given hereunder:

| Particulars          | (₹ in Lakhs) |             |
|----------------------|--------------|-------------|
|                      | 2024-25      | 2023-24     |
| Sales & other income | 1,11,312.38  | 1,21,693.66 |
| EBITDA               | 24,867.58    | 33,870.49   |
| Profit before tax    | 15,537.79    | 24,761.06   |
| Net Profit after tax | 11,518.08    | 18,382.58   |

The financial details and performance highlights are further elaborated in the Directors' Report and Financial Statements sections of this Annual Report. 19. Accounting Treatment

## 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 Standard) 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 2024-25 | FY 2023-24 | % Change | Reason for Change of more than 25% |
|-------------------------------------------------------------------------|------------|------------|----------|------------------------------------|
| Current Ratio (in times)                                                | 0.83       | 1.02       | -18%     | -                                  |
| Current Ratio (in times)-without considering current maturity of debts. | 1.47       | 1.63       | -10%     | -                                  |
| Debt Equity Ratio (in times)                                            | 0.54       | 0.46       | 18%      | -                                  |
| Debt service coverage ratio (in times)                                  | 1.50       | 2.97       | -49%     | Note 1                             |
| Return on Net Worth (%)                                                 | 9.86       | 17.59      | -44%     | Note 1                             |
| Inventory Turnover (in times)                                           | 6.02       | 7.18       | -16%     | -                                  |
| Trade receivables turnover (in times)                                   | 33.70      | 42.86      | -21%     | -                                  |
| Trade payables turnover (in times)                                      | 17.37      | 20.48      | -15%     | -                                  |
| Net capital turnover (in times)                                         | 12.71      | 10.22      | 24%      | -                                  |
| Interest Coverage Ratio                                                 | 7.09       | 9.49       | -25%     | Note 1                             |
| Operating profit margin                                                 | 22.34      | 27.83      | -20%     | -                                  |
| Net Profit Margin (%)                                                   | 10.42      | 15.19      | -31%     | Note 1                             |
| Return on capital employed (%)                                          | 9.66       | 16.35      | -41%     | Note 1                             |

Note 1 : Decrease in ratios are due to lower profitability on YoY basis as Net Selling Price per MT of Paper declined sharply by 13-14% during the year, however EBITDA declined by 5.5% on YoY basis.

## 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.

Kquantum 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, Kquantum 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, Kquantum's robust long-term strategy is centred on sustainable growth, operational efficiency and value-creation for all stakeholders.

### Conclusion

Kquantum 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, Kquantum is poised to meet domestic and global requirements, support rural employment and promote a sustainable economy.

## 19. Human Resources and Industrial Relations

Kquantum Papers Limited acknowledges its employees as its greatest strength. As of March 31, 2025, the Company had 1,356 employees across various roles including managerial, technical, supervisory and operational staff. Kquantum 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, Kquantum 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 2024-25, industrial relations at Kquantum Papers Limited remained harmonious. The Company maintained regular dialogue with union leaders and worker representatives and discussions regarding wages and benefits were managed amicably. Kquantum Papers Limited prioritises open communication, fair practices and workforce welfare.

Moreover, Kquantum 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

Kquantum 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, 2025.

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, 2025, 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, 2025, 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 Matters

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How our Audit addressed the matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue Recognition-</b><br><br>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.<br><br>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.<br><br>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. | <p>Our procedures included and were not limited to the following:</p> <ol style="list-style-type: none"><li>1. Evaluated appropriateness and consistency of revenue recognition policies with Ind AS 115.</li><li>2. Verified recognition of revenue only upon transfer of control and fulfilment of performance obligations.</li><li>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.</li><li>4. Performed Test of Details and Substantive Testing:<ul style="list-style-type: none"><li>• 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.</li><li>• Transaction Testing: Selected statistical samples of revenue transactions and matched them to sales invoices, delivery notes, and customer confirmations.</li><li>• Conducted variance/trend analysis of revenue, discounts, and rebates across periods.</li><li>• Assessed manual adjustments and journal entries posted to revenue accounts to identify unusual or unsupported entries.</li></ul></li></ol> |

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How our Audit addressed the matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Procurement and physical verification of agriculture based raw materials-</b></p> <p>The Company incurs significant costs on procurement of agriculture based raw material in bulk from various aggregators. The raw materials are susceptible to risk of incorrect weighing or measurement. Sound procurement processes involving critical attributes of raw material are required to mitigate this risk.</p> <p>Further, the Company follows volume-based method for physical verification of raw material which involves a wide range of attributes such as the height of stockpiles, area of spread, etc. making the measurement of raw material inventory complex and sensitive to the attributes.</p> <p>In view of the above, we have identified the confirmation of physical inventories of raw material as a key audit matter.</p> | <p>Our procedures included and were not limited to the following:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>4. Tested the manual journal entries to identify unusual items.</li> <li>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.</li> </ol> |

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of written representations received from the directors as on March 31, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 36 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 41 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 2024, 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

PLACE : CHANDIGARH  
 DATED : 20th May 2025

M No. 91885  
 UDIN : 25091885BMLCN08511

# 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 2025 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 were 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 2025, 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

PLACE : CHANDIGARH  
 DATED : 20th May 2025

M No. 91885  
 UDIN : 25091885BMLCNO8511

# 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, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a) As explained to us physical verification has been conducted by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. We are explained that no material discrepancies have been noticed on physical verification.
- b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks and financial institutions based on the security of current assets during the year. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and no material discrepancies were found on comparing such returns/statements with the books of account of the Company for the respective periods, which were subject to audit/review.
- iii. The Company, during the year, has not made investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Therefore, the provisions of clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.
- iv. Based on audit procedures performed and the representation obtained from the management, the company has not granted any loans or provided any guarantees, or given any security or made any investments requiring compliance with provisions of section 185 and 186 of the Companies Act. Accordingly, provisions of clause 3(iv) are not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India ('the RBI'), the provisions of sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amounts which have been considered as deemed deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal, in this regard.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of the product covered where, pursuant to the Rule made by the Central Government, the maintenance of cost records has been prescribed under section 148 (1) of the Act, in respect of products covered and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to ensuring whether they are accurate or complete.
- vii. a) As per information and explanations given to us and on the basis of our examination of records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues with the appropriate authorities. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.
- b) According to the information and explanations given to us, there are no dues of income tax, GST, Duty of custom,

Duty of excise, Value added tax, Sales tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

| Name of the statute       | Nature of dues | Amount *<br>(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           |

\*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 year, a search was carried out by the Income Tax authorities at various premises of the Company and further proceedings are currently underway. The management has assessed the position and has represented that the above proceedings do not have any impact on the financial statements of the Company as at and for the period ended 31 March, 2025.
- ix. a) According to the information and explanations given to us, pursuant to receiving the approvals for rescheduling its loans from the lenders, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender. Further, no assessment orders have been passed by the Income Tax Authorities in this regard.
- b) According to the information and explanations given to us including confirmations received from banks/ financial institution and other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- e) The Company does not have any subsidiaries, joint ventures or associate companies and therefore the clause 3(ix)(e) and 3(ix)(f) is not applicable.
- x. a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Accordingly, the provisions of clause 3 (x)(a) of the Order is not applicable to the Company and hence not commented upon.
- b) According to the information and explanations given to us, the company has not made preferential allotment/ private placement of shares or (fully or partly or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order is not applicable to the company.
- xi. a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and no material fraud on the Company has been noticed or reported during the year.
- b) We report that no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi company and therefore clause 3(xii) of the Order related to such companies is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

- b) We have considered the internal audit reports of the company issued till date, in determining the nature, timing and extent of our audit procedures.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. a) In our opinion, in view of its business activities, the Company is not required to be registered under Section 451A of Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and © 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. 91885  
 UDIN : 25091885BMLCN08511

PLACE : CHANDIGARH  
 DATED : 20th May 2025

# Balance Sheet

as at 31 March 2025

(₹ in Lakhs, unless otherwise stated)

| Particulars                                                                                | Note | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--------------------------------------------------------------------------------------------|------|------------------------|------------------------|
| <b>ASSETS</b>                                                                              |      |                        |                        |
| <b>Non-current assets</b>                                                                  |      |                        |                        |
| Property, plant and equipment                                                              | 3    | 1,60,130.14            | 1,46,782.58            |
| Capital work-in-progress                                                                   | 3    | 15,522.77              | 4,147.63               |
| Investment property                                                                        | 4    | 723.96                 | 737.27                 |
| Other intangible assets                                                                    | 5    | 1,007.89               | -                      |
| Intangible assets under development                                                        | 5    | 105.59                 | 41.83                  |
| Financial assets                                                                           |      |                        |                        |
| - Other financial assets                                                                   | 6    | 492.00                 | 391.09                 |
| Income tax assets (net)                                                                    | 7    | 156.01                 | 156.01                 |
| Other non-current assets                                                                   | 8    | 6,011.20               | 5,857.47               |
| <b>Total non-current assets</b>                                                            |      | <b>1,84,149.57</b>     | <b>1,58,113.87</b>     |
| <b>Current assets</b>                                                                      |      |                        |                        |
| Inventories                                                                                | 9    | 12,619.88              | 11,277.81              |
| Financial assets                                                                           |      |                        |                        |
| - Trade receivables                                                                        | 10   | 3,909.18               | 3,422.45               |
| - Cash and cash equivalents                                                                | 11   | 923.83                 | 7,058.63               |
| - Other bank balances                                                                      | 12   | 1,219.96               | 734.42                 |
| - Other financial assets                                                                   | 6    | 97.57                  | 284.88                 |
| Other current assets                                                                       | 13   | 8,355.41               | 7,884.20               |
| <b>Total current assets</b>                                                                |      | <b>27,125.82</b>       | <b>30,662.39</b>       |
| <b>TOTAL ASSETS</b>                                                                        |      | <b>2,11,275.39</b>     | <b>1,88,776.26</b>     |
| <b>EQUITY AND LIABILITIES</b>                                                              |      |                        |                        |
| <b>Equity</b>                                                                              |      |                        |                        |
| Equity share capital                                                                       | 14   | 872.64                 | 872.64                 |
| Other equity                                                                               | 15   | 1,20,398.49            | 1,11,511.79            |
| <b>Total equity</b>                                                                        |      | <b>1,21,271.12</b>     | <b>1,12,384.43</b>     |
| <b>Liabilities</b>                                                                         |      |                        |                        |
| <b>Non-current liabilities</b>                                                             |      |                        |                        |
| Financial liabilities                                                                      |      |                        |                        |
| - Borrowings                                                                               | 16   | 40,272.63              | 30,700.23              |
| - Other financial liabilities                                                              | 17   | 2,620.45               | 2,484.06               |
| Deferred tax liabilities (net)                                                             | 19   | 13,997.23              | 12,572.71              |
| Deferred income                                                                            | 20   | 432.75                 | 454.61                 |
| <b>Total non-current liabilities</b>                                                       |      | <b>57,323.05</b>       | <b>46,211.62</b>       |
| <b>Current liabilities</b>                                                                 |      |                        |                        |
| Financial liabilities                                                                      |      |                        |                        |
| - Borrowings                                                                               | 16   | 25,091.76              | 20,549.86              |
| - Trade payables                                                                           |      |                        |                        |
| i) Total outstanding dues of micro enterprises and small enterprises                       | 21   | 934.32                 | 1,952.82               |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 21   | 3,250.85               | 3,741.12               |
| - Other financial liabilities                                                              | 17   | 2,664.81               | 2,317.56               |
| Other current liabilities                                                                  | 22   | 543.56                 | 769.44                 |
| Provisions                                                                                 | 18   | -                      | 9.32                   |
| Deferred income                                                                            | 20   | 25.04                  | 26.10                  |
| Current Tax liabilities (net)                                                              | 23   | 170.88                 | 813.97                 |
| <b>Total current liabilities</b>                                                           |      | <b>32,681.22</b>       | <b>30,180.21</b>       |
| <b>TOTAL LIABILITIES</b>                                                                   |      | <b>90,004.27</b>       | <b>76,391.83</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        |      | <b>2,11,275.39</b>     | <b>1,88,776.26</b>     |
| Material accounting policy information                                                     | 2    |                        |                        |
| Notes to the financial statements                                                          | 3-43 |                        |                        |

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

**Vikram Kumar Khaitan**  
Chief Financial Officer

Place : Chandigarh  
Dated: 20th May 2025

**Pavan Khaitan**  
VC & Managing Director  
DIN - 00026256

**Gurinder Makkar**  
Company Secretary

Place : Chandigarh  
Dated: 20th May 2025

**Atul Bagla**  
Partner  
M.No. 91885  
Place : Chandigarh  
Dated: 20th May 2025

# Statement of Profit and Loss

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

| Particulars                                                                         | Note | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-------------------------------------------------------------------------------------|------|-----------------------------|-----------------------------|
| Revenue from operations                                                             | 24   | 1,10,703.86                 | 1,21,129.65                 |
| Other income                                                                        | 25   | 608.51                      | 564.01                      |
| <b>Total income</b>                                                                 |      | <b>1,11,312.38</b>          | <b>1,21,693.66</b>          |
| <b>Expenses</b>                                                                     |      |                             |                             |
| Cost of materials consumed                                                          | 26   | 35,740.83                   | 36,029.48                   |
| Purchase of stock-in-trade                                                          |      | 0.03                        | 1.44                        |
| Changes in inventories of finished goods and work in progress                       | 27   | 213.81                      | (273.33)                    |
| Employee benefits expense                                                           | 28   | 8,062.77                    | 7,962.64                    |
| Finance costs                                                                       | 29   | 3,930.00                    | 4,284.70                    |
| Depreciation and amortisation expense                                               | 30   | 5,399.79                    | 4,824.73                    |
| Other expenses                                                                      | 31   | 42,427.36                   | 44,102.94                   |
| <b>Total expenses</b>                                                               |      | <b>95,774.59</b>            | <b>96,932.60</b>            |
| <b>Profit before income tax</b>                                                     |      | <b>15,537.79</b>            | <b>24,761.06</b>            |
| <b>Income tax expense</b>                                                           | 32   |                             |                             |
| Current tax                                                                         |      | 2,562.94                    | 5,461.74                    |
| Adjustment of tax relating to earlier years                                         |      | 27.73                       | 32.30                       |
| Deferred tax                                                                        |      | 1,429.04                    | 884.45                      |
| <b>Total income tax expense</b>                                                     |      | <b>4,019.71</b>             | <b>6,378.49</b>             |
| <b>Profit for the year</b>                                                          |      | <b>11,518.08</b>            | <b>18,382.58</b>            |
| <b>Other comprehensive income/(expense)</b>                                         |      |                             |                             |
| <i>Items that will not be re-classified to profit or loss</i>                       |      |                             |                             |
| - Remeasurement of defined benefit liability/(assets)                               |      | (18.00)                     | (94.86)                     |
| <i>Income tax relating to items that will not be reclassified to profit or loss</i> |      |                             |                             |
| - Remeasurement of defined benefit liability/(assets)                               |      | 4.53                        | 33.15                       |
| <b>Other comprehensive income/(expense) for the year (net of income tax)</b>        |      | <b>(13.47)</b>              | <b>(61.72)</b>              |
| <b>Total comprehensive income/(expense) for the year</b>                            |      | <b>11,504.61</b>            | <b>18,320.86</b>            |
| <b>Earnings per equity share [nominal value of ₹ 1 (previous year ₹ 1)]</b>         | 33   |                             |                             |
| a) Basic (₹)                                                                        |      | 13.20                       | 21.07                       |
| b) Diluted (₹)                                                                      |      | 13.20                       | 21.07                       |
| Material accounting policy information                                              | 2    |                             |                             |
| Notes to the financial statements                                                   | 3-43 |                             |                             |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **O P Bagla & Co LLP**  
Chartered Accountants  
FRN No. 000018N/N500091

For and on behalf of the Board of Directors of  
**Kquantum Papers Limited**

**Atul Bagla**  
Partner  
M.No. 91885  
Place : Chandigarh  
Dated: 20th May 2025

**Jagesh Kumar Khaitan**  
Chairman  
DIN - 00026264

**Vikram Kumar Khaitan**  
Chief Financial Officer

Place : Chandigarh  
Dated: 20th May 2025

**Pavan Khaitan**  
VC & Managing Director  
DIN - 00026256

**Gurinder Makkar**  
Company Secretary

Place : Chandigarh  
Dated: 20th May 2025

# Statement of Changes in Equity

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## A. Equity share capital

| Particulars                                     | Note |               |
|-------------------------------------------------|------|---------------|
| Balance as at 1 April 2023                      | 14   | 872.64        |
| Changes in equity share capital during the year |      | -             |
| <b>Balance as at 31 March 2024</b>              |      | <b>872.64</b> |
| Balance as at 1 April 2024                      |      | 872.64        |
| Changes in equity share capital during the year |      | -             |
| <b>Balance as at 31 March 2025</b>              |      | <b>872.64</b> |

## B. Other equity

| Particulars                                                   | Reserves and surplus                          |                                    |                                      | Total              |
|---------------------------------------------------------------|-----------------------------------------------|------------------------------------|--------------------------------------|--------------------|
|                                                               | Capital redemption reserve<br>(Refer note 15) | General reserve<br>(Refer note 15) | Retained earnings<br>(Refer note 15) |                    |
| Balance as at 1 April 2023                                    | 200.00                                        | 2,457.92                           | 93,150.92                            | 95,808.84          |
| Total comprehensive income for the year ended 31 March 2024   |                                               |                                    |                                      |                    |
| Profit/(Loss) for the year                                    | -                                             | -                                  | 18,382.58                            | 18,382.58          |
| Other comprehensive income/(expense) (net of tax)             | -                                             | -                                  | (61.72)                              | (61.72)            |
| <b>Total comprehensive income for the year</b>                | -                                             | -                                  | <b>18,320.86</b>                     | <b>18,320.86</b>   |
| Dividend                                                      | -                                             | -                                  | (2,617.91)                           | (2,617.91)         |
| Transferred to Capital Redemption Reserve                     | 3,000.00                                      |                                    | (3,000.00)                           | -                  |
| <b>Balance as at 31 March 2024</b>                            | <b>3,200.00</b>                               | <b>2,457.92</b>                    | <b>1,05,853.87</b>                   | <b>1,11,511.79</b> |
| Total comprehensive income for the period ended 31 March 2025 |                                               |                                    |                                      |                    |
| Profit/(loss) for the year                                    | -                                             | -                                  | 11,518.08                            | 11,518.08          |
| Other comprehensive income/(expense) (net of tax)             | -                                             | -                                  | (13.47)                              | (13.47)            |
| <b>Total comprehensive income for the period</b>              | -                                             | -                                  | <b>11,504.61</b>                     | <b>11,504.61</b>   |
| Dividend                                                      | -                                             | -                                  | (2,617.91)                           | (2,617.91)         |
| <b>Balance as at 31 March 2025</b>                            | <b>3,200.00</b>                               | <b>2,457.92</b>                    | <b>1,14,740.57</b>                   | <b>1,20,398.50</b> |

Material accounting policy information

2

Notes to the financial statements

3-43

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

**Vikram Kumar Khaitan**

Chief Financial Officer

Place : Chandigarh

Dated: 20th May 2025

**Pavan Khaitan**

VC &amp; Managing Director

DIN - 00026256

**Gurinder Makkar**

Company Secretary

Place : Chandigarh

Dated: 20th May 2025

**Atul Bagla**

Partner

M.No. 91885

Place : Chandigarh

Dated: 20th May 2025

# Cash Flow Statement

for year ended 31 March, 2025

(₹ in Lakhs, unless otherwise stated)

| Particulars                                                                                   | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-----------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>A Cash flow from operating activities</b>                                                  |                             |                             |
| Profit before income tax                                                                      | 15,537.79                   | 24,761.06                   |
| <b>Adjustments for:</b>                                                                       |                             |                             |
| Depreciation and amortisation expense                                                         | 5,399.79                    | 4,824.73                    |
| Loss/ (profit) on sale of property, plant and equipment                                       | 336.17                      | 1,726.59                    |
| Finance cost                                                                                  | 3,930.00                    | 4,284.70                    |
| Interest income                                                                               | (83.67)                     | (102.22)                    |
| Foreign exchange gain/loss (unrealized)                                                       | (7.22)                      | (1.65)                      |
| Liabilities no longer required written back                                                   | (74.39)                     | (0.63)                      |
| Rental income                                                                                 | (56.22)                     | (56.22)                     |
| Others                                                                                        | (22.92)                     | (22.78)                     |
| <b>Cash flow from operating activities before changes in following assets and liabilities</b> | <b>24,959.33</b>            | <b>35,413.59</b>            |
| (Increase) /decrease in other non-current assets                                              | 20.32                       | 136.33                      |
| (Increase)/ decrease in inventories                                                           | (1,342.07)                  | (2,271.54)                  |
| Decrease/ (increase) in trade receivables                                                     | (488.22)                    | (546.64)                    |
| (Increase) /decrease in other financial assets                                                | 89.55                       | (148.96)                    |
| (Increase)/ decrease in other current assets                                                  | (471.21)                    | (332.33)                    |
| Increase/ (decrease) in provisions                                                            | (27.32)                     | (246.62)                    |
| (Decrease)/ increase in trade payables                                                        | (1,500.06)                  | 3,110.43                    |
| Increase /decrease in other financial liabilities                                             | (159.41)                    | 326.93                      |
| Increase/ (decrease) in other current liabilities                                             | (151.49)                    | (69.23)                     |
| <b>Cash generated by operating activities</b>                                                 | <b>20,929.42</b>            | <b>35,371.96</b>            |
| Income tax paid / tax deducted at source (net of refund)                                      | (3,233.76)                  | (5,591.90)                  |
| <b>Net cash generated from operating activities (A)</b>                                       | <b>17,695.66</b>            | <b>29,780.06</b>            |
| <b>B Cash flow from investing activities</b>                                                  |                             |                             |
| Acquisition of property, plant and equipment and intangible assets                            | (31,294.52)                 | (17,559.35)                 |
| Proceeds from sale of property, plant and equipment                                           | 183.83                      | 926.12                      |
| Rental income and others                                                                      | 56.22                       | 56.22                       |
| Decrease/ (increase) in deposit accounts (having original maturity of more than three months) | (479.11)                    | 850.28                      |
| Interest received                                                                             | 74.09                       | 115.76                      |
| <b>Net cash (used) in investing activities (B)</b>                                            | <b>(31,459.50)</b>          | <b>(15,610.98)</b>          |
| <b>C Cash flows from financing activities</b>                                                 |                             |                             |
| Proceeds from long term borrowings                                                            | 37,937.36                   | 46,034.14                   |
| Repayment of long term borrowings                                                             | (26,098.62)                 | (46,927.19)                 |
| Proceeds of short term borrowings (net)                                                       | 2,275.55                    | 862.37                      |
| Interest paid                                                                                 | (3,880.90)                  | (4,625.51)                  |
| Dividend paid                                                                                 | (2,604.35)                  | (2,608.50)                  |
| <b>Net cash generated from/ (used in) financing activities (C)</b>                            | <b>7,629.03</b>             | <b>(7,264.71)</b>           |
| <b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>                          | <b>(6,134.81)</b>           | <b>6,904.37</b>             |
| <b>Cash and cash equivalents at the beginning of the year (see below)</b>                     | <b>7,058.63</b>             | <b>154.26</b>               |
| <b>Cash and cash equivalents at the end of the year (see below)</b>                           | <b>923.83</b>               | <b>7,058.63</b>             |

# Cash Flow Statement

for year ended 31 March, 2025

(₹ in Lakhs, unless otherwise stated)

| Particulars                                           | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Notes:</b>                                         |                             |                             |
| Cash and cash equivalents include :                   |                             |                             |
| Balance with banks in current accounts                | 913.93                      | 54.93                       |
| Fixed deposits with original maturities upto 3 months | 4.20                        | 7,000.00                    |
| Cash in hand                                          | 5.70                        | 3.70                        |
|                                                       | <b>923.83</b>               | <b>7,058.63</b>             |

Material accounting policy information 2

Notes to the financial statements 3-43

The accompanying notes form an integral part of the financial statements

- The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".
- During the year, the Company paid in cash ₹360.36 lakhs (31 March 2024: ₹170.19 lakhs) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 31 (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**  
VC & Managing Director  
DIN - 00026256

**Atul Bagla**  
Partner  
M.No. 91885  
Place : Chandigarh  
Dated: 20th May 2025

**Vikram Kumar Khaitan**  
Chief Financial Officer

Place : Chandigarh  
Dated: 20th May 2025

**Gurinder Makkar**  
Company Secretary

Place : Chandigarh  
Dated: 20th May 2025

# Notes to the Financial Statements

for the year ended 31 March 2025

## 1. Reporting entity

Kquantum Papers Limited (the 'Company') is a public company incorporated under the provisions of the Companies Act, 1956 having its registered office at Paper Mill, Saila Khurd, District Hoshiarpur, Punjab - 144529, India. The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.

The Company's business primarily consists of manufacture and sales of paper, mainly in the domestic markets. The manufacturing facilities and registered office of the Company are situated in Saila Khurd, District Hoshiarpur in the State of Punjab, with corporate office in Chandigarh.

## 2. Material accounting policy information

### a) Basis of preparation

#### i) Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statements.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31st March 2025, 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 ₹ 11,504.61 lakhs for the year ended 31st March 2025. 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 20th May 2025.

### iii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, up to two places of decimal, unless otherwise indicated.

### iv) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

| Items                                                                       | Measurement basis                                                                |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Certain financial assets and liabilities (including derivative instruments) | Fair value                                                                       |
| Net defined benefits (assets)/liability                                     | Fair value of the plan assets less present value of defined benefits obligations |

### v) Use of estimates and judgments

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that impact the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following areas:

- Note 37 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 18 and 36 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- 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

# Notes to the Financial Statements

for the year ended 31 March 2025

- Note 2(c) and 4 – Assessment of useful life of Intangible assets
- Note 2(f): Valuation of inventories
- Note 2(k): Accounting for government grants
- Note 2(n), 19 and 32 – Recognition of tax expense including deferred tax;

## vi) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

## b) Changes in Significant Accounting Policies

The Company has initially applied Ind AS 116 from 01 April 2019. A number of other new standards and amendments are also effective from 01 April 2019 but they do not have a material effect on the Company's financial statements.

Due to the transition methods chosen by the Company in applying the above standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

The Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. There was no material impact of transition from Ind AS 17 to Ind AS 116 in accounting for leases by the Company.

## c) Property, plant and equipment ('PPE')

### Recognition and measurement

Items of PPE are measured at cost of acquisition or construction which includes capitalized finance costs less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work-in-progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date. Advances paid towards acquisition of PPE outstanding at each Balance sheet date are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

### Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

# Notes to the Financial Statements

for the year ended 31 March 2025

## 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.

## d) Other intangible assets

### Acquired intangibles

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried

at its cost less any accumulated amortisation and any accumulated impairment loss.

## Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

## Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation expense in Statement of Profit and Loss. The estimated useful life of Computer software is 3 years.

Amortisation method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal.

## e) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the company depreciates investment properties over a period of 60 years on a straight-line basis. The useful life estimate of 60 years is same as the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 60 years.

Any gain or loss on disposal of an investment property is recognized in profit or loss.

The fair 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 31 March 2025

## f) Inventories

Inventories are measured at the lower of cost and net realizable value. The methods of determining cost of various categories of inventories are as follows:

|                                                                                               |                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Raw materials, chemicals and fuels, stores and spare parts, packing materials and loose tools | Weighted average method                                                                                                                                                                        |
| Work-in-progress and finished goods (manufactured)                                            | Weighted average cost and includes an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities. |
| Goods in transit                                                                              | Specifically identified purchase cost                                                                                                                                                          |

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

## g) Employee benefits

### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### Post-employment benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive

obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### Other long term employee benefits

#### Compensated absences

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit cost credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

# Notes to the Financial Statements

for the year ended 31 March 2025

## h) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

## i) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

## j) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

## k) Revenue

### Revenue from contract with customers

Under Ind AS 115, the Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Deferred revenue is recognised when there is billings in excess of revenues.

The Company disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as cash discount, trade discount, and rebate. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant

# Notes to the Financial Statements

for the year ended 31 March 2025

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.

## l) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- a. the gross carrying amount of the financial asset; or
- b. the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## m) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## n) Income taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses (if any) and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are recognised to the extent that it is probable that the related tax benefits will be realized.

# Notes to the Financial Statements

for the year ended 31 March 2025

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.

## o) Leases

### Leases under Ind AS 116

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### i. As lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company elected to use the following practical expedients on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for short term leases and leases where underlying asset is of low value.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the remeasurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-

# Notes to the Financial Statements

for the year ended 31 March 2025

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.

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) As lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

## p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost

- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

#### Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

#### Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

# Notes to the Financial Statements

for the year ended 31 March 2025

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 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

# Notes to the Financial Statements

for the year ended 31 March 2025

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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

## Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such

derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## q) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest Company of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

## r) Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments'

# Notes to the Financial Statements

for the year ended 31 March 2025

operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

## s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## t) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## u) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average

number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## v) Foreign currency transactions

### i) Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

### ii) Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, 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 |
|------------------------------------|------------------|------------------|---------------------|------------------------|---------------|---------------|--------------------|--------------------------|
| <b>Gross carrying amount</b>       |                  |                  |                     |                        |               |               |                    |                          |
| Balance as at 1 April 2023         | 41,500.40        | 14,941.81        | 1,02,965.71         | 179.88                 | 444.66        | 521.44        | 1,60,553.89        | 3,064.35                 |
| Additions                          | -                | 1,288.81         | 11,817.16           | 14.18                  | 385.07        | 61.01         | 13,566.24          | 14,046.68                |
| Disposals and adjustments          | -                | -                | 3,789.70            | 0.18                   | 165.52        | 1.46          | 3,956.86           | 12,963.40 <sup>#</sup>   |
| <b>Balance as at 31 March 2024</b> | <b>41,500.40</b> | <b>16,230.62</b> | <b>1,10,993.17</b>  | <b>193.88</b>          | <b>664.21</b> | <b>580.99</b> | <b>1,70,163.28</b> | <b>4,147.63</b>          |
| Balance as at 1 April 2024         | 41,500.40        | 16,230.62        | 1,10,993.17         | 193.88                 | 664.21        | 580.99        | 1,70,163.28        | 4,147.63                 |
| Additions                          | 168.81           | 1,539.16         | 17,186.42           | 45.34                  | 191.44        | 41.77         | 19,172.93          | 29,817.66                |
| Disposals and adjustments          | -                | 0.06             | 773.07              | 1.24                   | 67.13         | 156.40        | 997.90             | 18,442.51 <sup>#</sup>   |
| <b>Balance as at 31 March 2025</b> | <b>41,669.21</b> | <b>17,769.72</b> | <b>1,27,406.52</b>  | <b>237.98</b>          | <b>788.53</b> | <b>466.35</b> | <b>1,88,338.31</b> | <b>15,522.77</b>         |
| <b>Accumulated depreciation</b>    |                  |                  |                     |                        |               |               |                    |                          |
| Balance as at 1 April 2023         | -                | 1,945.12         | 17,208.26           | 101.10                 | 205.71        | 413.24        | 19,873.42          | -                        |
| Depreciation for the year          | -                | 492.52           | 4,191.25            | 16.69                  | 63.92         | 47.03         | 4,811.42           | -                        |
| Disposals and adjustments          | -                | -                | 1,257.74            | 0.14                   | 45.57         | 0.69          | 1,304.15           | -                        |
| <b>Balance as at 31 March 2024</b> | <b>-</b>         | <b>2,437.64</b>  | <b>20,141.77</b>    | <b>117.66</b>          | <b>224.06</b> | <b>459.58</b> | <b>23,380.70</b>   | <b>-</b>                 |
| Balance as at 1 April 2024         | -                | 2,437.64         | 20,141.77           | 117.66                 | 224.06        | 459.58        | 23,380.70          | -                        |
| Depreciation for the year          | -                | 541.70           | 4,608.41            | 18.99                  | 73.26         | 63.02         | 5,305.38           | -                        |
| Disposals and adjustments          | -                | 0.06             | 277.40              | 1.24                   | 42.80         | 156.40        | 477.91             | -                        |
| <b>Balance as at 31 March 2025</b> | <b>-</b>         | <b>2,979.28</b>  | <b>24,472.78</b>    | <b>135.41</b>          | <b>254.51</b> | <b>366.20</b> | <b>28,208.17</b>   | <b>-</b>                 |
| <b>Carrying amount (net)</b>       |                  |                  |                     |                        |               |               |                    |                          |
| <b>As at 31 March 2024</b>         | <b>41,500.40</b> | <b>13,792.98</b> | <b>90,851.41</b>    | <b>76.23</b>           | <b>440.15</b> | <b>121.41</b> | <b>1,46,782.58</b> | <b>4,147.63</b>          |
| <b>As at 31 March 2025</b>         | <b>41,669.21</b> | <b>14,790.44</b> | <b>1,02,933.75</b>  | <b>102.58</b>          | <b>534.01</b> | <b>100.16</b> | <b>1,60,130.14</b> | <b>15,522.77</b>         |

<sup>#</sup>Represents capital-work-in-progress capitalized during the year.

### Note:

- Refer note 16 for information on property, plant and equipment pledged as security by the Company.
- Refer note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capitalised borrowing costs related to the plant and equipment amounted to ₹ 1,091.91 Lakhs (previous year: ₹ 424.32 Lakhs).
- The company has not revalued/fair valued its Property, Plant and Equipment (including Investment Properties) and Intangible Assets during the current and previous year.
- The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- Disclosure for Capital Work in Progress

### As at March 31, 2025

CWIP ageing schedule:

| Particulars          | Amount of CWIP for a Period of |           |           |                   |           |
|----------------------|--------------------------------|-----------|-----------|-------------------|-----------|
|                      | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years | Total     |
| Projects in progress | 15,411.10                      | 111.67    | -         | -                 | 15,522.77 |

### As at March 31, 2024

CWIP ageing schedule:

| Particulars          | Amount of CWIP for a Period of |           |           |                   |          |
|----------------------|--------------------------------|-----------|-----------|-------------------|----------|
|                      | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years | Total    |
| Projects in progress | 1,975.84                       | 45.42     | 102.55    | 2,023.82          | 4,147.63 |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## 4 Investment property

| Particulars                        | Total         |
|------------------------------------|---------------|
| <b>Gross carrying amount</b>       |               |
| Balance as at 1 April 2023         | 840.34        |
| Additions                          | -             |
| Disposals and adjustments          | -             |
| <b>Balance as at 31 March 2024</b> | <b>840.34</b> |
| Balance as at 1 April 2024         | 840.34        |
| Additions                          | -             |
| Disposals and adjustments          | -             |
| <b>Balance as at 31 March 2025</b> | <b>840.34</b> |
| <b>Accumulated depreciation</b>    |               |
| Balance as at 1 April 2023         | 89.77         |
| Depreciation for the year          | 13.31         |
| <b>Balance as at 31 March 2024</b> | <b>103.07</b> |
| Balance as at 1 April 2024         | 103.07        |
| Depreciation for the year          | 13.31         |
| <b>Balance as at 31 March 2025</b> | <b>116.38</b> |
| <b>Carrying amount (net)</b>       |               |
| <b>As at 31 March 2024</b>         | <b>737.27</b> |
| <b>As at 31 March 2025</b>         | <b>723.96</b> |

### Note: Fair value and valuation technique

As at 31 March 2025, 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:

- 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.
- 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.
- Prior Valuation Basis: The fair value of ₹ 1,439 lakhs 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.

Accordingly, the previously determined fair value continues to be used for financial reporting as at 31 March 2025.

## 5 Other intangible assets and Intangible assets under development

| Particulars                        | Computer Software | Total           | Intangible assets under development |
|------------------------------------|-------------------|-----------------|-------------------------------------|
| <b>Gross carrying amount</b>       |                   |                 |                                     |
| Balance as at 1 April 2023         | 1,054.00          | 1,054.00        | -                                   |
| Additions                          | -                 | -               | 41.83                               |
| Disposals and adjustments          | -                 | -               | -                                   |
| <b>Balance as at 31 March 2024</b> | <b>1,054.00</b>   | <b>1,054.00</b> | <b>41.83</b>                        |
| Balance as at 1 April 2024         | 1,054.00          | 1,054.00        | 41.83                               |
| Additions                          | 1,089.00          | 1,089.00        | 1,152.77                            |
| Disposals and adjustments          | -                 | -               | 1,089.00                            |
| <b>Balance as at 31 March 2025</b> | <b>2,143.01</b>   | <b>2,143.01</b> | <b>105.59</b>                       |
| <b>Accumulated amortisation</b>    |                   |                 |                                     |
| Balance as at 1 April 2023         | 1,054.00          | 1,054.00        | -                                   |
| Amortisation for the year          | -                 | -               | -                                   |
| Disposals and adjustments          | -                 | -               | -                                   |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

| Particulars                 | Computer Software | Total    | Intangible assets under development |
|-----------------------------|-------------------|----------|-------------------------------------|
| Balance as at 31 March 2024 | 1,054.00          | 1,054.00 | -                                   |
| Balance as at 1 April 2024  | 1,054.00          | 1,054.00 | -                                   |
| Amortisation for the year   | 81.11             | 81.11    | -                                   |
| Disposals and adjustments   | -                 | -        | -                                   |
| Balance as at 31 March 2025 | 1,135.11          | 1,135.11 | -                                   |
| Carrying amount (net)       |                   |          |                                     |
| Balance as at 31 March 2024 | -                 | -        | 41.83                               |
| Balance as at 31 March 2025 | 1,007.89          | 1,007.89 | 105.59                              |

## a. Disclosure for Intangible assets under development

Intangible assets ageing schedule:

As at March 31, 2025

| Particulars          | Amount for a period of |           |           |                   |        |
|----------------------|------------------------|-----------|-----------|-------------------|--------|
|                      | Less than 1 year       | 1-2 years | 2-3 years | More than 3 years | Total  |
| Projects in progress | 105.59                 | -         | -         | -                 | 105.59 |

As at March 31, 2024

| Particulars          | Amount for a period of |           |           |                   |       |
|----------------------|------------------------|-----------|-----------|-------------------|-------|
|                      | Less than 1 year       | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 41.83                  | -         | -         | -                 | 41.83 |

## 6 Financial Assets- Other financial assets

| Particulars                                            | Note | As at 31 March 2025 |             | As at 31 March 2024 |             |
|--------------------------------------------------------|------|---------------------|-------------|---------------------|-------------|
|                                                        |      | Current             | Non-current | Current             | Non-current |
| Deposits with original maturity of more than 12 months | (a)  | -                   | 4.31        | -                   | 10.75       |
| Balance in unclaimed dividend accounts                 |      | -                   | 37.69       | -                   | 24.13       |
| Security deposits                                      |      | 5.00                | 450.00      | -                   | 356.21      |
| Interest accrued on deposits                           |      | 27.36               | -           | 17.77               | -           |
| Advances to employees                                  |      | 12.83               | -           | 4.05                | -           |
| Others                                                 |      | 52.38               | -           | 263.05              | -           |
|                                                        |      | 97.57               | 492.00      | 284.88              | 391.09      |

Note:

- (a) Includes restricted deposits of ₹ 4.31 Lakhs (31 March 2024: ₹ 10.75 Lakhs) pledged as security for letter of credit, bank guarantee or held for margin money.
- (b) Financial assets carried at amortized cost

## 7 Income tax assets (net)

| Particulars                                   | As at 31 March 2025 | As at 31 March 2024 |
|-----------------------------------------------|---------------------|---------------------|
| Advance income-tax and tax deducted at source | 156.01              | 156.01              |
|                                               | 156.01              | 156.01              |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## 8 Other non-current assets

(Unsecured, considered good unless otherwise stated)

| Particulars                          | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--------------------------------------|------------------------|------------------------|
| Capital advances                     | 5,925.38               | 5,751.33               |
| Advances other than capital advances |                        |                        |
| - Prepaid expenses                   | 38.54                  | 62.75                  |
| Lease equalisation reserve*          | 47.28                  | 43.39                  |
|                                      | <b>6,011.20</b>        | <b>5,857.47</b>        |

\*Refer to note 38

## 9 Inventories

(at lower of cost or net realisable value)

| Particulars                        | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------------------|------------------------|------------------------|
| Raw material and packing material# | 5,918.82               | 4,688.48               |
| Work-in-progress                   | 165.17                 | 383.01                 |
| Finished goods                     | 28.18                  | 24.16                  |
| Stores, spares and others#         | 2,878.84               | 2,687.57               |
| Chemical and fuels                 | 3,628.87               | 3,494.59               |
|                                    | <b>12,619.88</b>       | <b>11,277.81</b>       |

Note:

#Includes material in transit 1.42 184.17

## 10 Financial Assets- Trade receivables

(Unsecured, considered good unless otherwise stated)

| Particulars                                  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------------------|------------------------|------------------------|
| Trade receivables                            | 3,909.18               | 3,422.45               |
|                                              | <b>3,909.18</b>        | <b>3,422.45</b>        |
| Less: Allowance for credit impairment        | -                      | -                      |
|                                              | <b>3,909.18</b>        | <b>3,422.45</b>        |
| <b>Break-up of trade receivables</b>         |                        |                        |
| Trade receivables considered good -Unsecured | 3,909.18               | 3,422.45               |
| <b>Total</b>                                 | <b>3,909.18</b>        | <b>3,422.45</b>        |
| Loss allowance                               | -                      | -                      |
| <b>Total trade receivables</b>               | <b>3,909.18</b>        | <b>3,422.45</b>        |

Note:

### Trade receivable ageing schedule

As at March 31, 2025

| Particulars                                                                      | Not Due  | Outstanding for following periods from due date of payment# |                     |           |           |                      |
|----------------------------------------------------------------------------------|----------|-------------------------------------------------------------|---------------------|-----------|-----------|----------------------|
|                                                                                  |          | Less than<br>6 months                                       | 6 months<br>-1 year | 1-2 years | 2-3 years | More than<br>3 years |
| (i) Undisputed Trade receivables considered good                                 | 2,165.58 | 1,741.97                                                    | -                   | 0.40      | 1.23      | -                    |
| (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 2025

(₹ in Lakhs, unless otherwise stated)

As at March 31, 2024

| Particulars                                                                      | Not Due  | Outstanding for following periods from due date of payment <sup>#</sup> |                  |           |           |                   |
|----------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------|------------------|-----------|-----------|-------------------|
|                                                                                  |          | Less than 6 months                                                      | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |
| (i) Undisputed Trade receivables considered good                                 | 2,796.60 | 622.92                                                                  | 0.40             | 2.53      | -         | -                 |
| (ii) Undisputed Trade Receivables which have significant increase in credit risk | -        | -                                                                       | -                | -         | -         | -                 |
| (iii) Undisputed Trade Receivables credit impaired                               | -        | -                                                                       | -                | -         | -         | -                 |
| (iv) Disputed Trade Receivables considered good                                  | -        | -                                                                       | -                | -         | -         | -                 |
| (v) Disputed Trade Receivables which have significant increase in credit risk    | -        | -                                                                       | -                | -         | -         | -                 |
| (vi) Disputed Trade Receivables credit impaired                                  | -        | -                                                                       | -                | -         | -         | -                 |

<sup>#</sup> Where due date of payment is not available date of transaction has been considered.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

## 11 Financial Assets- Cash and cash equivalents

| Particulars                                             | As at 31 March 2025 | As at 31 March 2024 |
|---------------------------------------------------------|---------------------|---------------------|
| Balances with banks                                     |                     |                     |
| - in current accounts                                   | 913.93              | 54.93               |
| - Fixed deposits with original maturities upto 3 months | 4.20                | 7,000.00            |
| Cash in hand                                            | 5.70                | 3.70                |
|                                                         | <b>923.83</b>       | <b>7,058.63</b>     |

## 12 Financial Assets- Other bank balances

| Particulars                                                                                              | Note | As at 31 March 2025 | As at 31 March 2024 |
|----------------------------------------------------------------------------------------------------------|------|---------------------|---------------------|
| Deposit accounts with original maturity of more than 3 months and upto 12 months from the reporting date | (a)  | 1,219.96            | 734.42              |
|                                                                                                          |      | <b>1,219.96</b>     | <b>734.42</b>       |

**Note:**

(a) These deposits include restricted bank deposits pledged as security for letters of credit, bank guarantees and held for margin money amounting to ₹ 1,219.96 Lakhs (31 March 2024 : ₹ 734.42 Lakhs).

## 13 Other current assets

(Unsecured, considered good unless otherwise stated)

| Particulars                                            | As at 31 March 2025 | As at 31 March 2024 |
|--------------------------------------------------------|---------------------|---------------------|
| Recoverable from / balance with government authorities | 1499.79             | 56.14               |
| Prepaid expenses                                       | 327.47              | 632.26              |
| Advances for supply of goods                           |                     |                     |
| - considered good                                      | 6479.40             | 7,125.51            |
| - considered doubtful                                  | 9.77                | 9.77                |
| Less : expected credit loss for doubtful advances      | (9.77)              | (9.77)              |
| Others                                                 | 48.75               | 70.30               |
|                                                        | <b>8,355.41</b>     | <b>7,884.20</b>     |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## 14 Equity Share capital

### (i) Details of share capital

| Particulars                                                         | As at<br>31 March 2025 |                 | As at<br>31 March 2024 |                 |
|---------------------------------------------------------------------|------------------------|-----------------|------------------------|-----------------|
|                                                                     | Number of<br>shares    | Amount          | Number of<br>shares    | Amount          |
| <i>Authorised</i>                                                   |                        |                 |                        |                 |
| Equity shares of ₹ 1 each, (31 March-2024 ₹1 each)                  | 25,00,00,000           | 2,500.00        | 25,00,00,000           | 2,500.00        |
|                                                                     | <b>25,00,00,000</b>    | <b>2,500.00</b> | <b>25,00,00,000</b>    | <b>2,500.00</b> |
| <i>Authorised</i>                                                   |                        |                 |                        |                 |
| Preference shares of ₹ 10 each.                                     | 3,00,00,000            | 3,000.00        | 3,00,00,000            | 3,000.00        |
|                                                                     | <b>3,00,00,000</b>     | <b>3,000.00</b> | <b>3,00,00,000</b>     | <b>3,000.00</b> |
| <i>Issued, subscribed and fully paid up</i>                         |                        |                 |                        |                 |
| Equity shares of ₹ 1 each fully paid up<br>(31 March-2024 ₹ 1 each) | 8,72,63,630            | 872.64          | 8,72,63,630            | 872.64          |
|                                                                     | <b>8,72,63,630</b>     | <b>872.64</b>   | <b>8,72,63,630</b>     | <b>872.64</b>   |

### (ii) Reconciliation of number of shares outstanding at beginning and end of the year

| Particulars                                          | As at<br>31 March 2025 |               | As at<br>31 March 2024 |               |
|------------------------------------------------------|------------------------|---------------|------------------------|---------------|
|                                                      | Number of<br>shares    | Amount        | Number of<br>shares    | Amount        |
| Balance at the beginning and at the end of the year  | 8,72,63,630            | 872.64        | 8,72,63,630            | 872.64        |
| Increase on account of sub-division of equity shares | -                      | -             | -                      | -             |
| <b>Balance at the end of the year</b>                | <b>8,72,63,630</b>     | <b>872.64</b> | <b>8,72,63,630</b>     | <b>872.64</b> |

### (iii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (iv) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

#### Name of the share holder

| Particulars                                                                   | As at<br>31 March 2025 |                            | As at<br>31 March 2024 |                            |
|-------------------------------------------------------------------------------|------------------------|----------------------------|------------------------|----------------------------|
|                                                                               | Number of<br>shares    | % of equity<br>shares held | Number of<br>shares    | % of equity<br>shares held |
| Kapedome Enterprises Limited {Holding Company}<br>(Equity shares of ₹ 1 each) | <b>5,80,37,880</b>     | <b>66.51%</b>              | 5,80,37,880            | 66.51%                     |

#### Shareholding of Promoters

| Shares held by promoters at the end of the year |               |                      | %age change during<br>the year |
|-------------------------------------------------|---------------|----------------------|--------------------------------|
| Promoter Name                                   | No. of Shares | %age of total shares |                                |
| Kapedome Enterprises Ltd.                       | 5,80,37,880   | 66.51%               | -                              |
| Jagesh Kumar Khaitan                            | 14,47,580     | 1.66%                | -                              |
| J K Khaitan (HUF)                               | 3,540         | 0.00%                | -                              |
| Pavan Khaitan                                   | 14,72,650     | 1.69%                | -                              |
| Aparna Khaitan                                  | 2,60,760      | 0.30%                | -                              |
| Usha Khaitan                                    | 1,28,280      | 0.15%                | -                              |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## (v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2025

During the five years immediately preceding 31 March 2025 ('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.

## 15 Other Equity

(also refer to Statement of Changes in Equity)

### (i) Capital redemption reserve

| Particulars                                  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------------------|------------------------|------------------------|
| Balance at the beginning and end of the year | 3200.00                | 200.00                 |
| Transferred from retained earnings           | -                      | 3000.00                |
| <b>Closing balance</b>                       | <b>3200.00</b>         | <b>3200.00</b>         |

Capital redemption reserve have been created in accordance with Companies Act, 2013 at the time of redemption of preference shares by transferring amount equal to nominal value of preference shares so redeemed from surplus balance of profits.

### (ii) General reserve

| Particulars                           | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year  | 2457.92                | 2457.92                |
| Add : Amount transferred from surplus | -                      | -                      |
| <b>Balance at the end of the year</b> | <b>2457.92</b>         | <b>2457.92</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.

### (iii) Retained earnings

| Particulars                                     | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-------------------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year            | 1,05,853.88            | 93,150.92              |
| Add: Profit/(loss) for the year                 | 11,518.08              | 18,382.58              |
| Less: dividend                                  | (2,617.91)             | (2,617.91)             |
| Other comprehensive income(net of tax)          | (13.47)                | (61.72)                |
| Less: Transferred to Capital Redemption Reserve | -                      | (3,000.00)             |
| <b>Balance at the end of the year</b>           | <b>1,14,740.58</b>     | <b>1,05,853.88</b>     |

Retained earnings represent the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

Other comprehensive income(net of tax)

Remeasurements of defined benefit obligation comprise actuarial gains and losses and return on plan assets (excluding interest income).

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## 16 Financial Liabilities-Borrowings

Financial Liabilities carried at amortised cost

### I Non-current borrowings

| Particulars                                                              | Note  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--------------------------------------------------------------------------|-------|------------------------|------------------------|
| <b>Secured:</b>                                                          |       |                        |                        |
| Term-loans                                                               |       |                        |                        |
| - From banks/NBFCs                                                       | 16(a) | 50,099.54              | 37,061.66              |
| - Vehicle loans                                                          | 16(b) | 395.89                 | 357.95                 |
| <b>Total (A)</b>                                                         |       | <b>50,495.43</b>       | <b>37,419.61</b>       |
| <b>Unsecured:</b>                                                        |       |                        |                        |
| Public deposits                                                          | 16(c) |                        |                        |
| - from related parties (refer note 39)                                   |       | 308.00                 | 568.00                 |
| - others                                                                 |       | 1,522.38               | 1,960.71               |
| Loans from related parties (refer note 39)                               | 16(d) |                        |                        |
| - Mr. Jagesh Kumar Khaitan                                               |       | 63.00                  | 63.00                  |
| - Mrs. Usha Khaitan                                                      |       | 42.00                  | 42.00                  |
| - Kapedome Enterprises Limited                                           |       | 2,100.00               | 2,006.00               |
| <b>Total (B)</b>                                                         |       | <b>4,035.38</b>        | <b>4,639.71</b>        |
| <b>Total non-current borrowings (including current maturities) (A+B)</b> |       | <b>54,530.81</b>       | <b>42,059.32</b>       |
| Less: Current maturities of non-current borrowings                       |       | 14,258.19              | 11,359.09              |
|                                                                          |       | <b>40,272.63</b>       | <b>30,700.23</b>       |

### II Current borrowings

| Particulars                                  | Note  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------------------|-------|------------------------|------------------------|
| <b>Secured:</b>                              |       |                        |                        |
| Loans repayable on demand                    |       |                        |                        |
| - Working capital                            | 16(e) | 9,728.30               | 7,452.75               |
| Current maturities of non-current borrowings |       |                        |                        |
| - Term loan                                  |       | 13,431.22              | 10,191.16              |
| - Vehicle loan                               |       | 111.87                 | 85.56                  |
| <b>Unsecured:</b>                            |       |                        |                        |
| Public deposits                              |       |                        |                        |
| - From related parties (refer note 39)       |       | 345.50                 | 424.95                 |
| - From others                                |       | 759.77                 | 1,313.07               |
| Current maturities of non-current borrowings |       | 715.10                 | 1,082.37               |
|                                              |       | <b>25,091.76</b>       | <b>20,549.86</b>       |

Note:

#### 16 (a) Term Loan of:

- ₹37,750.69 Lakhs (31 March 2024 : ₹18,910.53 Lakhs) are secured by a first parri passu charge on all the fixed assets (immovable and movable) of the Company, both present and future along with equitable mortgage of factory land and building at 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.
- ₹8,825.00 Lakhs (31 March 2024 : ₹15,149.75 Lakhs) are secured by a first parri passu charge on all the fixed assets (immovable and movable) of the Company, both present and future along with equitable mortgage of factory land and building at Saila Khurd except premises situated at Industrial Area, Chandigarh and personal guarantee of Promoter directors.

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

- iii. ₹1,359.47 Lakhs (31 March 2024 : ₹501.38 Lakhs) is secured by exclusive charge on the office premises at Industrial Area Chandigarh and is also secured by personal guarantee of Promoter directors.
  - iv. ₹2,479.17 Lakhs (31 March 2024: ₹2,500.00 Lakhs) is secured by exclusive charge on machinery.
  - v. ₹ 314.79 Lakhs 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 8.50% to 9.65% per annum (31 March 2024 : 8.60% to 9.25% per annum).
  - vii. The term loans are repayable in quarterly installments with tenure ranging from 2 - 7 years
- 16 (b) Vehicle loans of ₹395.89 Lakhs (31 March 2024: ₹357.95 Lakhs) are secured against hypothecation of the specified vehicles purchased from proceeds of the said loans. The fixed rate of interest is in range from 8.40% to 10.59% per annum (31 March 2024 : 8.40% to 10.59% per annum). The vehicle loans are repayable in monthly unequal installment with tenure ranging from 1-5 year
- 16 (c) Public deposits carry interest rate ranging between 8.50 % to 9.75% per annum (31 March 2024: 8.50% to 9.75% per annum) and carry a maturity period from 12 to 36 months from the respective date of deposits.
- 16 (d) The fixed rate of interest on loans from promoters, directors and relatives in current year is at rate of 9% (31 March 2024: 9% per annum). As per the Company's arrangements with these parties, the amount has been considered as long term, repayable based on mutually agreed terms.
- 16 (e) 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 8.75% to 9.60% per annum (31 March 2024: 8.95% to 9.60% per annum).

## III Reconciliation of movements of liabilities to cash flows arising from financing activities

| Particulars                                                                            | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------------------------------------------------------------|------------------------|------------------------|
| Borrowings at the beginning of the year (current and non current) including short term | 51,250.07              | 51,280.78              |
| Proceeds from borrowings*                                                              | 40,212.94              | 46,896.51              |
| Repayment of borrowings*                                                               | (26,098.62)            | (46,927.22)            |
| <b>Borrowings at the end of the year (current and non current)</b>                     | <b>65,364.39</b>       | <b>51,250.07</b>       |

\* Including net movement during the year for short term borrowings

## 17 Financial Liabilities- Other financial liabilities

| Financial Liabilities carried at amortised cost | As at<br>31 March 2025 |                 | As at<br>31 March 2024 |                 |
|-------------------------------------------------|------------------------|-----------------|------------------------|-----------------|
|                                                 | Current                | Non-current     | Current                | Non-current     |
| Interest accrued [refer to note 39]             | 126.30                 | 36.10           | 60.69                  | 52.61           |
| Unpaid dividends                                | 37.69                  | -               | 24.13                  | -               |
| Capital creditors                               | 1,679.88               | -               | 1,099.49               | -               |
| Security deposits                               | -                      | 2,584.35        | -                      | 2,431.45        |
| Employee related payables                       | 817.98                 | -               | 1,131.05               | -               |
| Others                                          | 2.96                   | -               | 2.20                   | -               |
|                                                 | <b>2,664.81</b>        | <b>2,620.45</b> | <b>2,317.56</b>        | <b>2,484.06</b> |

## 18 Provisions

| Particulars                                      | As at<br>31 March 2025 |             | As at<br>31 March 2024 |             |
|--------------------------------------------------|------------------------|-------------|------------------------|-------------|
|                                                  | Current                | Non-current | Current                | Non-current |
| Provisions for employee benefits (refer note 37) |                        |             |                        |             |
| Liability for gratuity                           | -                      | -           | 9.32                   | -           |
|                                                  | <b>-</b>               | <b>-</b>    | <b>9.32</b>            | <b>-</b>    |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## 19 Deferred tax liabilities (net)

| Particulars                                                                       | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Deferred tax liabilities on account of:</b>                                    |                        |                        |
| Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books | 14,034.10              | 12,669.13              |
| <b>Deferred tax assets on account of:</b>                                         |                        |                        |
| Loss allowance for doubtful receivables and advances                              | 2.46                   | 2.46                   |
| Expenses allowable on payment basis                                               | 34.42                  | 93.95                  |
|                                                                                   | <b>13,997.23</b>       | <b>12,572.71</b>       |

### Movement in temporary differences:

#### 2023-2024

| Particulars                                                                       | Opening<br>Balance | Recognised in<br>profit or loss | Recognised in other<br>comprehensive<br>income | Closing<br>balance |
|-----------------------------------------------------------------------------------|--------------------|---------------------------------|------------------------------------------------|--------------------|
| <b>Deferred tax liabilities on account of:</b>                                    |                    |                                 |                                                |                    |
| Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books | 11,843.81          | 825.32                          | -                                              | 12,669.13          |
| <b>Deferred tax assets on account of:</b>                                         |                    |                                 |                                                |                    |
| Provision for employee benefits                                                   | 40.54              | (73.69)                         | 33.15                                          | -                  |
| Loss allowance for doubtful receivables and advances                              | 2.46               | -                               | -                                              | 2.46               |
| Expenses allowable on payment basis                                               | 79.40              | 14.55                           | -                                              | 93.95              |
|                                                                                   | <b>11,721.41</b>   | <b>884.46</b>                   | <b>(33.15)</b>                                 | <b>12,572.72</b>   |

#### 2024-2025

| Particulars                                                                       | Opening<br>Balance | Recognised in<br>profit or loss | Recognised in other<br>comprehensive<br>income | Closing<br>balance |
|-----------------------------------------------------------------------------------|--------------------|---------------------------------|------------------------------------------------|--------------------|
| <b>Deferred tax liabilities on account of:</b>                                    |                    |                                 |                                                |                    |
| Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books | 12,669.13          | 1,364.98                        | -                                              | 14,034.10          |
| <b>Deferred tax assets on account of:</b>                                         |                    |                                 |                                                |                    |
| Provision for employee benefits                                                   | -                  | (4.53)                          | 4.53                                           | -                  |
| Loss allowance for doubtful receivables and advances                              | 2.46               | -                               | -                                              | 2.46               |
| Expenses allowable on payment basis                                               | 93.95              | (59.53)                         | -                                              | 34.42              |
|                                                                                   | <b>12,572.72</b>   | <b>1,429.04</b>                 | <b>(4.53)</b>                                  | <b>13,997.23</b>   |

## 20 Deferred income

| Particulars                         | As at<br>31 March 2025 |               | As at<br>31 March 2024 |               |
|-------------------------------------|------------------------|---------------|------------------------|---------------|
|                                     | Current                | Non-current   | Current                | Non-current   |
| Deferred income on government grant | 25.04                  | 432.75        | 26.10                  | 454.61        |
|                                     | <b>25.04</b>           | <b>432.75</b> | <b>26.10</b>           | <b>454.61</b> |

## 21 Trade payables

| Particulars                                                          | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------------------------------------------|------------------------|------------------------|
| - Dues of Micro Enterprises and Small Enterprises [refer note below] | 934.32                 | 1,952.82               |
| - Other trade payables                                               | 3,250.85               | 3,741.12               |
|                                                                      | <b>4,185.18</b>        | <b>5,693.94</b>        |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## Trade payable ageing schedule

As at March 31, 2025

| Particulars                  | Unbilled Dues | Not Due  | Outstanding for following periods from due date of payment <sup>#</sup> |           |           |                   |
|------------------------------|---------------|----------|-------------------------------------------------------------------------|-----------|-----------|-------------------|
|                              |               |          | Less than 1 year                                                        | 1-2 years | 2-3 years | More than 3 years |
| (i) MSME                     | -             | 934.32   | -                                                                       | -         | -         | -                 |
| (ii) Others                  | 1,015.34      | 1,939.99 | 295.52                                                                  | -         | -         | -                 |
| (iii) Disputed dues - MSME   | -             | -        | -                                                                       | -         | -         | -                 |
| (iii) Disputed dues - Others | -             | -        | -                                                                       | -         | -         | -                 |

As at March 31, 2024

| Particulars                  | Unbilled Dues | Not Due  | Outstanding for following periods from due date of payment <sup>#</sup> |           |           |                   |
|------------------------------|---------------|----------|-------------------------------------------------------------------------|-----------|-----------|-------------------|
|                              |               |          | Less than 1 year                                                        | 1-2 years | 2-3 years | More than 3 years |
| (i) MSME                     | -             | 1,952.82 | -                                                                       | -         | -         | -                 |
| (ii) Others                  | 376.51        | 3,061.75 | 302.86                                                                  | -         | -         | -                 |
| (iii) Disputed dues - MSME   | -             | -        | -                                                                       | -         | -         | -                 |
| (iii) Disputed dues - Others | -             | -        | -                                                                       | -         | -         | -                 |

<sup>#</sup>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<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (a) The amounts remaining unpaid to micro and small enterprises as at the end of the year                                                                                                                                                                           |                        |                        |
| - Principal                                                                                                                                                                                                                                                         | 934.32                 | 1,952.82               |
| - Interest                                                                                                                                                                                                                                                          | -                      | -                      |
| (b) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"); along with the amount of payment made to the supplier beyond the appointed day during the year                | -                      | -                      |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED act                                              | -                      | -                      |
| (d) The amount of interest accrued and remaining unpaid at the end of 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 ₹ Nil (31 March 2024 ₹ 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.

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## 22 Other current liabilities

| Particulars                                   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------------|------------------------|------------------------|
| Contract liabilities (Advance from customers) | 272.42                 | 174.40                 |
| Statutory dues                                | 271.15                 | 595.04                 |
|                                               | <b>543.56</b>          | <b>769.44</b>          |

## 23 Current tax liabilities (net)

| Particulars                                   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------------|------------------------|------------------------|
| Provision for income tax (net of advance tax) | 170.88                 | 813.97                 |
|                                               | <b>170.88</b>          | <b>813.97</b>          |

## 24 Revenue from operations

| Particulars                                               | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Sale of products</b>                                   | 1,09,976.19                 | 1,20,619.81                 |
| Other operating revenues                                  |                             |                             |
| Scrap sales                                               | 611.40                      | 395.25                      |
| Export incentives                                         | 116.28                      | 114.60                      |
|                                                           | <b>1,10,703.86</b>          | <b>1,21,129.65</b>          |
| <b>Revenue disaggregation by geography is as follows:</b> |                             |                             |
| <b>Geography</b>                                          |                             |                             |
| India                                                     | 1,02,790.23                 | 1,13,959.92                 |
| Outside India                                             | 7,185.95                    | 6,659.89                    |

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 2025 & Previous year ended 31 March 2024.

### Reconciliation of revenue recognized with the contracted price is as follows:

| Particulars                                          | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Contracted price</b>                              | 1,14,047.81                 | 1,28,044.13                 |
| Reductions towards variable consideration components | 3,343.95                    | 6,914.48                    |
| <b>Revenue recognised</b>                            | <b>1,10,703.86</b>          | <b>1,21,129.65</b>          |

The reduction towards variable consideration comprises cash discounts, trade discounts and rebates etc.

| Contract Balances    | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|----------------------|-----------------------------|-----------------------------|
| Trade receivables    | 3,909.18                    | 3,422.45                    |
| Contract liabilities | 272.42                      | 174.40                      |

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.

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## 25 Other income

| Particulars                                 | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---------------------------------------------|-----------------------------|-----------------------------|
| Interest income:                            |                             |                             |
| on bank deposits                            | 72.65                       | 75.73                       |
| others*                                     | 11.02                       | 26.48                       |
| Rental income                               | 56.22                       | 56.22                       |
| Liabilities no longer required written back | 74.39                       | 0.63                        |
| Others                                      | 394.23                      | 404.95                      |
|                                             | <b>608.51</b>               | <b>564.01</b>               |

\*Represents interest on security deposit to Punjab State Power Corporation Limited etc.

## 26 Cost of materials consumed

| Particulars                                        | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|----------------------------------------------------|-----------------------------|-----------------------------|
| <b>Raw material consumed</b>                       |                             |                             |
| Opening stock of raw materials                     | 4,550.34                    | 3,068.63                    |
| Add: Purchases of raw materials                    | 33,612.94                   | 34,382.80                   |
| Less: Inventory of material at the end of the year | 5,766.74                    | 4,550.34                    |
|                                                    | <b>32,396.55</b>            | <b>32,901.09</b>            |
| <b>Packing material consumed</b>                   |                             |                             |
| Opening stock of materials                         | 138.15                      | 154.83                      |
| Add: Purchases of materials                        | 3,358.22                    | 3,111.70                    |
| Less: Inventory of material at the end of the year | 152.09                      | 138.15                      |
|                                                    | <b>3,344.28</b>             | <b>3,128.39</b>             |
|                                                    | <b>35,740.83</b>            | <b>36,029.48</b>            |

## 27 Changes in inventories of finished goods and work-in-progress

| Particulars         | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---------------------|-----------------------------|-----------------------------|
| Opening stock       |                             |                             |
| Work-in-progress    | 383.01                      | 127.32                      |
| Finished goods      | 24.16                       | 6.51                        |
|                     | <b>407.16</b>               | <b>133.83</b>               |
| Less: Closing stock |                             |                             |
| Work-in-progress    | 165.17                      | 383.01                      |
| Finished goods      | 28.18                       | 24.16                       |
|                     | <b>193.35</b>               | <b>407.16</b>               |
|                     | <b>213.81</b>               | <b>(273.33)</b>             |

## 28 Employee benefits expense

| Particulars                                                          | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Salaries, wages and bonus [also refer note 31(c)]                    | 7,202.60                    | 7,173.44                    |
| Contributions to provident fund and other funds (also refer note 37) | 758.54                      | 683.80                      |
| Staff welfare expenses                                               | 101.62                      | 105.40                      |
|                                                                      | <b>8,062.77</b>             | <b>7,962.64</b>             |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## 29 Finance costs

| Particulars                                                                                             | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest expense on financial liabilities measured at amortised cost                                    | 3,755.15                    | 3,882.33                    |
| Other borrowing costs                                                                                   | 174.85                      | 228.60                      |
| Dividend on redeemable preference shares classified as financial liabilities measured at amortised cost | -                           | 173.77                      |
|                                                                                                         | <b>3,930.00</b>             | <b>4,284.70</b>             |

## 30 Depreciation and amortisation expense

| Particulars                                                           | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Depreciation on property, plant and equipment and investment property | 5,318.68                    | 4,824.73                    |
| Amortisation of intangible assets                                     | 81.11                       | -                           |
|                                                                       | <b>5,399.79</b>             | <b>4,824.73</b>             |

## 31 Other expenses

| Particulars                                                 | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-------------------------------------------------------------|-----------------------------|-----------------------------|
| Stores and spares consumed                                  | 3,198.52                    | 3,013.51                    |
| Chemicals consumed                                          | 19,354.16                   | 18,412.58                   |
| Power and fuel [also refer note 31(c)]                      | 13,401.26                   | 15,598.71                   |
| Water Charges                                               | 953.90                      | 1,163.71                    |
| Rent                                                        | 38.19                       | 37.29                       |
| Repair and maintenance                                      |                             |                             |
| - Buildings                                                 | 169.92                      | 108.42                      |
| - Machinery                                                 | 1,488.36                    | 1,084.04                    |
| - General Repair                                            | 10.39                       | 5.85                        |
| Insurance                                                   | 398.45                      | 429.82                      |
| Rates and taxes                                             | 50.30                       | 31.67                       |
| Legal and professional fees [refer note 31(a)]              | 650.89                      | 415.10                      |
| Loss on sale of property, plant and equipment               | 336.17                      | 1,726.59                    |
| Exchange loss on foreign exchange fluctuations (net)        | 9.79                        | 76.56                       |
| Corporate social responsibility expenses [refer note 31(b)] | 360.36                      | 170.19                      |
| Bank charges                                                | 88.13                       | 66.92                       |
| Commission on sales                                         | 138.21                      | 183.34                      |
| Donation                                                    | 20.61                       | 4.66                        |
| Miscellaneous expenses                                      | 1,759.75                    | 1,573.96                    |
|                                                             | <b>42,427.36</b>            | <b>44,102.94</b>            |

### Note (a): Auditors' remuneration (excluding taxes as applicable)

| Particulars                         | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-------------------------------------|-----------------------------|-----------------------------|
| <b>As Auditor</b>                   |                             |                             |
| Statutory audit                     | 18.00                       | 15.00                       |
| Limited review of quarterly results | 9.00                        | 9.00                        |
| <b>In other capacity</b>            |                             |                             |
| Reimbursement of expenses           | 0.78                        | 0.51                        |
|                                     | <b>27.78</b>                | <b>24.51</b>                |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## Note (b): Detail of corporate social responsibility expenditure

- (i) Gross amount required to be spent by the company during the year is ₹ 359.49 lakhs (31 March 2024: ₹ 167.41 lakhs)
- (ii) Amount approved by the Board to be spent during the year is ₹ 360.00 lakhs (31 March 2024: ₹ 170.00 lakhs)
- (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        | 360.36  | -                      | 360.36 |

- (iv) Nature of CSR Activities: Village School repair, street construction, Assistance to School for education, solar lights, tubewells etc
- (v) Details of related party transactions : N.A.
- (vi) Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately: N.A.

## 32 Tax expense

### a) Income tax recognised in statement of profit and loss

| Particulars                                             | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Current tax</b>                                      | 2,562.94                    | 5,461.74                    |
| <b>Deferred tax</b>                                     |                             |                             |
| Attributable to -                                       |                             |                             |
| Adjustment of tax relating to earlier years             | 27.73                       | 32.30                       |
| Origination and reversal of temporary differences       | 1,429.04                    | 884.45                      |
| <b>Total tax expense recognised in the current year</b> | <b>4,019.71</b>             | <b>6,378.49</b>             |

### b) Income tax recognised in other comprehensive income

| Particulars                                                                   | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Deferred tax assets/(liabilities)</b>                                      |                             |                             |
| Arising on income and expenses recognised in other comprehensive income       |                             |                             |
| - Remeasurement of defined benefit obligation                                 | 4.53                        | 33.15                       |
| <b>Total income tax recognised in other comprehensive income</b>              | <b>4.53</b>                 | <b>33.15</b>                |
| Bifurcation of the income tax recognised in other comprehensive income into:- |                             |                             |
| Items that will not be reclassified to profit or loss                         | 4.53                        | 33.15                       |
| Items that may be reclassified to profit or loss                              | -                           | -                           |
|                                                                               | <b>4.53</b>                 | <b>33.15</b>                |

## 33 Earnings per share

| Particulars                                                   | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---------------------------------------------------------------|-----------------------------|-----------------------------|
| (i) Profit for basic earning per share of ₹ 1 each            | 11,518.08                   | 18,382.58                   |
| (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 ₹ 1 each) | 13.20                       | 21.07                       |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## 34 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 2025 |       |                 | As at 31 March 2024 |       |                  |
|----------------------------------------------------------|--------------------|---------------------|-------|-----------------|---------------------|-------|------------------|
|                                                          |                    | FVTPL               | FVOCI | Amortised cost  | FVTPL               | FVOCI | Amortised cost   |
| <b>Financial assets</b>                                  |                    |                     |       |                 |                     |       |                  |
| <b>Non-current</b>                                       |                    |                     |       |                 |                     |       |                  |
| Other financial assets                                   |                    |                     |       |                 |                     |       |                  |
| - Deposits with original maturity of more than 12 months | 3                  | -                   | -     | 492.00          | -                   | -     | 391.09           |
| <b>Current</b>                                           |                    |                     |       |                 |                     |       |                  |
| Trade receivable                                         |                    | -                   | -     | 3,909.18        | -                   | -     | 3,422.45         |
| Cash and cash equivalents                                | 3                  | -                   | -     | 923.83          | -                   | -     | 7,058.63         |
| Other bank balances                                      | 3                  | -                   | -     | 1,219.96        | -                   | -     | 734.42           |
| Other financial assets                                   | 3                  | -                   | -     | 97.57           | -                   | -     | 284.88           |
| <b>Total financial assets</b>                            |                    | -                   | -     | <b>6,642.54</b> | -                   | -     | <b>11,891.47</b> |

| Particulars                        | Level of hierarchy | As at 31 March 2025 |       |                  | As at 31 March 2024 |       |                  |
|------------------------------------|--------------------|---------------------|-------|------------------|---------------------|-------|------------------|
|                                    |                    | FVTPL               | FVOCI | Amortised cost   | FVTPL               | FVOCI | Amortised cost   |
| <b>Financial liabilities</b>       |                    |                     |       |                  |                     |       |                  |
| <b>Non-current</b>                 |                    |                     |       |                  |                     |       |                  |
| Borrowings                         | 3                  | -                   | -     | 40,272.63        | -                   | -     | 30,700.23        |
| Other financial liabilities        | 3                  | -                   | -     | 2,620.45         | -                   | -     | 2,484.06         |
| <b>Current</b>                     |                    |                     |       |                  |                     |       |                  |
| Borrowings                         | 3                  | -                   | -     | 25,091.76        | -                   | -     | 20,549.86        |
| Trade payables                     | 3                  | -                   | -     | 4,185.18         | -                   | -     | 5,693.94         |
| Other financial liabilities        | 3                  | -                   | -     | 163.99           | -                   | -     | 84.82            |
| Employee related payables          | 3                  | -                   | -     | 817.98           | -                   | -     | 1,131.05         |
| Capital creditors                  | 3                  | -                   | -     | 1,679.88         | -                   | -     | 1,099.49         |
| Others                             | 3                  | -                   | -     | 2.96             | -                   | -     | 2.20             |
| <b>Total financial liabilities</b> |                    | -                   | -     | <b>74,834.81</b> | -                   | -     | <b>61,745.66</b> |

### 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 2025 and 31 March 2024.

### 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

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

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.

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<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------|------------------------|------------------------|
| Trade receivables         | 3,909.18               | 3,422.45               |
| Cash and cash equivalents | 923.83                 | 7,058.63               |
| Other bank balances       | 1,219.96               | 734.42                 |
| Other financial assets    | 589.57                 | 675.97                 |
|                           | <b>6,642.54</b>        | <b>11,891.47</b>       |

### 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<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------|------------------------|------------------------|
| Revenue from top customer       | 6%                     | 7%                     |
| Revenue from top five customers | 28%                    | 27%                    |

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, 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 |
|----------------------|-----------------------|----------------|-----------------|
| <b>31 March 2025</b> |                       |                |                 |
| Less than 6 Months   | 3,907.55              | -              | 3,907.55        |
| More than 6 Months   | 1.63                  | -              | 1.63            |
|                      | <b>3,909.18</b>       | <b>-</b>       | <b>3,909.18</b> |
| <b>31 March 2024</b> |                       |                |                 |
| Less than 6 Months   | 3,419.52              | -              | 3,419.52        |
| More than 6 Months   | 2.93                  | -              | 2.93            |
|                      | <b>3,422.45</b>       | <b>-</b>       | <b>3,422.45</b> |

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            |
|-------------------------------------------|------------------|------------------|-------------------|------------------|
| <b>31 March 2025</b>                      |                  |                  |                   |                  |
| Borrowings (including current maturities) | 25,091.76        | 27,583.13        | 12,689.50         | 65,364.38        |
| Trade payables                            | 4,185.18         | -                | -                 | 4,185.18         |
| Other financial liabilities               | 2,664.81         | 2,620.45         | -                 | 5,285.27         |
|                                           | <b>31,941.75</b> | <b>30,203.58</b> | <b>12,689.50</b>  | <b>74,834.82</b> |
| <b>31 March 2024</b>                      |                  |                  |                   |                  |
| Borrowings (including current maturities) | 20,549.86        | 30,406.27        | 293.96            | 51,250.09        |
| Trade payables                            | 5,601.82         | 92.13            | -                 | 5,693.95         |
| Other financial liabilities               | 2,317.56         | 2,484.06         | -                 | 4,801.62         |
|                                           | <b>28,469.24</b> | <b>32,982.46</b> | <b>293.96</b>     | <b>61,745.67</b> |

## (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 2025

(₹ in Lakhs, 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            | As at            |
|--------------------------|------------------|------------------|
|                          | 31 March 2025    | 31 March 2024    |
| Fixed rate borrowings    | 5,536.54         | 6,735.68         |
| Floating rate borrowings | 59,827.84        | 44,514.41        |
|                          | <b>65,364.38</b> | <b>51,250.09</b> |

### 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 |               |
|-------------------------------------------|----------------|---------------|
|                                           | As at          | As at         |
|                                           | 31 March 2025  | 31 March 2024 |
| <b>For the period ended 31 March 2025</b> |                |               |
| Interest rate (0.5% movement)             | (299.14)       | 299.14        |
| <b>For the year ended 31 March 2024</b>   |                |               |
| Interest rate (0.5% movement)             | (222.57)       | 222.57        |

## (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.

### Exposure to currency risk

The following table provides details of the Company's exposure to currency risk:

| Liabilities                                                             | Currency | As at           |                                  | As at         |                                  |
|-------------------------------------------------------------------------|----------|-----------------|----------------------------------|---------------|----------------------------------|
|                                                                         |          | 31 March 2025   |                                  | 31 March 2024 |                                  |
|                                                                         |          | Amount<br>(₹)   | Amount<br>in foreign<br>currency | Amount<br>(₹) | Amount<br>in foreign<br>currency |
| Trade Receivable                                                        | USD      | 146.38          | 1.71                             | 770.06        | 9.30                             |
|                                                                         | EURO     | -               | -                                | -             | -                                |
| Trade payables                                                          | EURO     | 295.44          | 3.20                             | -             | -                                |
|                                                                         | USD      | 927.14          | 10.86                            | 162.01        | 1.95                             |
| <b>Net exposure in respect of<br/>recognised assets and liabilities</b> |          | <b>1,076.20</b> |                                  | <b>608.05</b> |                                  |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2025 and 31 March 2024 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<br>31 March 2025 |           | As at<br>31 March 2024 |           |
|--------------------------|------------------------|-----------|------------------------|-----------|
|                          | Profit or Loss         |           | Profit or Loss         |           |
|                          | Strengthening          | Weakening | Strengthening          | Weakening |
| USD / EURO (1% movement) | (10.76)                | 10.76     | 6.08                   | (6.08)    |

## 35 Capital management

### Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows.

| Particulars                       | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------|------------------------|------------------------|
| Total liabilities                 | 90,004.27              | 76,391.83              |
| Less: cash and bank balances      | (2,143.78)             | (7,793.05)             |
| Adjusted net debt                 | 87,860.49              | 68,598.78              |
| Total equity                      | 1,21,271.12            | 1,12,384.43            |
| Adjusted net debt to equity ratio | 0.72                   | 0.61                   |

## 36 Contingent liabilities and commitments (to the extent not provided for)

### A (i). Contingent liabilities

| Particulars                                               | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------------------------|------------------------|------------------------|
| (a) Claims against the Company not acknowledged as debts: |                        |                        |
| Income tax matters*                                       | 1,381.37               | 1,381.37               |
| Excise duty matters                                       | 517.30                 | 517.30                 |
| GST matters                                               | 1,256.24               | -                      |
| Others                                                    | -                      | -                      |

\*During the previous year in the month of February 2024, a search was carried out by the Income Tax authorities at various premises of the Company and further proceedings are currently underway. The management has assessed the position and is of the view that the above proceedings do not have any impact on the financial statements of the Company.

### A (ii). Other pending litigations

(₹ in Lakhs)

| Particulars                            | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------------|------------------------|------------------------|
| Excise duty, Central Excise Act, 1944* | 52.15                  | 52.15                  |

\*Refund case is pending with Commissioner (Excise), ₹ 52.15 lakhs is classified under Note 13, cenvat credit recoverable.

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## B. Commitments

| Particulars                                                                                                                                  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances) | 22,439.97              | 14,902.87              |

## 37 Employee benefits

### I. Assets and liabilities relating to employee benefits

| Particulars                    | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--------------------------------|------------------------|------------------------|
| <b>Current</b>                 |                        |                        |
| Gratuity - Asset / (Liability) | 8.40                   | (9.32)                 |
|                                | <b>8.40</b>            | <b>(9.32)</b>          |

For details about the related employee benefit expenses, refer to note 28.

### II. Defined contribution plan

The Company's provident fund scheme and Employee's State Insurance (ESI) fund scheme are defined contribution plans. The Company has recorded expenses of ₹ 501.67 Lakhs (31 March 2024: ₹ 451.79 Lakhs) under provident fund scheme and ₹39.85 Lakhs (31 March 2024: ₹ 45.10 Lakhs) under ESI scheme. These have been included in note 28 Employees benefits expenses, in the Statement of Profit and Loss.

### III Defined benefit plan

#### Gratuity (funded)

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India.

The above defined benefit plan exposes the Company to following risks:

#### Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

#### Salary inflation risk:

Higher than expected increase in salary will increase the defined benefit obligation.

#### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

#### a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

The expected contribution to defined benefit plan for the next year is ₹ 183.27 Lakhs

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<br>31 March 2025 | Year ended<br>31 March 2024 |
|-----------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Present value of obligation at the beginning of the year</b> | 1,372.76                    | 1,199.29                    |
| Benefits paid                                                   | (124.16)                    | (155.92)                    |
| Current service cost                                            | 163.61                      | 148.32                      |
| Interest cost                                                   | 98.98                       | 89.71                       |
| Actuarial losses/(gains)                                        | 13.52                       | 91.38                       |
| <b>Present value of obligation the end of the year</b>          | <b>1,524.71</b>             | <b>1,372.76</b>             |

**c) Reconciliation of the present value of plan assets**

| Particulars                                                   | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|---------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Fair value of plan assets at the beginning of the year</b> | 1,363.44                    | 1,202.87                    |
| Contributions                                                 | 200.00                      | 230.00                      |
| Interest Income                                               | 93.83                       | 86.49                       |
| Benefits paid                                                 | (124.16)                    | (155.92)                    |
| <b>Fair value of plan assets at the end of the year</b>       | <b>1,533.11</b>             | <b>1,363.44</b>             |

**d) Expenses recognized in the Statement of Profit and Loss**

| Particulars                                           | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-------------------------------------------------------|-----------------------------|-----------------------------|
| Current service cost                                  | 163.61                      | 148.32                      |
| Interest cost                                         | 98.98                       | 89.71                       |
| Interest income                                       | (98.30)                     | (89.98)                     |
| <b>Expenses recognized in profit and loss account</b> | <b>164.28</b>               | <b>148.05</b>               |

**e) Remeasurements recognised in other comprehensive income**

| Particulars                                            | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| Actuarial gain/loss on the defined benefit obligation  | (13.52)                     | (91.38)                     |
| Return on plan assets excluding interest income        | (4.48)                      | (3.49)                      |
| <b>Amount recognized in other comprehensive income</b> | <b>(18.00)</b>              | <b>(94.86)</b>              |

**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<br>31 March 2025<br>Per Annum | Year ended<br>31 March 2024<br>Per Annum |
|----------------------------------|------------------------------------------|------------------------------------------|
| <b>Economic assumptions</b>      |                                          |                                          |
| Discount rate                    | 6.93%                                    | 7.21%                                    |
| Salary escalation rate per annum | 7.50%                                    | 8.25%                                    |

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2012-14) rates.

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## (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<br>31 March 2025 |          | Year ended<br>31 March 2024 |          |
|--------------------------------------------|-----------------------------|----------|-----------------------------|----------|
|                                            | Increase                    | Decrease | Increase                    | Decrease |
| Discount rate (0.50% movement)             | (56.31)                     | 60.68    | (52.34)                     | 56.44    |
| Future salary growth rate (0.50% movement) | 60.06                       | 56.28    | 55.61                       | (52.09)  |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## (i) Expected benefit payments

Maturity profit of defined benefit obligation

| Particulars    | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|----------------|-----------------------------|-----------------------------|
| Within 1 year  | 135.40                      | 167.50                      |
| 1-2 year       | 323.97                      | 63.53                       |
| 2-3 year       | 86.23                       | 243.46                      |
| 3-4 year       | 61.68                       | 72.50                       |
| 4-5 year       | 98.17                       | 54.75                       |
| 5-6 years      | 75.93                       | 85.20                       |
| 6 year onwards | 743.33                      | 685.82                      |

## 38 Leases:

The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 9 years with no restriction placed upon the Company for entering into said lease.

The Company also leases certain premises with contract terms of one to three years. These leases are short-term in nature and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases. Rental expense recorded for short-term leases was ₹ 38.19 lakhs for the year ended 31 March 2025. (31 March 2024: ₹ 37.29 Lakhs)

| Particulars                            | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|----------------------------------------|-----------------------------|-----------------------------|
| Expenses relating to short-term leases | 38.19                       | 37.29                       |
|                                        | <b>38.19</b>                | <b>37.29</b>                |

### Notes:

- The Company incurred ₹ 38.19 Lakhs during the current year towards expenses relating to short-term leases and leases of low-value assets for which the recognition exemption has been applied.
- The total cash outflow for leases, including cash outflow for short term leases is ₹ 38.19 Lakhs during the current year.

## A. Leases as lessee

### Operating leases:

The Company has taken office and residential premises under cancellable operating lease agreements. Lease payments charged during the year in Statement of Profit and Loss aggregate ₹38.19 Lakhs (31 March 2024: ₹ 37.29 Lakhs).

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## B. Leases as lessor

### Operating leases:

The Company has leased out its investment property on operating lease basis.

i. The future minimum lease payments under non-cancellable operating leases receivable are as follows:

| Particulars                                  | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|----------------------------------------------|-----------------------------|-----------------------------|
| Within one year                              | 55.82                       | 50.71                       |
| Later than one year and less than five years | 248.23                      | 236.98                      |
| More than five years                         | 89.42                       | 156.49                      |

ii. Amounts recognised in profit or loss

During the year ended 31 March 2025, property rentals of ₹56.22 Lakhs (31 March 2024: ₹56.22 Lakhs) have been included in other income (Including lease straight lining) (refer note 25).

| Particulars                    | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|--------------------------------|-----------------------------|-----------------------------|
| Income generated from property | 56.22                       | 56.22                       |

## 39 Related party disclosures

### A. List of related parties and nature of relationship where control exists

- |     |                                            |                              |
|-----|--------------------------------------------|------------------------------|
| (i) | Holding Company                            | Kapedome Enterprises Limited |
|     | Related entity of Key management personnel | Khaitan & Khaitan            |

### B. List of related parties and nature of relationship with whom transactions have taken place during the current/ previous year

#### (i) Key management personnel and individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Jagesh Kumar Khaitan, Chairman

Mr. Pavan Khaitan, Vice Chairman & Managing Director

#### (ii) Key Management Personal & Individuals not owning, directly or Indirectly, an interest in voting power of the Reporting enterprise

Mr. Roshan Garg, Chief Financial Officer (Till 04.11.2024)

Mr. Vikram Kumar Khaitan, Chief Financial Officer (w.e.f. 05.11.2024)

Mr. Vivek Trehan, Company Secretary (Till 30.11.2023)

Mr. Gurinder Makkar, Company Secretary (w.e.f. 01.12.2023)

#### (iii) Non Executive directors

Mr. Vivek Bihani

Ms. Shireen Sethi

Mr. Drishinder Singh Sandhawalia (Till 02.08.2024)

Mr. Bhavdeep Sardana

Mr. Munishwar Kumar (w.e.f. 05.11.2024)

#### (iv) Relatives of individuals mentioned above

Mrs. Usha Khaitan

Mrs. Aparna Khaitan

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

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<br>31 March 2025 | For the year ended<br>31 March 2024 |
|------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>(i) Unsecured loans taken</b>                     |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                             | 248.00                              | 210.40                              |
| Mrs. Usha Khaitan                                    | 97.50                               | 97.50                               |
| Ms. Deeksha Khaitan                                  | 3.00                                | -                                   |
| Ms. Malavika Khaitan                                 | 3.00                                | -                                   |
| Mr. Drishinder Singh Sandhawalia                     | -                                   | 39.09                               |
| Mrs. Simran Sandhawalia                              | -                                   | 42.77                               |
| Mrs. Kushal Pal Sandhawalia                          | -                                   | 35.19                               |
| Mrs. Aparna Khaitan                                  | -                                   | 100.00                              |
| Mr. Pavan Khaitan                                    | -                                   | 250.00                              |
| Mrs. Shashi Khaitan                                  | 100.00                              | -                                   |
| M/S. Kapedome Enterprises Limited                    | 7,250.00                            | -                                   |
| <b>(ii) Unsecured loans repaid</b>                   |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                             | 220.40                              | 30.00                               |
| Ms. Deeksha Khaitan                                  | 3.00                                | -                                   |
| Ms. Malavika Khaitan                                 | 3.00                                | -                                   |
| Mrs. Usha Khaitan                                    | 97.50                               | 12.00                               |
| Mr. Drishinder Singh Sandhawalia                     | 39.09                               | 36.08                               |
| Mrs. Simran Sandhawalia                              | 42.77                               | 39.72                               |
| Mrs. Kushal Pal Sandhawalia                          | 35.19                               | 32.49                               |
| Mr. Pavan Khaitan                                    | -                                   | 250.00                              |
| Mrs. Abha Khaitan                                    | 250.00                              | -                                   |
| Mrs. Shashi Khaitan                                  | 100.00                              | -                                   |
| M/S. Kapedome Enterprises Limited                    | 7,156.00                            | -                                   |
| <b>(iii) Interest on unsecured loans</b>             |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                             | 27.01                               | 18.46                               |
| Mrs. Aparna Khaitan                                  | 9.75                                | 4.12                                |
| Mr. Pavan Khaitan                                    | -                                   | 1.05                                |
| Mrs. Usha Khaitan                                    | 13.06                               | 10.42                               |
| Ms. Deeksha Khaitan                                  | 5.19                                | 5.20                                |
| Ms. Malavika Khaitan                                 | 4.53                                | 4.53                                |
| Mrs. Shashi Khaitan                                  | 9.75                                | 9.75                                |
| Mrs. Abha Khaitan                                    | 0.37                                | 24.38                               |
| Mr. Drishinder Singh Sandhawalia                     | 1.25                                | 3.48                                |
| Mrs. Simran Sandhawalia                              | 0.91                                | 3.66                                |
| Mrs. Kushal Pal Sandhawalia                          | 1.13                                | 3.13                                |
| M/S. Kapedome Enterprises Limited                    | 30.67                               | 180.54                              |
| <b>(iv) Compensation to key managerial personnel</b> |                                     |                                     |
| <b>Short-term employee benefits</b>                  |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                             | 158.40                              | 147.84                              |
| Mr. Pavan Khaitan                                    | 384.00                              | 268.80                              |
| Mr. Roshan Garg                                      | 140.42                              | 96.94                               |
| Mr. Vikram Kumar Khaitan                             | 23.72                               | -                                   |
| Mr. Vivek Trehan                                     | -                                   | 27.15                               |
| Mr. Gurinder Makkar                                  | 27.33                               | 10.22                               |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

| Particulars                                                 | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|-------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Commission to Directors</b>                              |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                                    | 45.38                               | 87.86                               |
| Mr. Pavan Khaitan                                           | 110.00                              | 159.75                              |
| <b>Post-employment benefits</b>                             |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                                    | 9.11                                | 8.48                                |
| Mr. Pavan Khaitan                                           | 72.43                               | 19.05                               |
| <b>Defined contribution Plan</b>                            |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                                    | 11.88                               | 11.09                               |
| Mr. Pavan Khaitan                                           | 28.80                               | 20.16                               |
| <b>Other long-term benefits</b>                             |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                                    | 0.60                                | 0.60                                |
| Mr. Pavan Khaitan                                           | 6.63                                | 1.20                                |
| <b>(v) Stipend</b>                                          |                                     |                                     |
| Ms. Malavika Khaitan                                        | 1.28                                | 1.25                                |
| Ms. Deeksha Khaitan                                         | 0.51                                | 0.86                                |
| <b>(vi) Directors sitting fees (non-executive director)</b> |                                     |                                     |
| Mr. Vivek Bihani                                            | 2.60                                | 2.45                                |
| Ms. Shireen Sethi                                           | 2.80                                | 2.45                                |
| Mr. Bhavdeep Sardana                                        | 2.30                                | 2.55                                |
| Mr. Drishinder Singh Sandhawalia                            | 0.35                                | 1.65                                |
| Mr. Munishwar Kumar                                         | 0.50                                | -                                   |
| <b>(vii) Management consultancy fees</b>                    |                                     |                                     |
| Mr. D. S. Sandhawalia                                       | -                                   | 42.00                               |
| <b>(viii) Reimbursement of expenses</b>                     |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                                    | 3.36                                | 1.64                                |
| Mr. Pavan Khaitan                                           | 5.91                                | 2.19                                |
| Mr. D. S. Sandhawalia                                       | 0.07                                | 1.99                                |
| <b>(ix) Other charges (rent)</b>                            |                                     |                                     |
| Kapedome Enterprises Limited                                | 0.71                                | 0.71                                |
| <b>(x) Purchase of Land &amp; Building</b>                  |                                     |                                     |
| Kapedome Enterprises Limited                                | 233.33                              | -                                   |
| <b>(xi) Preference dividend</b>                             |                                     |                                     |
| Kapedome Enterprises Limited                                | -                                   | 394.81                              |
| Mr. Jagesh Kumar Khaitan                                    | -                                   | 15.79                               |
| Mr. Pavan Khaitan                                           | -                                   | 47.38                               |
| Mrs. Aparna Khaitan                                         | -                                   | 15.79                               |
| <b>(xii) Equity Dividend</b>                                |                                     |                                     |
| Kapedome Enterprises Limited                                | 1,741.14                            | 1,741.14                            |
| Mr. Jagesh Kumar Khaitan                                    | 43.53                               | 43.53                               |
| Mrs. Usha Khaitan                                           | 3.85                                | 3.85                                |
| Mr. Pavan Khaitan                                           | 44.18                               | 44.18                               |
| Mrs. Aparna Khaitan                                         | 7.82                                | 7.82                                |
| <b>(xiii) Redemption of Preference Shares</b>               |                                     |                                     |
| Kapedome Enterprises Limited                                | -                                   | 2,500.00                            |
| Mr. Jagesh Kumar Khaitan                                    | -                                   | 100.00                              |
| Mr. Pavan Khaitan                                           | -                                   | 300.00                              |
| Mrs. Aparna Khaitan                                         | -                                   | 100.00                              |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## D. Outstanding Balances

| Particulars                                   | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|-----------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Unsecured loans</b>                        |                                     |                                     |
| Fixed Deposits                                |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                      | 248.00                              | 220.40                              |
| Mrs. Shashi Khaitan                           | 100.00                              | 100.00                              |
| Ms. Deeksha Khaitan                           | 55.00                               | 55.00                               |
| Ms. Malavika Khaitan                          | 49.00                               | 49.00                               |
| Mrs. Abha Khaitan                             | -                                   | 250.00                              |
| Mr. Drishinder Singh Sandhawalia              | -                                   | 39.09                               |
| Mrs. Simran Sandhawalia                       | -                                   | 42.77                               |
| Mrs. Kushal Pal Sandhawalia                   | -                                   | 35.19                               |
| Mrs. Usha Khaitan                             | 101.50                              | 101.50                              |
| Mrs. Aparna Khaitan                           | 100.00                              | 100.00                              |
| <b>Loans from related parties (unsecured)</b> |                                     |                                     |
| Mr. Jagesh Kumar Khaitan                      | 63.00                               | 63.00                               |
| Mrs. Usha Khaitan                             | 42.00                               | 42.00                               |
| M/S Kapedome Enterprises Limited              | 2,100.00                            | 2,006.00                            |

## E. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash. Transactions relating to dividend are on the same terms and conditions that are offered to other shareholders.

## 40 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.

## 41 Dividends

The following dividends were declared and paid by the Company:

| Particulars                                                   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------------------------------------|------------------------|------------------------|
| ₹3/- per equity share (31 March 2024: ₹ 3/- per equity share) | 2,617.91               | 2,617.91               |
|                                                               | <b>2,617.91</b>        | <b>2,617.91</b>        |

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<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------------------------------------|------------------------|------------------------|
| ₹3/- per equity share (31 March 2024: ₹ 3/- per equity share) | 2,617.91               | 2,617.91               |
|                                                               | <b>2,617.91</b>        | <b>2,617.91</b>        |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

**42** 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 2025 and the year ended 31 March 2024.

**(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 2024-25 beyond the stipulated period.

**(vii) Compliance with number of layers of companies**

No layers of companies has been established beyond the limit prescribed as per above said section / rules.

**(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 |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

## (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 36 A(i)].

## (xi) Details of Crypto Currency or Virtual Currency

| Particulars                                                                                                        | 31-March-25                         | 31-March-24                         |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 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

| Particulars                                                             | Numerator                                                                | Denominator                                                 | FY 24-25 | FY 23-24 | % Change | Reason for Change*                                                                                                                                                                     |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------|----------|----------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Ratio (in times)                                                | Current Assets                                                           | Current Liabilities                                         | 0.83     | 1.02     | -18%     |                                                                                                                                                                                        |
| Current Ratio (in times)-without considering current maturity of debts. | Current Assets                                                           | Current Liabilities excluding current maturity of debts     | 1.47     | 1.63     | -10%     |                                                                                                                                                                                        |
| Debt Equity Ratio (in times)                                            | Total Debt                                                               | Shareholder's Equity                                        | 0.54     | 0.46     | 18%      |                                                                                                                                                                                        |
| 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 | 1.50     | 2.97     | -49%     | Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 13-14% during last year. However, EBIDTA margin slippage is only by 5.5% on YoY basis |
| Return on Net Worth (%)                                                 | Net Profits after taxes                                                  | Average Shareholder's Equity                                | 9.86     | 17.59    | -44%     | Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 13-14% during last year. However, EBIDTA margin slippage is only by 5.5% on YoY basis |
| Inventory Turnover (in times)                                           | Cost of goods sold                                                       | Average Inventory                                           | 6.02     | 7.18     | -16%     |                                                                                                                                                                                        |
| Trade receivables turnover (in times)                                   | Net credit sales = Gross credit sales - sales return                     | Average Trade Receivable                                    | 33.70    | 42.86    | -21%     |                                                                                                                                                                                        |
| Trade payables turnover (in times)                                      | Net credit purchases = Gross credit purchases - purchase return          | Average Trade Payables                                      | 17.37    | 20.48    | -15%     |                                                                                                                                                                                        |

# Notes to the Financial Statements

for the year ended 31 March 2025

(₹ in Lakhs, unless otherwise stated)

| Particulars                     | Numerator                              | Denominator                                                                                           | FY 24-25 | FY 23-24 | % Change | Reason for Change*                                                                                                                                                                     |
|---------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------|----------|----------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Net capital turnover (in times) | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities excluding current maturities of long term debt | 12.71    | 10.22    | 24%      |                                                                                                                                                                                        |
| Net Profit Margin (%)           | Net Profit                             | Net sales = Total sales - sales return                                                                | 10.42    | 15.19    | -31%     | Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 13-14% during last year. However, EBIDTA margin slippage is only by 5.5% on YoY basis |
| Return on capital employed (%)  | Earnings before interest and taxes     | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability                           | 9.66     | 16.35    | -41%     | Decline in Profitability on YoY basis due to decline in net sales realisation per MT of paper by 13-14% during last year. However, EBIDTA margin slippage is only by 5.5% on YoY basis |
| Return on Investment (Equity)   |                                        |                                                                                                       | NA       | NA       | NA       |                                                                                                                                                                                        |

\*Reasons are given in case where variation are 25% or more.

**43** 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

For and on behalf of the Board of Directors of  
**Kquantum Papers Limited**

**Jagesh Kumar Khaitan**  
Chairman  
DIN - 00026264

**Pavan Khaitan**  
VC & Managing Director  
DIN - 00026256

**Atul Bagla**  
Partner  
M.No. 91885  
Place : Chandigarh  
Dated: 20th May 2025

**Vikram Kumar Khaitan**  
Chief Financial Officer  
  
Place : Chandigarh  
Dated: 20th May 2025

**Gurinder Makkar**  
Company Secretary

Place : Chandigarh  
Dated: 20th May 2025

## Notes

[illegible]

## Notes

[illegible]

## Notes

[illegible]





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## *Kuantum Papers Ltd*

**Regd Office:**

Paper Mill Saila Khurd 144 529  
Distt Hoshiarpur Punjab

**CIN:** L21012PB1997PLC035243

**Ph.:** 01884-502737

**Fax:** 01884-502700

**Email:** [kuantumcorp@kuantumpapers.com](mailto:kuantumcorp@kuantumpapers.com)

**Website:** [www.kuantumpapers.com](http://www.kuantumpapers.com)

## NOTICE

Notice is hereby given that 28<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company will be held on **Friday, the 29<sup>th</sup> day of August, 2025 at 11.30 a.m.**, through Video-Conferencing ("VC") or Other Audio Visual Means ("OAVM"), to transact the following business:-

### ORDINARY BUSINESS

#### ITEM NO. 1

##### ADOPTION OF FINANCIAL STATEMENTS

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"Resolved that** the Audited Financial Statements including the Balance Sheet of the Company as at March 31, 2025, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors' and Auditors' Reports thereon, as circulated to the Members, be and are hereby considered and adopted."

#### ITEM NO. 2

##### DECLARATION OF DIVIDEND FOR FINANCIAL YEAR 2024-25, ON EQUITY SHARES

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"Resolved that** a Dividend of Rs. 3/- (i.e. @ 300%) per equity share of face value of Re. 1/- each, as recommended by the Board of Directors of the Company for the financial year 2024-25, be and is hereby declared and the same be paid to the eligible members of the Company as per the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015."

#### ITEM NO. 3

##### APPOINTMENT OF SHRI JAGESH KUMAR KHAITAN (DIN: 00026264), DIRECTOR RETIRING BY ROTATION

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"Resolved that** Shri Jagesh Kumar Khaitan (DIN: 00026264), Director, who retires by rotation, be and is hereby reappointed as Director of the Company".

#### ITEM NO. 4

##### RE-APPOINTMENT OF M/S O P BAGLA & CO. LLP, CHARTERED ACCOUNTANTS, (FIRM REGISTRATION NO. 000018N/N500091), AS THE STATUTORY AUDITORS OF THE COMPANY

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**

**“Resolved that** pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) and pursuant to recommendation of the Audit Committee and Board of Directors, approval of the Members be and is hereby accorded to the re-appointment of M/s O P Bagla & Co. LLP, Chartered Accountants, (Firm Registration No. 000018N/N500091), as Statutory Auditors of the Company, for a second term of five consecutive years commencing from the Company's financial year 2025-26, to hold office from the conclusion of the 28th Annual General Meeting of the Company till the conclusion of the 33rd Annual General Meeting to be held in year 2030, on such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors (which the term shall include any Committee duly constituted by the Board ) and the Statutory Auditors.

**Resolved further that** the Board or any duly constituted Committee of the Board, be and is hereby authorised to revise/ alter/ modify/ amend the terms and conditions and/ or remuneration, from time to time, as may be mutually agreed with the Auditors, during the tenure of their appointment to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

## **SPECIAL BUSINESS**

### **ITEM NO. 5**

#### **RATIFICATION AND APPROVAL OF REMUNERATION PAYABLE TO COST AUDITORS**

To consider and if thought fit, to pass the following Resolution as **Ordinary Resolution**:

**“Resolved that** pursuant to Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and other applicable provisions if any, the payment of remuneration of Rs. 2,00,000/- (Rupees Two Lakhs) only plus GST and reimbursement of actual out of pocket expenses, if any, to M/s R.J. Goel & Co., Cost Accountants, Delhi (Firm Registration No. 000026), who were appointed as Cost Auditors by the Board of Directors for carrying out Cost Audit of the Company for the financial year 2025-26, be and is hereby approved, confirmed and ratified.”

### **ITEM NO. 6**

#### **APPOINTMENT OF M/S S.K. SIKKA & ASSOCIATES, COMPANY SECRETARIES, AS SECRETARIAL AUDITORS OF THE COMPANY FOR A TERM OF 5(FIVE) CONSECUTIVE YEARS**

To consider and if thought fit, to pass the following Resolution as **Ordinary Resolution**:

**“Resolved that** pursuant to the provisions of Regulation 24A and other applicable provisions of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 204 and other applicable provisions of the Companies Act, 2013, if any and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and

(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to receipt of such other approvals, consents and permissions as may be required, approval of the Members be and is hereby accorded to the appointment of M/s S.K. Sikka & Associates, Company Secretaries, (Prop. Shri Sushil K Sikka CP 3582), Chandigarh, as Secretarial Auditors of the Company for a term of upto 5(Five) consecutive years, to hold office from the conclusion of 28<sup>th</sup> Annual General Meeting ('AGM') till the conclusion of 33<sup>rd</sup> AGM of the Company to be held in the Year 2030, at a remuneration to be fixed by the Board of Directors of the Company or any Committee of the Board of Directors ('the Board').

**Resolved further that** the Board or any duly constituted Committee of the Board, be and is hereby authorised to revise/ alter/ modify/ amend the terms and conditions and/ or remuneration, from time to time, as may be mutually agreed with the Secretarial Auditors, during the tenure of their appointment to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

#### ITEM NO. 7

#### **RE-APPOINTMENT OF SHRI JAGESH KUMAR KHAITAN (DIN NO. 00026264) AS CHAIRMAN FOR A PERIOD OF THREE YEARS**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"Resolved that** pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 ("the Act") and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act (including any amendment and/or re-enactment thereof, for the time being in force) and applicable regulations of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations"), and subject to such other approval(s)/ permissions/ sanctions of the Statutory Authorities, as may be necessary, and pursuant to recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Jagesh Kumar Khaitan (DIN No. 00026264) as Chairman of the Company, for a period of three years commencing from 17<sup>th</sup> July, 2025, liable to retire by rotation, on such terms and conditions including remuneration, commission and perks as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (which includes a duly constituted Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration in such manner as may be mutually agreed between the Board and Shri Jagesh Kumar Khaitan in accordance with the provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification or re-enactment /amendment thereto at any time/from time to time).

**Resolved further that** the approval of the Members of the Company be and is hereby accorded for payment of the remuneration and perquisites within the limits as set out in Notice/Explanatory Statement, to Shri Jagesh Kumar Khaitan (DIN No. 00026264), Chairman during his tenure for any financial year(s) as Minimum Remuneration

notwithstanding any loss or inadequacy of profits, during such financial year(s) subject to such compliances and approvals as may be required under Companies Act, 2013 read with Schedule V thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Resolved further that** the Board of Directors of the Company (including any committee/official authorized by the Board of Directors for this purpose) be and is hereby authorized to increase, vary or amend the remuneration (within the allocated grades) including salary, allowances, perquisites and benefits, minimum remuneration and other terms of his appointment, from time to time, as deemed expedient or necessary.

**Resolved further that** the Board of Directors of the Company (including any committee/official authorized by the Board of Directors for this purpose) be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary proper or expedient in order to give effect to the above resolution and for matters connected therewith or incidental thereto.”

#### **ITEM NO. 8**

#### **TO APPROVE THE REVISION IN TERMS AND PAYMENT OF THE MANAGERIAL REMUNERATION TO SHRI PAVAN KHAITAN (DIN: 00026256), VICE CHAIRMAN & MANAGING DIRECTOR**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“Resolved that** in partial modification of the Special Resolution passed by the Shareholders of the Company through Postal Ballot on 25<sup>th</sup> May, 2024, pursuant to the provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act (including any amendment and/or re-enactment thereof, for the time being in force) and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (‘Listing Regulations’), and subject to such other approval(s)/ permissions/ sanctions of the Statutory Authorities, as may be necessary, pursuant to recommendation of the Nomination and Remuneration Committee and recommendation of Board of Directors, the approval of Members of the Company be and is hereby accorded to the revision in remuneration, commission and perks and terms and conditions of appointment of Shri Pavan Khaitan (DIN: 00026256), Vice Chairman and Managing Director, w.e.f. 01<sup>st</sup> April, 2025 upto 31<sup>st</sup> March, 2027, as set out in the Explanatory Statement annexed to this Notice.

**Resolved further that** the approval of the Members of the Company be and is hereby accorded for payment of the remuneration and perquisites within the limits as set out in Notice/Explanatory Statement, to Shri Pavan Khaitan (DIN No.00026256), Vice Chairman & Managing Director during his remaining tenure for any financial year(s) as Minimum Remuneration notwithstanding any loss or inadequacy of profits, during such financial year(s) subject to such compliances and approvals as may be required under Companies

Act, 2013 read with Schedule V thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Resolved further that** with the payment of Remuneration as above to Shri Pavan Khaitan, Vice Chairman and Managing Director, the remuneration of other Whole Time / Executive Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

**Resolved further that** the Board of Directors of the Company (including any committee/official authorized by the Board of Directors for this purpose) be and is hereby authorized to increase, vary or amend the remuneration (within the allocated grades) including salary, allowances, perquisites and benefits, minimum remuneration and other terms of his appointment, from time to time, as deemed expedient or necessary.

**Resolved further that** the Board of Directors of the Company (including any committee/official authorized by the Board of Directors for this purpose) be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary proper or expedient in order to give effect to the above resolution and for matters connected therewith or incidental thereto.”

#### ITEM NO. 9

#### **APPROVAL TO ADVANCE ANY LOAN / GIVE GUARANTEE / PROVIDE SECURITY U/S 185 OF THE COMPANIES ACT, 2013:**

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

**“Resolved that** pursuant to the provisions of Section 185 and other applicable provisions, if any of the Companies Act, 2013 (“Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorised by the Board to exercise its powers, including the powers conferred by this Resolution), for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company whether existing or proposed to be incorporated, or any other person in which any of the Directors of the Company is deemed to be interested in the manner as specified in the explanation to sub-section 2 of section 185 of the Act (collectively referred to as the “Entities”), of an aggregate amount not exceeding Rs. 75 Crores (Rupees Seventy Five Crores Only), in its absolute discretion deem beneficial and in the best interest of the Company.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to negotiate, finalise and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all

necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

**By the Order of Board of Directors  
For Kuantum Papers Limited**

Place : Chandigarh  
Date : 20<sup>th</sup> May, 2025

**Sd/-  
Gurinder Singh Makkar  
Company Secretary  
M.No.: F5124**

## NOTES:

1. The Ministry of Corporate Affairs ('MCA') vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 10/2022, 09/2023 and 09/2024 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, December 28, 2022, September 25, 2023 and September 19, 2024 respectively ('MCA Circulars'), had permitted to hold AGM through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI and MCA Circulars, 28<sup>th</sup> AGM of the Company is being held through VC/OAVM facility which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM. The detailed procedure for participating in the Meeting through VC/OAVM is annexed herewith.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), setting out the material facts for each item of special business of the Notice is annexed hereto. The relevant details, pursuant to Regulation 26 (4) and 36 (3) of the SEBI LODR and Secretarial Standard -2 on General Meetings issued by the Institute of Companies Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed herewith.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE ANNUAL GENERAL MEETING AND HENCE THE PROXY FORM AND ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED TO THE NOTICE.**

However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [sikkasushil@gmail.com](mailto:sikkasushil@gmail.com) with a copy marked to the Company at [gurindermakkar@kquantumpapers.com](mailto:gurindermakkar@kquantumpapers.com) and [evoting@nsdl.com](mailto:evoting@nsdl.com)

4. The Record date for the purpose of Dividend and the cut off date for reckoning the voting rights of the shareholders for purpose of AGM is 22<sup>nd</sup> August, 2025.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Members can attend and participate in the Annual General Meeting through VC/OAVM only.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In compliance with the aforesaid MCA Circulars and SEBI Circular Nos. SEBI Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2022/62, SEBI/HO/CFD/

## Notice of 28<sup>th</sup> AGM

PoD-2/P/CIR/2023/4, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated May 12, 2020, May 13, 2022, January 5, 2023, October 7, 2023 and October 3, 2024 respectively and further pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations read with SEBI circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7 October 2023, the Notice of the Annual General Meeting along with the Annual Report for the financial year 2024-25 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories/RTAs. The Notice of the AGM along with the Annual Report 2024-25 has been uploaded on the website of the Company at [www.kuantumpapers.com](http://www.kuantumpapers.com) in accordance with the aforesaid MCA Circulars and circulars issued by SEBI. The Notice is also available on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and at NSE at [www.nseindia.com](http://www.nseindia.com). the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). For members who have not registered their email ids so far, are requested to register their email ids for receiving all communications including Annual Report, Notices from the Company electronically.

8. SEBI 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](http://www.kuantumpapers.com). Any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated 24th January, 2022 and March 16, 2023, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and to avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.

Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of the shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13 to the RTA. Further, Members desirous of cancelling/varying their earlier nomination (pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014), are requested to send their requests in Form No. SH-14 to the RTA. These forms will be made available on request.

All of above required documents/details to be sent to RTA Mas Services Limited, T-34 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi 110020. The shareholders can download the forms mentioned in SEBI circulars from the website of RTA i.e. [www.masserv.com](http://www.masserv.com) & Company website <https://www.kuantumpapers.com>.

9. SEBI vide circular nos. SEBI/HO/OIAE/OIAE\_IAD- 1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/ OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023 read with master circular no. SEBI/HO/ OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated August 11, 2023, had issued guidelines towards an additional mechanism for investors to resolve their grievances by way of Online Dispute Resolution ('ODR') through a common ODR portal. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievance with the Company/its Registrar and Share Transfer Agent directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>). Details in respect of the same are also available on website of the Company at [www.kuantumpapers.com](http://www.kuantumpapers.com). Members can access the SEBI Circulars on the website of SEBI at <https://www.sebi.gov.in/>.

10. SEBI, vide its circular dated 3 November 2021 (subsequently amended by circulars dated 14 December 2021, 16 March 2023 and 17 November 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN, Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from 1 April 2024, only upon furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. For updation of above detail please complete form ISR-1, ISR2, SH-13 or ISR3 which can be downloaded from website of RTA i.e. [www.masserv.com](http://www.masserv.com).  
  
Further, relevant FAQs published by SEBI on its website can be viewed at the following link : [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf)
11. Pursuant to the provisions of the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at rates prescribed in the IT Act. In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), Category as per the IT Act with their Depository Participant(s) in case shares are held in demat form and in case shares are held in physical form, with the Company by sending email at [gurindermakkar@kuantumpapers.com](mailto:gurindermakkar@kuantumpapers.com). It is further informed that in case tax on dividend is deducted at a higher rate in the absence of requisite details/ documents, refund of the excess tax paid may still be claimed by shareholders at the time of filing of income tax return, However, no claim shall lie against the Company for such taxes deducted. Further, shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at Income Tax portal.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:  
  - a. For shares held in electronic form: to their Depository Participants (DPs)
  - b. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circulars.
13. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
15. The Register of Members and Share Transfer Books of the Company will remain closed from 23.08.2025 to 29.08.2025 (both days inclusive).
16. The remote e-voting period commences on Tuesday, the 26th day of August, 2025 (9.00 a.m. IST) and shall end on Thursday, the 28th day of August, 2025 (5.00 p.m. IST). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> August, 2025 may cast their vote by remote e-voting.
17. Shareholders of the Company are informed that pursuant to the provisions of the Companies Act and the relevant rules the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the 'Investor Education & Protection Fund (IEPF)' constituted by the Central Govt. Further, the shares in respect of which dividends remain unpaid/unclaimed for

- seven consecutive years, are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members/claimants are requested to claim their dividends from the Company within the stipulated timeline. Accordingly the amount of dividend which remained unpaid/unclaimed for a period of 7 years for the year 2016-17 has already been transferred to IEPF. Shareholders who have not encashed their dividend amount, for the years 2017-18, 2018-19, 2019-20, 2022-23 and 2023-24 are requested to make claim with the Registrar & Share Transfer Agent of the Company immediately. As per the IEPF Rules, the Company has uploaded the information in respect of unclaimed dividends on its website at [www.kquantumpapers.com](http://www.kquantumpapers.com). The same is also available on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).
18. Members holding shares in physical form are requested to dematerialize their holdings at the earliest.
  19. SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agent for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s). Further, the Shareholders holding shares in physical form may kindly note that SEBI, vide its various circulars has mandated that dividend shall be paid only through electronic mode with effect from 1st April, 2024 to the shareholders holding shares in physical form and those who have not updated their KYC. Hence the Shareholders are requested to update their details with Company/RTAs. Members holding shares in demat form are requested to update their bank account details with their respective Depository Participants ("DPs").
  20. Members who would like to express their views or ask questions during the Meeting may register themselves as a speaker by sending their advance request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [gurindermakkar@kquantumpapers.com](mailto:gurindermakkar@kquantumpapers.com) up to 22<sup>nd</sup> August, 2025 (5:00 p.m. IST) with regard to the financial statements or any other matter to be placed at the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The Members who do not wish to speak during the AGM but have queries may send their queries relating to financial statements or any other matter to be placed at the Meeting up to 22<sup>nd</sup> August, 2025 (5:00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number at [gurindermakkar@kquantumpapers.com](mailto:gurindermakkar@kquantumpapers.com). These queries will be replied to by the Company suitably by email. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
  21. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to CFO, atleast one week before the meeting.
  22. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.
  23. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to contact the Company/Registrar for consolidation into a single folio.
  24. **Voting through electronic means:** In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing the facility of remote e-voting to exercise votes on the items of business given in the Notice.

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period commences on Tuesday, the 26<sup>th</sup> day of August, 2025 (9.00 a.m. IST) and shall end on Thursday, the 28<sup>th</sup> day of August, 2025 (5.00 p.m. IST). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> August, 2025 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22<sup>nd</sup> August, 2025.

### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

#### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

| Type of shareholders                                                | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |

|                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                    | <ol style="list-style-type: none"> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>                                                                                     |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi /Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol> |

|                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type                                                         | Helpdesk details                                                                                                                                                                                                           |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000                                            |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911 |

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:                                                                                                                                              |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12***** then your user ID is 12*****                                                     |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br><br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sikkasushil@gmail.com](mailto:sikkasushil@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an

- event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 4886 7000 or send a request to Mr. Amit Vishal at [evoting@nsdl.com](mailto:evoting@nsdl.com).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please send ISR-1, SH-13 and ISR2 (if signature not matched with our record) to RTA i.e. Mas Services Limited, T-34 2nd Floor, Okhla Industrial Area Phase-II, New Delhi-110020. (form can be download from [www.masserv.com](http://www.masserv.com) website)
2. In case shares are held in demat mode, please update your email id with your DP and generate password as per instructions given above under e-voting instructions.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM / AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [kuantumcorp@kuantumpapers.com](mailto:kuantumcorp@kuantumpapers.com) . The same will be replied by the Company suitably.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 4

The Members of the Company, at the 23<sup>rd</sup> Annual General Meeting of the Company held on 7th August 2020, had approved the appointment of M/s O P Bagla & Co. LLP, Chartered Accountants, (Firm Registration No. 000018N/N500091), as the Statutory Auditors of the Company to hold office from the conclusion of 23<sup>rd</sup> Annual General Meeting of the Company till the conclusion of the 28<sup>th</sup> Annual General Meeting to be held in the year 2025. Their present tenure is upto the conclusion of ensuing Annual General Meeting. In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than 2 (two) terms of 5 (five) consecutive years. M/s O P Bagla & Co. LLP, Chartered Accountants is eligible for reappointment for a further period of five years.

#### **Brief Profile of Auditors:**

M/s O P Bagla & Co. LLP ("the Firm") is a Limited Liability Partnership Firm incorporated in India and is a firm of experienced Chartered Accountants registered with the Institute of Chartered Accountants of India ("ICAI") with Registration No. 000018N/N500091, and Peer Review No. 019272.

The Firm was initially founded in 1967 and it has vast experience of more than 57 years in Statutory Audits, Internal Audits, System Audits, Management Audits, Due Diligence, Concurrent Audit, Financial Reporting, Financial Accounting, Direct taxation, International taxation, Transfer pricing and Corporate laws.

The Firm has a large and diverse client base spread all over the country and overseas engaged in various business activities i.e. from retail business house to large industrial undertakings which are well known in the country. The firm has expertise in direct and indirect taxation work including representation before Assessing Officer, CIT (Appeals) and I.T.A.T. etc.

After taking into consideration several factors which includes independence of the auditors, experience in the industry, competency of the audit team, efficiency in conduct of audit and other factors, the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the reappointment of M/s O P Bagla & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of 28<sup>th</sup> AGM till the conclusion of 33<sup>rd</sup> AGM of the Company to be held in the year 2030. The Company has received consent cum eligibility certificate from M/s O P Bagla & Co. LLP, Chartered Accountants, confirming that the reappointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be reappointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder.

The said Firm has also provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

Pursuant to Regulation 36(5) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby informed that for the Financial Year 2025-26, they shall be paid a remuneration of Rs. 18 Lakhs (Rs. Eighteen Lakhs) only plus applicable taxes and out-of-pocket expense. For next financial year, the remuneration shall be such as may be mutually agreed upon between the Board of Directors (which the term shall include any Committee duly constituted by the Board ) and the Statutory Auditors. There is no material change in the fees considering the size of the Company. Considering the size of the operations of the Company, scope of services and experience, profile and calibre of the proposed Auditors, the fees is reasonable and is commensurate with the experience and scope of work. The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmark. Considering the above factors into account, the Board has recommended their appointment for a second term of five consecutive years, as Statutory Auditors of the Company, for approval of the Members by way of Ordinary Resolution.

Besides the audit services, the Company may also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by customers, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board or Audit Committee.

None of the Directors, Key Managerial Personnel or their relatives, are concerned or interested, in the resolution at Item No. 4 of this Notice.

The Board recommends passing of the resolution at Item No. 4 as an Ordinary Resolution.

#### **ITEM NO. 5**

#### **RATIFICATION AND APPROVAL OF REMUNERATION PAYABLE TO COST AUDITORS**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 ("the Act"), read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to have the audit of its cost records conducted by a cost accountant in practice. The Board of Directors of the Company, on the recommendation of the Audit Committee, had considered and approved the appointment of M/s R.J. Goel & Co., Cost Accountants, Delhi (Firm Registration No. 000026), who were eligible for being appointed as Cost Auditors of the Company for the financial year 2025-26 as Cost Auditor of the Company, at a remuneration of Rs. 2,00,000/- (Rupees Two Lakhs) only plus GST and reimbursement of actual out of pocket expenses, if any, incurred by them in connection with the audit. In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

M/s R.J. Goel & Co., Cost Accountants, Delhi (Firm Registration No. 000026) have the necessary experience in the field of cost audit and they have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification and approval of the remuneration payable to the Cost Auditor for the financial year 2025-26.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5

The Board recommends the resolution for the approval of the members set out at Item No. 5 as Ordinary Resolution.

#### **ITEM NO. 6**

#### **APPOINTMENT OF M/S S.K. SIKKA & ASSOCIATES, COMPANY SECRETARIES, AS SECRETARIAL AUDITORS OF THE COMPANY FOR A TERM OF 5(FIVE) CONSECUTIVE YEARS**

Pursuant to the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 ('Act') read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on 29<sup>th</sup> May, 2025, have approved and recommended the appointment of M/s S.K. Sikka & Associates, Company Secretaries, (Prop. Shri Sushil K Sikka, C.P. 3582), Peer Reviewed Company Secretaries in Practice as Secretarial Auditors of the Company for a term of upto 5(Five) consecutive years to hold office from the conclusion of this 28<sup>th</sup> Annual General Meeting ('AGM') till the conclusion of 33<sup>rd</sup> AGM of the Company to be held in the Year 2030. Other details in terms of Regulation 36(5) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

- a. **Term of appointment:** Upto 5(Five) consecutive years from the conclusion of this 28<sup>th</sup> AGM till the conclusion of 33<sup>rd</sup> AGM.
- b. **Proposed Fees:** Fee of Rs. 2,00,000/- (Rupees Two Lakhs) plus applicable taxes and other out-of-pocket expenses in connection with the secretarial audit for Financial Year ending 31<sup>st</sup> March, 2026 and for subsequent year(s) of their term, such fee as determined by the Board, on recommendation of Audit Committee. The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmark. The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as above and will be determined by the Board in consultation with the Secretarial Auditors and as per the recommendations of the Audit Committee.

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#### **Notice of 28<sup>th</sup> AGM**

- c. **Basis of recommendations:** The recommendations are based on the fulfilment of the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and SEBI Listing Regulations with regard to the full time partners, secretarial audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past.
- d. **Credentials and Brief Profile :** M/s S.K. Sikka & Associates, Company Secretaries, (Prop. Shri Sushil K Sikka, C.P. 3582), is a sole proprietorship firm registered as a Practicing Company Secretaries with the Institute of Company Secretaries of India (ICSI) since January, 2001.

It has immense knowledge and experience in dealing with matters relating to Company Law, Securities Laws, Legal Due Diligence, and Capital Market Transactions.

S K Sikka & Associates' key offerings other than Secretarial Audit functions also include setting up companies, approvals from all the government departments including approvals from the Registrar of Companies, Regional Director-Ministry of Corporate Affairs, Foreign Investment Promotion Board (FIPB)-Secretariat of Industrial Approvals (SIA), Reserve Bank of India (RBI), Foreign Exchange Regulations.

M/s S.K. Sikka & Associates also holds a valid Peer Review Certificate. M/s S.K. Sikka & Associates have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and SEBI LODR Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI LODR Regulations.

Besides the secretarial audit services, the Company may also obtain certifications from them under various statutory regulations and certifications required by customers, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board or Audit Committee

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends the resolution set out at Item No. 6 for approval of the Members as an Ordinary Resolution.

**ITEM NO. 7****RE-APPOINTMENT OF SHRI JAGESH KUMAR KHAITAN (DIN NO. 00026264) AS CHAIRMAN FOR A PERIOD OF THREE YEARS**

The Members of the Company, vide Special Resolution passed at the 23<sup>rd</sup> Annual General Meeting held on 07<sup>th</sup> August, 2020, had appointed Shri Jagesh Kumar Khaitan as Chairman of the Company w.e.f. 17<sup>th</sup> July 2020 for a period of five years, pursuant to the provisions of Section 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 and also approved his remuneration and terms and conditions of appointment. The present term of Shri Jagesh Kumar Khaitan is upto 16<sup>th</sup> July, 2025.

On the recommendations of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company ("Board") has, at its meeting held on 29.05.2025, approved the re-appointment of Shri Jagesh Kumar Khaitan (DIN: 00026264) as the Chairman for a further period of three years with effect from 17<sup>th</sup> July, 2025, subject to the approval of the members by way of Special Resolution, on the terms of remuneration given below:

**(1) Salary**

Basic Salary @ Rs. 8,80,000/- (Rupees Eight Lakhs Eighty Thousand Only) per month in the grade of Rs. 8,80,000/- -- 55,000/- – 9,90,000/- per month.

**(2) Perquisites and allowances**

- i) The Chairman shall also be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof subject to a ceiling of 60% of the salary, reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, medical reimbursement for self and dependent family, medical accident/Keyman Insurance, company maintained car, telephone, leave travel concession for self and family, club membership subject to maximum of two clubs and such other benefits/amenities and other privileges as may from time to time be available to other executives, such perquisites and allowances will be restricted to an amount equal to the annual salary. The expenses in connection with the spouse accompanying Chairman while on business tours in India and Abroad to be borne by the company.
- ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of such Rules, perquisites and allowances shall be evaluated at actual cost.
- iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

### (3) Commission

The Chairman shall be entitled to commission in addition to the salary, perquisites and allowances, as mentioned above, calculated with reference to the profits of the Company earned during a particular financial year as may be determined by the Board of Directors subject to the same not exceeding an amount calculated at the rate of 2.5% (two and half percent) of the profits calculated as per Section 198 of the Companies Act, 2013, as may be decided by the Board (including a Committee thereof) as payable from time to time as per performance of the Company and executive directors and the same shall be payable on quarterly/half yearly or yearly basis as may be determined by the Board or a Committee thereof.

(4) Shri Jagesh Kumar Khaitan will not be entitled to sitting fee for attending meetings of the Board or Committee(s) thereof.

(5) Shri Jagesh Kumar Khaitan shall be liable to retire by rotation.

The approval of Members by way of Special Resolution is being sought to pay above-stated remuneration and perks (excluding retiral benefit etc. as provided in Schedule V of the Act for exclusion) to Shri Jagesh Kumar Khaitan, Chairman, as minimum remuneration, even in the event of inadequacy of profits or no profits in the Company, if any, for that financial year, in which there is inadequacy or absence of profits, during the period of his tenure, as permissible through a special resolution as prescribed under Section II of Part II of Schedule V of the Act (as amended/modified from time to time, for the time being in force), subject to such compliances and approvals as may be required under Companies Act, 2013 read with Schedule V thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Approval of the members is also sought by passing of special resolution pursuant to Regulation 17(6)(e) of the Listing Regulations. Also, as Shri Jagesh Kumar Khaitan has already attained the age of 70 years, pursuant to Section 196(3)(a) of the Companies Act, 2013 the resolution which is being proposed to the shareholders is special Resolution.

The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment/re-appointment of Shri Jagesh Kumar Khaitan as an executive Chairman of the Company.

Further, the Company has received his consent to act as a Director & Key Managerial Personnel (KMP) in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (the Rules), Intimation in Form DIR-8 in terms of the Rules to the effect that he is not disqualified under the provisions of Section 164(2) of the Act. Shri Jagesh Kumar Khaitan has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

In terms of Regulation 17(1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, With effect from April 1, 2024, the continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be.

**Justification for reappointment of Shri Jagesh Kumar Khaitan as Chairman of the Company after attaining the age of 70 years and brief profile:**

Sh. Jagesh Kumar Khaitan, aged 80 years, a Graduate with Marketing Management and Strategic Management courses from IIM, Ahmedabad, has been associated with the edible oil industry/paper industry for the last 55 years and has been the Chairman of Kquantum Papers Ltd. since 17th July 2010.

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

He has been on the Board of Directors of various reputed companies. He has been conferred the honour of "Legend" by Globe Oil India in recognition of his services and contribution to edible oil industry. Also he was the recipient of a prestigious award 'UDYOG RATNA' honored by PHD Chamber of Commerce & Industry given by the then Chief Minister of Punjab, in the year 2005, towards his excellent and dedicated contribution to the State of Punjab through the industry. He has to his credit vast experience, in the fields of paper industry, production, marketing, fund management and governance.

His vast experience and knowledge is coming to the aid and benefit of the Company. His astute direction adds value to the operations and helps in formulating the policies of the Company. He has 55 years of varied experience and in view of his contribution to the organization, he would be undoubtedly an asset for the organization in future also. Considering the vast experience and contribution made by Shri Jagesh Kumar Khaitan, the Board recommends his re-appointment as a Chairman of the Company for a period of three years w.e.f. 17<sup>th</sup> July, 2025, for approval of shareholders of the Company by way of Special Resolution.

**Information about Shri Jagesh Kumar Khaitan, as required under Section II of Part II of Schedule V of the Act:**

| <b>I. General Information</b>                                                                                                                       |                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Nature of industry                                                                                                                                  | Manufacture of agro and wood-based Writing & Printing, Copier and Specialty Papers. |
| Date or expected date of commencement of commercial production                                                                                      | Not Applicable (The Company is an existing company)                                 |
| In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable                                                                      |

|                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                          |             |             |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------|-------------|
| Financial performance based on given indicators (As per Audited Financial Statements) | (Rs. In Lakhs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                          |             |             |
|                                                                                       | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2024-25                                                                                  | 2023-24     | 2022-23     |
|                                                                                       | Sales & other income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1,11,312.38                                                                              | 1,21,693.66 | 1,31,316.26 |
|                                                                                       | Profits Before Taxes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 15,537.79                                                                                | 24,761.06   | 20,296.29   |
|                                                                                       | Net Profit (Loss) after tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 11,518.08                                                                                | 18,382.57   | 13,615.18   |
| Foreign investments or collaborations, if any                                         | The Company has not entered into any material Foreign collaboration and no direct capital investment has been made in the Company. Foreign Investors, mainly comprising NRIs, FIIs and/or Foreign Nationals are investors in the Company on account of past issuances of securities/secondary market purchases. The Company has one Indian holding Company viz. Kapedome Enterprises Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                          |             |             |
| II. Information about the appointee                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                          |             |             |
| Background details                                                                    | Name and Designation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Shri Jagesh Kumar Khaitan, Chairman                                                      |             |             |
|                                                                                       | Date of Birth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10.02.1945                                                                               |             |             |
|                                                                                       | Father's Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Shri Tulsi Parshad Khaitan                                                               |             |             |
|                                                                                       | Nationality                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Indian                                                                                   |             |             |
|                                                                                       | Qualifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Graduate with Marketing Management and Strategic Management courses from IIM, Ahmedabad. |             |             |
| Past remuneration                                                                     | 2024-25- Rs. 2,19,01,529/-<br>2023-24- Rs. 2,48,42,686/-<br>2022-23-Rs. 2,42,90,706/-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                          |             |             |
| Recognition or awards                                                                 | Recipient of a prestigious award 'UDYOG RATNA' honored by PHD Chamber of Commerce & Industry given by the then Chief Minister of Punjab, in the year 2005.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                          |             |             |
| Job profile and his suitability                                                       | <p>Sh. Jagesh Kumar Khaitan, aged 80 years, a Graduate with Marketing Management and Strategic Management courses from IIM, Ahmedabad, has been associated with the edible oil industry/paper industry for the last 55 years and has been the Chairman of Kuantum Papers Ltd. since 17th July 2010.</p> <p>Shri Jagesh Kumar Khaitan was also an active member of American Oils Chemists' Society, USA and also associated with various trade associations and Chamber of Commerce &amp; Industry and is member of Managing Committee of PHD Chamber of Commerce &amp; Industry. He has been on the Board of Directors of various reputed companies. He has been conferred the honour of "Legend" by Globe Oil India in recognition of his services and contribution to edible oil industry. Also he was the recipient of a prestigious award 'UDYOG RATNA' honored by PHD Chamber of Commerce &amp; 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. He has to his credit vast experience, in the fields of paper industry, production, marketing, fund management and governance.</p> |                                                                                          |             |             |
| Remuneration proposed                                                                 | Details of proposed remuneration are presented in the resolution and also in the statement under Section 102 of the Companies Act, 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                          |             |             |

|                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable with the industry standards for a director of similar profile.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any                                                                                               | Shri Jagesh Kumar Khaitan is Promoter Director of the Company and presently holds 14,47,580 (1.66%) equity shares in the Company. He draws remuneration from the Company. He is father of Mr. Pavan Khaitan, Vice Chairman & Managing Director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>III. Other information</b>                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Reasons of loss or inadequate profits                                                                                                                                                                               | <p>The Company is a profit making Company and for the financial year 2024-25, the Profits before Tax of the Company stood at Rs. 15,537.79 Lakhs and Net profits stood at Rs. 11,518.08. Financially, the Company is performing very well. It is expected that for current and succeeding years, the profits of the Company will continue to be adequate. The Company is influenced by general reversionary trend in the industry, government policies and unprecedented volatility in prices of raw materials, Indian Economy conditions and competition.</p> <p>The Company remains committed to generating higher returns for its stakeholders. The pivot to value added products, use of new technologies, efficient management in Sales and Marketing as well as new capabilities have helped the Company to achieve growth in recent years. The Company will continue to take actions for improvement in its performance. As a matter of abundant caution, members' approval is being sought for payment of remuneration, in the event of loss or inadequate profit in the financials, as defined in the said respective resolutions read with their explanatory statements.</p> <p>The Company sees a large headroom for growth and plans to continue investments to take advantage of the opportunity. While the investments may impact margins in the near term, these are expected to help the Company to scale its businesses and sustain growth and profitability in the long run.</p> |
| Steps taken or proposed to be taken for improvement                                                                                                                                                                 | The Company sees a large headroom for growth and will continue to take advantage of the opportunities available. The Company has taken various initiatives viz. product innovation, enhancements of production capacities and customers base, reduction of various costs, better market penetration, exploring new buyers, overseas buyers and improvement in realization etc. It is expected that the performance of Company will improve during the next financial year through initiatives taken by the Company for increasing its productivity and efficiency. The aforesaid steps taken / to be taken by the Company are expected to improve further the Company's performance and profitability in the future.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Expected increase in productivity and profits in measurable terms                                                                                                                                                   | The turnover and profitability will also improve further, but are not measurable as the same are influenced by various factors such as market prices of raw materials and cost of various inputs etc..                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>IV. Disclosures</b>                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| i. All elements of remuneration package such as salary, benefits, bonuses, stock options,                                                                                                                           | The other Information and disclosures as required under Schedule V of the Companies Act, 2013, wherever applicable is provided in the Notice / Explanatory Statements / Corporate Governance Report and / or Annexures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                                                                                                                                                                                                                                                                                                                                                        |                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| <p>pension etc. of all the directors:</p> <p>ii. Details of fixed component and performance linked incentives along with the performance criteria:</p> <p>iii. Service contracts, notice period, severance fees:</p> <p>iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable..</p> | <p>The Company has not issued any Stock Options.</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are given below. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

**Additional information on Director recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI Listing Regulation, and Secretarial Standard-2 as prescribed by the Institute of Company Secretaries of India**

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name Of Director and DIN</b>                  | <b>Shri Jagesh Kumar Khaitan</b><br><b>(DIN: 00026264)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Date of Birth/Age                                | 10.02.1945 (80 years)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Nationality                                      | Indian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Date of Appointment / Reappointment              | 17 <sup>th</sup> July, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Qualification                                    | Graduation with Marketing Management and Strategic Management courses from IIM, Ahmedabad                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Nature and Expertise in specific functional area | <p>Shri Khaitan was also an active member of American Oils Chemists' Society, USA and also associated with various trade associations and Chamber of Commerce &amp; Industry and is member of Managing Committee of PHD Chamber of Commerce &amp; Industry.</p> <p>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 '<b>UDYOG RATNA</b>' honored by PHD Chamber of Commerce &amp; Industry given by the then Chief Minister of Punjab, in the year 2005, towards his excellent and dedicated contribution to the State of Punjab through the industry. His vast experience and knowledge is coming to the aid and benefit of the Company. His astute direction adds value to the operations and helps in formulating the policies of the Company.. He has to his credit vast experience of more</p> |

|                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                 | than three decades, in the fields of paper industry, production, marketing, fund management and governance.                                                                                                                                                                                                                                    |
| Number of shares held in company                                                                                                                                                                                                                | 14,47,580 (1.66%)                                                                                                                                                                                                                                                                                                                              |
| List of Directorship and Committee membership in Listed Companies other than Kquantum Papers Limited                                                                                                                                            | Nil                                                                                                                                                                                                                                                                                                                                            |
| Terms and conditions for appointment                                                                                                                                                                                                            | In terms of Section 152(6) of the Companies Act 2013, Mr. Jagesh Kumar Khaitan is liable to retire by rotation. Further, Mr. Jagesh Kumar Khaitan is also proposed to be re-appointed as Chairman of the Company for a period of 3 years w.e.f. 17 <sup>th</sup> July, 2025 on terms and conditions contained in Notice/Explanatory Statement. |
| Remuneration last drawn                                                                                                                                                                                                                         | Details are given in this Explanatory Statement / Corporate Governance Report                                                                                                                                                                                                                                                                  |
| Details of remuneration                                                                                                                                                                                                                         | Details are given in this Explanatory Statement / Corporate Governance Report                                                                                                                                                                                                                                                                  |
| Date of first (original) Appointment on the Board                                                                                                                                                                                               | 23/06/2007                                                                                                                                                                                                                                                                                                                                     |
| No. of Meetings of Board attended during the FY 2024-25                                                                                                                                                                                         | 5                                                                                                                                                                                                                                                                                                                                              |
| Listed entities (except Kquantum Papers Limited) in which the person holds the directorship and the chairmanship / membership of committees of the board along with listed entities from which the person has resigned in the past three years. | Nil                                                                                                                                                                                                                                                                                                                                            |
| Directorships held in other companies /branches                                                                                                                                                                                                 | Kapedome Enterprises Limited, PHD Chamber of Commerce and Industry, Pinnacle Holdings Private Limited                                                                                                                                                                                                                                          |
| Memberships / Chairmanships of committees of other Companies                                                                                                                                                                                    | Nil                                                                                                                                                                                                                                                                                                                                            |
| Disclosure of relationships between Directors /KMP inter-se                                                                                                                                                                                     | Shri Jagesh Kumar Khaitan is father of Shri Pavan Khaitan, Vice Chairman & Managing Director.                                                                                                                                                                                                                                                  |

|                                                                                                                                                                                                                 |                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| List of core skills / expertise/ competencies identified by the Board and those actually available:<br>Leadership, Governance, Technology, Board Experience, Sales, marketing, Innovation, Finance, Production. | Leadership, Governance, Industry Experience, Marketing, Finance, Funds Management, Corporate Affairs, Banking, Cost Reduction, Human Resources, Supply Chain. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|

The said remuneration and other terms and conditions as set out in the said Resolution/Explanatory Statement may also be treated as an abstract of the terms of appointment of Shri Jagesh Kumar Khaitan as Chairman of the Company and a memorandum setting out terms and conditions of appointment and remuneration as required under Section 190 of the Act.

Shri Jagesh Kumar Khaitan, the proposed appointee himself is interested or concerned in the proposed resolution. Shri Pavan Khaitan being related to Shri Jagesh Kumar Khaitan, may also be deemed to be interested in the said resolution. His relatives are deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company. Save and except as above, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the said Resolution.

The Board of Directors of the Company, on recommendation made by the Nomination and Remuneration Committee has approved the re-appointment and remuneration, subject to the approval of the members. Since the Company has immensely benefited during Shri Jagesh Kumar Khaitan's tenure as Chairman, the Board recommends the resolution for his re-appointment as set out at Item No. 7 of the accompanying Notice for approval of the members of the Company by way of Special Resolution.

#### **ITEM NO. 8**

#### **TO APPROVE THE REVISION IN TERMS AND PAYMENT OF THE MANAGERIAL REMUNERATION TO SHRI PAVAN KHAITAN(DIN: 00026256),VICE CHAIRMAN & MANAGING DIRECTOR**

The Shareholders of the Company, by way of Special Resolution passed through Postal Ballot on 25<sup>th</sup> May, 2024, had appointed Shri Pavan Khaitan as Vice Chairman & Managing Director w.e.f. 01<sup>st</sup> April, 2024 for a period of three years and approved the terms and conditions and remuneration payable during this tenure.

The performance of the Company has been quite satisfactory for the financial year 2024-25, despite challenges faced by Indian Paper industry as a whole. In view of the valuable contribution made by Shri Pavan Khaitan, Vice Chairman & Managing Director, towards the sustained growth and strategic upliftment of the Company, the Board at its meeting held on 16<sup>th</sup> May, 2025, upon the recommendation of Nomination and Remuneration Committee, had approved revision in terms and conditions and remuneration of Shri Pavan Khaitan w.e.f. 01<sup>st</sup>

April, 2025 upto 31<sup>st</sup> March, 2027, subject to the approval of shareholders by way of Special Resolution.

Pursuant to Section 197(1) of the Companies Act, 2013, the total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of that company for that financial year computed in the manner laid down in section 198 of the Companies Act, 2013.

Provided that the company in general meeting may, authorise the payment of remuneration exceeding eleven per cent of the net profits of the company, subject to the provisions of Schedule V.

Further Regulation 17(6)(e) of SEBI Listing Regulations, 2015 requires a special resolution for remuneration to executive directors who are promoters or members of the promoter group in case where :

- (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

He is presently paid a remuneration by way of Basic Salary @ Rs. 20,00,000/- (Rupees Twenty Lakh Only) per month (as upto 31<sup>st</sup> March, 2025), plus HRA @ 60%, other perks, and commission on profits. The details of his remuneration for the year 2024-25 are provided in Corporate Governance Report of the Annual Report 2024-25.

The approval of Members by way of Special Resolution is proposed to be sought to pay the following proposed revised remuneration, perks (excluding retiral benefit etc. as provided in Schedule V of the Act for exclusion) and commission to Mr. Pavan Khaitan, Vice-Chairman & Managing Director, during the period of his tenure from April 1, 2025 till March 31, 2027:

#### **(1) Salary**

Basic Salary @ Rs. 30,00,000/- (Rupees Thirty Lakh Only) per month for period from 01<sup>st</sup> April, 2025 to 31<sup>st</sup> March, 2026 and Rs. 33,00,000/- (Rs. Thirty Three Lakhs only) per month for the period from 01<sup>st</sup> April, 2026 to 31<sup>st</sup> March, 2027.

#### **(2) Perquisites and allowances**

- i) The Vice Chairman & Managing Director shall also be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof subject to a ceiling of 60% of the salary, reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, medical reimbursement for self and dependent family, medical accident/Keyman Insurance, company maintained car, telephone, leave travel concession for self and family, club membership subject to maximum of two clubs and such other

benefits/amenities and other privileges as may from time to time be available to other executives, such perquisites and allowances will be restricted to an amount equal to the annual salary. The expenses in connection with the spouse accompanying Vice Chairman & Managing Director while on business tours in India and Abroad to be borne by the company.

- ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of such Rules, perquisites and allowances shall be evaluated at actual cost.
- iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

### **(3) Commission**

The Vice Chairman & Managing Director shall be entitled to commission in addition to the salary, perquisites and allowances, as mentioned above, calculated with reference to the profits of the Company earned during a particular financial year as may be determined by the Board of Directors subject to the same not exceeding an amount calculated at the rate of 2.5% (two and half percent) of the profits calculated as per Section 198 of the Companies Act, 2013, as may be decided by the Board (including a Committee thereof) as payable from time to time as per performance of the Company and executive directors and the same shall be payable on quarterly/half yearly or yearly basis as may be determined by the Board or a Committee thereof.

- (4) Shri Pavan Khaitan will not be entitled to sitting fee for attending meetings of the Board or Committee(s) thereof.
- (5) Shri Pavan Khaitan shall not be liable to retire by rotation.
- (6) All other terms and conditions of his appointment shall remain unchanged.

The approval of Members by way of Special Resolution is also proposed to be sought to pay revised remuneration, commission and perks (excluding retiral benefit etc. as provided in Schedule V of the Act for exclusion) to Mr. Pavan Khaitan, Vice-Chairman & Managing Director, as minimum remuneration, even in the event of inadequacy of profits or no profits in the Company, if any, for that financial year, in which there is inadequacy or absence of profits, during the period commencing from April 1, 2025 till March 31, 2027, as permissible through a special resolution as prescribed under Section II of Part II of Schedule V of the Act (as amended/modified from time to time, for the time being in force), subject to such compliances and approvals as may be required under Companies Act, 2013 read with Schedule V thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Approval of the members is also sought by passing of special resolution pursuant to Regulation 17(6)(e) of the Listing Regulations.

Further, subject to approval of the Shareholders, with the payment of Remuneration as above to Shri Pavan Khaitan, Vice Chairman and Managing Director, the remuneration of other Whole Time Directors and Executive Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

**Information about Shri Pavan Khaitan, as required under Section II of Part II of Schedule V of the Act:**

| I. General Information                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                           |             |             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------|-------------|
| Nature of industry                                                                                                                                  | Manufacture of agro and wood-based Writing & Printing, Copier and Specialty Papers.                                                                                                                                                                                                                                                                                                       |                                                                                                           |             |             |
| Date or expected date of commencement of commercial production                                                                                      | Not Applicable (The Company is an existing company)                                                                                                                                                                                                                                                                                                                                       |                                                                                                           |             |             |
| In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                           |             |             |
| Financial performance based on given indicators (As per Audited Financial Statements)                                                               | (Rs. In Lakhs)                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                           |             |             |
|                                                                                                                                                     | Particulars                                                                                                                                                                                                                                                                                                                                                                               | 2024-25                                                                                                   | 2023-24     | 2022-23     |
|                                                                                                                                                     | Sales & other income                                                                                                                                                                                                                                                                                                                                                                      | 1,11,312.38                                                                                               | 1,21,693.66 | 1,31,316.26 |
|                                                                                                                                                     | Profits Before Taxes                                                                                                                                                                                                                                                                                                                                                                      | 15,537.79                                                                                                 | 24,761.06   | 20,296.29   |
|                                                                                                                                                     | Net Profit (Loss) after tax                                                                                                                                                                                                                                                                                                                                                               | 11,518.08                                                                                                 | 18,382.57   | 13,615.18   |
| Foreign investments or collaborations, if any                                                                                                       | The Company has not entered into any material Foreign collaboration and no direct capital investment has been made in the Company. Foreign Investors, mainly comprising NRIs, FIIs and/or Foreign Nationals are investors in the Company on account of past issuances of securities/secondary market purchases. The Company has one Indian holding Company viz. Kapedome Enterprises Ltd. |                                                                                                           |             |             |
| II. Information about Shri Pavan Khaitan                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                           |             |             |
| Background details                                                                                                                                  | Name and Designation                                                                                                                                                                                                                                                                                                                                                                      | Shri Pavan Khaitan, Vice Chairman & Managing Director                                                     |             |             |
|                                                                                                                                                     | Date of Birth                                                                                                                                                                                                                                                                                                                                                                             | 31.05.1968                                                                                                |             |             |
|                                                                                                                                                     | Father's Name                                                                                                                                                                                                                                                                                                                                                                             | Shri Jagesh Kumar Khaitan                                                                                 |             |             |
|                                                                                                                                                     | Nationality                                                                                                                                                                                                                                                                                                                                                                               | Indian                                                                                                    |             |             |
|                                                                                                                                                     | Qualifications                                                                                                                                                                                                                                                                                                                                                                            | Shri Pavan Khaitan is a Graduate in Commerce from Panjab University and a qualified Chartered Accountant. |             |             |
| Past remuneration                                                                                                                                   | 2024-25- Rs. 5,28,70,870/-<br>2023-24- Rs. 4,50,90,339/-<br>2022-23 - Rs. 4,43,15,362/-                                                                                                                                                                                                                                                                                                   |                                                                                                           |             |             |
| Recognition or awards                                                                                                                               | IARPMA Excellence Award. IPPTA President 2024-26                                                                                                                                                                                                                                                                                                                                          |                                                                                                           |             |             |

|                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Job profile and his suitability                                                                                                                                                                                     | Mr. Pavan Khaitan, aged around 56 years is a Graduate in Commerce from Panjab University and a Chartered Accountant. He is presently Vice Chairman & Managing Director of the Company. He joined the company in 1997 and has been spearheading various initiatives that have rationalized the cost, enhanced quality, focused on specialty paper and ultimately optimizing the resources to their fullest. He has been 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 expansions, plants set up, marketing, financial management, risk management, human resources etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Remuneration proposed                                                                                                                                                                                               | Details of proposed remuneration are presented in the resolution and also in the statement under Section 102 of the Companies Act, 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable with the industry standards for a director of similar profile.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any                                                                                               | Mr. Pavan Khaitan is Promoter Director of the Company and presently holds 14,72,650 (1.69%) equity shares in the Company. He is son of Mr. Jagesh Kumar Khaitan, Chairman of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>III. Other information</b>                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Reasons of loss or inadequate profits                                                                                                                                                                               | <p>The Company is a profit making Company and for the financial year 2024-25, the Profits before Tax of the Company stood at Rs. 15,537.79 Lakhs and Net profits stood at Rs. 11,518.08 Lakhs. Financially, the Company is performing very well. It is expected that for current and succeeding years, the profits of the Company will continue to be adequate. The Company is influenced by general reversionary trend in the industry, government policies and unprecedented volatility in prices of raw materials, Indian Economy conditions and competition.</p> <p>The Company remains committed to generating higher returns for its stakeholders. The pivot to value added products, use of new technologies, efficient management in Sales and Marketing as well as new capabilities have helped the Company to achieve growth in recent years. The Company will continue to take actions for improvement in its performance. As a matter of abundant caution, members' approval is being sought for payment of remuneration, in the event of loss or inadequate profit in the financials, as defined in the said respective resolutions read with their explanatory statements.</p> <p>The Company sees a large headroom for growth and plans to continue investments to take advantage of the opportunity. While the investments may impact margins in the near term, these are expected to help the Company to scale its businesses and sustain growth and profitability in the long run.</p> |
| Steps taken or proposed to be taken for improvement                                                                                                                                                                 | The Company sees a large headroom for growth and will continue to take advantage of the opportunities available. The Company has taken various initiatives viz. product innovation, enhancements of production capacities and customers base,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                               | reduction of various costs, better market penetration, exploring new buyers, overseas buyers and improvement in realization etc. It is expected that the performance of Company will improve during the next financial year through initiatives taken by the Company for increasing its productivity and efficiency. The aforesaid steps taken / to be taken by the Company are expected to improve further the Company's performance and profitability in the future. |
| Expected increase in productivity and profits in measurable terms                                                                                                                                                                                                                                                                                                                                                                                             | The turnover and profitability will also improve further, but are not measurable as the same are influenced by various factors such as market prices of raw materials and cost of various inputs etc.                                                                                                                                                                                                                                                                  |
| <b>IV. Disclosures</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors:<br>ii. Details of fixed component and performance linked incentives along with the performance criteria:<br>iii. Service contracts, notice period, severance fees:<br>iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:. | The other Information and disclosures as required under Schedule V of the Companies Act, 2013 , wherever applicable is provided in the Notice / Explanatory Statements / Corporate Governance Report and / or Annexures<br><br>The Company has not issued any Stock Options.                                                                                                                                                                                           |

**Additional information on Director recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI Listing Regulation, and Secretarial Standard-2 as prescribed by the Institute of Company Secretaries of India including the information of directors, whose Remuneration is being fixed/ varied**

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name Of Director and DIN</b>                  | <b>Shri Pavan Khaitan (DIN: 00026256)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Date of Birth/Age                                | 31.05.1968 (56 years)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Nationality                                      | Indian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Date of Appointment / Re-appointment             | 01 <sup>st</sup> April, 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Qualification                                    | Graduation in Commerce, Chartered Accountant.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Nature and Expertise in specific functional area | Mr. Pavan Khaitan, aged around 56 years is a Graduate in Commerce from Panjab University and a Chartered Accountant. He is presently acting as Vice Chairman & Managing Director of the Company. He joined the Company in 1997 and has been spearheading various initiatives that have rationalized the cost, enhanced quality, focused on specialty paper and ultimately optimizing the resources to their fullest. He has been 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 expansions, plants set up, marketing, financial management, risk management, human resources etc. |

|                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of shares held in company                                                                                                                                                                                                               | 14,72,650 (1.69%) equity shares in the Company.                                                                                                                                                                                                                     |
| List of Directorship and Committee membership in Listed Companies other than Kquantum Papers Limited                                                                                                                                           | NIL                                                                                                                                                                                                                                                                 |
| Terms and conditions for appointment                                                                                                                                                                                                           | As per details given in the Notice and Explanatory Statement                                                                                                                                                                                                        |
| Remuneration last drawn                                                                                                                                                                                                                        | As per details given in the Notice and Explanatory Statement and Corporate Governance Report                                                                                                                                                                        |
| Details of remuneration sought to be paid                                                                                                                                                                                                      | As per details given in the Notice and Explanatory Statement and Corporate Governance Report                                                                                                                                                                        |
| Date of first (original) Appointment on the Board                                                                                                                                                                                              | 23/06/2007                                                                                                                                                                                                                                                          |
| No. of Meetings of Board attended during the FY 2024-25                                                                                                                                                                                        | 5                                                                                                                                                                                                                                                                   |
| Listed entities (except Kquantum Papers Limited) in which the person holds the directorship and the chairmanship/ membership of committees of the board along with listed entities from which the person has resigned in the past three years. | Existing Directorship in other Listed Company: NIL<br><br>Past Directorship in other listed entities: Nil                                                                                                                                                           |
| Directorships held in other companies/branches                                                                                                                                                                                                 | Pinnacle Holdings Private Limited, Kapedome Enterprises Limited                                                                                                                                                                                                     |
| Memberships/Chairmanships of committees of other Companies                                                                                                                                                                                     | NIL                                                                                                                                                                                                                                                                 |
| Disclosure of relationships between Directors /KMP inter-se                                                                                                                                                                                    | Shri Pavan Khaitan is son of Shri Jagesh Kumar Khaitan, Chairman.                                                                                                                                                                                                   |
| List of core skills / expertise/ competencies identified by the Board and those actually available:<br><br>Leadership, Governance, Technology, Board Experience, Sales, marketing, Innovation, Finance, Production.                            | Finance, Accounting, Taxation, Auditing, Legal, and Risk Management, and Compliance, Production and Industry, Marketing, Funds Management, Corporate Affairs, Banking, Cost Reduction, Human Resources, Supply Chain, Leadership, Technology, Corporate Governance. |

The above may also be treated as an abstract of the revised terms of appointment of Shri Pavan Kumar Khaitan as Vice Chairman & Managing Director of the Company and a memorandum setting out terms and conditions of appointment and remuneration as required under Section 190 of the Act.

Mr. Pavan Khaitan, himself and Mr. Jagesh Kumar Khaitan, Chairman, being relative of Mr. Pavan Khaitan are interested in the Resolution set out at Item No. 8 of the Notice with regard to his revision in terms and remuneration. His relatives are deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company. Save and except as above, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the said Resolution.

The Board recommends the resolution as set out at Item No. 8 of the accompanying Notice for approval of the members of the Company by way of Special Resolution.

**ITEM NO. 9**
**APPROVAL TO ADVANCE ANY LOAN / GIVE GUARANTEE / PROVIDE SECURITY U/S 185 OF THE COMPANIES ACT, 2013:**

Pursuant to Section 185 of the Companies Act, 2013 ("the Act"), a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any entity (said entity/ies) covered under the category of a person in whom any of the director of the Company is interested as specified in the explanation to Section 185(2)(b) of the Companies Act, 2013, after passing a Special Resolution in the general meeting.

The Company may need to make loan(s) including loan represented by way of Book Debt to, and/or give guarantee(s) and/or provide security(ies) in connection with any loan taken/to be taken by the group entity or any other person in whom any of the Director of the Company is deemed to be interested as specified in the explanation to Section 185(2)(b) of the Act (collectively referred to as the "Entities"), from time to time, for the purpose of capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for its principal business activities and other matters connected and incidental thereto, within the limits as mentioned in the Item no. 9 of the Notice.

The key particulars and material terms of the transaction of the loan/guarantee/security are as under –

|                                                                                       |                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the related party                                                             | Group Companies/Holding Company/ any person/entities in whom any of the director of the Company is interested as specified in the explanation to Section 185(2)(b) of the Companies Act, 2013                                                 |
| Name of director(s) or key managerial person who is related                           | The following are common directors with Companies or interested in any manner:<br>Shri Jagesh Kumar Khaitan, Chairman<br>Shri Pavan Khaitan, Vice Chairman & Managing Director                                                                |
| Nature of relationship between the Companies                                          | Common directors with Companies or interested in any manner                                                                                                                                                                                   |
| Particulars of loans to be given, or guarantee to be given or security to be provided | Loan(s) (including loan represented by way of Book Debt) and/or Guarantee(s), and/or providing of security(ies) in connection with any Loan of an aggregate outstanding amount not exceeding Rs. 75 crores (Rupees Seventy Five Crores only). |
| Purpose                                                                               | For principal business activities including matters connected and incidental thereto.                                                                                                                                                         |
| Interest Rate                                                                         | Such rate as may be determined by the Board of Directors of the Company, not lesser than the prevailing bank rate.                                                                                                                            |

The members may note that Board of Directors would carefully evaluate the proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, and the proposed loan shall be at such rate of interest as agreed by the parties in the best interest of the Company and shall be used by the borrowing company for its principal business activities only. It is proposed to grant loan or give guarantee or provide security in respect of any loan granted/to be granted as aforesaid and the proposed loan shall be at the interest rate not lesser than prevailing bank rate and shall be used by the borrowing Company for its principal business activities only.

The Board of Directors recommend the resolution set forth in Item no. 9 of the Notice for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

**By the Order of Board of Directors  
For Kuantum Papers Limited**

**Sd/-  
Gurinder Singh Makkar  
Company Secretary  
M.No.: F5124**

Place : Chandigarh  
Date : 20<sup>th</sup> May, 2025