KPL/SEs
12 June 2023

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: 532937 Scrip ID: KUANTUM	National Stock Exchange of India Limited Exchange Plaza Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Trading Symbol: KUANTUM

Sub: Annual Report for the FY 2022-23

Dear Sir,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith copy of Annual Report of the Company for the year 2022-23 being sent to the members by the permitted mode(s) for your information, record and for displaying the same on BSE & NSE portal.

The Annual Report is also available on the website of the Company at the following link: www.kuantumpapers.com

Thanking you,

Yours faithfully,
For **Kuantum Papers Ltd**

Vivek Trehan
Digitally signed by Vivek Trehan
Date: 2023.06.12 16:46:41 +05'30'

(Vivek Trehan)
Company Secretary
Encl: a/a

Kuantum Papers Ltd

26th Annual Report 2022-23

Kuantum
The Paper Makers

Committed to **Excellence** with **Sustainability** at the core

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For digital version of this report, scan this QR Code

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

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.

Kuantum
The Paper Makers

At Kuantum Papers, innovations in products and processes have played a pivotal role in our journey of delivering excellence and staying ahead of the curve.

We continue to make progress through a focused pursuit of excellence and steady growth. Our capacity expansions over the years, collaborations and the recently concluded backward integration project helped us produce with efficiency and cost optimization.

Despite challenges of rising input costs, we acted with agility and resilience and reported very encouraging operational and financial performance. This trend will continue considering the opportunities in our industry and the conducive environment of economic growth in India.

At Kuantum Papers, we are strengthening our business model that can grow responsibly with sustainability at its core; and serve the needs of customers, engage closely with the communities, empower our employees and all other stakeholders.

Customer-centricity, digitalisation and a sharper focus on environment and sustainability will continue to drive our strategic decisions over the long-term.

COMMITTED TO EXCELLENCE

Kuantum Papers Limited is a distinguished manufacturer of agro and wood-based Writing & Printing, Copier and Specialty papers, with a remarkable presence of over four decades in the industry.

Since our inception in 1980 at Saila Khurd in District Hoshiarpur, Punjab, we have continuously evolved and grown, starting with a modest production capacity of 30 TPD and scaling up to an impressive 450 TPD. Our unwavering commitment to excellence has firmly established us as a prominent player in the paper industry.

Located at the foothills of the Shivalik range, our strategic location allows us to harness the potential of agro residues, wild vegetation and wood raw materials, enabling us to manufacture high-quality paper products. Our fully backward integrated manufacturing facilities enable us to achieve optimal operational efficiency and expand our range of product offerings.

Our reputation is reinforced by a strong network of over 100 trusted dealers across India, many of whom have been loyal partners for multiple generations. This extensive network ensures our products reach customers nationwide.

Our writing and printing papers find extensive applications in the printing of books, notebooks, annual reports, directories, account books, envelopes, diaries, calendars, computer and office stationery. We also manufacture a wide variety of specialty products like thermal paper, bond paper, parchment paper, azurelaid paper, cartridge paper, coloured paper, ledger paper and stiffner paper. We are dedicated to addressing environmental concerns and contributing to a sustainable future. By leveraging our expertise, we have developed a range of specialty products which include cupstock, straw base paper and paper carrybags that reduce dependence on single-use plastics, fostering a greener tomorrow.

In line with our commitment to social and environmental responsibility, we have implemented a comprehensive social farm forestry initiative. This endeavour involves the development of wood plantations, with an ambitious target of planting 1 crore saplings within the next five years. Additionally, we prioritise water recycling at every stage of our operations to minimize our ecological footprint. By adopting such sustainable practices, we ensure that our products cater to the diverse needs of our customers, while aligning with their environmental goals.

Our greatest strength is our dedicated workforce. Our people serve as the pillars that support our operations, driving innovation, efficiency and customer satisfaction. With their unwavering dedication, we continue to elevate our standards, exceed expectations, and shape a prosperous future for Kuantum Papers Limited.

Vision Statement

Innovate continuously to enhance value in operations, pursue excellence and seek future sustainability keeping environmental footprint in check, delivering an exceptional experience to customers, suppliers, employees and society alike.

Value Proposition

Quality and Performance:

At Kuantum Papers, our utmost priority is to produce paper products that excel in quality and performance. We strive to create superior products that offer exceptional printability and usability. Our products consistently meet and exceed the highest industry standards, ensuring that our customers receive nothing short of excellence.

Innovation:

Innovation is at the core of our approach. We place a strong emphasis on research and development, constantly striving to bring innovative paper solutions to the market. Our dedicated focus on innovation enables us to introduce ground-breaking products that address specific needs and challenges. Some of our innovative paper solutions include grease-resistant papers, anti-rust papers, straw-based papers, and soft and absorbent papers. By pushing the boundaries of what is possible, we continuously provide our customers with cutting-edge paper products that go beyond conventional expectations.

Customization:

We understand that each customer has unique requirements and preferences. To cater to these diverse needs, we provide customizable paper solutions. This means offering a range of options such as different sizes, GSM, finishes, and specialized applications tailored specifically to meet our customers' specific demands. By offering customization, we ensure that our customers find the perfect paper solution for their specific needs.

Sustainability:

We are deeply committed to sustainable and eco-friendly practices. Understanding the importance of environmental conservation, we have implemented responsible manufacturing processes and clean technology that minimize our ecological footprint. By incorporating sustainable practices throughout our operations, we actively contribute to a greener future and reduce the impact on our planet.

Products that Deliver Value Sustainably

Maplitho

Kosheen

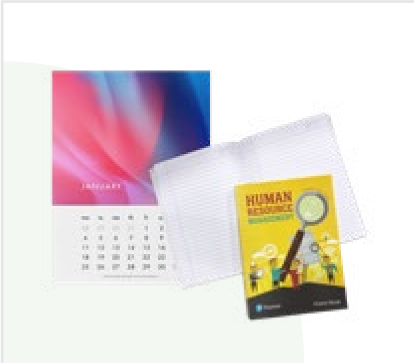
Kresto

Kosmo Litho

Creamwove

Kuantum Gold

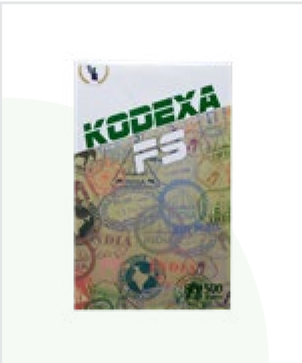
Kopy+



Kappa Premium

Copier

K-One



Kodexa FS

Konquer

Kaleela

Specialty


Krayo (Color)

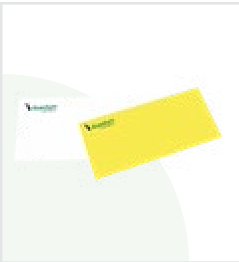

Krayo Board (Color)


Kosmo Litho (Color Maplitho)


Kosmo Cartridge

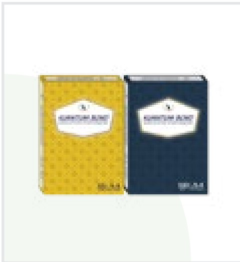
Kosmo Parchment


Kosmo Stiffner


Kosmo Enfold


Kosmo Premium


Kreda


Kuantum Bond


Kosmo Railway Bond

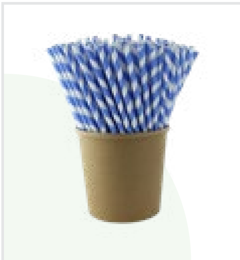

Kosmo Kodexa


Kosmo Kupstock


Kosmo Kard


Kosmo Thermic

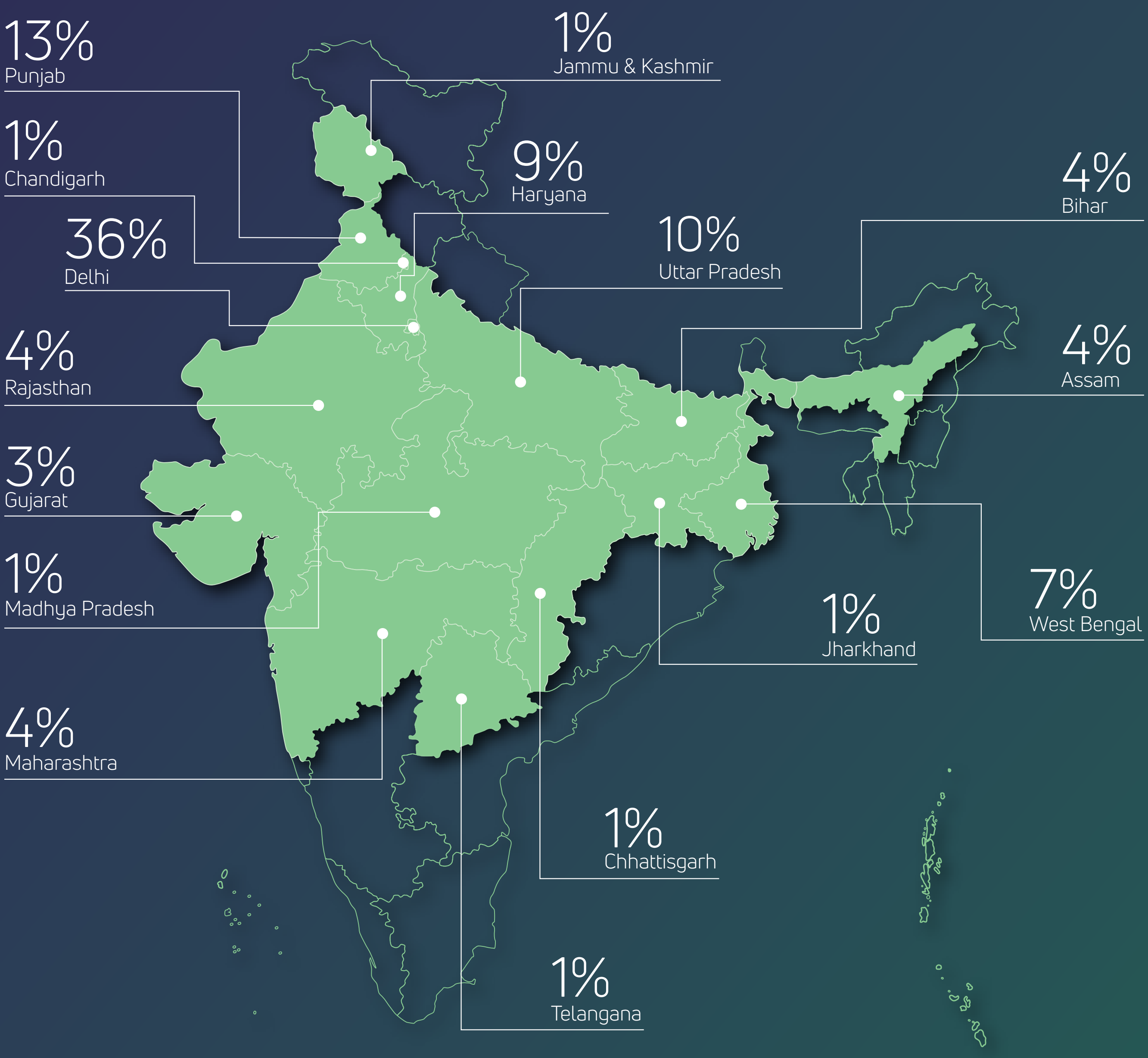

Kosmo Koats


Kosmo Sipps

DELIVERING EXCELLENCE ACROSS THE NATION

Geographical Presence

100+
Dealers



Exporting to
30+
Countries

Our Esteemed Clients

- Camlin Kokuyo
- Best Price Modern Wholesale (Walmart)
- Rachna Sagar Private Limited – Educational Publishers
- Taxmann – Tax & Corporate Laws of India
- Sona
- mp printers – Delivering Quality in Time (A unit of DB Corp Ltd.)
- macmillan education
- Abhinav Trader Pvt. Ltd.
- Gopsons
- Prachi – Smart Books for Smart Learning
- Nageen Prakashan
- Dhanpat Rai Publications
- Mc Graw Hill Education
- sbm – make | manage | move
- Lotus Global Private Limited
- Centax Publications Pvt. Ltd.
- primebooks
- Bookman India
- Today's Product
- Thomson Press
- Full Marks
- SCS sultan chand
- University of Cambridge
- arihant
- Navneet – Navneet Education Limited
- Goyal Brothers Prakashan
- ubd 1960
- SGM
- Chitra
- Cordova
- HT Media Limited
- GRB Books
- Oxford University Press
- Aakash – Medical | IIT-JEE | Foundations
- Evergreen
- Magic – Adding Life to Paper
- Pearson
- Bharati Bhawan Publishers & Distributors
- MBD Books

MILESTONES THAT INSPIRE US

1980

Established with a capacity of 30 TPD with PM 1&2

1988

PM 3 installed with a capacity of 100 TPD

2000

Debottlenecking done to achieve 40% improved efficiency in output

2002

National Energy Conservation Award conferred by the Vice President of India

2005

- Lignin Precipitation Plant installed in collaboration with Tanovis AG (formerly Granit Recherche SA), Switzerland
- PM 1&2 capacity upgraded to 60 TPD

2006

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

2007

Reorganisation of ABCL took place, renamed Paper Division as ABC Paper Ltd

2008

- Composite Project with PM 4 – 250 TPD, Chemical Recovery plant – 200 TPD and Co-Generation Power Plant – 10 MW undertaken
- Listed on BSE

2012

- The Company was renamed Kuantum Papers Limited
- Secured FSC® certification

2013

- PCC Plant in collaboration with Speciality Minerals Inc. USA was installed
- Production crossed 100,000 MT

2014

Top Former (Gapcon-Italy) and Size Press (Bellmer, Germany) installed on PM4

2015

- A new generation Agro Pulp Mill along with ODL with a capacity of 200 TPD installed
- Project KITE launched with KPMG for operational excellence

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
- Upgradation of PM 3 and 4 with state-of-the-art headbox from Bellmer, Germany

2019

- Record breaking Production & Sales: exceeded 125,000 MT
- ECF Bleaching commissioned
- Listed on NSE
- Backward Integration Project of INR 440 crore initiated

2020

Share-split undertaken in July

2021

- Backward integration project completed in March 2021
- Increased agro & wood pulping capacity to 200 TPD & 180 TPD
- Power generation capacity increased to 38 MW
- Added a new Chemical Recovery Plant with a capacity of 500 TPD

2022

- Production capacity increased to 450 TPD
- Achieved the milestone production of 1,50,000 TPA

2023

- Record-breaking revenue of INR 1313 crore and an EBITDA of 29%
- Successfully launched Cup Stock and Straw Base Paper as a replacement for single-use plastic

CHAIRMAN'S PERSPECTIVE

Jagesh Kumar Khaitan
Chairman

Dear Shareholders,

It gives me great pleasure to present your Company's Annual Report for the fiscal year FY 2022-23. Before I discuss our annual performance for the year, let me first highlight the macro-economic and industry landscape during the year gone by.

India continued to be one of the fastest growing major economies of the world, despite economic volatility and high inflationary pressure in many advanced countries of the world, the Government of India's sustained focus on boosting the manufacturing, services and infrastructure sectors and RBI's prudent monetary policy to curb inflation have resulted in robust economic growth in FY 2022- 23.

Coming to our industry performance, the domestic paper industry witnessed encouraging growth during the year, driven by rising demand for all types of paper products across various sectors such as education, FMCG, packaging, pharma and e-commerce. This momentum is expected to continue in the coming year as well. We expect a significant boost in demand from the Education sector on account of impending changes in the New Education Policy and curriculum, along with the introduction of new textbooks in 22 languages in alliance with NCERT and the Ministry of Education. Paper has also found its applications as a replacement for single-use plastic, bolstering its demand.

I am happy to share that we closed the financial year 2023 on a strong note with highest ever annual revenue. We were also able to strengthen our EBIDTA margin significantly following cost optimisation in operations, especially in Co-gen Power Plant and Chemical Recovery Boilers.

At Kuantum Papers, our long-standing relationships with dealers, largest product portfolio in the paper industry in India, cost savings through backward integration and ability to command a price premium in the range of 5-7% over our competitors will hold us in good stead in the coming years.

Continuous Overall Improvement

Since our establishment in 1980 with a modest capacity of 30 TPD and the installation of PM 1 and 2, Kuantum Papers has seen remarkable progress, setting new standards in the paper industry. We achieved a significant milestone with the installation of PM 3 and PM 4 with 115 TPD and 270 TPD respectively, laying the groundwork for future expansion. In addition, we have consistently undertaken measures to enhance operational efficiency and meet the evolving market demand.

Our capacity is now 450 TPD, including the installation and improvement of our Chemical Recovery Plant, Co-Generation Power Plant, PCC Plant, and Agro and Wood Pulp Mills. In 2021, we successfully completed the Backward Integration Project, expanded Agro and Wood Pulping Capacity, installed a power generation capacity of 38 MW, and added a new Chemical Recovery Plant with a capacity of 500 TPD.

Our product range encompasses various types of papers, such as maplitho, creamwove, copier and specialty papers, catering to diverse industries such as printing, publishing, stationery, and packaging. Through our customer-centric approach, we have built strong relationships with a wide network of over 100 dealers, some of whom have been associated with us for generations. Our marquee clients include Wal-Mart, McGraw Hill, Kokuyo(Mumbai), Thomson, Lotus, Global, Navneet Publications, Oxford University Press, Macmillan, among others. Additionally, our focus on exports has allowed us to establish a presence in more than 30 countries.

Growth Opportunities

The paper industry has witnessed substantial growth over the years due to several factors. There is an increase in demand for paper products, including packaging materials, stationery, and specialty papers. Factors such as population growth, urbanization, and evolving consumer preferences have contributed to this rising demand.

Technological advancements have also played a crucial role in the industry's growth by improving production processes, increasing efficiency, and enhancing product quality. Innovations in machinery, automation, and digitalization have revolutionized the paper manufacturing landscape.

Sustainable packaging solutions have emerged as a crucial growth driver in recent years. With growing environmental concerns, there is a strong shift towards eco-friendly packaging alternatives. Paper-based packaging, being renewable and recyclable, has gained prominence as a sustainable choice, driving the demand for paper materials. The rapid growth of e-commerce has further propelled the industry forward, as corrugated boxes and packaging materials are essential for shipping and delivery in the online retail sector.

Innovation in specialty papers has also contributed to industry growth. The demand for specialty papers with unique properties and customized printing solutions has been on the rise. Manufacturers investing in research and development to create innovative and value-added specialty papers have tapped into niche markets, driving industry growth.

A Culture of Pursuing Excellence

We provide comprehensive training programmes to empower our teams. Moreover, we encourage a culture of innovation and continuous improvement, where every team member is encouraged to contribute their ideas and perspectives. We value their insights and recognise their achievements through various recognition and reward programmes.

A Responsible Corporate Citizen

At Kuantum Papers, our success is intrinsically linked to our responsibility towards society and the environment. We have a strong commitment to corporate social responsibility (CSR) activities, with a focus on education, healthcare, environmental conservation, and community development. Our CSR initiatives aim to create a positive impact on people's lives and contribute to the sustainable development of the communities where we operate.

As part of our social responsibility, we operate and manage a public school with subsidized fees to promote quality education for local children. We have established dispensary facilities inside our factory premises and organise free medical check-ups and awareness camps in the surrounding villages. Additionally, we organize distribution camps for sewing machines, benefiting widows and differently-abled women in nearby communities.

Sustainability is at the core of our business practices. We are deeply committed to minimizing our ecological footprint and preserving the environment for future generations. Our efforts include responsibly sourcing raw materials, implementing energy-efficient technologies, reducing water consumption, and promoting waste management practices. We are proud to have obtained various certifications that validate our core focus on sustainability across every aspect of the business.

Our Social Farm Forestry programme helps marginalised farmers and facilitates easy availability of raw materials, reducing our overall manufacturing costs and ensuring multi-year resource visibility. Our vision is to plant 1 crore clonal saplings in 5 years under this programme.

In conclusion, I extend my gratitude to our esteemed stakeholders, including our employees, customers, partners, and shareholders, for their unwavering support and trust in our journey. Together, we will continue to drive innovation, embrace sustainability, and create value for all our stakeholders.

Warm regards,
Jagesh Kumar Khaitan
Chairman

VICE-CHAIRMAN & MD'S MESSAGE

Pavan Khaitan
Vice Chairman & Managing Director

We reported the highest ever yearly revenue of INR 1,313 crores, representing a growth of around 57% year-on-year, while EBITDA stood at INR 383 crores, which grew by 212% year-on-year. Our EBITDA margin touched a new high of 29% for the full year.

Dear Shareholders,

It gives me immense pleasure to share with you Kuantum Paper's robust financial performance, key strengths and the strategic initiatives during the reporting year (FY 2023).

We reported the highest ever yearly revenue of INR 1,313 crores, representing a growth of around 57% year-on-year, while EBITDA stood at INR 383 crores, which grew by 212% year-on-year. Our EBITDA margin touched a new high of 29% for the full year. The net profit for the year before tax and exceptional items, which were on account of tax adjustments relating to the previous years, stood at INR 266 crores. Post these adjustments and tax, the net profit is INR 136 crores with a growth of over 900% from the previous year with PAT margin reported at 10.4%.

Our robust cash flows allowed us to further prepay a loan of INR 102 crores for the restructured term loan in March 23, taking the total prepayment in FY 2022-23 to INR 243 crores. This exceptional financial performance backed by operational efficiencies and prepayment of loans, has enabled us to receive an upgraded rating of our long term and short term bank facilities to CARE A and CARE A1 from CARE BBB and CARE A3+, respectively over the previous year.

Establishing a Strong Market Presence

Our pan-India presence with a wide network of over 100 dealers has been instrumental in establishing our strong market presence. Our long-standing relationships with dealers, some spanning over three decades, showcase the trust and reliability associated with our brand.

Another advantage we possess is our strategic location in Punjab, close to the densely populated Northern Region, including the NCR. This positions us in a higher paper consumption market, ensuring a steady demand for our products. Additionally, our proximity to an abundant supply of raw materials enables us to maintain stable prices and uninterrupted production throughout the year.

Nurturing Our Talent Pool

At Kuantum Papers, we firmly believe that our employees are the cornerstone of our success.

We strive to create a workplace where every individual feels valued, respected, and empowered to contribute their unique ideas and specific talent. Through various employee engagement initiatives, we foster a sense of belonging and camaraderie among our team members, promoting a strong company culture built on trust, transparency, and open communication.

As we continue to grow and expand, we are committed to providing our employees with a supportive and inspiring environment, where they can unleash their full potential and embark on a rewarding career journey. Together, we strive to create a workplace that fosters excellence, teamwork and a shared commitment to our Company's vision and values.

Transforming Digitally

At Kuantum, we recognise the immense potential of digital technologies to revolutionise our operations and drive sustainable growth.

We were amongst the first paper mills in India to implement SAP S4 HANA way back in 2018, across all our business functions. Over the years we have imbibed the best business practices and built robust processes within the SAP system to bring further efficiency in operations and emerge as a truly world class organisation. We have recently launched a new BI tool which facilitates better and faster decision making by monitoring real time data, though interactive dashboards.

This year we are also excited to announce the launch the digital project in collaboration with BTG Group with the objective to create a foundation for IT-OT convergence. This collaborative programme "Project Neev" is especially developed to accelerate our digital transformation by using modern Industry 4.0 tools, as well as BTG group's knowledge and services in the Pulp & Paper sector. By embracing this initiative, we aim to enhance our processes, optimise resource utilization, and achieve operational excellence in the rapidly evolving digital landscape.

This digital initiative marks a significant milestone in our ongoing commitment to innovation and continuous improvement. We are confident that such initiatives will enable us to stay at the forefront of digital advancements in our industry.

Sustainable Way Forward

We believe that sustainability is not a choice, but a way of life, and we are taking proactive initiatives to reduce our carbon impact. We are planning to set up a state-of- the- art Rice Straw Boiler in order to replace the usage of coal with biomass in our power plant operations. We have engaged technical experts and are in the process of finalising the most appropriate technology and supplier to drive smooth operations with a positive environmental effect.

Saving fresh water usage is of paramount importance to us. Our water savings committee worked on several projects last year including setting up of High-Rate Solid Contact Clarifier (HRSCC), installation of DAF and recycling mechanical sealing water for wet washing.

We have a vision to reduce our fresh water consumption by almost 35% in the next 2 years, with the adoption of the best available technology in this field. A budget of INR 13.5 crores has been prepared to take the production capacity of our Clonal Propagation Unit up to 1 crore clones annually.

In the financial year 2022-23, we have executed four CSR projects with a total outlay of INR 33.38 lakhs. These projects encompass education promotion, rural development through sewer pipe lines and street construction, and interlock work. We make certain that project selection is done in collaboration with the community and development partners, encouraging participatory development and ensuring the success and acceptability of our efforts.

Future Growth Strategy

To sustain our growth momentum, we have devised a comprehensive growth strategy. This includes debottlenecking and upgrading our plant operations to increase production capacity by approximately 25% while optimising costs. Additionally, we plan to diversify our product portfolio by setting up a Tissue machine to cater to the growing demand for tissue paper products.

Moreover, we see the ban on single-use plastics as an opportunity to develop a range of sustainable specialty paper products which provide the rightful replacement of single use plastics which have low utility and high littering impact on the environment. By aligning ourselves with environmental goals, we are poised to meet the evolving demands of consumers and contribute to a greener world.

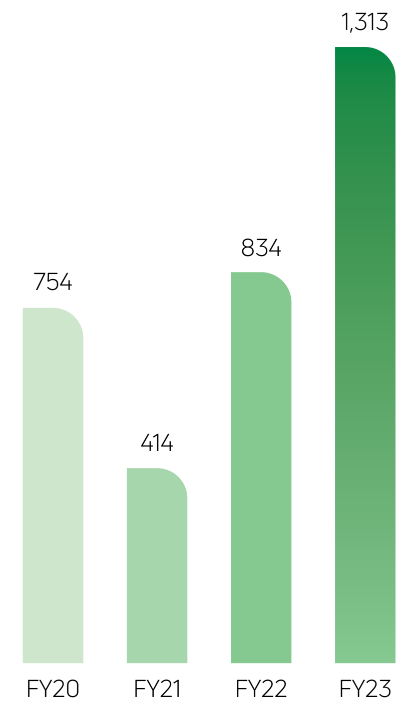
Way Forward

As we move forward, we remain focused on our growth strategies and aim to further enhance our operational efficiency, expand our product portfolio, and continue delivering excellent financial results. We are optimistic about the demand for paper products across various sectors, including education, FMCG, packaging, pharma, and e-commerce. Our investments in infrastructure, technology and sustainability initiatives position us well to capitalise on these opportunities.

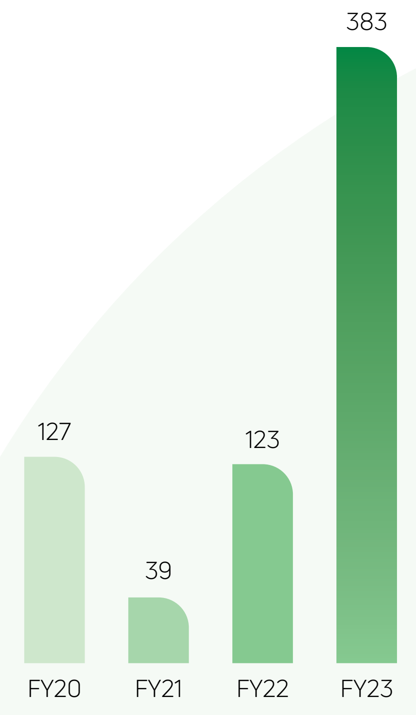
Warm regards,
Pavan Khaitan
Vice Chairman & Managing Director

REGISTERING A ROBUST PERFORMANCE

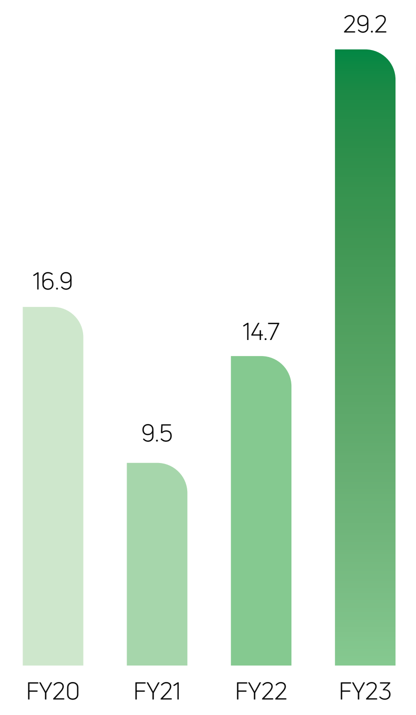
Total Revenue
(INR Cr)



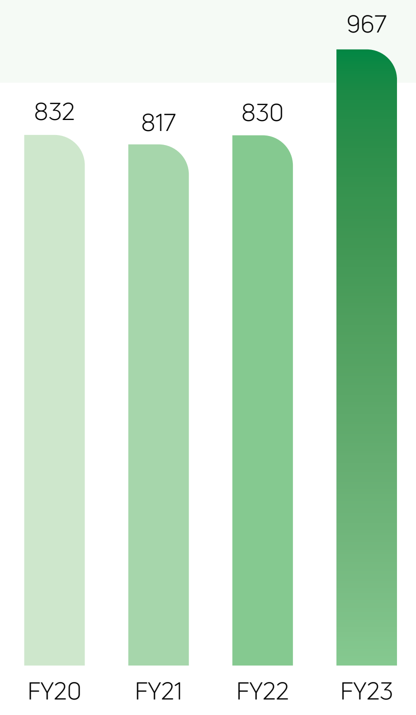
EBITDA
(INR Cr)



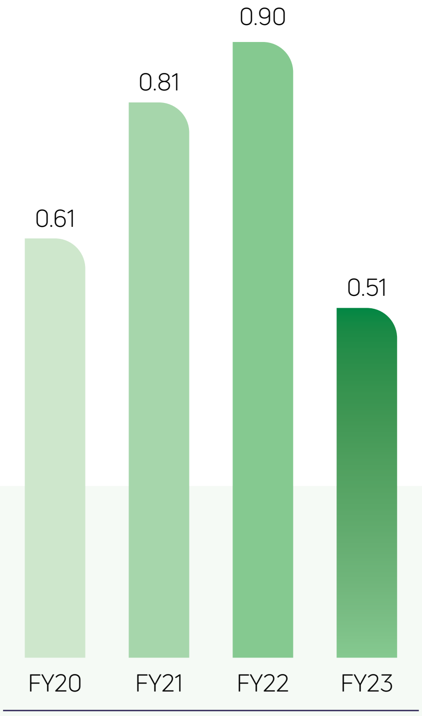
EBITDA Margin
(%)



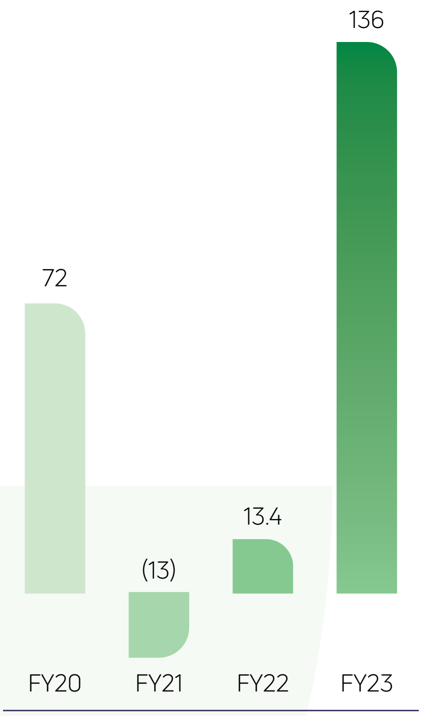
Net Worth
(INR Cr)



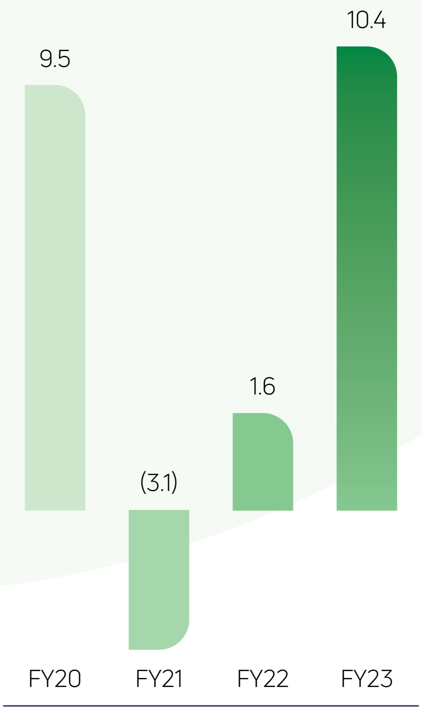
Net Debt to Equity
(In Times)



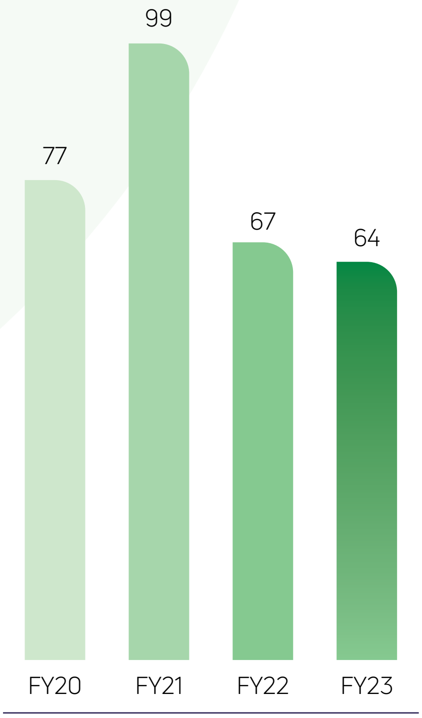
PAT
(INR Cr)



PAT Margin
(%)



Cash Conversion Cycle
(in Days)



LEVERAGING STRENGTHS TO CREATE VALUE

Inputs

Financial Resources

- Net worth: **INR 966.8 crores**
- Equity: **INR 8.73 crores**
- Long Term Debt: **INR 355.38 crores**

Manufacturing Excellence

- Paper Machines: **4**
- Pulping Capacity (Agro + Wood): **380 TPD**
- Paper Machine Capacity: **450 TPD**
- Chemical Recovery Plant Capacity: **700 solids TDP**
- Co-Gen Power Plant Capacity: **38 MW**

Research and Innovation

- R&D Spend: **INR 2.78 crores**

Employee Focus

- Total Employees and Workers: **1304**

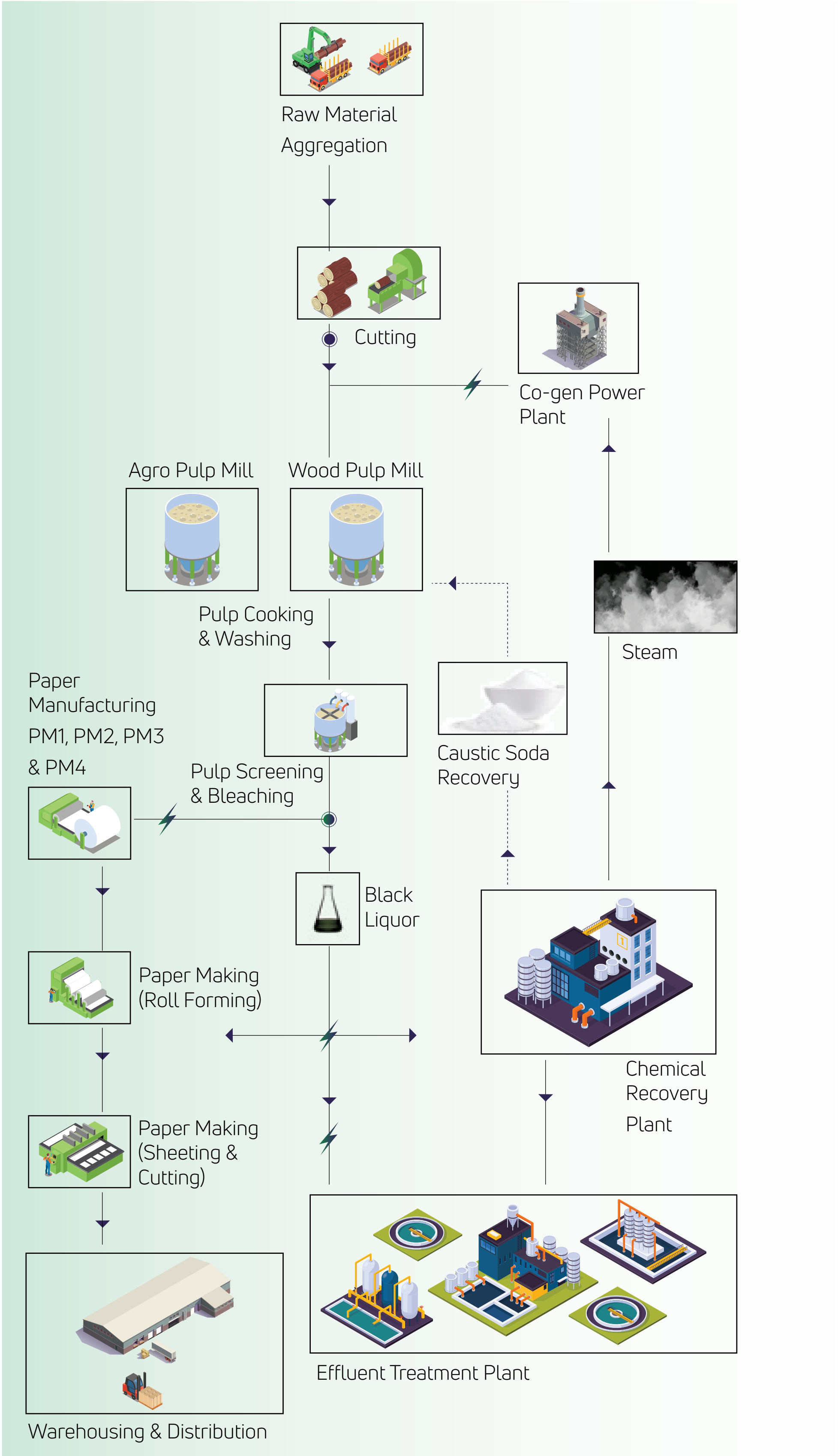
Society and Partner Relationships

- CSR Expenditure: **INR 33.38 lakhs**
- Total Stakeholders: **12,500+**

Environmental Stewardship

- Water Consumption: **7259437 KL**
- Energy Consumption: **7259437 GJ**

Process



Outputs

Outcomes

Customer Segments

Publishing Industry

We cater to publishers by providing high-quality writing and printing paper for books, magazines and other publications.

Printing Industry

Commercial printers and print shops rely on our paper products for their various printing needs, including brochures, catalogues and promotional materials.

Stationery Industry

Kuantum Papers supplies stationery manufacturers with premium paper for notebooks, journals, notepads, and other writing instruments.

Specialty Applications

We offer a range of specialty papers and sustainable paper products as a replacement to single use plastics.

Revenue Streams

Paper Sales

The primary source of revenue for Kuantum Papers comes from the sale of our paper products to customers in various industries.

Customisation Services

We generate additional revenue by offering customisation services, where customers can request specific paper characteristics or branding elements.

Outputs	Outcomes
Financial Output • Operational Revenue: INR 1,313.16 crores • Total EBITDA: INR 382.82 crores • Total PAT: INR 136.15 crores	Creating long-term value for shareholders through sustained financial growth.
Manufacturing Output • Total production volume: 1,52,172 MT • Capacity Utilisation: 100%	We own and operate technologically advanced manufacturing facilities that ensures efficient and high-quality paper production.
Intellectual Output • New products launched : Focus on replacement of Single Use plastics with sustainable paper products Kosmo Kupstock, Kosmo Sipps & OGR Paper.	Dedicated team of researchers and scientists focused on developing new paper technologies, applications and improving existing products.
Human Output • Retention Rate: 87.65%	Enhanced employee retention rate, employee engagement and workforce diversity.
Social and Relationship Output • CSR Focus Areas: Education & Skill Development, Health, Sanitation, and Rural Development	We create value for society at large through our CSR initiatives focusing on education, health and rural development.
Natural Output • Water Recycled: 60,51,502 KL • Energy from Renewable Resources : 19,23,311 GJ • Waste Recycled: 16,092 MT	Reduced our carbon footprint to a greater extent.

DELIVERING QUALITY AT SCALE

Our fully backward integrated state-of-the-art plant is equipped with 4 Paper machines, Agro and Wood Pulp Streets, Co-Generation Power Plant, Chemical Recovery Plant and Effluent Treatment Plant. Our facility is a testament to our commitment to excellence in the pulp and paper industry.

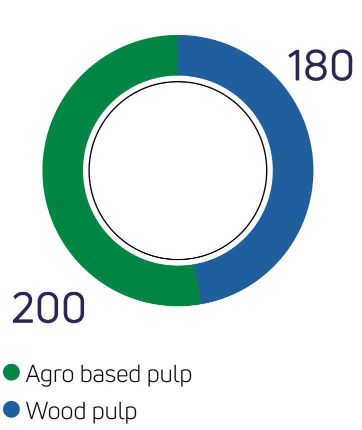
Pulping Facilities

Our unique combination of agro pulp and mill hardwod pulp, yields a high-quality furnish ideal for paper manufacturing. We have made great advances towards self-sufficiency by removing our dependency on imported hardwood pulp, resulting in lower manufacturing costs. Additionally, we have made a concerted effort to reduce usage of imported softwood pulp with our in-house variant. Our upgraded agro and wood pulp streets have led to better pulp quality and cost optimisation.

380
(Tonnes per day)
Total pulping capacity

Capacity Distribution

(in TPD)



Paper Machines

Following the production of high-quality pulp, we move on to our four distinct paper machines. Each machine is configured differently, which allows us to manufacture a wide range of surface-sized, non-surface-sized and specialty value-added products. We saw that as our output climbed to 450 TPD, the market demand totally absorbed this increase, allowing us to run our machines at 100% capacity.

450
(Tonnes per day)
Total paper production capacity

100%
Capacity utilisation

Chemical Recovery Plant

To facilitate recovery of Caustic, Kuantum has installed a new Chemical Recovery Plant of 500 TPD from Andritz for the treatment of Black Liquor produced in the pulping process, thereby increasing total capacity from 200 TPD to 700 TPD

It is designed to recover more than 95% of the caustic soda used in the pulping process, lowering operational costs and improving our margins. The steam-to-solid ratio has increased significantly leading to overall efficiency in our plant operations.

700 Solids
(Tonnes per day)
Total chemical recovery plant capacity

Co-Gen Power Plant

To further bolster our operational efficiency, we installed two new turbines of 20 MW and 8 MW from Siemens in our Co-Gen Power Plant, taking our total capacity to 38 MW. With an added boiler of 130 TPH from ISGEC, our total capacity increased to 190 TPH. This has helped Kuantum to not only be self-sufficient for its power and steam needs, but has also equipped it with enough capacity to cater to increased power requirements for future expansion.

38 MW
Total power plant capacity

Effluent Treatment Plant

We prioritise sustainability and environmental responsibility in our operations. To that end, we have upgraded our Effluent Treatment Plant to maintain the quality of the treated effluent and to be prepared for future environmental norms and ready-to-scale capacity.

The plant consists of two streams:

1 First for low COD with aerobic treatment

2 Second for high COD with anaerobic treatment

This treated effluent is then used to irrigate thousands of acres of surrounding fields, demonstrating our commitment to the environment and to our local community.

2,000+ acres
Farmers' Land irrigated

FUNDAMENTALLY STRONG TO DELIVER VALUE

Dealer Network

We have an extensive network of over 100 dealers throughout India, giving us a pan-India presence. These dealers have long-standing ties with us, and many have been with Kuantum for more than three decades. This network enables us to deliver efficient and effective distribution to our consumers, making Kuantum a reliable and trustworthy partner.

Diverse Portfolio

As one of the leaders of the paper industry, we offer the largest product portfolio, encompassing Maplitho, Creamwove, Copier and Specialty Paper. Our commitment to innovation and customer satisfaction has allowed us to successfully create a robust portfolio of products. This diverse range of offerings caters to the unique needs of our customers and sets us apart from the competition.

Customer Oriented

At Kuantum Papers, we prioritise our customers and their requirements. Our market orientation and dedication to delivering high-quality products enable us to command a price premium of 5-7% over our competitors. We focus on market-based sales, rather than relying solely on government orders, ensuring that our customers receive regular and timely supplies. This customer-centric approach and ability to meet their needs has helped us to establish a loyal customer base.

Strategic Location

We are conveniently positioned near densely populated Northern areas, such as the National Capital Region, which has a large paper consumption market. Moreover, our position in Punjab gives us access to an abundance of raw materials, including wheat straw, sarkanda, kana grass, and bagasse. These strategic locations enable us to receive steady supplies of raw materials at stable prices, ensuring a reliable source of inputs for its operations.

Operational Excellence

To enhance our operational efficiency, we have invested in improving our plant infrastructure. These technological advances enable us to be more cost-effective while maintaining the highest quality standards. Furthermore, our successfully completed Backward Integration Project resulted in considerable cost reductions, resulting in higher EBITDA margins ranging from 28% to 30%. This operational excellence distinguishes us as a dependable and efficient player in the paper industry.

Raw Material Availability

One of our key strengths is the availability of raw materials. The raw materials we use can be substituted for each other, eliminating dependency on any single source throughout the year. In addition, we have initiated a Social Farm Forestry Programme with a vision to reach one crore clonal saplings in five years. This forward-thinking approach secures our future source of raw wood materials and reinforces our commitment to sustainability and responsible sourcing practices.

STRATEGIC PRIORITIES FOR THE FUTURE

As we look ahead, we are concentrating our efforts on three critical areas, which comprise the following:

Manufacturing Prowess

Increasing Production Capacity

Through operational debottlenecking and plant upgrades, we aim to enhance our production capacity by approximately 25%. This move will not only result in increased production but also further optimise costs, ensuring a competitive edge.

Product Diversification

Recognising the need for a wider product portfolio, we are setting up a tissue machine to produce a new line of products. This expansion will open up new markets and customer segments for us.

International Collaborations

Our collaborations with key industry partners aim to enhance our operational efficiency and product quality.

Tanovis AG

In partnership with Tanovis AG, we have established a first-of-its-kind Full Scale Lignin Precipitation System. This innovative system separates non-biodegradable lignin from black liquor, enhancing our sustainability initiatives.

Specialty Minerals Inc

We work with Specialty Minerals Inc. to create Precipitated Calcium Carbonate (PCC), a filler used in paper manufacturing. This partnership was the world's first backward integrated PCC Plant in an agro-based enterprise.

Responsible Choices

Our commitment to sustainability extends beyond our manufacturing processes.

Water Conservation

We have taken proactive steps to reduce consumption of water by reusing and recycling water within plant operations and ensuring that all treated wastewater is being utilised for the irrigation of more than 2000 acres of land in nearby fields.

Specialty Products for Sustainability

We have developed a portfolio of specialty products such as straw base paper and cupstock that provide the rightful replacement of single use plastic products and promote a sustainable future. Our aim is to provide environment-friendly alternatives that cater to the changing needs of consumers and regulations.

Sustainable Raw Material and Fuel

We procure residues like wheatstraw, sarkanda and bagasse for Agro pulp making and rice husk for our Co-Gen power plant which are all from sustainable sources. This reduces the GHG emissions caused by stubble burning in fields. For wood pulp, we make use of wood chips and veneer waste, which are the left-over materials of the plywood industry, further demonstrating our commitment to sustainable practices. The Company is FSC® (Forest Stewardship Council) certified since 2011.

Social Farm Forestry Programmes

We have initiated social farm forestry programmes to contribute to small and marginal farmers and counter deforestation. These programmes also secure our raw materials within a specific radius, reducing overall procurement costs. We planted quality Eucalyptus clones on around 5650 acres as part of this effort. Our goal is to grow our annual footprint to around 1 crore saplings, assuring a sustainable source of wood material.

GROWING SUSTAINABLY TO CREATE LONG-TERM VALUE

Sustainable Procurement Practices

At Kuantum Papers, sustainability is deeply integrated in our procurement processes. We are committed to ensuring the ethical and responsible sourcing of all raw materials used in our production line. This commitment is demonstrated across our wood, coal, chemicals and packing materials, imported wood pulp, engineering items and agro procurement practices.

Wood

We ensure the sustainability of our wood sourcing by adopting a long-term 'Farm-Forestry and Fibre strategy' that involves the following:

- The production of site-specific superior clones of various fast-growing and high-yielding pulp wood species, such as Eucalyptus, Poplar, Casuarina, Melia, Subabul.
- The distribution of these clones to our local farming communities to foster future wood availability for pulp and paper production. This has enabled us to produce 9 to 10 lakh superior clones, with plans to expand to 1 crore in the next 4-5 years.
- Our wood procurement is exclusively from Tree Outside Forest (TOF) sources and never from forest areas.
- We are FSC® certified and committed to the compliancer of raw material procurement as per the standard.

Impact

- Covered around 5650 acres of plantation on the farmer's land.
- Sustainable wood sourcing.

Agro Raw Materials and Biomass Fuel

Our sourcing of agro raw materials such as wheat straw, wild grass, bagasse and rice husk is both sustainable and beneficial to the local farming community. We have:

- Robust vendor base in different districts of Punjab and neighbouring states with regular interactions by our procurement team.
- Agriculture crop residue is utilised, thus increasing farmers' earning and saving the environment from being polluted due to the burning of stubble in the fields.

Impact

- Our annual requirement of wheat straw is only 1.1% of total produce of Punjab, ensuring adequate availability of raw material.
- Around 33 lakhs MT of rice husk is generated for consumption as biomass.

Coal and Engineering

Our coal procurement is handled by the fuel supply agreement and e-auctions. We also secure the long-term availability of chemicals, packing materials and engineering products.

- Supply of chemicals is accompanied by Material Safety Data Sheet and test certificates.
- Mandatory transportation instructions are given to the suppliers of Hazardous Chemicals.
- Inventory is managed optimally to reduce the carrying costs.
- Engineering items are procured from authorised dealers/distributors/ manufacturers directly. ensuring adherence to quality norms and reliable after-sales service.
- Energy-efficient motors, lights, and fans are prioritised.

Certification and Compliance

Our commitment to sustainability is reflected in our active participation in the Amfori BSCI, promoting responsible business practices among our major vendors.

By integrating these sustainable procurement practices into our operations, Kuantum Papers contributes to the global movement toward sustainability, protecting our forests, supporting local communities and promoting responsible business practices.

GROWING SUSTAINABLY TO CREATE LONG-TERM VALUE

Preserving Natural Ecosystems

We firmly believe that business and nature can coexist. Our biodiversity conservation programmes contribute to the preservation and enhancement of the natural ecosystems that surround our operations.

Maintaining and extending a vast green belt inside and outside our campus, covering around a total of 5650 acres of social farm forestry, is one of our initiatives to protect and enhance biodiversity.

This green belt is home to various plant species of great ethnic and medicinal importance such as Terminalia arjuna, Azadirachta indica, Ficus bengalensis, Aegle marmelos, Embelica officinalis, Cassia fistula, Syzygium cumini, Psidium guajava, Alastonia scholaris, Ficus religiosa, Poplar spp, Eucalyptus spp, Casuarina spp, Melia, and Grevillea.

Did you know?

Since the inception of our green initiatives, we have planted around 100,000 plants, significantly contributing to biodiversity conservation.

Biodiversity Targets

We are steadfast in our commitment to biodiversity, with clear targets for conservation. Our vision includes maintaining greenery and biodiversity within our industrial footprint. We maintain the preservation and conservation of green places both within and outside of our campus.

Minimising Impact on Biodiversity

Our Company also endeavours to minimise its impact on biodiversity. This includes:

* Clonal plant production in our Hi-tech nursery with a production capacity of 9.0 lakh clones per annum

* Distributing these clonal saplings to local farmers at subsidised rates

* Providing training to farmers about land development, pre-planting and post-planting activities

* Implementing initiatives to maintain the ecology and biodiversity of an area, provide a balanced habitat for native fauna, contribute to the productivity of farm enterprises, and preserve the unique character of the landscape.

Restoring Damaged Ecosystems

Our commitment to the environment extends to restoring degraded ecosystems. Our efforts to restore the damaged ecosystem include identifying and reforesting wasteland in and around the mill's vicinity. We have initiated tree planting initiatives in targeted communities in order to promote green cover and minimise soil erosion and groundwater depletion.

Engaging in Reforestation

Being a wood-based industry, Kuantum is actively engaged in reforestation efforts. We have planted clonal plants covering 950 acres of plantation during 2022-23. Our target for the coming years is to expand our clonal sapling production to 1 crore per annum, helping us to cover around 5,000 hectares under plantation to meet our raw material needs sustainably.

7.6+ lakh
Clonal plants planted in FY23

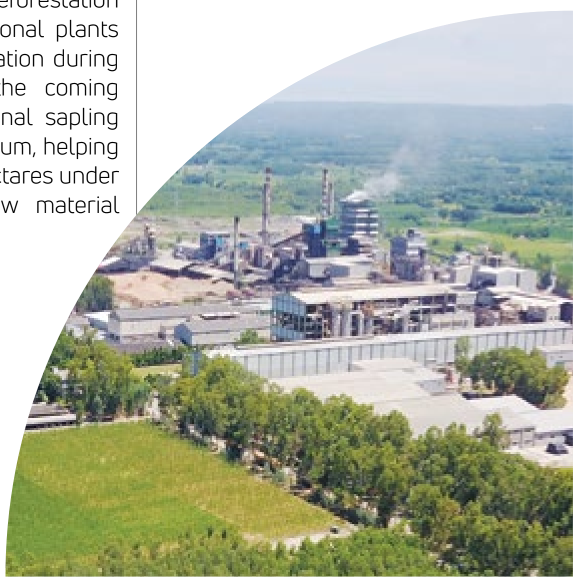
Kuantum Objective

We aim to cover at least 2,000 acres of plantations on farmer's land in the vicinity of the mills within a radius of 150 km during the next year.

Community involvement

We believe in the power of community. To ensure the survival of newly planted trees and the success of our reforestation efforts, we involve local communities and provide them with high-quality clonal plants for planting on their lands. Our team of forestry and agricultural professionals monitors these plantations regularly, assesses growth, and replaces any trees that do not survive.

5,650
Acres covered in social forestry efforts till date



Lending a helping hand to the community

For us, acting responsibly and giving back to the society are an inalienable part of our business conduct. Our CSR committee designs and supervises our Annual CSR Plan, with approval from our Board of Directors. The plan includes detailed projects, estimated costs, target dates for execution, and a structured monitoring process. This ensures our CSR activities are in alignment with our mission to create a sustainable and meaningful impact in society.

We truly believe that our community is an integral part of our ecosystem, and we have put this belief into action by focusing on three core areas for their upliftment:

Education

Health

Rural Development

Education

We understand the transformative power of education and have taken significant steps to ensure access to quality education for underprivileged children.

- We run a high school in Saila Khurd to provide high-quality education to children who would otherwise lack this facility.
- We constructed Anganwadi schools in Saila Khurd and Paddi Khutti, contributing to early childhood care and education
- To improve existing infrastructure, we have added new classrooms to the Government High School in Saila Khurd.

GROWING SUSTAINABLY
TO CREATE LONG-TERM VALUE

Health

Healthcare is a basic human right, and we strive to make quality healthcare accessible to our local community:

- We regularly organise free medical check-up camps in surrounding villages, promoting preventive health care
- To provide clean and safe drinking water, we have installed RO systems with water coolers at public places in Saila Khurd, Saila Kalan, and Paddi Khutti
- We have installed an overhead water tank with a tube well chamber at Saila Khurd to ensure an uninterrupted water supply for the local community
- Additionally, we sponsor specialist medical practitioners at local charitable hospitals to improve the quality of medical services.
- We have provided an industrial washing machine at Civil Hospital, Garhshankar to facilitate hygienic cleaning of linen and medical clothing.

Rural Development

We are actively involved in the development of infrastructure in surrounding villages

- We have constructed streets and built utility facilities, including toilets, in surrounding areas.
- As part of our commitment to fostering a clean and green environment, we have facilitated plantation drives in government schools and Panchayat Land
- For children's recreational needs, we have developed a Children Park at village Saila Khurd and installed swings in government schools and other villages.
- We installed street solar lights and contributed to the construction of Suvidha Centre building in Garhshankar.
- As part of women empowerment initiatives, we have distributed sewing machines to women in surrounding villages to enhance their self-sustainability.
- To improve sanitation, we laid sewerage pipelines and installed Sewerage Treatment Plants (STP) in villages including Saila Khurd, Bharapur Jattan, Raniala, and Saila Kalan.

Cultivating a culture of integrity

At Kuantum Papers, we abide by strong corporate governance practices that promote responsible and ethical business conduct. We are respected as a trustworthy company, and we uphold this reputation through an organisational culture of transparency and accountability. We undertake exemplary governance practices that guide our operations and extends to our suppliers, contractors, and partners.

We uphold high ethical standards and best business practices. Our policies on these matters are clear and binding for all employees and stakeholders. The main features include:

Code of Ethics

This encourages employees to act honourably, identify and address conflicts of interest, respect confidentiality and refrain from offering or accepting any form of inducement.

Anti-corruption Policy

This policy sets our stance against bribery and corruption. It encourages vigilance and diligence in identifying, monitoring, and taking action against instances of corruption.

Training and Education

We conduct regular training and information sessions on ethical practices for all employees, fostering a company-wide understanding of our opposition to corruption in any form.

Supplier and Contractor Standards

It is critical for our company's integrity and reputation that our suppliers and contractors conform to our core values and standards. Here are some of the important measures we follow.

Code of Conduct

We have implemented a Code of Conduct that outlines our ethical, environmental, social, and quality expectations for suppliers and contractors.

Continuous Improvement

Our supplier management processes are continuously reviewed and refined for better alignment with our standards.

Collaboration and Engagement

Regular meetings, training, and workshops are conducted to foster stronger relationships and ensure adherence to our standards.

Transparency and Reporting

We emphasise on transparency and require regular reports on practices, certifications, and performance metrics from our partners.

Audits and Assessments

Regular audits are carried out to ensure compliance. These evaluations span labour practices, environmental impact, quality control, and social responsibility.

Supplier Selection Process

Our standards and values are incorporated into our selection process, allowing us to partner with organisations that share our principles.

Future-proofing our Business

Our systematic approach to risk management protects our business model and ensures that we can achieve our objectives in a structured manner. The risk management framework includes:

Risk Management Policy

This policy is designed to identify and manage potential risks involved in our operations and business. The Risk Management Committee is responsible for implementing this system and informing the Board about its progress.

Identification of Risks

Our Risk Management Committee reviews operations, identifies potential threats, assesses the likelihood of their occurrence, and takes appropriate actions in order to mitigate the potential risks.

Management of Risks

We ensure the effective implementation of our Risk Management Policy by conducting regular risk assessments, allocating adequate resources for risk mitigation, strengthening risk management systems, and complying with all relevant laws and regulations.

BOARD OF DIRECTORS

Jagesh Kumar Khaitan

Chairman

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

Pavan Khaitan

Vice Chairman & Managing Director

Pavan Khaitan is a graduate in Commerce from Panjab University and a qualified Chartered Accountant. He joined the company in 1997 as the CEO and has been spearheading various initiatives that have rationalized the cost, enhanced quality, focused on specialty paper and ultimately optimizing the resources to their fullest. Also, he has been recently appointed as Vice 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 has been successfully completed in March 2021 with a capital outlay of INR 440 crore.

Drishinder Singh Sandhawalia

Non-Executive,
Non-Independent Director

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

Shireen Sethi

Director (Independent)

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

Vivek Bihani

Director (Independent)

Vivek Bihani is an Engineer from BITS, Pilani and an MBA from IIM, Bangalore. He has total work experience of around 27 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.

Bhavdeep Sardana

Director (Independent)

Bhavdeep Sardana, aged 45 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 Sr. VP & CEO at The Sukhjit Starch & Chemicals Limited and is responsible for successfully implementing repeated expansions at various units. He leads all B2B sales with Paper, Food & Pharma Majors. He actively engages with State Govts and Govt. of India on policies affecting the agro-processing industry and ease of doing business reforms.

KEY MANAGEMENT TEAM

Roshan Garg

Chief Financial Officer

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

Sushil Kumar Khetan

Chief Executive Officer - Operations

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

Ashesh Kumar Mukherjee

Chief Growth Officer

A postgraduate in business management with 30 years of experience of handling sales and distribution, business development, strategic planning, and product marketing across various industries. He focuses on identifying key input metrics and subsequently laying down processes that can help the organization in achieving scale and growth.

Sanjay Khosla

Chief Marketing Officer

An MBA in Marketing, he has total 28 years of experience in Sales and Marketing, exclusively in the Pulp & Paper industry. He has been with Kuantum since the past 23 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.

Parvinder Singh Taunque

Vice President-Engineering

A passionate Technocrat with 29+ years of experience in the field of reliability maintenance functions with a focus on implementing best maintenance practices and TPM philosophy. A seasoned Strategy Lead in the role of Business Operations, System building, Inventory management, Project management, vibration analysis & condition monitoring and planned shuts.

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.

CORPORATE INFORMATION

Board of Directors

Jagesh Kumar Khaitan
Chairman

Pavan Khaitan
Vice Chairman & Managing Director

Drishinder Singh Sandhawalia
Non-Executive,
Non-Independent Director

Shireen Sethi
Independent Director

Vivek Bihani
Independent Director

Bhavdeep Sardana
Independent Director

Senior Executives

Roshan Garg
Chief Financial Officer

Sushil Kumar Khetan
Chief Executive Officer-Operations

Ashesh Kumar Mukherjee
Chief Growth Officer

Sanjay Khosla
Chief Marketing Officer

Suresh Kumar Sain
Vice President-Finance

Parvinder Singh Taunque
Vice President-Engineering

Prachi Sharma
Vice President-Corporate Strategy

Company Secretary

Vivek Trehan

Statutory Auditors

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

Cost Auditors

M/s R J Goel & Co
Cost Accountants
Delhi

Secretarial Auditors

S K Sikka & Associates
Company Secretaries
Chandigarh

Internal Auditors

A Gandhi & Associates
Chartered Accountants
Chandigarh

Bankers

State Bank of India
Yes Bank Ltd
Indian Bank
HDFC Bank Ltd
Punjab National Bank

Registered Office & Works

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

Corporate Office

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

CIN : L21012PB1997PLC035243

Contact Details

Ph.: 01884-502737
Fax: 01884-502700
Email: kuantumcorp@kuantumpapers.com
Website: www.kuantumpapers.com

DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 26th Annual Report on the business and operations together with Audited Statements of Accounts of your Company for the financial year ended 31 March 2023.

FINANCIAL HIGHLIGHTS

The summarized financial results of the Company for the financial year 2022-23 are given hereunder.

(INR in Lakhs)

Particulars	2022-23	2021-22
Sales & other income	1,31,316.26	83,424.85
Operating Profit	38,281.71	12,280.26
Interest	7,099.44	6,894.44
Gross Profit	31,182.27	5,385.82
Depreciation	4,543.67	4,615.40
Profit (Loss) before exceptional items and tax	26,638.60	770.42
Exceptional items	6,342.31	---
Profit (Loss) after exceptional items	20,296.29	770.42
Provision for		
- Current Tax	1,533.07	127.66
- Adjustment of Tax-Previous Years	(128.68)	43.22
- Deferred Tax	5,276.72	(742.72)
Net Profit (Loss) after tax	13,615.18	1,342.26
Other comprehensive Income (Expense)	(45.52)	(20.16)
Total comprehensive Income/(Loss) for the year (Net of Income tax)	13,569.66	1,322.10

DIVIDEND

Considering the strong business operations coupled with healthy cash flows during the year under review and no payment of dividends in the previous two years, your Directors have proposed a dividend of INR 3/- per share (previous year INR Nil per share) on the Equity Shares of INR 1.00 each, and INR 1.00 per share (previous year INR Nil per share) on the Non-Cumulative Redeemable Preference Shares of INR 10/- each, for the financial year ended 31 March 2023 amounting to INR 2,917.91 Lakhs (previous year INR Nil).

OPERATIONS

The industry after witnessing two consecutive years of relative revenue contraction in FY 2021 and 2022, owing to a slowdown in demand for the paper segment due to closure of educational institutions, shift towards online and digital culture, as well as the impact of covid-19, witnessed a strong revival in demand consequent to reopening of educational institutions and a complete revival of economy in the current year. During the year under review, the Company achieved a production of 1,52,172 metric tonnes, as against 1,51,740 metric tonnes in the previous year. The quantitative figure for the sale of paper was 1,52,305 metric tonnes this year leaving 11 metric tonnes as closing stock, as against the sale of 1,51,674 metric tonnes in the previous year.

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

The company recorded a Net Sales Turnover (net of GST) including other income stood at INR 1,31,316.25 Lakhs (Previous Year INR 83,424.85 Lakhs) up by 57.1%; Operating Profit at INR 38,281.71 Lakhs (Previous Year INR 12,280.26 Lakhs) up by 211.7%; Profit before exceptional items INR 26,638.59 Lakhs (previous Year INR 770.42 Lakhs) up by 3,357.7%; Profit before Tax at INR 20,296.29 Lakhs (Previous year INR 770.42 Lakhs) up by 2,534.4%; and the Net Profit after Tax and other comprehensive income (expense) at INR 13,569.66 Lakhs (Previous year INR 1,322.10 Lakhs) up by 926.4% . The exceptional items INR 6,342.31 Lakhs (Previous Year INR Nil) represents tax adjustments as summarized below.

The Government of India vide taxation Laws (Amendment) Ordinance 2019 dated 20 September 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provided domestic companies an option to pay Income tax at reduced tax rate effective April 1, 2019 subject to certain conditions. The company had opted to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. However, in the quarter ended 30 June 2022, the company had re-evaluated the new provision, assessed it's impact and decided to opt for the new tax regime w.e.f April 1, 2021. Consequently, tax expenses for the period have been considered at reduced tax rate and the Company has used the new tax rates to re-measure its deferred tax liabilities and has written off the accumulated minimum alternative tax (MAT) credit in the quarter ended 30 June 2022. The impact of this change on the tax assets and liabilities as on 31 March, 2022 has been recognised in profit and loss as an Exceptional Tax Item. This has no impact on the operational profits of the Company.

The detailed performance of Company's operations for the year ended 31 March 2023 has been stated in the Management Discussion & Analysis, which appears as a separate statement in the Annual Report.

INDUSTRY STATUS

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

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

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

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

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 policy was expected to be implemented from April 2022 academic years, but its implementation was delayed due to spread of covid-19 pandemic and consequently the educational establishments were running online classes. However, with the gradual implementation of the NEP from academic year 2023-24, rise in the education spend by the Government, and increased thrust on education through initiatives such as Sarva Shiksha Abhiyaan/Education of All, the Printing & Writing paper demand is expected to increase sharply. The policy acts as a roadmap to revolutionize schooling and higher education in India that will support and foster a lifelong learning culture to maximize the rich talents and resources the country has to offer. The NEP 2020 is a giant leap in a list of initiatives taken by the government in achieving Goal 4 (SDG4) of the 2030. The policy recognises the ever-changing knowledge and employment landscape in our global ecosystem and focuses on curricular and pedagogy reform, aligning it with international standards and making India a vibrant knowledge economy and a nation of thought leaders. The impending changes in the education policy and curriculum, alongwith the introduction of textbooks in 22 languages in alliance with NCERT and Ministry of Education are bound to create a huge demand for Writing and Printing paper to meet the needs of new Indian education system.

BAN ON SINGLE USE PLASTIC

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

PAPER IMPORT MONITORING SYSTEM (PIMS)

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

FINANCE

(I) TERM LOANS AND CAPEX PROJECTS

The backward integration and modernization of its pulping facilities, chemical recovery plant and captive power generation plant to enhance its operating efficiencies and production capacity were commissioned and put to use in March 2021 has enabled the company in sustaining competitiveness in capacity and quality enhancement, cost reduction and improving margins and profitability of the Company. With the economy and business environment showing a strong growth trend, the benefits will be even more visible in the coming years.

The company has further undertaken the implementation of the capex projects with an outlay of INR 57 Crores towards debottlenecking, paper production capacity enhancement and cost reduction initiatives. The capex projects are funded through term loan of INR 38 Crores and the balance INR 19 Crores through internal accruals. The implementation of the projects is underway and they are scheduled to be completed and commissioned by September 2023.

(II) WORKING CAPITAL

Banks have sanctioned/renewed the working capital limits amounting to INR 13,155 Lakhs (fund based INR 8,000 Lakhs, non-fund based INR 5,155 Lakhs) during the year under review.

(III) FIXED DEPOSITS

As on 31 March 2023, your Company had Fixed Deposits of INR 3,914.99 Lakhs. There were no overdue deposits as on 31 March 2023.

The above deposits have been accepted for a period of 1 year to 3 years as per the Fixed deposit Scheme duly approved by the Board in its meeting held on 21 May 2022 pursuant to the compliance of the provisions of Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules 2014.

Details of Deposits:

(a) Accepted (including renewals) during the year- INR 2,772.17 Lakhs

(b) Remained unpaid or unclaimed as at the end of the year- Nil

There has been no default in repayment of deposits or payment of interest thereon during the year.

(IV) PREPAYMENT OF TERM LOANS-RESOLUTION PLAN UNDER RBI CIRCULAR DATED 6 AUGUST 2020 – "RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS"

The members were earlier informed that the Resolution Plan was approved and implemented by all the Lenders on 19 June 2021. The Resolution Plan inter alia provided for converting the interest on term loans for one year from 1st September 2020 into Funded Interest Term Loan (FITL) with extension of two years moratorium in the payment of principal of term loans.

In view of the better than envisaged business operations and continuous healthy cash flows, the company prepaid the entire FITL outstanding of INR 36 Crores in September 2022 which was otherwise repayable in quarterly instalments starting from September 2022 till FY 2029-30. The company has further prepaid term loans of INR 105.00 Crores in December 2022 and INR 102 Crores in March 2023. This payment was, in addition, to the repayment which became due after the moratorium of 2 years ended on 31 August 2022. The total payments thus constitute 43% of the restructured debt to the Banks and the company is engaged with the Banks to declare itself out of the ambit of the Resolution Plan.

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 revised the rating upward with stable outlook. The updated facility wise rating is as under:

Facilities	Amount (INR/ Cr)	Rating
Long-term Bank Facilities	500.28	CARE A-; (Single A Minus); (Outlook: Stable)
Short term Bank Facilities	78.65	CARE A2+ (A Two Plus) (Outlook: Stable)
Fixed Deposits	45.00	CARE A-; (Single A Minus); Outlook: Stable]

With the above revision in the rating, the rating which was assigned to the company before Covid-19 has been restored.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business.

MATERIAL CHANGE

With the strong revival in the demand for paper consequent to revival of the economy and the reopening of the educational institutes and offices, there has been a significant improvement in the operations for FY 2022-23 both in terms of top-line and bottom-line. Further no material changes or commitments affecting the financial position of the Company have occurred during the year under consideration, or after closure of the financial year till the date of this report.

HOLDING/ SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES COMPANIES

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

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013, and the relevant rules, the Board of Directors of your Company has constituted a CSR Committee. The CSR Policy has been framed by the Company which is placed on its website.

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 community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community.

During the year under review, the company has spent an amount of INR 33.38 Lakhs as against the budget of INR 33.32 Lakhs. Further the carryover amount of INR 132.39 Lakhs as on 31 March 2022 on the ongoing CSR projects were also spent in the current year. Disclosures as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in the Annual Report on CSR activities at 'Annexure- A'.

The CSR policy alongwith annual plan and its constitution is placed on the company's website.

VIGIL MECHANISM

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. No complaint has been received during the year under review.

RISK MANAGEMENT COMMITTEE

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.

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

Effective and strong internal 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 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.

RELATED PARTY TRANSACTIONS

All related party transactions are entered at arm's length basis and are as per the applicable provisions of the Companies Act, Indian Accounting Standards and the Listing Regulations. No materially significant related party transactions have been entered into by the Company with Promoters, Directors or Key Managerial Personnel, which had potential conflict with the interest of the Company at large. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis duly certified by the CEO and CFO. The Related Party Transactions Policy as approved by the Board is placed on the Company's website.

The details of the related party disclosures and transactions as prescribed in Form AOC-2 are given in the Note No. 40 of the notes on Financial Statements. All the related party transactions are done at arm's length and pertain to FY 2022-23.

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.

CHANGE IN THE DIRECTORSHIPS

There is no change in Directorships. Further, in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Drishinder Singh Sandhawalia shall retire by rotation at the forthcoming Annual General Meeting and is eligible 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.

INDUCTIONS & TRAINING OF BOARD MEMBERS

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

(a) Nature of the industry in which the entity operates;

(b) Business model of the entity;

(C) Roles, rights, responsibilities of independent directors.

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

Further as per Regulation 46(2) (i) of SEBI (Listing Obligations & Disclosure Requirements), 2015 the required details are as follows:

Details of familiarization programmes imparted to independent directors	FY 2022-23	Cumulative till date
Number of programmes attended by independent directors	8	43
Number of hours spent by independent directors in such programmes	12	64

PERFORMANCE EVALUATION OF THE DIRECTORS AND MEETING OF INDEPENDENT DIRECTORS

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

(a) Performance of the directors and key attributes of the Directors that justify his/her extension/continuation on the Board of the Company.

(b) Participation of the Directors in the Board proceedings and their effectiveness.

(C) Fulfilment of the independence criteria and their independence from the management as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) in case of Independent Directors.

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

During the year under review, a meeting of Independent Directors was held on 19 January 2023. 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.

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.

PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a 'Prevention of Sexual Harassment Policy' pursuant to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary, trainees) are covered under this policy. No complaint has been received during the year under review.

NUMBER OF MEETINGS OF THE BOARD

During the year, 4 (Four) Board 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. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee constituted by the Board comprised of three Independent Directors and one Executive Director till 31 March 2023.

During the year, 4 (four) Audit Committee meetings were convened and held. The details of the Audit Committee meetings, attendance of the members and terms of reference are provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

STATUTORY AUDITORS & AUDITOR'S REPORT

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

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

The Auditors report for the financial year 2022-23 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.

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 31 March 2023. The Company's Cost Audit Report for the year ended 31 March 2022 was filed on 10.08.2022 (Due date 30.09.2022). The said firm has been appointed as cost auditors of the Company for the financial year 2023-24 as well.

SECRETARIAL AUDITORS

M/s S.K. Sikka & Associates, Company Secretaries were appointed as Secretarial Auditors to conduct Secretarial Audit of the Company and have submitted the Secretarial Audit Report for the year ending 31 March 2023 which is annexed to this Board's Report as Annexure-2.

As per amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in addition to the above-mentioned Secretarial Audit Report, listed company is also required to obtain an Annual Secretarial Compliance Report from a practicing Company Secretary w.r.t. the compliances of all applicable SEBI Regulations, amendments, circulars or guidelines etc. by the Company. Accordingly, the same has been obtained and filed with the concerned Stock Exchanges.

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 annexed to this Board's Report as Annexure-3.

Pursuant to Section 204 of the Companies Act, 2013 M/s S.K. Sikka & Associates, Company Secretaries have been appointed as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ending 31 March 2024.

SHARE CAPITAL

During the year under review, the Company has not issued any equity shares with differential rights, sweat equity shares or employee stock option.

Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees is not applicable to the Company.

There is no change in the Equity and Preference share capital during the year under review.

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.

POSTAL BALLOT

The Company has not conducted any Postal Ballot during the year under review.

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 is annexed and forms part of the Annual Report.

EXTRACT OF THE ANNUAL RETURN

The extract of annual return in form no. MGT-7 would be available at the website of the Company at http://www.kuantumpapers.com

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-1 which forms part of this Report. No foreign technology has been availed by the Company.

PERSONNEL

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

PARTICULARS OF EMPLOYEES

The information required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the statement annexed herewith as Annexure-4.

The information required pursuant to the provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of INR 102 Lakhs per annum if employed throughout the year and INR 8.50 Lakhs per month if employed for part of the year, is given in the statement annexed herewith as Annexure-4.

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

The Company had extended corporate guarantee amounting to INR 1,679 Lakhs under Section 185 of the Companies Act, 2013 for a loan taken by the holding company M/s Kapedome Enterprises Limited. During the year under review, the said loan has since been repaid by the holding company and the corporate guarantee has been released.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, your Directors state that:

(i) in the preparation of the annual accounts for the year ended 31 March 2023, 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 31 March 2023 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 & SUSTAINABILITY REPORT

The Securities and Exchange Board of India as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility & Sustainability Report" as a part of Company's Annual Report for top 1000 listed entities based on market capitalization (as on March 31 of every financial year) by the stock exchanges. As on 31 March 2023, the company is amongst the top 1000 listed entities based on market capitalization and the said 'Business Responsibility & Sustainability Report' for the year 2022-23 is attached and forms part of the Annual Report.

THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was neither any application made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the period under review.

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 the Board

Place: Chandigarh
Dated: 29 April 2023

Jagesh Kumar Khaitan
Chairman

ANNUAL REPORT ON CSR ACTIVITIES

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

(ii) Strategy

Though mandated, Kuantum Papers Ltd. takes its social responsibility conscientiously and proactively. Our emphasis has been on environment conservation, reforestation, pollution control, optimum utilization of treated water with recycling 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.

The policy on Corporate Social Responsibility is available on the website of the Company viz. http:// www.kuantumpapers.com/policies

2. The Composition of the CSR Committee:

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

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

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

b) CSR Policy - http:// www.kuantumpapers.com/policies

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

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

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: **INR 1665.93 Lakhs.**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: **INR 33.32 Lakhs.**

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

(d) Amount required to be set-off for the financial year, if any: **INR 0.17 Lakhs.**

(e) Total CSR obligation for the financial year [(b)+(C)-(d)]: **INR 33.15 Lakhs.**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 33.38Lakhs.**

(b) Amount spent in Administrative Overheads: **NIL**

(C) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(d) Total amount spent for the Financial Year [(a)+(b)+(C)]: **INR 33.38 Lakhs.**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) Section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
INR 33.38 Lakhs	Not Applicable				

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (INR in Lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	33.32
(ii)	Total amount spent for the Financial Year	33.38
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.23*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.23

* INR 0.17 Lakh pertains to previous year.

7. Details of Unspent CSR amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in INR)
				Name of the Fund	Amount (in INR)	Date of transfer	
1.	2019-20	NA	-	-	-	-	-
2.	2020-21	134.39*	132.39	0	0	0	0
3.	2021-22	0	0	0	0	0	0

*(Out of the total Unspent CSR Amount INR 134.39 Lakhs for the Financial Year 2020-21 which was transferred to Unspent CSR Account, a sum of INR 2.00 Lakh was spent in the Financial Year 2021-2022 and the remaining Unspent CSR amount of INR 132.39 Lakhs was completely spent during the reporting Financial Year i.e 2022-2023).

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

Sr. No.	Short Particulars of the property or asset(s) {including complete address and location of the property}	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
			Not Applicable				
					CSR Registration Number, if applicable	Name	Registered address
			Not Applicable				

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

Pavan Khaitan
(Chairman- CSR Committee and
VC & Managing Director)

ANNEXURE-1

STATEMENT CONTAINING PARTICULARS 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

Energy Conservation is of prime importance for the Company and have undertaken several initiatives as detailed below:

- Automatic Power Factor Controllers installed in electrical distribution panels, to reduce the power losses.
- High Power Consumption Old DC Technology (Motors/Drives) replaced with energy efficient AC motors/VFDs resulting in energy savings.
- Installation of variable frequency drives for process Pumps, to save the energy by reducing the speed of pumps, instead of valve throttling.
- Replacement of Conventional Lights with LED lights for Power Saving.
- All new AC motors are being installed with IE3 and IE4 class i.e Highly energy efficient motors.
- Energy audits conducted during the year by top companies like CII and proposals being implemented.
- Purging time of instrument air receiver tank drain valves are revised from 10 sec/5 minutes to 5 sec/30 minutes. Total purging time is reduced from 3.2 hrs per day to 0.27 hrs per day. Power saving of 202 kwh per day is achieved.
- Condensate recovery improved by 2 percentage points.

Total energy consumption and energy consumption per unit of production of paper for the year 2022-23 is given in the table below:

POWER & FUEL CONSUMPTION	2022-23	2021-22
1 ELECTRICITY		
(a) Purchased		
Units (Lakhs KWH)	69.24	58.66
Total amount (INR Lakhs)	711.61	664.35
Rate/Unit (INR/KWH)	10.28	11.34
(b) Through Steam Turbine / Generator		
Units (Lakhs KWH)	1,971.37	1,858.23
Cost/Unit (INR/KWH)	5.76	4.96
2 COAL (for Boiler)		
Quantity (Tonnes)	1,11,172	1,51,538
Total cost (INR Lakhs)	10,907.11	10,276.28
Average rate (INR)	9,811	6,781
3 OTHERS		
Rice Husk (for Boiler)		
Quantity (Tonnes)	1,09,297	61,448
Total cost (INR Lakhs)	8,611.50	3,214.87
Rate/Unit (INR MT)	7,879	5,232
4 CONSUMPTION/TONNE OF PRODUCTION		
Production (Tonnes)	1,52,172	1,51,740
Electricity/Tonnes (KWH)	1,341	1,263
Furnace Oil/Tonne (KL)	0.002	0.003
Coal/Tonne (MT)	0.731	0.999
Others Rice husk (MT)	0.718	0.405

II. TECHNOLOGY ABSORPTION

Research & Development and Environment

Specific areas in which in-house R&D projects have been carried out by the Company during FY 22-23

- New products developed - Kosheen Aqua with 100% own Hardwood pulp, straw base paper, Buff pulp board, Cupstock paper with bio-coating, OGR (Oil & Grease Resistant) base paper.
- New shade development has been done for blue parchment paper, parchment buff and green shade base paper for coated cards.
- Analyzed the influence of washing on raw material (wheat straw) with Na2CO3 followed by acid neutralization to reduce non process elements like silica, chlorides and calcium.
- Trial conducted and successfully used Bamboo from different states as an alternative material in hardwood pulp street was carried out successfully.
- Pulping and bleaching studies of Casuarina wood for alternative raw material development for making pulp and paper which provides 1.5% higher yield in comparison of Eucalyptus wood.

Quality Certifications held by the Company

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

The expenditure on R & D has been as follows: **(INR in Lakhs)**

	2022-23	2021-22
(i) Capital	10.53	31.04
(ii) Recurring	267.05	212.65
(iii) Total	277.58	243.69
(iv) Total R&D expenditure as a percentage of turnover	0.19	0.26

Technology absorption, adaptation and innovation

- A New wood chipper with a capacity of 40 TPH had been installed and commissioned. With the installation of this chipper, the Company is self-sufficient in its requirement for Wood /Bamboo logs' chips to produce 180 TPD of Wood Pulp.
- To have sufficient chips screening a state-of-the-art vibratory type wood chips screen has been installed. It removes the oversized and under size material from the chips, thus resulting in better quality of input wood raw material.
- Mega Clarifier and Belt Filter Press had been installed in the Pulp Mill to handle and process wet washing clarifier underflow sludge. The objective is to treat the clarifier sludge to separate out the Mud/Dust and fine wheat straw from filtrate.
- One screw press had been installed for handling of centricleaner reject. The objective of this initiative was to thicken the reject sludge and use it for board making.
- Under the freshwater reduction initiatives, a High-Rate Solid Contact Clarifier (HRSCC) has been installed for treatment of Paper machine back water. The HRSCC helps remove suspended solids and this clarified water is being used at Pulp Mill and paper machines, resulting in savings of 1150 M^3 of fresh water per day.
- Mechanical sealing water is being collected and used at Belt filter press cleaning showers. With the implementation of this initiative, we have saved 240 M^3 of fresh water per day.
- With the installation and commissioning of the On-site So2 generation plant, the Company is self-sufficient in its So2 gas generation.
- MP steam consumption has been reduced by replacing vacuum ejector with vacuum pumps in Clo2 plant, resulting in savings of MP steam by 5 TPD.
- Pulp flow and Consistency transmitters were installed in pulp supply pipelines to accurately measure the pulp quantity being supplied to the paper machines.
- To increase the production of Copier paper, a new A4 Sheeter with a capacity of 60 TPD has been installed. This is equipped with latest energy efficient AC technology and automation system.

- To increase the production of sheets, we have installed new Synchro Sheeter with a capacity of 90 TPD. This high-speed sheeter has auto counting, dust collection facility and size accuracy, allowing the Company to produce sheets of even higher quality and specifications.
- At PM4, New Calcoil system was installed at Calender roll for paper quality improvement and reduction in compressed air consumption along with power savings.
- To handle the increased paper production at PM 3, the Company has installed a new Rewinder with latest energy efficient AC technology and automation system. This allows production of paper reels matching international quality standards.
- With the upgradation in technology and automation of PM4 rewinder, its speed has been increased up to 1200 MPM.
- To save on steam costs, the bleed of 35 kgcm2 from TG- 5 was converted to 4 Kgcm2, using PRDS. This increased the average LP steam generation by 7 TPH.
- Motorised valves were installed at LP header of 4 kgcm2, which helped in venting during the paper breaks at paper machines.
- Load Sharing Panel has been installed to share the load of all available power sources without any manual intervention.
- In the biomass boiler, the 5TPH Husk feeder has been replaced with 7.5 TPH. This has increased the consumption of Rice husk (biomass) in the boiler, thus reducing coal consumption and our overall carbon footprint.

The Company has not imported any technology for its products.

Cellulose Ethanol Pilot Plant

Your company had setup a pre-commercial Pilot (demonstration) plant titled "Cellulosic ethanol pilot plant for rice straw management". This project was supported with grant-in-aid from BIRAC (Biotechnology Industry Research Assistance Council) a Public Sector Enterprise, set up by Department of Biotechnology (DBT), Government of India as an Interface Agency to strengthen and empower the emerging Biotech enterprise to undertake strategic research and innovation, addressing nationally relevant product development needs. BIRAC's aim is to play a transformative and catalytic role in building a US$ 100 billion Indian bio-economy. The company has now successfully completed the establishment of the technology in the said demonstration plant and has achieved the stated objectives of:

1. Design and engineering of a continuously operated pilot plant of 700 Liters/day capacity of 2G ethanol produced from Rice Straw as a complete Bio-refinery
2. Demonstrate efficient burning of separated lignin in a suitable boiler with supported fuel and recover Silica as a value added by-product from the slag
3. Demonstrate assimilation of cellulosic sugars (both pentose & hexose) utilizing an LMO derived from Saccharomyces cerevisiae, in an efficient manner
4. Produce 20 Kiloliters of Anhydrous Fuel grade ethanol conforming to IS15464:2004 at the rated capacity

The main objective of the project to establish an economically viable and commercially scalable process to produce 2G ethanol based on an Indian Patent (presently licensed to the company) has been achieved with mostly indigenous equipment, plant & machinery and skilful design engineering. The water consumption is minimal as most is recycled. Greenhouse gas reduction of more than 88% (compared to fossil fuels) is a key achievement of the technology demonstrated.

The company is exploring the avenues to transfer the Cellulose Ethanol Pilot Plant to a Special Purpose Vehicle (SPV) for commercial interest along with the cost incurred.

III. FOREIGN EXCHANGE EARNING & OUTGO

As per Ind AS these particulars are not required to be given.

For and on behalf of the Board

Place: Chandigarh
Dated: 29 April 2023

Jagesh Kumar Khaitan
Chairman

ANNEXURE-2

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

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

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

Based on my verification of Kuantum Papers Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March, 2023, 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, 2023 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:

The total amount required to be spent by the Company on CSR was INR 33.32 Lakhs during the Financial Year 2022-23 being 2% of the average net profit of the company as per Section 135 (5) of the Companies Act, 2013 and the amount actually spent during the year under report was INR 33.38 Lakhs for the activities as per Schedule VII.

The Company had transferred a sum of INR 134.39 Lakhs to unspent CSR account in the FY 2021-22 out of which it had already spent an amount of INR 2.00 Lakhs in the same year. Now, the Company has spent the balance amount of INR 132.39 Lakhs lying in the unspent CSR account during the year under report.

I further report that

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Independent Director. No changes in the composition of the Board of Directors took place during the period under review.

(ii) Adequate notice was given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting;

(iii) All the Decisions at the Board Meetings were taken unanimously.

I further report that 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) Redemption / Buy-Back of Securities.

(iii) Merger / Amalgamation / Reconstruction etc.

(iv) 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: F004241E000232788

Place: Chandigarh
Date: 29/04/2023

Annexure A

Secretarial Auditors' Report

To,

The Members

Kuantum Papers Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.

2. I have followed the audit practices and 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

Place: Chandigarh
Date: 29/04/2023

ANNEXURE-3

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended 31st March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority

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

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

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

This Certificate has been issued at the request of the Company to make disclosure in its Annual Report of the financial year ended 31st March, 2023.

For S. K. SIKKA & ASSOCIATES
Company Secretaries

SUSHIL K. SIKKA
Prop.
FCS 4241, CP 3582
Peer Review Cert. No. 1057/2021
UDIN: F004241E000232711

Place: Chandigarh
Date: 29/04/2023

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	**Name**	
		Mr. Jagesh Kumar Khaitan	91.04: 1
		Mr. Pavan Khaitan	166.09:1
(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;	**Name**	
		Mr. Jagesh Kumar Khaitan (Chairman)	73.64%
		Mr. Pavan Khaitan (VC & Managing Director)	73.72%
		Mr. Roshan Garg (CFO)	21.84%
		Mr. Vivek Trehan (Company Secretary)	16.07%
(iii)	The percentage increase in the median remuneration of employees in the financial year;	10.24%	
(iv)	The number of permanent employees on the rolls of company;	1,304 employees as on 31.03.2023.	
(v)	The explanation on the relationship between average increase in remuneration and company performance;	The average increase in remuneration is 13.04% of all employees. The Profit before Tax of the Company has been higher by 2534.4%	
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration paid during the year is as per the remuneration policy of the company.	

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

Name (age in years)	Description	Gross Remuneration Paid (in INR)	Qualification	Date of Commencement of employment (experience in years)	Previous employment	Percentage of equity shares held	Whether any such employee is a relative of any director
Sh. Jagesh Kumar Khaitan (78 Yrs.)	Chairman	**2,42,90,706**	Graduate with Marketing Management & Strategic Courses from IIM, Ahmedabad	17 July 2010 (Total Exp. 54 Yrs.)	Vice Chairman & Managing Director Amrit Banaspati Co. Ltd.	1.66%	Father of Sh. Pavan Khaitan
Sh. Pavan Khaitan (55 Yrs.)	Vice Chairman & Managing Director	**4,43,15,362**	Chartered Accountant	1 April 2007 (Total Exp. 30 Yrs.)	Managing Director, Amrit Banaspati Co. Ltd.	1.69%	Son of Sh. Jagesh Kumar Khaitan
Sh. Sushil Kumar Khetan (57 Yrs.)	CEO – Operations	**97,30,000**	Chartered Accountant & Company Secretary	1 June 2022 (Total Exp. 38 Yrs.)	Director (Operations) & CFO, Emami Paper Mills Ltd.	-	-

MANAGEMENT DISCUSSION & ANALYSIS

1. Overview

The objective of this report is to convey the Management's perspective on the external environment, the paper industry, the strategies involved, operating and financial performance, developments in human resources and industrial relations, risks and opportunities, as well as internal control systems and their adequacy in the Company during the year. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

2. Indian Economy

Despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth.

The Asian Development Bank (ADB) projects growth in India's gross domestic product (GDP) to moderate to 6.4% in fiscal year ending on 31 March 2024 and rise to 6.7% in FY 2025, driven by private consumption and private investment on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem. The growth moderation is premised on an ongoing global economic slowdown, tight monetary conditions, and elevated oil prices coupled with sound macroeconomic fundamentals, lower non-performing loans in banks and significant corporate deleveraging that will enhance bank lending.

RBI has projected GDP growth at 6.5% for FY 2024 and inflation at 5.2%. RBI expects the government's focus on capital expenditure, capacity utilisation and moderating commodity prices to strengthen the manufacturing and investment activity.

3. An overview of the Economy and Business Environment

India's growth continues to be resilient, despite some signs of moderation in growth. India is forecast to grow by 6.4% and healthy domestic demand in India will also support regional growth. The reopening of the China will boost regional economic growth through supply chain linkages and demand for goods and services. Growth in the Caucasus and Central Asia, the Pacific, and Southeast Asia will be lifted as tourism recovers. However, higher debt and interest rates have magnified financial stability risks, as evidenced by recent banking sector problems in the United States and Europe.

Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent. Global headline inflation in the baseline is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases.

Government spending, deficits and debt in several advanced economies have reached record highs relative to GDP. An escalation in the Russian invasion of Ukraine could cause renewed surges in commodity prices, stoking global inflation and inducing further monetary tightening. The conflict has also brought in severe financial sanctions and political pressure on Russia from the rest of the world, primarily the Western powers. These will likely have unpredictable and undesired implications on the global financial system and economy. Further, climate change and global fracturing remain persistent challenges. To confront these challenges, policy makers need to strengthen policies to ensure financial stability and actively support multilateralism to deepen regional cooperation.

It's not just India, but almost all emerging economies are reeling under these external blows. However, India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth.

Furthermore, the emphasis on manufacturing in India, various government incentives such as lower taxes, and rising services exports on the back of stronger digitization and technology transformation drive across the world will aid in growth. Also, several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination.

On the back of these factors, Indian economy is expected to grow at 6.4–6.5%, followed by equally strong growth in the next two fiscal years, respectively.

4. Industry Structure and Development

Indian population is around 15% of world population but consumes only 5% of the total paper produced in the world. India's growing FMCG sector and high spending in education coupled with growth in organised retail and demand for better quality paper as well as more health consciousness of people, etc., are triggering factors of growth prospects of Indian Paper Industry. The estimated annual turnover of the industry is INR 80,000 Crore and its contribution to the exchequer is around INR 5,000 Crore. The industry provides direct employment to 0.5 million persons, and indirectly to around 1.5 million.

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

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

The literacy rate in the country is 74.04%, 82.14% for males and 65.46% for females. This rise is largely attributable to the following Government's flagship schemes:

1. Pradhan Mantri Kaushal Vikas Yojana (PMKVY),
2. Mahila Samakhya Programme,
3. Sarva Shiksha Abhiyan (SSA),
4. Beti Bachao Beti Padhao,
5. Strengthening for providing quality Education in Madrassas,
6. Rashtriya Madhyamik Shiksha Abhiyan ,
7. Saakshar Bharat (Adult Education) and lastly,
8. Goods & Service Tax (GST) and the Make in India program

As per CRISIL Report, Writing & printing paper demand is expected to increase 3-5% CAGR over the current demand and reach 5.6-6.0 million tonne by fiscal 2025. Enrolment of students (schools as well as higher education) is expected to increase at a relatively faster pace of 1.5-2% CAGR over the next 3 years. Also, with the New Education Policy coming to effect and a gradual rise in education spend by the government, alongwith an increased thrust on education (through initiatives such as Sarva Shiksha Abhiyaan/Education for All) are expected to support demand for creamwove and maplitho paper. Specialty paper demand, primarily driven by Tissue paper, is expected to continue to log a robust 11-12% CAGR over the current demand to fiscal 2025. Demand for copier paper (20% of the W&P segment) is expected to increase at 7-9% CAGR through fiscal 2025, primarily on account of moderation spends on stationery by corporates due to focus on digital-based communication. Demand growth for coated paper is expected to remain moderate at 3-5% CAGR through fiscal 2025.

CRISIL Research expects demand for specialty paper to increase driven by strong demand for tissue paper. Over fiscal 2023 to fiscal 2025, we expect this segment to grow at robust 11-13% CAGR to ~1.9-2.3 million tonne by fiscal 2027 from ~1.3-1.5 million tonne in fiscal 2022. The main varieties of specialty paper are tissue, decor, thermal, fine printing, cigarette, and business card paper. Rise in urbanisation, emphasis on hygiene through increased government thrust (via initiatives such as Swatch Bharat), and steady rise in healthcare and hospitality demand will lead to rise in demand for tissue paper consumption. Moreover, rise in the number of cashless transaction (ATM, debit/credit card purchase, etc.) and increased billing (owing to rise in share of organised retailing) will boost demand for thermal paper.

Greater emphasis on education and literacy by the Government coupled with demand for better quality of paper are major drivers for writing & printing paper. The paper industry has made substantial investments to increase the production capacities and as a result, in almost all paper grades, the country has enough domestic capacity to meet the growing domestic demand and also for exporting to other counties. Further about 1 million TPA of pulp, paper and paperboard capacity is required to be created additionally on an annual basis over the current capacity to meet the growing demand.

5. Opportunities and Threats

The per capita paper consumption in India stands at 15-16 kg which is well below the global average of 57 kg and significantly below 200 kg in developing economies, which highlights an opportunity in terms of potential growth of paper demand in India. The demand will be driven and supported by higher Government spending on education initiatives, corporate spending on stationary and healthy growth in services sector. Inspite of advancement in technology, like the usage of Tabs, Smart Phones, digitization, the increased preference for online storage and dissemination of data, the paper industry is poised for a consistent growth in demand over the next few years. Despite the higher level of technology being used in the corporate sector, there has been no decline in the overall paper consumption. The envisaged growth in the value-added writing and printing paper segment in India presents an invaluable opportunity and your company plans to leverage it by tapping its institutional strength in its distribution supply chain, cost competitiveness and its premium quality alongwith its branding prowess. Further with literacy rates set to improve and universalization of education through legislative steps like Right to Education, government measures like Sarva Shiksha Abhiyan, mid-day meal schemes, Girl Education Programme (GEP), growing enrolment as well as increasing number of schools, colleges and institutions and increased spending on education by all sections of the society will provide an impetus to this segment.

The company has been one of the most cost competitive paper mills and a large player in the writing and printing segment. The continuous efforts of the company towards cost reduction and technology up-gradation has led to improved product quality, enhanced product range, increased production capacity, higher operational efficiencies and economies of scale. Further these initiatives have also enabled the company to manufacture premium quality paper, such as maplitho paper, specialty papers and premium copier paper, which is placed in the higher value segment, competing with quality of other large paper mills.

Indian paper mills are categorized based on raw materials used by them in the manufacture of paper - wood based mills, agro-based mills and wastepaper based mills. Wood accounts for 30-35% of production, while wastepaper and agri-residues account for 45-50% and 20-22%, respectively. India has a total land area of 3.3 million sq km with forests covering only 0.7 million sq km. About 78% of the total land area is non-forest area. With diminishing forest resources and limitations on enlarging man-made forests, there is scarcity of raw material for paper mills. Moreover, the limited raw material can be put to many alternative uses.

Raw material and chemical costs account for around 50 per cent of the operating income of mills in the paper industry. Agro and Wood based pulp are the main raw materials required for manufacturing W&P paper, especially in the higher end papers such as maplitho and coated paper. India's wood resources are limited, and therefore the cost of wood is higher in global comparison. Since there is conspicuous absence of Government's policies favoring industrial plantation, securing future wood supplies will be the Industry's biggest challenge. In line with this increase in production, demand for wood material will also go up. Your company has insulated itself from the vagaries of pricing of global pulp by enhancing its wood pulping capacities, thereby reducing its dependency on imported wood pulp. Further to counter the issue of wood deficit, the paper mills including your company gave thrust to initiatives like agro forestry which have now started yielding results.

To support the availability of raw material for the industry, the Government has announced in the budget 2023-24 that the Government will provide funding to help implement policies that will promote agro-forestry and commercial forestry. The Government had put in place policies to encourage agro-forestry, giving the paper industry a boost in terms of the stability of its raw materials, in addition to contributing to an increase in the overall amount of green cover across the country.

Another source of raw material for the paper industry is agri-residues such as wheat straw, bagasse, wild grass, and other such agricultural wastes. Your company has the locational advantage of being in the centre of one of the largest wheat growing areas in India and thus, does not foresee a challenge in the availability of this raw material despite increased demand. Bagasse is the other widely-used agri-residue in the paper industry. However, availability of bagasse has been declining due to its increased use in power generation by sugar industry. Your company has also decreased its dependency on bagasse and developed alternate raw materials through extensive R & D. Despite agri-residues being seasonal in nature, your company has mastered processing several types of raw material for pulp making, and has therefore gained an edge in the industry.

The alternative source of raw material is wastepaper and recycled paper - domestic and imported. Both together accounted for nearly 50 per cent of the total paper production. In India, however, the system of wastepaper collection is not very well developed in the domestic wastepaper segment. The recovery rate is low and consequently there is lower availability. This leads to domestic mills relying increasingly on imports to meet their demand. Your company does not use wastepaper as a raw material for its production purposes and hence is not impacted by this raw material.

The changes in Government policies, environment standards and the paperless initiatives on various fronts, coupled with Green initiatives in Corporate Governance, is indicative of a slight threat to the paper industry. Although India does not import any significant quantity of W&P or paperboard, the share of imports over the next few years will remain a key factor for growth in writing and printing paper.

The Government announced the new National Education Policy (the NEP 2020) to focus on providing education that is equitable, accessible, high-quality and affordable. The policy was expected to be implemented from April 2022 academic years, but its implementation was delayed due to spread of covid-19 pandemic and consequently the educational establishments were running online classes. However, with the gradual implementation of the NEP from academic year 2023-24 and rise in the education spend by the Government and increased thrust on education through initiatives such as Sarva Shiksha Abhiyaan/ Education of All, the printing & writing paper demand is expected to increase 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 are bound to create a huge demand for writing and printing paper to meet the needs of new Indian education system.

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

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

One major near-term concern for the paper industry has been fluctuating wood pulp and fuel costs, given that the industry also relies on imported coal, wherein the prices have fluctuated over the last one year. Though the industry is managing these challenges by passing on such rises to the final customer as well as absorbing, wherever possible, on an aggregate basis, the long-term demand potential for the Indian paper industry remains intact, given the rising usage of different forms on paper in daily life.

6. Risks and Management Perception

The paper industry is labour intensive, as well as power and capital intensive, and is exposed to several risks i.e. changes in the government policies, raw material shortage, environment policies, competition, duties and taxes, technological obsolescence and external economic factors.

Your company adopts a comprehensive and integrated risk appraisal and mitigation process as part of its risk management policy.

The company uses agro waste materials, primarily Wheat straw and Sarkanda grass, as well as wood materials like chips, veneer and bamboo, as the basic raw materials to manufacture paper. The availability of these raw materials is seasonal. The raw material of all kinds is available in abundance on ground and thus its adequate availability may not be a constraint despite increased capacities of the other paper mills in and around the region. The continuous increase in prices of raw material and other inputs continues to be a matter of concern for the industry. However, locational advantage of your company's paper mill provides an added access to the major raw material sources and insulates itself to quite some extent on this front. We have suppliers connected to your company for the last several decades for supply of both Agro and Wood raw materials, by way of long term arrangements.

India's wood resources are limited, and therefore the cost of wood is higher than in global comparison. In the absence of Government's enabling policies favoring industrial plantation, securing future wood supplies is one of Industry's big challenge.

To secure a substantial part of our wood requirements, your company had developed a social Agro-forestry process by creation of a Nursery at the Mill to grow premium quality clonal plants which has been doing very well. At the Nursery, saplings of clonal varieties of fast growing hard wood trees are grown and distributed to farmers, enabling the company to buys back the hardwood post the harvest. Domestic land under social forestry is expanding by approximately 10% annually. This sustainable initiative has created employment opportunities in the remote areas in close proximity to the mill thereby, helping rural development. We are also continuing our efforts for growing of plantations by touching base with the farming community and making them aware of the financial benefits attached to social farm forestry.

The paper industry consumes a large amount of energy and water. Energy costs that account for about 16-18 per cent of costs, vary depending on the fuel used for generating power. The cost of power has increased as a result of inadequate supply and increase in tariff for industrial consumers. The prospect of availability of good quality fuel is diminishing. This has been offset by your company by establishing a state-of-the-art captive Co-Gen Plant to meet its entire power requirements, thereby reducing its dependency on the grid power.

The company continued its efforts in arriving at a proper raw material mix, cost reductions and product mix optimization. The Chemical Recovery plant, Co-generation plant and other cost reduction measures coupled with variety of distinctive products manufactured with better and improved operational efficiencies has significantly increased its cost competitiveness.

Your company has also framed a 'Risk Management Policy' to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure. A Risk Management Committee as per the regulatory requirements has also been constituted to oversee the risk management process in the Company.

Further with the implementation of the NEP, the ban on single use plastics and Paper Import Monitoring System that has been put in place, we expect a huge demand for writing and printing paper and for the Paper Industry in India to grow.

7. Outlook

Paper plays a key role in communication, and as a packaging material. Demand for paper is closely linked to the prevalent economy conditions. Paper industry continues to have a reasonably moderate prospect in India during next few years as the demand of paper and paper products grow in line with the GDP growth. Paper continues to enjoy a relatively healthy demand on account of (i) lifecycle of a paper product from manufacture to consumption and disposal is short, as paper is used more in the nature of a consumable and not as a durable (ii) Wide usage, right from an individual to a corporate entity (iii) rightful replacement to single use plastic and (iv) no real low cost substitutes for paper.

The Indian paper and paperboard industry has the potential and the capability to service the demand in domestic and international market, and also to create huge employment avenues in rural India through agro production and forestry. This will only strengthen if the competitiveness of the value chain is encouraged by the government.

While Writing & Printing paper does not face any major threat from substitutes, the increased preference for online storage and dissemination of data and information could marginally impact the demand growth. However, despite the higher level of technology being used in the corporate sector, there has been no perceptible decline in the paper demand. The demand for the writing and printing paper is expected to rise sharply on account of the implementation of the National Educational Policy 2020, which will result in publication of new books, in 22 languages of India, under the revised curriculum. Furthermore, a variety of paper products are finding its way into the market due to the ban placed on use of certain plastic items.

Availability of adequate good quality raw materials at cost effective prices, higher capital outlay, high interest and capital costs, long gestation period and stringent environment regulations are the major entry barriers for Greenfield projects in the Indian Paper industry.

8. Company's Financial Performance & Analysis

The industry after witnessing two consecutive years of relative revenue contraction in FY 2021 and 2022, owing to a slowdown in demand for the paper segment, due to closure of educational institutions, as well as impact of covid-19, and a shift towards online and digital culture, witnessed a strong rebound in demand, consequent to a robust revival of economy and reopening of educational institutions in the current year. During the year under review, the Company achieved a production of 1,52,172 metric tonnes, as against 1,51,740 metric tonnes in the previous year. The quantitative figure for the sale of paper was 1,52,305 metric tonnes this year leaving 11 metric tonnes as closing stock, as against the sale of 1,51,674 metric tonnes in the previous year.

The company recorded a Net sales turnover (net of GST) including other income stood at INR 1,31,316.25 Lakhs (Previous Year INR 83,424.85 Lakhs) up by 57.1%; Operating Profit at INR 38,281.71 Lakhs (Previous Year INR 12,280.26 Lakhs) up by 211.7%; Profit before exceptional items INR 26,638.59 Lakhs (previous Year INR 770.42 Lakhs) up by 3,357.7%; Profit before Tax at INR 20,296.29 Lakhs (Previous year INR 770.42 Lakhs) up by 2,534.4%; and the Net Profit after Tax and other comprehensive income (expense) at INR 13,569.66 Lakhs (Previous year INR 1,322.10 Lakhs) up by 926.4% . The exceptional items INR 6,342.31 Lakhs (Previous Year INR Nil) represents tax adjustments as summarized below.

The Government of India vide Taxation Laws (Amendment) Ordinance 2019 dated 20 September 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provided domestic companies an option to pay Income tax at reduced tax rate effective April 1, 2019 subject to certain conditions. The company had opted to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. However, in the quarter ended 30 June 2022, the company had re-evaluated the new provision, assessed it's impact and decided to opt for the new tax regime wef April 1, 2021. Consequently, tax expenses for the period have been considered at reduced tax rate and the Company has used the new tax rates to re-measure its deferred tax liabilities and has written off the accumulated minimum alternative tax (MAT) credit in the quarter ended 30 June 2022. The impact of this change on the tax assets and liabilities as on 31 March, 2022 has been recognised in profit and loss as an Exceptional Tax Item. This has no impact on the operational profits of the Company.

The initiatives taken by the company in the recent years in improving productivity and operational efficiencies have led to achieving better operational performance. The company has continued to take up projects in focused areas for operational improvement and this has also led to improved operational efficiencies, productivity, reduction in operational costs, and sizeable increase in savings.

The results of cost reduction initiatives and operational efficiencies achieved from the backward integration projects comprising of enhancing the capacities of pulp and paper, Chemical Recovery Plant and Captive Power Plant in 2021 have been visible in the financial performance for the year under review and will continue to be visible in the coming years.

The company has further undertaken the implementation of the capex projects with an outlay of INR 57 Crores towards debottlenecking, paper production capacity enhancement, optimisation of capacity utilization, cost reduction, new products, optimizing production of better margin products etc. The capex projects are funded through term loan of INR 38 Crores and the balance INR 19 Crores through internal accruals. The implementation of the projects is under way and are scheduled to be completed and commissioned by September 2023.

These initiatives have made your company not only one of the most cost competitive paper mills, but has also placed it amongst the large paper players in the writing and printing segment. Furthermore, continuous research & development have enabled the company to manufacture papers of distinctive prime quality and broader product mix, which is competing with the premium quality of other large paper mills.

9. Internal Control Systems

Your Company has established adequate internal control systems to provide reasonable assurance that the assets are safeguarded and transactions are properly authorized, recorded and correctly reported. Your company has already implemented SAP to further strengthen the control systems. It is a common practice to lay down a well thought business plan for each year. From the annual business plan, detailed budgets for revenue and capital for each quarter are determined. The actual performance is reviewed in comparison with the budget and deviations, if any, are addressed adequately. The internal control mechanism is well established. The internal control system is supplemented by regular management reviews and periodical reviews by an independent firm of chartered accountants, which evaluate the functioning and quality of internal controls and checks; and provide assurance of its adequacy and effectiveness. The scope of the internal audit covers a wide variety of operational methods and ensures compliance with specified standards with regard to availability and suitability of policies, practices and procedures, extent of adherence, reliability of management information system and authorization procedures including steps for safeguarding of assets. The Reports of internal audit are placed before Audit Committee for review. The audit committee reviews the adequacy of the internal control systems, audit findings and suggestions. The Company's Statutory Auditors regularly interact with the Audit Committee to share their findings and the status of further improvement actions under implementation.

10. Human Resources and Industrial Relations

Your company enjoys the support of a committed and well satisfied human capital. Human resources are invaluable assets of the company and the Company's endeavor has always been to retain the best professional and technical talent. The company lays great emphasis on proper management of human resources and skill development and believes that the human resource is the most important ingredient for achieving excellence in performance and for the sustainable growth of the business of the company. These practices enable the company to keep the attrition rate well below the industry average. The management has a process driven approach that invests in training and skill development needs of the employees on a regular basis through succession planning, on the job training and workshops. Progress made by the company has been possible in no small measures by efforts of the entire team.

Industrial relations were harmonious. Safety welfare and training at all levels of our employees continues to be the areas of major focus for the Company as recognised by the awards bestowed on the company by independent agencies.

11. Cautionary Statement

Statements in this "Management's Discussions and Analysis" are describing the Company's "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand, changes in Government regulations, environmental laws, tax regimes, economic developments within India and abroad and other factors such as litigation, industrial relations and other unforeseen events. The Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

The principles of Corporate Governance and the Code of Business Conduct & Ethics are the cornerstones of your Company. Your Company has consistently striven to implement best corporate governance practices reflecting its strong value system and ethical business conduct. The Company's philosophy on Corporate Governance envisages attainment of highest level of transparency, accountability and integrity and highest 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 and ensuring highest standards of product quality and services to the consumers. All employees are bound by a Code of Conduct that sets forth Company's policies on important issues including our relationship with consumers, shareholders and Government.

2. Board of Directors

The Board of Directors consisted of six directors, as on 31.03.2023, 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 31.03.2023. 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) Composition of the Board

Name of Director	Relationship with other Directors	Category	No. of Board Meetings Attended during 2022-23		Whether attended the last AGM	No. of directorships in other public limited companies	No of Committee positions held in other Companies	
			Held	Attended			Chairman	Member
Sh. Jagesh Kumar Khaitan, Chairman	Father of Sh. Pavan Khaitan	Promoter, Executive	4	4	Yes	1	-	-
Sh. Pavan Khaitan, Vice Chairman & Managing Director	Son of Sh. Jagesh Kumar Khaitan	Promoter, Executive	4	4	Yes	1	-	-
Sh. Drishinder Singh Sandhawalia	-	Non-Independent, Non-Executive	4	4	Yes	-	-	-
Sh. Vivek Bihani	-	Independent, Non-Executive	4	4	Yes	-	-	-
Ms. Shireen Sethi	-	Independent, Non-Executive	4	4	Yes	-	-	-
Sh. Bhavdeep Sardana	-	Independent, Non-Executive	4	4	Yes	2	-	-

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

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

The shareholding of non-executive Directors of the company as on 31.03.2023 is as under:

Name of the Director	No. of shares
Shri Drishinder Singh Sandhawalia	Nil
Shri Vivek Bihani	Nil
Ms. Shireen Sethi	Nil
Shri Bhavdeep Sardana	Nil

(c) Details of familiarization programmes imparted to independent directors are available at the website of the Company at http://www.kuantumpapers.com/-Independent Directors

(d) During the financial year 2022-23, Four (4) Board Meetings were held on 21st May, 2022, 29th July, 2022, 18th October, 2022 and 19th January, 2023. The maximum interval between any two meetings was not more than stipulated time by Law.

(e) 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 with segment-wise information;
- 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.
- Share transfer and 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.

(f) Materially significant related party transactions

There have been no materially significant related party transactions, pecuniary transactions or relationship between the Company and its directors during the year 2022-23 that may have potential conflict with the interests of the Company.

The Company has made Policy on Related Party Transactions and strict compliance of the same is made by the Company and its professionals.

The Policy is available on the Company's website at web link: http://www.kuantumpapers.com/Policies

(g) Details of remuneration paid to the directors during the financial year 2022-23

Name of Director	Salary*/ Fee**	Perks+ contribution to PF/other Funds	Commission	Sitting Fee	Total
Sh. Jagesh Kumar Khaitan	1,37,28,000	11,10,302	94,52,404	-	2,42,90,706
Sh. Pavan Khaitan	2,49,60,000	21,69,172	1,71,86,190	-	4,43,15,362
Sh. Drishinder Singh Sandhawalia	42,00,000**	0	0	1,35,000	43,35,000
Sh. Vivek Bihani	0	0	0	2,10,000	2,10,000
Ms. Shireen Sethi	0	0	0	2,80,000	2,80,000
Sh. Bhavdeep Sardana	0	0	0	2,20,000	2,20,000

**Represents professional fee excluding taxes.

3. Committees of the Board

(a) Audit Committee

The constitution and terms of reference of the Audit Committee conforms to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. The following functions are performed by the Audit Committee:

- Oversight of the company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment /removal of external auditors, fixing audit fees and approving payments for any other service;
- Reviewing with management the annual financial statements and Auditor's Report thereon before submission to the Board with particular reference to:

  a. Matters required to be included in the Director's Responsibility Statement which forms part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

  b. Changes, if any, in accounting policies and practices and reasons for the same

  c. Major accounting entries involving estimates based on the exercise of judgment by management

  d. Significant adjustments made in the financial statements arising out of audit findings

  e. Compliance with listing and other legal requirements relating to financial statements

  f. Disclosure of any related party transactions

  g. Qualifications in the draft audit report
- Reviewing with the management Quarterly/Half-yearly and other financial statements before submission to the Board for approval;
- Reviewing with the management, external and internal auditor, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing the adequacy of internal audit function;
- Discussing with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of the internal control systems of a material nature and reporting the matter to the Board;

- the recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Discussing with the external auditors before the audit commences on the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern and review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Reviewing the Company's financial and risk management policies;
- To review the functioning of the Whistle Blower Mechanism;
- Initiating investigations into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- Recommending the appointment of cost auditors, fixing cost audit fee and reviewing the cost audit report;
- To recommend various policies, codes and committees pursuant to the Companies Act, 2013, the relevant rules, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 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, wherever required.
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters.
- Approval of appointment of CFO (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;
- Carrying out any other function as mentioned in the terms of reference of the Audit Committee

The Company continues to derive immense benefit from the deliberations of the Audit Committee. As on 31 March, 2023, the committee comprised of the following four directors of the Company – three non-executives & independent and one executive & non-independent. During the financial year 2022-23, Audit Committee met 4 times i.e. 21st May, 2022, 29th July, 2022, 18th October, 2022 and 19th January, 2023. and the attendance of the Directors on the above meetings was as follows:

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

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

The Company Secretary acts as Secretary of the committee.

All the members of the Audit Committee were present at the last AGM held on 29th July, 2022.

(b) Nomination and Remuneration Committee

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.

Terms of Reference of the Nomination and Remuneration Committee

- Identification of persons qualified to be the directors and in senior management in accordance with the criteria laid down.
- Recommend to the Board appointment and removal of the directors.
- Evaluation of every director's performance.
- Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- Recommendation of Remuneration policy for the directors, KMPs and other employees in the senior management as mentioned herein above.
- Other Terms of Reference/scope of Nomination and Remuneration Committee shall be as notified by the appropriate authority from time to time or as directed/ advised by the Board of Directors of the Company from time to time.

As on 31 March 2023, the committee comprised of the following three directors of the Company. Remuneration Committee met once on 21st May, 2023. The attendance of the Directors on the above meetings was as follows:

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

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.

(c) Stakeholders Relationship Committee

Pursuant to Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has constituted Stakeholder Relationship Committee for speedy disposal of all grievances/complaints relating to shareholders/ investors. The Committee specifically looks into redressal of investors' complaints and requests such as transfer of shares, non-receipt of annual report, non-receipt of declared dividend etc. In addition, the Committee advises on matters which can facilitate better investor services/relations.

Besides above the Committee also takes note of quarterly reconciliation of Share Capital Audit pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulation, 1996 as well as yearly Certificates pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the practicing Company Secretary. Also, the committee takes note of the dividend as well as shares transferred to Investor Education and Protection Fund (IEPF) Authority pursuant to the provisions of Companies Act, 2013 and the Rules notified thereunder.

As on 31 March 2023, the committee comprised of the following three directors of the Company. During the financial year 2022-23, the Committee met once on 19th January, 2023 and the attendance of the Directors on the above meeting was as follows:

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

Shri Vivek Trehan, Company Secretary is the Compliance Officer of the Company.

During the year, the Company has not received any complaint. As on 31 March, 2023, no complaints and/or requests for dematerialization were pending.

(d) Risk Management Committee

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. A Risk Management Committee under the chairmanship of Shri Pavan Khaitan, VC & Managing Director, has been constituted to oversee the risk management process in the Company.

The Objectives of the Committee are as under:

Strategic:

- Organizational Growth.
- Sustenance and Growth of Strong relationships with dealers/customers.
- Expanding company's presence in existing markets and penetrating new geographic markets.
- Continuing to enhance industry expertise.
- Enhance capabilities through technology alliances and acquisitions.
- Monitoring and reviewing of the risk management plan specifically covering cyber security

Operations:

- Consistent Revenue growth.
- Consistent profitability.
- High quality production.
- Further develop Culture of Innovation.
- Review of Forex currency exposure and hedging thereof.

Reporting:

- Maintain high standards of Corporate Governance and public disclosure.

Compliance:

- Ensure stricter adherence to policies, procedures and laws/ rules/ regulations/ standards.

The quorum for the meeting shall be either two members or 1/3rd of the members of Committee whichever is greater. The Committee may meet for dispatch of its business at such frequency as it may think fit having regard to the volume of work. There should be minimum two meetings in a financial year and the gap should not be more then 180 days in two meetings.

As on 31st March 2023, the committee comprised of the following three directors of the Company. During the financial year 2022-23, the Committee met thrice on 21st May, 2022, 18th October, 2022 and 19th January, 2023. and the attendance of the Directors on the above meeting was as follows:

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

Commodity Price Risks

The Company being a manufacturer of writing and printing paper is exposed to commodity price risk as it purchases imported and indigenous raw material.

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

(e) Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the rules made thereunder, the Board of Directors have constituted a Corporate Social Responsibility Committee comprising of the following Directors. During the financial year 2022-23, the Committee met twice on 21 May 2022 and 19 January 2023 and the attendance of the Directors on the above meeting was as follows:

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

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 quorum for the meeting is either two directors or $1/3^{rd}$ of the members of Committee whichever is greater. The Committee may meet for dispatch of its business at such frequency as it may think fit having regard to the volume of work.

4. General Body Meetings

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

Financial Year	Date	Time	Place
2019-20	07.08.2020	11.30 A.M.	Through Video conferencing (VC)*
2020-21	23.09.2021	11.30 A.M.	Through Video conferencing (VC)*
2021-22	29.07.2022	11.30 A.M.	Through Video conferencing (VC)*

*Pursuant to the Circulars issued by the Ministry of Corporate Affairs dated 8^{th} April, 2020, 13^{th} April, 2020, 5^{th} May, 2020, 13^{th} January, 2021, 8^{th} December, 2021, 14^{th} December, 2021 and 5^{th} May, 2022.

Special Resolutions passed in the previous three AGMs

Financial Year	AGM Dated	Details of the Special Resolutions Passed
2019-20	07.08.2020	• To re-appoint Shri Jagesh Kumar Khaitan as Chairman of the Company
2020-21	23.09.2021	• To approve special resolution under Section 180 (1)(c) of the Companies Act, 2013 • To approve special resolution under Section 180 (1)(a) of the Companies Act, 2013 • To approve special resolution under Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, to issue Convertible/Non-convertible securities
2021-22	29.07.2022	• Re-appointment of Sh. Vivek Bihani (DIN 00014296) as Independent Director • Re-appointment of Ms. Shireen Sethi (DIN 01576676) as Independent Director • To Amend Articles of Association of the company.

5. Postal Ballot

There was no Postal Ballot in the year, pursuant to Section 110 of the Companies Act, 2013 read with relevant Rules.

6. Disclosures

(i) There were no transactions of material nature with the directors or the management or their subsidiaries or relatives or any related party etc. during the year that had potential conflict with the interests of the Company at large.

(ii) 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 results/operations of the Company.

(iii) 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.

(iv) The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year under review.

(v) 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.

(vi) The Company is complying with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vii) The Company has established a vigil mechanism for directors and employees to report genuine concerns and has a well-defined Whistle Blower Policy and it is affirmed that no personnel has been denied access to the audit committee.

(viii) Web link for the policy on dealing with related party transactions- https://www.kuantumpapers.com/Policies

(ix) 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 31.03.2023 is NIL. The information as required in pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

Aggregate no. of shareholders as on 01.04.2022	93
Outstanding shares as on 01.04.2022	39260
No. of shareholders transferred to IEPF	93
Shares transferred to IEPF	39260
No. of shareholders requested to transfer shares from Suspense A/c	Nil
No. of shares transferred from Suspense A/c	Nil
Shareholders in Suspense A/c as on 31.03.2023	Nil
Shares in Suspense A/c as on 31.03.2023	Nil

(x) During the year under review, the Company has credited amount of INR 2,28,732 to the Investor Education and Protection Fund (IEPF) pursuant to the relevant provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

(xi) The Company does not have a Subsidiary and hence policy for determining material subsidiaries is not applicable.

(xii) The company has complied with all the requirements of Corporate Governance Report pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xiii) 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.

(xiv) 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.

7. Means of Communications

The Quarterly, Half Yearly and Annual Financial Results are communicated to the stock exchanges i.e. BSE and NSE, where the Company's shares are listed as soon as they are approved and taken on record by the Board of Directors of the Company. Further, the Quarterly and Half Yearly results are published in leading newspapers such as Economics Times (English) and Desh Sewak (Punjabi). The results are not sent individually to the shareholders. The financial results are being regularly displayed on the web-site of the Company at www.kuantumpapers.com

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

The Management Discussion and Analysis Report Forms part of the Directors' Report.

8. Code of Conduct

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

All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2023 and a declaration to that effect signed by the Chief Executive Officer is attached and forms part of this report.

9. Code of Conduct for prevention of Insider Trading

The Company has adopted a Code of Conduct for prevention of Insider Trading in the shares and securities of the Company pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 read with the amendments inserted vide notification dated 31.12.2018 and thereafter. This Code, interalia, prohibits purchase/sale/trading of shares of the Company by Directors, Employees and other connected persons while in possession of unpublished price sensitive information in relation to the Company. The said code is available on the Company's website at www.kuantumpapers.com.

10. CEO and CFO Certification

The Certificate required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly signed by CEO and CFO was placed before the Board and the same is annexed to this report.

11. 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.

12. Total fees for all services paid by the Company to the Statutory Auditors

Total fees of INR 22.22 Lakhs (including out of pocket expenses) for financial year 2022-23, for all services, was paid by the Company, to the Statutory Auditors.

13. Skills/Expertise/Competencies of the Board of Directors

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:

Area of Expertise	Financial	Leadership	Board Service & Governance	Technical Knowledge	Sales & Marketing
Availability of expertise with the Board					
Sh. Jagesh Kumar Khaitan	✓	✓	✓	✓	✓
Sh. Pavan Khaitan	✓	✓	✓	✓	✓
Sh. Drishinder Singh Sandhawalia	✓	✓	✓	✓	✓
Sh. Vivek Bihani	✓	✓	✓	✓	✓
Ms. Shireen Sethi	✓	✓	✓	✓	✓
Sh. Bhavdeep Sardana	✓	✓	✓	✓	✓

Declaration regarding compliance of Code of Conduct

I, Pavan Khaitan, Chief Executive Officer of Kuantum Papers Ltd, hereby declare that all the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct, for the year ended 31 March 2023.

Place: Chandigarh
Date: 29.04.2023

Pavan Khaitan
Chief Executive Officer

GENERAL SHAREHOLDERS INFORMATION

- **Annual General Meeting**

Date	7th July, 2023
Time	11.30 AM
Venue	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

- **Financial Year: April 01 to March 31**

- **Financial Calendar 2023-24 (Tentative)**

Board Meetings to take on record.

Financial Results for Quarter ended 30.06.2023	By Second week of August, 2023
Financial Results for Quarter ended 30.09.2023	By Second week of November, 2023
Financial Results for Quarter ended 31.12.2023	By Second week of February, 2024
Financial Results for Quarter ended 31.03.2024	By 2nd /3rd week of May, 2024
Book Closure Date	1st July 2023 to 7th July 2023 (Both days inclosive)

- **Dividend Payable Date**

Directors have proposed a dividend of INR 3/- per share (previous year INR Nil per share) on the Equity Shares of INR 1.00 each, and INR 1.00 per share (previous year INR Nil per share) on the Non-Cumulative Redeemable Preference Shares of INR 10/- each, for the financial year ended 31 March 2023 for declaration at the 26th Annual General Meeting. Dividend will be paid on or after the date of Annual General Meeting but before the statutory time limit of 30 days from the date of declaration.

- **Dividend Distribution Policy**

The Board of Directors of the Company has approved the Dividend Distribution Policy at its meeting held on 12th August, 2021. The same is disclosed on the website of the Company and web-link of the same is

www.kuantumpapers.com/policies

- **Listing**

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

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

- **Stock Code**

-	BSE Limited	: 532937
-	Demat ISIN in NSDL and CDSL for equity shares	: INE 529I01021
-	National Stock Exchange of India Limited	: KUANTUM

- **Market Price Data**

The monthly high/low quotation of the equity shares traded at BSE limited and BSESensex during the financial 2022-23 are given below.

Month	Company's Share Price (INR)		BSE Sensex	
	High	Low	High	Low
April 2022	98.70	80.50	60,845.10	56,009.07
May 2022	90.00	68.10	57,184.21	52,632.48
June 2022	76.90	63.20	56,432.65	50,921.22
July 2022	94.00	72.00	57,619.27	52,094.25
August 2022	98.80	79.15	60,411.20	57,367.47
September 2022	137.15	93.65	60,676.12	56,147.23
October 2022	179.70	145.50	60,786.70	56,683.40
November 2022	162.05	128.30	63,303.01	60,425.47
December 2022	162.10	128.30	63,583.07	59,754.10
January 2023	152.20	131.65	61,343.96	58,699.20
February 2023	137.95	112.35	61,682.25	58,795.97
March 2023	134.50	112.00	60,498.48	57,084.91

The monthly high/low quotation of the equity shares traded at National Stock Exchange of India Limited and NSE Nifty during the financial 2022-23 are given below.

Month	Company's Share Price (INR)		NSE Nifty	
	High	Low	High	Low
April 2022	97.50	80.40	18114.65	16824.70
May 2022	87.00	68.30	17132.85	15735.75
June 2022	77.40	63.25	16793.85	15183.40
July 2022	94.00	71.10	17172.80	15511.05
August 2022	98.00	78.60	17992.20	17154.80
September 2022	137.30	94.40	18096.15	16747.70
October 2022	176.45	114.40	18022.80	16855.55
November 2022	162.45	145.80	18816.05	17959.20
December 2022	159.00	128.05	18887.60	17774.25
January 2023	152.50	131.05	18251.95	17405.55
February 2023	137.85	114.15	18134.75	17255.20
March 2023	133.70	114.20	17799.95	16828.35

- **Share Transfer Agent and Demat Registrar**

M/s MAS Services Ltd., New Delhi are the Registrar & Share Transfer Agent for handling both physical share registry and demat share registry work having their office at:

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

- **Share Transfer System**

Transfer of Securities held in physical Mode

The SEBI on 28th March, 2018, decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository effective from 1st April, 2019. Subsequently, SEBI has received representations from shareholders for extension of the date of compliance. In view of the same, the following are hereby clarified:

a) The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after 1st April, 2019.

b) Any investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized.

The above SEBI decision is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance/succession) and transposition (i.e. re-arrangement /interchanging of the order of name of shareholders) cases.

The connectivity with NSDL & CDSL is maintained through M/s MAS Services Ltd. The Shareholders have the option to open account with any of the depository participants registered with CDSL and NSDL.

Compliance certificate pursuant to Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying the compliance of share transfer/transmission formalities is being obtained from a Practicing Company Secretary on yearly basis and is filed with the Stock Exchanges. Requests for dematerialization of shares are processed and the confirmation is given by the Registrar & Share Transfer Agent to the respective depositories within the prescribed time limit.

Compliance certificate pursuant to Regulation 7(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, jointly signed by the Company Secretary/Compliance Officer and the Registrar & Share Transfer Agent is also filed with the stock exchanges on yearly basis.

- **Nomination facility for shareholding**

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.

- **Distribution of Equity Shareholding**

(a) **Shareholding Pattern as on 31st March, 2023**

Sl. No	Description	No. of equity shares held	Shareholding %
1.	**Promoters**		
	• Individuals	33,12,810	3.80
	• Bodies Corporate	5,80,37,880	66.51
2.	**Institutional Investors**		
	• Mutual Funds/UTI	2,500	0.00
	• Banks/Financial Institutions	3,030	0.00
	• Insurance Companies	-	-
	• FIIs/FPIs	1,13,057	0.13
3.	**Others**		
	• Private Bodies Corporate	1,20,85,313	13.85
	• Indian Public	1,34,88,435	15.46
	• NRIs/OCBs	2,20,605	0.19
	Total	**8,72,63,630**	**100.00**

(b) **Distribution of shareholding as on 31 March 2023**

Shareholding of Nominal Value of INR	No. of shareholders	%age of shareholders	No. of shares	%age of holding
1 to 5,000	11,862	97.25	40,02,759	4.59
5,001 to 10,000	159	1.30	11,93,113	1.37
10,001 to 20,000	82	0.67	11,47,126	1.31
20,001 to 30,000	35	0.29	8,92,500	1.02
30,001 to 40,000	13	0.11	4,58,664	0.52
40,001 to 50,000	5	0.04	2,25,021	0.26
50,001 to 1,00,000	18	0.15	12,96,791	1.49
1,00,001 and above	24	0.19	7,80,47,656	89.44
Total	**12,198**	**100**	**8,72,63,630**	**100**

- **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, 2023, 99.14% of the shares of the Company have been dematerialized.

- **Reconciliation of Share Capital Audit**

A Practicing Company Secretary carried out a Reconciliation of Share Capital Audit, quarterly, to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The Reconciliation of Share Capital Audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. Pursuant to Regulation 76 of the SEBI (Depositories and Participants) Regulation 1996, the Reconciliation of Share Capital Audit obtained from a Practicing Company Secretary is filed with the stock exchange on quarterly basis.

Outstanding GDRs/ADRs/Warrants etc.

Not applicable

- **Plant Location**

Paper Mill, Saila Khurd 144529
Distt: Hoshiarpur, Punjab

- **Address for correspondence**

(a) **Registered Office:**

Paper Mill, Saila Khurd-144529
Distt. Hoshiarpur, Punjab

(b) **Registrar & Share Transfer Agent**

M/s MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area,

Phase - II,

New Delhi - 110 020

Ph:- 011-26387281/82/83

Fax:- 011-26387384

email:- info@masserv.com

website : www.masserv.com

PRACTICING COMPANY SECRETARY'S CERTIFICATE

To,
The Members of
Kuantum Papers Limited

I have examined the compliance of the conditions of Corporate Governance by **Kuantum Papers Limited** for the year ended 31st March, 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

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

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

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

SUSHIL K. SIKKA
Prop.
FCS 4241, CP 3582
Peer Review Cert. No. 1057/2021
UDIN: F004241E000232755

Place: Chandigarh
Date: 29.04.2023

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

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

Re: Financial Statements for the year 2022-23 – Certification by CEO and CFO

We, Pavan Khaitan, Vice Chairman & Managing Director (CEO) and Roshan Garg, CFO, of Kuantum Papers Ltd., on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31 March 2023 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.

Roshan Garg
CFO

Pavan Khaitan
CEO

Place: Chandigarh
Dated: 29.04.2023

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	Year of incorporation	1997
4	Registered office address	Paper Mill, Saila Khurd, Punjab, 144529
5	Corporate address	W1A, F.F, Tower A, Godrej Eternia Plot No. 70 Industrial Area-1, Chandigarh-160002
6	E-mail	kuantumcorp@kuantumpapers.com
7	Telephone	+91 1884 502737
8	Website	www.kuantumpapers.com
9	Financial year for which reporting is being done	1st April, 2022 to 31st March, 2023
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	INR 3872.63 Lakhs (Equity Capital INR 872.63 Lakhs, Redeemable Preference Share Capital INR 3,000.00 Lakhs)
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. Vivek Trehan, Company Secretary +91 172 5172737 vivektrehan@kuantumpapers.com
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

II. Products/services

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

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

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

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

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	01	02	03
International	0	0	0

17. Markets served by the entity:

a. Number of locations

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

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

10.1%

c. A brief on types of customers:

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

IV. Employees

18. 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)**	504	494	98.02	10	1.98
2.	Other than Permanent **(E)**	-	-	-	-	-
3.	**Total employees (D + E)**	**504**	**494**	**98.02**	**10**	**1.98**
	WORKERS					
4.	Permanent **(F)**	800	800	100.00	NIL	NIL
5.	Other than Permanent **(G)**	939	927	98.72	12	1.28
6.	**Total workers (F + G)**	**1739**	**1727**	**99.31**	**12**	**0.69**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent **(D)**	3	3	100.00	-	-
2.	Other than Permanent **(E)**	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	**3**	**3**	**100.00**	**-**	**-**
	WORKERS					
4.	Permanent **(F)**	2	2	100.00	-	-
5.	Other than Permanent **(G)**	6	6	100.00	-	-
6.	**Total differently abled workers (F + G)**	**8**	**8**	**100.00**	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	06	01	16.67
Key Management Personnel	03	0	0

20. Turnover rate (%) for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.55	33.33	17.91	18.02	14.28	17.92	18.22	0	17.70
Permanent Workers	8.62	0	8.62	7.08	0	7.08	8.79	0	8.79

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (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	NIL	Yes

VI. CSR Details

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

(ii) Total Revenue (in INR /Lakhs): 1,31,316.26

(iii) Net worth (in INR /Lakhs): 96,681.48

VII. Transparency and Disclosures Compliances

23. 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)	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the company has a structured process of engaging with the communities to get feedback on the interventions and also understand if they have any views, issues, complaints and grievances.	NIL	NIL	NA	NIL	NIL	NA
Shareholders and Investors	Yes. The Company has a Registrar & Share Transfer Agent (RTA) which is registered with the SEBI as Category I Share Transfer Agent for providing share registration and related services to the Shareholders and Investors. RTA has effective systems and processes in place to ensure prompt redressal of investor grievances	01	NIL	Complaint resolved satisfactorily	NIL	NIL	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes. To address employee concerns and complaints pertaining to human rights and labour practices, a Grievance Redressal Procedure with appropriate systems and mechanisms is in place. It aims to facilitate open and structured discussions on grievances raised on labour practices and human rights.	NIL	NIL	NA	NIL	NIL	NA
Customers/ Value Chain Partners	Yes. Robust systems have evolved to continuously engage with consumers for gathering feedback and addressing their concerns, if any, in a timely manner. A dedicated team is in place to address any product related query/ complaint. Several communication channels like email, telephone number and feedback forms are provided. In addition, the management team interacts with stakeholders via social media channels and responds to their queries in a real time manner.	46	NIL	All Complaints resolved satisfactorily	42	NIL	All Complaints resolved satisfactorily

Grievance Redressal Policy is available at https://www.kuantumpapers.com/policies/

24. Overview of the entity's material responsible business conduct issues

In order to identify the material issues including environmental and social issues and understand the relative importance of these issues to its stakeholders, the Company conducts materiality assessments, and accordingly devises specific action plans for addressing each material issue at regular intervals. Such assessments help in identifying key drivers for value creation over a period of time. The company endeavors to continue to engage with its key internal and external stakeholders on an ongoing basis to ensure a more dynamic materiality assessment.

For more information on Risk Management Framework, refer to the 'Risk Management Section' of the Report of the Board of Directors forming part of Company's Annual Report for the year ending 31 March 2023.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

Principles		Policies
P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable.	• Code of Business Conduct & Ethics • Code of Conduct for Prevention of Insider Trading & Fair Disclosure • Whistle Blower Policy • Anti-Corruption and Bribery Policy
P2	Businesses should provide goods and services in a manner that is sustainable and safe.	• Sustainability Policy • Environment, Health & Safety Policy • Quality Policy
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains	• Sustainability Policy • Environment, Health & Safety Policy • Human Rights Policy • Prevention of Sexual Harassment Policy • Policy on Prohibition of Child or Forced Labour.
P4	Businesses should respect the interests of and be responsive towards all its stakeholders	• CSR Policy • Sustainability Policy • Quality Policy
P5	Businesses should respect and promote human rights	• Prevention of Sexual Harassment Policy • Whistleblowers Policy • Human Rights Policy
P6	Businesses should respect, protect and make efforts to restore the environment	• Environment, Health & Safety Policy
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	• Code of Business Conduct & Ethics • Whistle Blower Policy • Risk Management Policy
P8	Businesses should promote inclusive growth and equitable development	• CSR Policy
P9	Businesses should engage with and provide value to their consumers in a responsible manner	• Quality Policy

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Yes. The same have been approved by the Board.								
c. Web Link of the Policies, if available	http://www.kuantumpapers.com/Policies http://www.kuantumpapers.com/CorporateGovernance								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO Certification 9001:2015 (Quality Management System) ISO Certification 14001: 2015 (Environmental Management System) ISO Certification 9001:2015 (Quality Management System for R&D) OHSAS Certification 45001:2018 (Occupation Health & Safety Assessment Series) FSC® Certification Licence Code: FSC-C109585 (Forest Stewardship Council) DSIR Certification TU/IV-RD/3724/2022 (In house R&D Unit) BIS Certification IS 14490: 2018 (Plain Copier Paper- Specification) BIS Certification-IS 1848 (Part1) 2018 (Writing & Printing paper)								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has a vision to reduce its Water Consumption by 35% in the next 2 years and to increase the footprint of its Social Farm Forestry program to 1 Crore clonal saplings in 5 years' timeline. The Company is also planning to further reduce its carbon footprint by setting up a Rice Straw boiler in order to replace the usage of coal with biomass in its Co-Gen power plant operations.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Please refer to the details given under each of the Principles.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) "Growth with Sustainability" forms the core of our operations at 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. Mr. Pavan Khaitan Vice Chairman & Managing Director									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Pavan Khaitan, Vice Chairman & Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Vice Chairman & Managing Director is authorised along with the HODs.								

10. Details of Review of NGRBCs by the Company:

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

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.

Sl. No.	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Auditors of the Company (ISO Auditors / Internal Auditors/ BSCI / FSC® Auditors / Water & Energy Audits by certified external agencies) review the implementation of the policies from time to time.									

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	Sustainability Initiatives, Changes/Developments in Corporates and Industry Scenerio including those pertaining to statutes/legislation & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions	100
Key Managerial Personnel	4	1. Company's Code of Conduct which covers aspects such as Corporate Governance & Good Corporate Governance. 2. Whistleblower Policy of the Company. 3. Sustainability Policies of the Company 4. Policy on Prohibition of Child or Forced Labour. 5. Anti-Corruption and Bribery Policy. 6. Prevention of Sexual Harassment Policy 7. EHS Policy	100
Employees other than BoD and KMPs	19	Health and Safety, Skill Development, Human Rights, Functional/Technical Trainings.	72.02
Workers	17	Health and Safety, Skill Development, Human Rights, Functional/Technical Trainings.	42.87

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

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

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

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
NOT APPLICABLE	

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

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

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

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

Particulars	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

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

   NA

Leadership Indicators

1. **Awareness programs conducted for value chain partners on any of the Principles during the financial year:**

   The company facilitates workshops for its customers/ value chain partners to educate and create shared awareness on key areas like ethical & transparent practices, growth inclusivity,human rights, labour practices, value addition practices and sustainability.

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's Code of Conduct requires the Directors, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company.

   Yes. The Company receives an annual declaration from its Board of Directors and KMP on the entities they are interested in and ensures requisite approvals as required under the statutes as well as Company's policies are in place before transacting with such entities and individuals.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

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

(INR Lakhs)

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	267.05	212.65	The Company's R&D and capital expenditure (capex) investments in specific technologies has had a positive impact , both on the environment and the community at large. For more details on steps taken and efforts made towards conservation of energy, technology absorption and the expenditure incurred on Research and Development, refer to the 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Annual Report for the year ending 31 March 2023
Capex	10.53	31.04	

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

   Yes, there are procedures in place for sustainable sourcing. The company has a Board approved Policy on Sustainability.

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

   The Company focuses extensively on enhancing the sustainability of its Agro & Wood based supply network. During FY 2022-23, the company procured all of its agro & wood raw material requirements from sustainable resources. Farmers constitute a vital part of the company's supply network. The company procures residues like wheatsraw, sarkanda and bagasse for Agro pulp making and rice husk for its Co-Gen power plant which are all from sustainable sources.

   The Company is FSC® (Forest Stewardship Council) certified which assures its stakeholders that the wood and wood fibre (pulp) purchased by it are traceable to responsibly managed plantations. There are adequate controls in place to ensure identification and traceability throughout the Chain of Custody. The the Company is capable of manufacturing and selling 'FSC® Mix' claim products in Domestic and International Markets.

   Kuantum is committed to sustainability of Forests and conservation of natural resources by not sourcing:

   1) Illegally harvested wood.
   2) Wood harvested in violation of traditional or civil right.
   3) Wood harvested in forests where high conservation values are threatened by the management activities.
   4) Wood harvested in forests being converted to plantations or non-forests uses.
   5) Wood from forests in which genetically modified trees are planted.

   For this, the Company has already declared its Controlled Wood policy which is publicly available. https://www.kuantumpapers.com/environment

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

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

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

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

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

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

   Yes. Proper waste segregation is crucial for effective waste management. The company separates different types of waste streams, at the point of generation. Plastic > 50 micron is being sold to the paper customers, which is recycled under the guidance of Extended Producer Responsibility (EPR). This ensures that waste is handled separately and in compliance with applicable regulations.

Leadership Indicators

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

   The Company has Life Cycle Assessments (LCA) of its products with an objective to evaluate the impacts and identify areas for improvement. LCA studies will continue to be used as a tool for assessing the environmental footprint of products/services going forward.

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

   The Company has put in place guidelines and standards, that are benchmarked against best practices, with defined Standard Operating Procedures (SOPs) for identifying and mitigating both social and environmental risks. LCA studies have also been carried out for key products for identifying additional opportunities to reduce environmental impact.

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).**

   The company uses wheat straw, bagasse, veneer waste, rice husk and other agri waste and residues to manufacture Pulp & Paper and about 31% of the total material is recycled/renewable in nature.

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

Particulars	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	195 MT	-	-	162 MT
E-waste	-	-	0.47 MT	-	-	0.39 MT
Hazardous waste	-	16092 MT	-	-	19088 MT	-
Other waste (Ash)	-	-	44552 MT	-	-	24238 MT

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

   Please refer to Point 3 and 4 above.

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	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D / A)	Number (E)	% (E/A)	Number (F)	% (F/ A)
Permanent employees											
Male	494	494	100	494	100	NA	NA	NA	NA	NA	NA
Female	10	10	100	10	100	10	100	NA	NA	NA	NA
Total	**504**	**504**	**100**	**504**	**100**	**10**	**1.98**	**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	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D / A)	Number (E)	% (E/A)	Number (F)	% (F/ A)
Permanent workers											
Male	800	800	100	800	100	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**800**	**800**	**100**	**800**	**100**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent workers											
Male	927	927	100	927	100	-	-	-	-	-	-
Female	12	12	100	12	100	12	100	-	-	-	-
Total	**939**	**939**	**100**	**939**	**100**	**12**	**1.28**	**-**	**-**	**-**	**-**

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

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI*	100	100	Yes	100	100	Yes
Others – please specify	-	-	-	-	-	-

* All eligible employees and workers are covered under ESI.

3. Accessibility of workplaces

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

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

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

Yes, the Company has an an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.
https://www.kuantumpapers.com/policies/

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	100%	100%

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

Categories	Yes/No
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

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

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity: -

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	NA	NA	NA	NA	NA	NA
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	494	311	62.96	211	42.71	466	324	69.53	224	48.07
Female	10	7	70.00	7	70.00	14	7	50	7	50
Total	**504**	**318**	**63.10**	**218**	**43.25**	**480**	**331**	**68.96**	**231**	**48.13**
					Workers					
Male	800	343	42.88	341	42.63	833	385	46.22	280	33.61
Female	-	-	-	-	-	-	-	-	-	-
Total	**800**	**343**	**42.88**	**341**	**42.63**	**833**	**385**	**46.22**	**280**	**33.61**

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	494	428	86.64	466	448	96.14
Female	10	9	90	14	10	71.43
Total	**504**	**437**	**86.71**	**480**	**458**	**95.42**
Workers						
Male	800	742	92.75	833	807	96.88
Female	-	-	-	-	-	-
Total	**800**	**742**	**92.75**	**833**	**807**	**96.88**

10. Health and safety management system:

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

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

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

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

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

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

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

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

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

Safety Incident/Number	Category	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

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

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

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

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year:

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

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

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

Leadership Indicators

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

Yes. In the unfortunate event of the death of an employee including workers, the Company extends financial support to family members of the employee through an insurance policy.

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

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

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
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

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	NA
Working Conditions	NA

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.** -NA

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   In line with the approved policy on stakeholder engagement, the company has evolved a structured framework for engaging with its stakeholders and continuing relationships with each one of them. The company's engagement approach is based on the principles of materiality, completeness and responsiveness. The engagement approach takes into cognizance the fact that each stakeholder is unique and has a distinctive set of priorities. Information gathered from stakeholder engagements helps validate the Company's performance and shape new perspectives.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

   The Policy on Stakeholder Engagement provides the approach for identifying and engaging with stakeholders that include shareholders, dealers, consumers, farmers, employees, local communities, suppliers, Central/ State Governments and regulatory bodies.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of comprehensive growth. In this context, the Company has laid down a multi layered mechanism to deal with the aspect of stakeholder engagement. The Board, through the CSR Committee, inter alia, reviews, monitors and provides strategic direction to the Company's CSR practices towards fulfilling its objectives. Half-yearly reports on the progress made by the Company in this regard are placed by the CSR Committee.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   The Company has put in place systems and procedures to identify, prioritize and address the needs and concerns of its stakeholders in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogue with all stakeholders, identify material concerns and their resolution in an equitable and transparent manner. These measures have helped the Company develop strong relationships.

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

   The company has a system to identify and address the emerging needs of the community. Periodic on ground meetings are held with the community to take care of their needs and concerns.

   Accordingly, the company has been providing clean drinking water facilities, built sewerage treatment plants, constructed toilets, provided paved roads and constructed overhead water tank with tubewell for the overall well being and hygiene needs of the surrounding villages.

   The company provides subsidised education through the school run by it and also supported development of Government run schools in the surrounding villages.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	472	80	16.95	480	69	14.38
Other than permanent	-	-	-	-	-	-
Total Employees	**472**	**80**	**16.95**	**480**	**69**	**14.38**
Workers						
Permanent	788	251	31.85	833	414	49.70
Other than permanent	939	500	53.25	997	540	54.16
Total Workers	**1727**	**751**	**43.49**	**1830**	**954**	**52.13**

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

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E /D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	459	-	-	459	100	466	-	-	466	100
Female	13	-	-	13	100	14	-	-	14	100
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	788	-	-	788	100	833	-	-	833	100
Female	-	-	-	-		-	-	-	-	
Other than Permanent										
Male	927	791	85.33	136	14.67	997	817	81.95	180	18.05
Female	12	12	100	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (WTD)	2	17,32,900	NIL	NIL
Key Managerial Personnel (other than WTD)	2	5,25,913	NIL	NIL
Employees other than BoD and KMP	490	34,995	10	22,775
Workers	800	18,737	NIL	NIL

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 HR head along with HOD's is responsible for addressing human rights impacts or issues caused or contributed to by the business.

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

   The Company has a Human Rights Policy which is applicable to all its employees. The said Policy and its implementation is focused towards adherence to applicable laws and upholding the spirit of human rights. The Company continues to work towards strengthening and introducing systems to ensure sound implementation of its Policies specially with respect to human rights and labour practices. A Grievance Redressal System to facilitate open and structured discussions is available to ensure that grievances related to labour practices and human rights are addressed and resolved in a fair and just manner.

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

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

   The company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. It encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Committee has been constituted to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required. Necessary disclosures in relation to the sexual harassment complaints received and redressal thereof are provided in the Annual Report for the year ended 31 March 2023.

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

9. 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	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	100

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    No significant risks / concerns observed during assessments.

Leadership Indicators

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

   The company's Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees of the Company. The Code covers company's commitment to human rights aspects like self-respect and human dignity, child labour, gender friendly workplace, ethical dealings with suppliers and customers, health & safety, environment, transparency, anti-bribery and corruption. Any violation of the Code by an employee renders the person liable for disciplinary action. The company has mechanism to address human rights grievances/ complaints of all internal stakeholders. For details, refer to responses to Questions 5 and 7 under essential indicators (Principle 5).

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

   The scope and coverage of human rights due diligence extends to our entire plant operations including all office locations.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   The locations are accessible to the differently abled, and we are continuously working towards improving infrastructure for eliminating barriers to accessibility.

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Currently, this is not being addressed. However, the company's suppliers Code of Conduct would address many of these aspects.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
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.

The Company Integrated Management System policy is committed to achieve environment objective through sustained R&D efforts and process improvements. The policy is also committed to empower employees to work towards contributing to and improving the Integrated Management System in the organization.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption **(A)**	24,928 GJ	21,094 GJ
Total fuel consumption **(B)**	65,01,898 GJ	59,84,952 GJ
Energy consumption through other sources **(C)**	-	-
Total energy consumption (A+B+C)	**65,26,826 GJ**	**60,06,046 GJ**
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	0.0005 GJ per Rupee of turnover	0.0007 GJ per Rupee of turnover
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.

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.

   The Company is a Designated Consumer(DC) and has surpassed the targets of energy conservation set by Bureau of Energy Efficiency (BEE), Govt. of India in PAT I & PAT II cycles.

   The Company is covered under PAT-VII cycle by BEE. Baseline SEC target for 2021-22, 2022-23 and 2023-24 and M&V FY 2024-25 is 0.3383 MTOE/MT of Paper as estimated by BEE. There is a 3.2% SEC reduction target given by BEE based potential study conducted under BEE instructions.

   The team is working with BEE Certified Energy Auditors & firms for conservation of energy.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	7259437 KL	7359746 KL
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i)+(ii)+(iii)+(iv)+(v)	**7259437 KL**	**7359746 KL**
Total volume of water consumption (in kilolitres)	7259437 KL	7359746 KL
Water intensity per rupee of turnover (Water consumed / turnover)	0.0006 KL per rupee of turnover	0.0009 KL per rupee of turnover
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 Company has worked with CII - Triveni Water Institute in this regard.

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

The company is taking proactive steps to reduce consumption of water by reusing and recycling water within plant operations and ensuring that all treated wastewater is being utilised for the irrigation of more than 2000 acres of land in nearby fields. Also, the practice of ZLD has not been achieved in any integrated pulp and paper mill so far (Reference : Central Pulp & Paper Research Institute (CPPRI), Saharanpur, report on the subject).

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

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Mg/nm^3	27	72
SOx	Mg/nm^3	64.6	85
Particulate matter (PM)	Mg/nm^3	26.8	28
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, through NABL accredited labs.

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	276006.47	370552.20
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	5885.68	4981.00
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	**0.0000215 Metric tonnes of CO2 equivalent /INR**	**0.0000286 Metric tonnes of CO2 equivalent /INR**
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance have been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, through NABL accredited labs.

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

The Company is conscious of its responsibility towards the environment and reduction of Green House Gas (GHG) emissions . It uses bio mass like rice husk, wild grass and wood and wheatstraw dust in its Co-Gen Power Plant, thus reducing the usage of fossil fuels.

The Company lifts wheatstraw and other residues from farm lands for making its Agro based pulp, which would otherwise be burnt in the fields leading to air pollution and increased GHG emission.

The company is also in advanced stages of evaluating the project for setting up of a Rice Straw Boiler, which will enable it to further replace coal with biomass and reduce its carbon footprint substantially.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in MT)		
Plastic waste **(A)**	195 MT	162 MT
E-waste **(B)**	0.47 MT	0.39 MT
Bio-medical waste **(C)**	0.04 MT	0.05 MT
Construction and demolition waste **(D)**	NA	NA
Battery waste **(E)**	1.96 MT	-
Radioactive waste **(F)**	NA	NA
Other Hazardous waste. Please specify, if any. **(G)**	16100 MT	19094 MT
Other Non-hazardous waste generated **(INR).** Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	44552 MT	24238 MT
Total (A+B + C + D + E + F + G + H)	**60849.47 MT**	**43494.44 MT**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	16092 MT	19088 MT
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**16092 MT**	**19088 MT**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.91 MT	0.50 MT
(ii) Landfilling	-	-
(iii) Other disposal operations	44756.56 MT	24405.94 MT
Total	**44757.47 MT**	**24406.44 MT**

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

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

All waste is collected, segregated and stored at different locations for recycling and safe disposal. The hazardous wastes are collected separately as per defined category and stored in designated storage area for disposal to authorized vendors as per defined guidelines.

10. 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: NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: NA

12. 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:

Yes, we are complying with all applicable environmental laws/regulations/guidelines.

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption **(A)**	NA	NA
Total fuel consumption **(B)**	46,03,515 GJ	33,83,455 GJ
Energy consumption through other sources **(C)**	-	-
Total energy consumed from renewable sources (A+B+C)	**46,03,515 GJ**	**33,83,445 GJ**
From non-renewable sources		
Total electricity consumption **(D)**	24,927 GJ	21,094 GJ
Total fuel consumption **(E)**	18,98,383 GJ	26,01,512 GJ
Energy consumption through other sources **(F)**	-	-
Total energy consumed from non-renewable sources (D+E+F)	**19,23,310 GJ**	**26,22,606 GJ**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Energy audits are done periodically by external energy auditors, certified by BEE.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment Treatment is done as per PCB Norms	6051502	5917614
Total water discharged (in kilolitres)	**6051502**	**5917614**

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, we are getting it done regularly by CPPRI & other accredited agencies.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):** (Volume for yellow zone only.)

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area - The plant is located at Saila Khurd, Tehsil Garshankar, District Hoshiarpur - Punjab

(ii) Nature of operations – Integrated Pulp & Paper Manufacturing Plant

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	7259437 KL	7359746 KL
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	**7259437 KL**	**7359746 KL**
Total volume of water consumption (in kilolitres)	**7259437 KL**	**7359746 KL**
Water intensity per rupee of turnover (Water consumed / turnover)	0.0006 KL per rupee of turnover	0.0009 KL per rupee of turnover
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment Treatment is done as per PCB Norms	6051502	5917614
Total water discharged (in kilolitres)	**6051502**	**5917614**

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. we are getting it done regularly by CPPRI & other accredited agencies.

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover		**NA**	**NA**
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

5. **With respect to the ecologically sensitive areas reported at Question 10 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. -**NA

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

   Refer the annexure to Board's report on Conservation of Energy

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

   The Company has a Disaster Management plan in place to mitigate the damage and destruction caused by natural or man-made disasters. It helps the organisation to continue operating after a disaster takes place. The Risk Management policy also helps in reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   No significant adverse impact has been reported by any of the Company's value chain partners.

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

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 works with apex industry institutions that are engaged in policy assistance as well as various other forums. During the year, the Company had active affiliations with 5 such trade and industry chambers/associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	PHD Chamber of Commerce & Industry	National
2	Confederation of Indian Industry (CII)	National
3	Indian Pulp & Paper Technical Association (IPPTA)	National
4	Indian Agro and Recycled Paper Mills Association (IARPMA)	National
5	Indian Paper Manufacture Association (IPMA)	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

   The Company has not engaged in any anti-competitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sl. 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
1	The Company's Policy provides the framework for necessary interface with Government/ Regulatory Authorities on matters concerning various sectors in which the Company operates. The matters taken up are in line with national priorities to strengthen domestic industry, promoting sustainable agriculture and business practices.	The Company works with apex industry institutions that are engaged in policy recommendation, like the Confederation of Indian Industry, PHD Chamber of Commerce, and various other forums including regional Chambers of Commerce. The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and taking into consideration interests of all stakeholders.	Yes	Quarterly	-

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.

   None of the projects undertaken by the company in FY 2022-23 required Social Impact Assessments (SIA).

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

   Not applicable

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

   The Company has a team which consists of senior people from the IR and Environment team. This team actively interacts with nearby villagers/ panchayat members / government authorities on a periodic basis and gets their feedback on the effectiveness of the Company's ESG initiatives . They also ascertain the needs of the community for which they require support from the Company. These are then formalized through the CSR program of the company, which is reviewed and approved by the CSR Committee.

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

Particulars	2022-23 Current Financial Year	2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	9% approx.	4% approx.
Sourced directly from within the district and neighbouring districts	31% approx.	24% approx.

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):** -NA

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   For details, please refer to the Annexure-A of Report of the Board of Directors & Management Discussion and Analysis section forming part of company's Annual Report for the year ended 31 March 2023.

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 Procurement Policy defines the supply chain which includes farmers. The company is committed to collaborate with farmers to make them more sustainable and help build their adaptive capacity and resilience to emerging risks like climate change and water stress and other extreme weather events.

   (b) **From which marginalized /vulnerable groups do you procure?**

   The Company gives preference to buying its agro & wood raw material from local farmers and communities.

   The Company also collaborates with small and marginal farmers to provide fast growing clones at concessional rates , allowing them to supplement their income from small parcels of land by using intercropping. The Company encourages buyback of these trees for use as raw material. The company encourages competency development among local vendors and its vendor base includes medium and small-scale enterprises that are proximate to its manufacturing locations. These initiatives are aligned to national priorities of 'Make in India', 'Atmanirbhar Bharat' as well.

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

   40% approx.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:** -NA

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.** -NA

6. **Details of beneficiaries of CSR Projects:**

   For details, please refer to the Annexure-A of Report of the Board of Directors & Management Discussion and Analysis section forming part of company's Annual Report for the year ended 31 March 2023.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner-

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   A well-established system is in place for dealing with consumer feedback. Consumers are provided options to connect with the Company through email or telephone.

   Appropriate systems have been put in place to continuously engage with dealers/consumers for gathering feedback and address their concerns, if any, in a timely manner. A team is in place to address any product related query/ complaint. Communication channels like email, meetings and telephone numbers are provided to the dealers/consumer. The business of the Company complies with the regulations and relevant codes concerning marketing communications.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about Environmental and social parameters relevant to the product, safe and responsible usage and recycling and / or safe disposal:

   100% of the products of the Company contain all relevant information as required under applicable laws.

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

   During FY 2022-23, 46 complaints were received, and all of these were resolved as on 31st March, 2023.

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

Sl. No.	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   A Cyber Security system is in place to provide specific focus on cyber security related risks, with the primary responsibility of tracking emerging practices and technologies and provide suitable recommendations for enhancing security of the IT systems and infrastructure. The IT head is responsible for ensuring that the Cyber Security systems remain effective. He also participates in the meetings of the Risk Management Committee of the Company, whenever matters related to cyber security are considered.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. -NA

Leadership Indicators

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

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Recelved during year	Pending resolution at end of year		Received during year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others **	46	0	-	42	0	-

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

   The business of the Company complies with the regulations and relevant codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling consumers to make informed purchase decisions. The Company also makes efforts to educate consumers on responsible usage of its products.

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

   The Company has the necessary mechanism in place to inform dealers/consumers if any major discontinuation happens by way of a proper communication in a timely and appropriate manner.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No)**

   All mandatory information is displayed on the product and a survey w.r.t. the consumer satisfaction for our products was also carried out.

5. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches along-with impact -NIL

   b. Percentage of data breaches involving personally identifiable information of customers -NIL

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, 2023, 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, 2023, 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.

Decription of Key Audit Matters

Key Audit Matters	How our Audit Addressed the matter
Evaluation of Tax Position	**Our procedures included and were not limited to the following:**
The Government of India vide Taxation Laws (Amendment) Ordinance 2019 dated 20 September 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provided domestic companies an option to pay Income tax at reduced tax rate effective April 1, 2019 subject to certain conditions. The company had opted to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. However, during the current year, the company had re-evaluated the new provision, assessed it's impact and decided to opt for the new tax regime wef April 1, 2021. Consequently, tax expenses for the period have been considered at reduced tax rate. Further, the Company has used the new tax rates to re-measure its deferred tax liabilities and has written off the accumulated minimum alternative tax (MAT) credit in the quarter ended 30 June 2022. The impact of this change on the tax assets and liabilities as on 31 March, 2022 has been recognised in profit and loss as an Exceptional Tax Item in the current year. Given the significant level of judgement involved and the quantitative significance, we have determined this to be a key audit matter	• Examined the implications of the new provisions on the tax position of the company keeping in view the various interpretations to assess the impact of adopting the new tax regime. • Verified the revised calculations for depreciation and WDV of fixed assets as per income tax. • Examined the appropriateness of the Company's revised calculation of deferred tax assets (DTA) and deferred tax liabilities (DTL) as on the balance sheet date. • Assessed the adequacy of related disclosures in the financial statements.

Key Audit Matters	How our Audit Addressed the matter
Procurement and physical verification of agriculture based raw materials- The Company incurs significant costs on procurement of agriculture based raw material in bulk from various aggregators. The raw materials are susceptible to risk of incorrect weighing or measurement. Sound procurement processes involving critical attributes of raw material are required to mitigate this risk. Further, the Company follows volume-based method for physical verification of raw material which involves a wide range of attributes such as the height of stockpiles, area of spread, etc. making the measurement of raw material inventory complex and sensitive to the attributes. In view of the above, we have identified the confirmation of physical inventories of raw material as a key audit matter.	**Our procedures included and were not limited to the following:** We evaluated the design and implementation of key internal controls relating to acceptance of goods. We also tested the operating effectiveness of such controls through a combination of procedures involving observation, re-performance and inspection of evidence of samples selected. • We performed substantive testing by selecting samples (using statistical sampling) of purchase transactions recorded during the year by examining the underlying documents such as supplier invoices, goods receipt notes, e-way bill etc. • Assessed the appropriateness of the underlying data and estimates used for calculation of the yield ratio and compared the same with the previous years. • Tested the manual journal entries to identify unusual items. • Observed physical verification of raw materials selected using statistical sampling. We also assessed the appropriateness of the Company's standard operating procedures for conducting, recording and reconciling physical verification of raw materials. On a sample basis, we verified reconciliation of raw material as per physical verification with the corresponding book records.

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, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure I". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigation which would impact its financial position in its Standalone Financial statements. Refer Note 37 to the financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 35 B(iv)© to 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 Company has not paid any dividend during the year. As stated in Note 42 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

2. As required by 'the Companies (Auditor's Report) Order, 2020', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure II" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

For **O P BAGLA & CO LLP**
Chartered Accountants
Firm Registration. No. 000018N/N500091

ATUL BAGLA
Partner
Membership No. 091885
UDIN: 23091885BGWJIB4965

PLACE: Chandigarh
DATE: April 29, 2023

ANNEXURE- I TO THE INDEPENDENT AUDITORS' 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 sub-section 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 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For **O P BAGLA & CO LLP**
Chartered Accountants
Firm Registration. No. 000018N/N500091

ATUL BAGLA
Partner
Membership No. 091885
UDIN: 23091885BGWJIB4965

PLACE: Chandigarh
DATE: April 29, 2023

ANNEXURE- II TO THE INDEPENDENT AUDITORS' 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, 2023 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 INR 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 * (INR In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	856.35	2016-2017 (Assessment year)	CIT(A)
Income Tax Act, 1961	Income Tax	96.26	2012-2013 (Assessment year)	CIT(A)
Income Tax Act, 1961	Income Tax	154.88	2013-2014 (Assessment year)	CIT(A)
Income Tax Act, 1961	Income Tax	267.28	2017-2018 (Assessment year)	CIT(A)
Income Tax Act, 1961	Income Tax	6.60	2018-2019 (Assessment year)	CIT(A)
Central Excise Act, 1944	Excise Duty	447.36	2000-2001 to 2007-2008	Punjab and Haryana High Court
Central Excise Act, 1944	Excise Duty	65.06	2008-2009	CESTAT, Chandigarh

*Amount are as per demand order and include interest and penalty, which ever 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.

ix. a) According to the information and explanations given to us, pursuant to receiving the approvals for rescheduling its loans from the lenders, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender

b) According to the information and explanations given to us including confirmations received from banks / financial institution and other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.

d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.

e) The Company does not have any subsidiaries, joint ventures or associate companies and therefore the clause 3(ix)(e) and 3(ix)(f) is not applicable.

x. a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Accordingly, the provisions of clause 3 (x)(a) of the Order is not applicable to the Company and hence not commented upon.

b) According to the information and explanations given to us, the company has not made preferential allotment/ private placement of shares or (fully or partly or optionally) convertible debentures during the year Accordingly, reporting under clause 3(x)(b) of the order is not applicable to the company

xi. a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and no material fraud on the Company has been noticed or reported during the year.

b) We report that no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi company and therefore clause 3(xii) of the Order related to such companies is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the company issued till date, in determining the nature, timing and extent of our audit procedures.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi. a) In our opinion, in view of its business activities, the Company is not required to be registered under Section 45IA of Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion and as per the information and explanations provided to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable

xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.:

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. According to the information and explanations given to us, the Company does not have any unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **O P BAGLA & CO LLP**
Chartered Accountants
Firm Registration. No. 000018N/N500091

ATUL BAGLA
Partner
Membership No. 091885
UDIN: 23091885BGWJIB4965

PLACE: Chandigarh
DATE: April 29, 2023

Balance Sheet

as at 31st March 2023

(All amount are in INR Lakhs except for share data)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,40,680.47	1,40,060.77
Capital work-in-progress	3	3,064.35	2,886.42
Investment property	4	750.57	763.88
Other intangible assets	5	-	3.55
Financial assets			
- Other financial assets	6	394.38	864.93
Income tax assets (net)	7	156.01	28.88
Other non-current assets	8	2,583.68	1,476.49
Total non-current assets		**1,47,629.46**	**1,46,084.92**
Current assets			
Inventories	9	9,006.27	8,685.57
Financial assets			
- Trade receivables	10	2,873.25	6,061.09
- Cash and cash equivalents	11	154.26	356.07
- Other bank balances	12	1,572.00	1,304.61
- Others financial assets	6	158.87	272.43
Other current assets	13	7,551.87	4,846.87
Total current assets		**21,316.52**	**21,526.64**
Total assets		**1,68,945.98**	**1,67,611.56**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	872.64	872.64
Other equity	15	95,808.84	82,174.95
Total equity		**96,681.48**	**83,047.59**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	36,782.87	64,476.70
- Other financial liabilities	17	2,281.82	1,809.39
Provisions	18	131.31	118.95
Deferred tax liabilities (net)	19	11,721.41	126.83
Deferred income	20	481.79	553.96
Total non-current liabilities		**51,399.20**	**67,085.83**
Current liabilities			
Financial liabilities			
- Borrowings	16	14,497.91	11,754.92
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	21	26.90	24.26
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,555.69	3,544.89
- Other financial liabilities	17	1,982.17	1,428.92
Other current liabilities	22	835.99	598.85
Provisions	18	29.78	23.74
Deferred income	20	25.02	51.01
Current Tax liabilities (net)	23	911.84	51.55
Total current liabilities		**20,865.30**	**17,478.14**
Total liabilities		**72,264.50**	**84,563.97**
Total equity and liabilities		**1,68,945.98**	**1,67,611.56**
Significant accounting policies	2		
Notes to the financial statements	3-46		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
VC & Managing Director
DIN - 00026256

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: April 29, 2023

Roshan Garg
Chief Financial Officer

Place : Chandigarh
Dated: April 29, 2023

Vivek Trehan
Company Secretary

Place : Chandigarh
Dated: April 29, 2023

Statement of Profit and Loss

for the year ended 31st March 2023
(All amount are in INR Lakhs except for share data)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from operations	24	1,30,955.84	83,039.52
Other income	25	360.42	385.32
Total income		**1,31,316.26**	**83,424.85**
Expenses			
Cost of materials consumed	26	39,836.06	30,041.00
Purchase of stock-in-trade		707.14	583.90
Changes in inventories of finished goods and work in progress	27	50.82	90.50
Employee benefits expense	28	6,917.51	5,965.55
Finance costs	29	7,099.44	6,894.44
Depreciation and amortisation expense	30	4,543.67	4,615.40
Other expenses	31	45,523.02	34,463.64
Total expenses		**1,04,677.66**	**82,654.43**
Profit/(loss) before exceptional items and tax		**26,638.60**	**770.42**
Exceptional Items	32	6,342.31	-
Profit/(loss) before income tax		**20,296.29**	**770.42**
Income tax expense	33		
Current tax		1,533.07	127.66
Adjustment of tax relating to earlier years		(128.68)	43.22
Deferred tax		5,276.72	(742.72)
Total		**6,681.11**	**(571.85)**
Total income tax expense		**6,681.11**	**(571.85)**
Profit/(loss) for the year		**13,615.18**	**1,342.26**
Other comprehensive income/(expense)			
Items that will not be re-classified to profit or loss			
- Remeasurement of defined benefit liability/(assets)		(69.97)	(31.00)
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liability/(assets)		24.45	10.83
Other comprehensive income/(expense) for the year (net of income tax)		**(45.52)**	**(20.16)**
Total comprehensive income/(expense) for the year		**13,569.66**	**1,322.09**
Earnings per equity share [nominal value of INR 1 (previous year INR 1)]	34		
a) Basic (INR)		15.60	1.54
b) Diluted (INR)		15.60	1.54
Significant accounting policies	2		
Notes to the financial statements	3-46		

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

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

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

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
VC & Managing Director
DIN - 00026256

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: April 29, 2023

Roshan Garg
Chief Financial Officer

Place : Chandigarh
Dated: April 29, 2023

Vivek Trehan
Company Secretary

Place : Chandigarh
Dated: April 29, 2023

Statement of Changes in Equity

for year ended 31 March 2023

(All amount are in INR Lakhs except for share data)

A. Equity share capital	Note	
Balance as at 1 April 2021	14	872.64
Changes in equity share capital during the year		-
Balance as at 31 March 2022		**872.64**
Balance as at 1 April 2022		872.64
Changes in equity share capital during the year		-
Balance as at 31 March 2023		**872.64**

B. Other equity			15		
	Reserves and surplus				
Particulars	Capital redemption reserve (Refer note 15)	Debenture Redemption Reserve (Refer note 15)	General reserve (Refer note 15)	Retained earnings (Refer note 15)#	Total
Balance as at 1 April 2021	200.00	-	2,457.92	78,194.93	80,852.85
Total comprehensive income for the year ended 31 March 2022					
Profit/(Loss) for the year	-	-	-	1,342.26	1,342.26
Other comprehensive income/ (expense) (net of tax)	-	-	-	(20.16)	(20.16)
Total comprehensive income for the year	-	-	-	**1,322.10**	**1,322.10**
Balance as at 31 March 2022	**200.00**	**-**	**2,457.92**	**79,517.03**	**82,174.95**
Total comprehensive income for the year ended 31 March 2023					
Profit/(loss) for the year	-	-	-	13,615.18	13,615.18
Other comprehensive income/ (expense) (net of tax)	-	-	-	(45.52)	(45.52)
Total comprehensive income for the period	**-**	**-**	**-**	**13,569.66**	**13,569.66**
Dividend	-	-	-	-	-
Add: Derecognition of Unearned Financial Guarantee Commission*				64.23	64.23
Balance as at 31 March 2023	**200.00**	**-**	**2,457.92**	**93,150.92**	**95,808.84**

Includes land revaluation reserve of INR 41,294.33 and capital subsidy of INR 100.14 transferred to retained earnings in accordance with Ind AS 101.

* Due to prepayment of corresponding borrowing

Significant accounting policies 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: April 29, 2023

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

Roshan Garg
Chief Financial Officer

Place : Chandigarh
Dated: April 29, 2023

Vivek Trehan
Company Secretary

Place : Chandigarh
Dated: April 29, 2023

Cash Flow Statement

for year ended 31 March 2023

(All amount are in INR Lakhs except for share data)

		Year ended 31 March 2023	Year ended 31 March 2022
A	**Cash flow from operating activities**		
	Profit before income tax	20,296.29	770.42
	Adjustments for:		
	Depreciation and amortisation expense	4,543.67	4,615.40
	Loss/ (profit) on sale of property, plant and equipment	9.11	18.34
	Change in fair value of derivative contracts	-	-
	Finance cost	7,099.44	6,894.44
	Interest income	(147.38)	(101.83)
	Foreign exchange gain/loss (unrealized)	1.71	55.28
	Liabilities no longer required written back	(1.29)	(11.18)
	Rental income	(56.20)	(56.14)
	Exceptional Items	6,342.31	-
	Others	(23.74)	(27.48)
	Cash flow from operating activities before changes in following assets and liabilities	**38,063.93**	**12,157.25**
	(Increase) in other non-current assets	(141.92)	(42.11)
	(Increase)/ decrease in inventories	(320.69)	(3,445.15)
	Decrease/ (increase) in trade receivables	3,186.12	(2,755.80)
	(Increase) in other financial assets	154.59	185.90
	(Increase)/ decrease in other current assets	(2,705.00)	(602.61)
	Increase/ (decrease) in provisions	(51.58)	(42.07)
	(Decrease)/ increase in trade payables	(986.55)	(908.93)
	Increase in other financial liabilities	789.75	135.39
	Increase/ (decrease) in other current liabilities	225.87	230.66
	Cash generated by operating activities	**38,214.52**	**4,912.52**
	Income tax paid / tax deducted at source (net of refund)	(671.23)	(78.73)
	Net cash generated from operating activities (A)	**37,543.29**	**4,833.79**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment	(6,540.37)	(4,282.76)
	Proceeds from sale of property, plant and equipment	209.42	308.37
	Receipt of government grants	-	114.38
	Rental income and others	56.20	56.14
	Decrease/ (increase) in deposit accounts (having original maturity of more than three months)	107.96	251.25
	Interest received	201.54	88.16
	Net cash (used) in investing activities (B)	**(5,965.25)**	**(3,464.46)**

Cash Flow Statement

for year ended 31 March 2023

(All amount are in INR Lakhs except for share data)

	Year ended 31 March 2023	Year ended 31 March 2022
C Cash flows from financing activities		
Proceeds from long term borrowings	15,076.69	36,780.47
Repayment of long term borrowings	(39,819.29)	(31,687.06)
Proceeds of short term borrowings (net)	(208.21)	2,189.81
Interest paid	(6,829.02)	(8,341.70)
Net cash generated from/ (used in) financing activities (C)	**(31,779.84)**	**(1,058.48)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(201.80)	310.86
Cash and cash equivalents at the beginning of the year (see below)	356.07	45.21
Cash and cash equivalents at the end of the year (see below)	**154.26**	**356.07**
Notes:		
Cash and cash equivalents include :		
Balance with banks in current accounts	151.18	354.28
Cash in hand	3.08	1.80
	154.26	**356.07**

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows ".

2. During the year, the Company paid in cash INR 33.38 Lakhs (31 March 2022: INR 102.16 Lakhs) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 31 (b)).

Significant accounting policies 2

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

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

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

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
VC & Managing Director
DIN - 00026256

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: April 29, 2023

Roshan Garg
Chief Financial Officer

Place : Chandigarh
Dated: April 29, 2023

Vivek Trehan
Company Secretary

Place : Chandigarh
Dated: April 29, 2023

Notes to the Financial Statements

for year ended 31 March 2023

1. Reporting entity

Kuantum Papers Limited (the 'Company') is a public company incorporated under the provisions of the Companies Act, 1956 having its registered office at Papers 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. Significant accounting policies

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 statement.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2023, 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 INR 13,569.66 Lakhs for the year ended 31 March 2023 and, as at that date, current assets exceed current liabilities by INR 451.22 Lakhs. In view of the positive net worth, the assessment of future cash flow projections, availability of liquid funds and unused credit facilities, the management considers that it is appropriate to prepare these financial statements on a going concern basis.

The financial statements were authorized for issue by the Company's Board of Directors on 29 April 2023.

iii) Functional and presentation currency

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

iv) Basis of measurement

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

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

v) Use of estimates and judgments

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

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

- Note 38 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 18 and 37 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(q) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(p) - Impairment of financial assets
- Note 2(v) - Fair value measurement
- Note 2(c) and 3 – Assessment of useful life of Property, plant and equipment
- Note 2(c) and 4 – Assessment of useful life of Intangible assets

- Note 2(f): Valuation of inventories
- Note 2(k): Accounting for government grants
- Note 2(n), 19 and 33 – Recognition of tax expense including deferred tax;

vi) Measurement of fair values

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

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

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

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

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

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

b) Changes in Significant Accounting Policies

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

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

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

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

Recognition and measurement

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

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

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

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

Subsequent expenditure

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

Depreciation

Depreciation is calculated on cost of items of PPE (excluding freehold land) less their estimated residual values over their estimated useful lives using the straight-

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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 values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

f) Inventories

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

Raw materials, chemicals and fuels, stores and spare parts, packing materials and loose tools	Weighted average method

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.
Soda Ash (by-product)	Net realizable value
Goods in transit	Specifically identified purchase cost

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

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

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

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

g) Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

Defined benefit plans

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

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

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

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

Other long term employee benefits

Compensated absences

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

h) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the

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obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

i) Contingent liabilities and contingent assets

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

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

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

j) Commitments

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

k) Revenue

Revenue from contract with customers

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

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

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

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

The Company disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as cash discount, trade discount, and rebate. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

- Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Rental income

Rental income from investment property is recognised as part of other income in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

Government grants related to capital assets is recognised on a straight line basis over the useful life of the related assets. Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which such expenses are recognised.

Export benefits and sales tax incentives

Export benefits and sales tax incentives under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

l) Recognition of interest income or expense

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

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

a. the gross carrying amount of the financial asset; or

b. the amortised cost of the financial liability.

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

m) Borrowing costs

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

n) Income taxes

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

Current tax

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

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

Deferred tax

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

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

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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 re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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 FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

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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 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 as CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

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 year ended 31 March 2023

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.

3 Property, plant and equipment and Capital work in progress

	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Computers	Total	Capital work-in-progress
Gross carrying amount								
Balance as at 1 April 2021	41,500.84	14,466.63	96,595.76	172.30	598.01	470.42	1,53,803.96	2,054.69
Additions	13.13	118.33	2,014.69	7.66	19.00	25.33	2,198.13	2,826.64
Disposals	13.57	2.68	396.51	0.94	31.15	-	444.84	1,994.90#
Balance as at 31 March 2022	**41,500.40**	**14,582.29**	**98,213.94**	**179.02**	**585.86**	**495.75**	**1,55,557.25**	**2,886.42**
Balance as at 1 April 2022	41,500.40	14,582.29	98,213.94	179.02	585.86	495.75	1,55,557.25	2,886.42
Additions	-	359.52	4,832.16	0.86	146.81	25.69	5,365.04	5,316.94
Disposals	-	-	80.39	-	288.01	-	368.40	5,139.01#
Balance as at 31 March 2023	**41,500.40**	**14,941.81**	**1,02,965.71**	**179.88**	**444.66**	**521.44**	**1,60,553.89**	**3,064.35**
Accumulated depreciation								
Balance as at 1 April 2021	-	1,041.65	9,479.71	68.10	244.07	342.99	11,176.53	-
Depreciation for the year	-	448.27	3,872.34	16.58	69.42	31.47	4,438.08	-
Disposals	-	1.01	99.63	0.32	17.18	-	118.13	-
Balance as at 31 March 2022	**-**	**1,488.92**	**13,252.43**	**84.37**	**296.31**	**374.46**	**15,496.48**	**-**
Balance as at 1 April 2022	-	1,488.92	13,252.43	84.37	296.31	374.46	15,496.48	-
Depreciation for the year	-	456.20	3,967.26	16.73	47.85	38.78	4,526.82	-
Disposals	-	-	11.43	-	138.45	-	149.87	-
Balance as at 31 March 2023	**-**	**1,945.12**	**17,208.26**	**101.10**	**205.71**	**413.24**	**19,873.42**	**-**
Carrying amounts (net)								
As at 31 March 2022	**41,500.40**	**13,093.36**	**84,961.51**	**94.65**	**289.55**	**121.29**	**1,40,060.77**	**2,886.42**
As at 31 March 2023	**41,500.40**	**12,996.69**	**85,757.45**	**78.78**	**238.95**	**108.20**	**1,40,680.47**	**3,064.35**

Represents capital-work-in-progress capitalized during the year.

Note:

a. Refer note 16 for information on property, plant and equipment pledged as security by the Company.

b. Refer note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. Capitalised borrowing costs related to the plant and equipment amounted to INR 35.85 Lakhs (previous year: INR 98.84 Lakhs).

e. The company has not revalued/fair valued its property, Plant and Equipments (including Investment Properties) and Intangible Assets during the current and previous year.

f. 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.

g. Disclosure for Capital Work in Progress

As at March 31,2023

CWIP ageing schedule:

(INR in Lakhs)

Particulars	Amount of CWIP for a Period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	937.97	102.55	488.79	1,535.03	3,064.35
Projects temporarily suspended	-	-	-	-	-

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for year ended 31 March 2023

As at March 31,2022

CWIP ageing schedule:

(INR in Lakhs)

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	907.57	443.83	1,535.03	-	2,886.42
Projects temporarily suspended	-	-	-	-	-

4 Investment property

Gross carrying amount

	Total
Balance as at 1 April 2021	840.34
Additions	-
Disposals	-
Balance as at 31 March 2022	**840.34**
Balance as at 1 April 2022	840.34
Additions	-
Balance as at 31 March 2023	**840.34**
Accumulated depreciation	
Balance as at 1 April 2021	63.15
Depreciation for the year	13.31
Balance as at 31 March 2022	**76.46**
Balance as at 1 April 2022	76.46
Depreciation for the year	13.31
Disposals	-
Balance as at 31 March 2023	**89.77**
Carrying amounts (net)	
As at 31 March 2022	**763.88**
As at 31 March 2023	**750.57**

5 Other intangible assets and Intangible assets under development

Gross carrying amount

	Computer Software	Total	Intangible assets under development
Balance as at 1 April 2021	1,054.00	1,054.00	-
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2022	**1,054.00**	**1,054.00**	**-**
Balance as at 1 April 2022	1,054.00	1,054.00	-
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2023	**1,054.00**	**1,054.00**	**-**
Accumulated depreciation			
Balance as at 1 April 2021	886.44	886.44	-
Amortisation for the year	164.01	164.01	-
Disposals	-	-	-
Balance as at 31 March 2022	**1,050.45**	**1,050.45**	**-**
Balance as at 1 April 2022	1,050.45	1,050.45	-
Amortisation for the year	3.55	3.55	-
Disposals	-	-	-
Balance as at 31 March 2023	**1,054.00**	**1,054.00**	**-**
Carrying amounts (net)			
Balance as at 31 March 2022	3.55	3.55	-
Balance as at 31 March 2023	-	-	-

6 Financial Assets- Other financial assets

	Note	As at 31 March 2023		As at 31 March 2022	
		Current	Non-Current	Current	Non-Current
Deposits with original maturity of more than 12 months*	(a)	-	23.45	-	398.80
Balance in unclaimed dividend accounts*		-	14.72	-	17.08
Security deposits*		-	356.21	-	449.05
Derivative financial instruments#		-	-	78.99	-
Interest accrued on deposits*		31.31	-	85.47	-
Advances to employees*		5.90	-	2.06	-
Others*		121.66	-	105.92	-
		158.87	**394.38**	**272.43**	**864.93**

Note:

(a) Includes restricted deposits of INR 23.45 (31 March 2022: INR 398.80) pledged as security for letter of credit, bank guarantee or held for margin money.

* Financial assets carried at amortized cost

Financial assets carried at FVTPL

7 Current tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income-tax and tax deducted at source	156.01	28.88
	156.01	28.88

8 Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Capital advances		
- to others	2,341.20	1,375.93
Advances other than capital advances		
- Prepaid expenses	202.97	67.14
Lease equalisation reserve *	39.51	33.42
	2,583.68	**1,476.49**

* Refer to note 39

9 Inventories

(at lower of cost and net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw material and packing material #	3,223.46	4,486.04
Work-in-progress	127.32	115.86
Finished goods	6.51	68.79
Stores and spares #	2,472.22	2,070.39
Chemical and fuels	3,176.75	1,944.49
	9,006.27	**8,685.57**
Note:		
# Includes material in transit	6.16	32.58

Notes to the Financial Statements
for year ended 31 March 2023

10 Financial Assets- Trade receivables

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Trade receivables	2,873.25	6,061.09
	2,873.25	**6,061.09**
Less: Allowance for credit impairment	-	-
	2,873.25	**6,061.09**
Break-up of trade receivables		
Trade receivables considered good -Secured	-	-
Trade receivables considered good -Unsecured	2,873.25	6,061.09
Trade Receivables which have significant increase in Credit Risk	-	-
Trade receivables -credit impaired	-	-
Total	**2,873.25**	**6,061.09**
Loss allowance	-	
Total trade receivables	**2,873.25**	**6,061.09**

Trade receivable ageing schedule

As at March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment#				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables considered good	2,350.98	444.00	78.27	-	-	-
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good		-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-

As at March 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment#				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables considered good	4,121.80	1626.01	215.63	-	-	-
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good			-	-	-	97.65
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-

Where due date of payment is not available date of transaction has been considered.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

11 Financial Assets- Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	151.18	354.28
Cash in hand	3.08	1.80
	154.26	**356.07**

12 Financial Assets- Other bank balances

	As at 31 March 2023	As at 31 March 2022
Deposit accounts with original maturity of more than 3 months and upto 12 months from the reporting date	1,572.00	1,304.61
	1,572.00	**1,304.61**

Notes:

(C) These deposits include restricted bank deposits pledged as security for letters of credit, bank guarantees and held for margin money amounting to INR 1,082.31 (31 March 2022 INR 1,304.61).

13 Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Recoverable from / balance with government authorities	56.14	441.66
Prepaid expenses	552.49	490.68
Advances for supply of goods		
- considered good	6911.09	3,737.65
- considered doubtful	9.77	9.77
Less : expected credit loss for doubtful advances	(9.77)	(9.77)
Others	32.16	176.89
	7,551.87	**4,846.87**

Notes to the Financial Statements
for year ended 31 March 2023

14 Equity Share Capital

(i) Details of share capital

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of INR 1 each (31 March-2022 INR 1 each)	25,00,00,000	2,500.00	25,00,00,000	2,500.00
	25,00,00,000	**2,500.00**	**25,00,00,000**	**2,500.00**
Authorised				
Preference shares of INR 10 each.	3,00,00,000	3,000.00	3,00,00,000	3,000.00
	3,00,00,000	**3,000.00**	**3,00,00,000**	**3,000.00**
Issued, subscribed and fully paid up				
Equity shares of INR 1 each fully paid up (31 March-2022 INR 1 each)	8,72,63,630	872.64	8,72,63,630	872.64
	8,72,63,630	**872.64**	**8,72,63,630**	**872.64**

(ii) Reconciliation of number of shares outstanding at beginning and end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	8,72,63,630	872.64	8,72,63,630	872.64
Balance at the end of the year	**8,72,63,630**	**872.64**	**8,72,63,630**	**872.64**

(iii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of the share holder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of equity shares held	Number of shares	% of equity shares held
Kapedome Enterprises Limited {Holding Company} (Equity shares of INR 1 each)	**5,80,37,880**	**66.51%**	**5,80,37,880**	**66.51%**

Shareholding of Promoters

Shares held by promoters at the end of the year			%age change during the year
Promoter Name	No. of Shares	%age of total shares	
Kapedome Enterprises Ltd.	5,80,37,880	66.51%	-
Jagesh Kumar Khaitan	14,47,580	1.66%	-
J K Khaitan (HUF)	3,540	0.00%	-
Pavan Khaitan	14,72,650	1.69%	-
Aparna Khaitan	2,60,760	0.30%	-
Usha Khaitan	1,28,280	0.15%	-

Notes to the Financial Statements
for year ended 31 March 2023

(V) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2023

During the five years immediately preceding 31 March 2023 ('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

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning and end of the year	200.00	200.00
Transferred from retained earnings	-	-
Closing balance	**200.00**	**200.00**

Capital redemption reserve have been created in accordance with Companies Act, 2013 at the time of redemption of preference shares by transferring amount equal to nominal value of preference shares so redeemed from surplus balance of profits.

(ii) Debenture Redemption Reserve

Debenture redemption reserve has been created out of the profits prior to redemption of debentures. This reserve is available for distribution towards dividend post redemption of debentures.

(iii) General reserve

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	2457.92	2457.92
Add : Amount transferred from surplus	-	-
Balance at the end of the year	**2457.92**	**2457.92**

(iv) Retained earnings

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	79,575.14	78,232.87
Add: Profit/(loss) for the year	13,615.18	1,342.26
Less: dividend (including corporate dividend tax)	-	-
Add: Amount transferred on Derecognition of Unearned Financial Guarantee Commission	64.23	-
Balance at the end of the year	**93,254.54**	**79,575.14**

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.

(v) Dividends

	As at 31 March 2023	As at 31 March 2022
The following dividends were declared and paid by the Company during the year:	-	-
INR NIL per equity share (31 March 2022: Nil per equity share)		
	-	**-**

Notes to the Financial Statements
for year ended 31 March 2023

(vi) Other comprehensive income(net of tax)

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	(58.10)	(37.94)
Remeasurement of defined benefit liability (asset)	(45.52)	(20.16)
Balance at the end of the year	**(103.62)**	**(58.10)**

15 Other Equity
(also refer to Statement of Changes in Equity)

(i) Capital redemption reserve

Capital redemption reserve have been created in accordance with Companies Act, 2013 at the time of redemption of preference shares by transferring amount equal to nominal value of preference shares so redeemed from surplus balance of profits

(ii) Debenture Redemption Reserve

Debenture redemption reserve has been created out of the profits prior to redemption of debentures. This reserve is available for distribution towards dividend post redemption of debentures.

(iii) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

(iv) Retained earnings

Retained earnings represent the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(v) Other comprehensive income(net of tax)

Remeasurements of defined benefit obligation comprise actuarial gains and losses and return on plan assets (excluding interest income).

16 Financial Liabilities-Borrowings
Financial Liabilities carried at amortised cost

I Non-current borrowings

	Notes	As at 31 March 2023	As at 31 March 2022
Term-loans			
- From banks (secured)	16(a)	35,538.45	59,683.13
- Vehicle loans (secured)	16(b)	105.96	119.02
Total (A)		**35,644.41**	**59,802.15**
Public deposits	16(c)		
- from related parties (unsecured) (refer note 40)		468.00	464.00
- others (unsecured)		1,737.46	1,442.93
Loan from Export Development Canada (unsecured)		-	989.06
Loans from related parties (unsecured) (refer note 40)	16(d)		
- Mr. Jagesh Kumar Khaitan		63.00	63.00
- Mrs. Usha Khaitan		42.00	42.00
- Kapedome Enterprises Limited		2,006.00	2,006.00
3,00,00,000 (previous year 3,00,00,000) 10% redeemable noncumulative preference shares of INR 10 each, fully paid up considered entirely financial liability in nature (unsecured)	16(e)	3,000.00	3,000.00
Total (B)		**7,316.46**	**8,006.99**
Total non-current borrowings (including current maturities) (A+B)		**42,960.87**	**67,809.14**
Less: Current maturities of non-current borrowings		6,178.00	3,332.44
		36,782.87	**64,476.70**

II Current borrowings

	Notes	As at 31 March 2023	As at 31 March 2022
Secured:			
Loans repayable on demand			
- Working capital	16(f)	6,590.38	6,798.59
Current maturities of non-current borrowings			
- Term loan		5,687.17	1,945.90
- Vehicle loan		37.27	100.77
Unsecured:			
Public deposits			
- From related parties (refer note 40)		150.29	120.35
- From others		1,559.24	1,483.54
Inter corporate deposits	16(g)	20.00	20.00
Current maturities of non-current borrowings		453.56	1,285.77
		14,497.91	**11,754.92**

Note:

16 (a) Term Loan of:

i. INR 28,476.63 (31 March 2022 : INR 57,140.12) are secured by a first parri passu charge on all the fixed assets (immovable and movable) of the Company, both present and future along with equitable mortgage of factory land and building at Sailakhurd except office premises situated at Industrial Area, Chandigarh which are exclusively mortgaged with HDFC Bank and Housing Development Finance Corporation Limited and second pari passu charge on the current assets. The said loans are also secured by personal guarantees of directors and corporate guarantee of Kapedome Enterprises Limited.

ii. INR 6,537.27 (31 March 2022 : INR 1,998.79) are secured by a first parri passu charge on all the fixed assets (immovable and movable) of the Company, both present and future along with equitable mortgage of factory land and building at Sailakhurd and charge on property located at plot number 142-A, Industrial Area,Chandigarh and second pari passu charge on the current asset. The said loans are also secured by personal guarantees of directors and corporate guarantee of Kapedome Enterprises Limited.

iii. INR 524.54 (31 March 2022 : INR 544.21) is secured by exclusive charge on the office premises at Industrial Area Chandigarh and is also secured by personal guarantees of directors.

iv. During the current year, the nominal (floating) interest rate was in the range of 7.75% to 11.75% per annum (31 March 2022 : 7.75% to 10.75% per annum).

v. The term loans are repayable in quarterly installments ranging from INR 10 to INR 750 till FY 2029-30.

(b) Vehicle loans of INR 105.96 (31 March 2022: 119.02) are secured against hypothecation of the specified vehicles purchased from proceeds of the said loans. The fixed rate of interest is in range from 8.20% to 10.50% per annum (31 March 2022 : 8.20% to 10.50% per annum). The vehicle loans are repayable in monthly unequal installment ranging from INR 0.08` to INR 1.23 till FY 2028-29.

(c) Public deposits carry interest rate ranging between 8.50 % to 9.75% (31 March 2022: 8.50% to 9.75%) per annum and carry a maturity period from 12 to 36 months from the respective date of deposits.

(d) The fixed rate of interest on loans from promoters, directors and relatives in current year is at rate of 9% (31 March 2022: 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.

(e) 10% non-cumulative redeemable preference shares of INR 10 each, fully paid up

The Company has only one class of preference shares having a par value of INR 10 per share. Preference shareholders do not hold any voting rights. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The preference

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shareholders acquire voting rights on par with equity shareholders if dividend on preference shares remain unpaid for a period of not less than 2 years or for any three years during a period of six years ending with financial year preceding the meeting. In the event of liquidation of the Company, the holders of preference shares will be entitled to receive the amount of their preference capital contribution and arrears of dividend, whether declared or not, upto date of commencement of winding up, before distribution of the remaining assets to the equity shareholders. The preference shares are redeemable in 5 equal installments at the end of 16th, 17th, 18th, 19th and 20th year, from the date of allotment, i.e., 13 September 2013.

(f) Secured loans - repayable on demand

Working capital loans are secured by hypothecation of all current assets, second charge on the fixed assets of the Company and personal guarantees of directors and corporate guarantee of Kapedome Enterprises Limited. The floating rate of interest on the loans is 8.50% to 10.10% per annum (31 March 2022: 8.00% to 10.60% per annum).

(g) Inter corporate deposit from others carry an interest rate of 13% per annum (31 March 2022: 13% per annum) and the same are repayable within twelve months.

III Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2023	As at 31 March 2022
Borrowings at the beginning of the year (current and non current) including short term	76,231.62	68,896.01
Proceeds from borrowings*	14,868.48	38,970.30
Repayment of borrowings*	(39,819.32)	(31,687.06)
Foreign exchange movement and transaction costs related to borrowings	-	52.38
Borrowings at the end of the year (current and non current)	**51,280.78**	**76,231.62**

* Including net movement during the year for short term borrowings

17 Financial Liabilities- Other financial liabilities

Financial Liabilities carried at amortised cost	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Interest accrued [refer to note 40]	126.44	27.68	145.42	38.28
Dividend payable on preference shares	300.00	-	-	-
Unpaid dividends	14.72	-	17.08	-
Capital creditors	557.37	-	589.50	-
Security deposits	-	2,254.14	-	1,771.11
Employee related payables	983.64	-	676.92	-
	1,982.17	**2,281.82**	**1,428.92**	**1,809.39**

18 Provisions

	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Provisions for employee benefits (refer note 38)				
Liability for compensated absences	29.78	131.31	23.74	118.95
	29.78	**131.31**	**23.74**	**118.95**

19 Deferred tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities on account of:		
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	11,843.81	12,841.57
Deferred tax assets on account of:		
MAT credit entitlement	-	4,744.66
Provision for employee benefits	40.54	49.86
Loss allowance for doubtful receivables and advances	2.46	3.41
Expenses allowable on payment basis	79.40	95.47
C/F losses	-	7,821.34
	11,721.41	**126.83**

(b) Movement in temporary differences:

2021-2022

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit Availment	Closing balance
Deferred tax liabilities on account of:					
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	(10,204.87)	(2,636.70)	-	-	(12,841.57)
Deferred tax assets on account of:					
MAT credit entitlement	4,660.22	127.66	-	(43.22)	4,744.66
Provision for employee benefits	53.73	(14.70)	10.83	-	49.86
Loss allowance for doubtful receivables and advances	3.41	-	-	-	3.41
Expenses allowable on payment basis	99.04	(3.56)	-	-	95.47
C/F losses	4,551.30	3,270.04	-	-	7,821.34
	(837.17)	**742.74**	**10.83**	**(43.22)**	**(126.83)**

2022-2023

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit Availment	Closing balance
Deferred tax liabilities on account of:					
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	(12,841.57)	997.76	-	-	(11,843.81)
Deferred tax assets on account of:					
MAT credit entitlement	4,744.66	(4,744.66)	-	-	-
Provision for employee benefits	49.86	(33.77)	24.45	-	40.54
Loss allowance for doubtful receivables and advances	3.41	(0.95)	-	-	2.46
Expenses allowable on payment basis	95.47	(16.07)	-	-	79.40
C/F losses	7,821.34	(7,821.34)		-	-
	(126.83)	**(11,619.03)**	**24.45**	**-**	**(11,721.41)**

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20 Deferred income

	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Deferred income on government grant	25.02	481.79	25.04	507.86
Unearned financial guarantee commission	-	-	25.97	46.09
	25.02	481.79	51.01	553.96

21 Trade payables

	As at 31 March 2023	As at 31 March 2022
- Dues of Micro Enterprises and Small Enterprises [refer note below]	26.90	24.26
- Trade payables to related parties (Refer to note 40)	-	-
- Other trade payables	2,555.69	3,544.89
	2,582.59	3,569.15

Trade receivable ageing schedule

As at March 31, 2023

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment#			
			Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	26.90	-	-	-	-
(ii) Others	238.65	1,751.31	565.73	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-

As at March 31, 2022

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment#			
			Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	24.26	-	-	-	-
(ii) Others	136.24	3,276.27	132.38	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-

\# Where due date of payment is not available date of transaction has been considered.

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under

Particulars	As at 31 March 2023	As at 31 March 2022
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	26.90	24.26
- Interest	-	-

Particulars	As at 31 March 2023	As at 31 March 2022
(b) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"); along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED act	-	-
(d) The amount of interest accrued and remaining unpaid at the end of year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expense under the MSMED Act 2006	-	-

The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are INR Nil (31 March 2022 INR Nil) as on balance sheet date.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors

22 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract liabilities (Advance from customers)	147.63	284.96
Statutory dues	688.36	181.50
Others	-	132.39
	835.99	**598.85**

23 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for income tax (net of advance tax)	911.84	51.55
	911.84	**51.55**

24 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	1,30,245.14	82,585.77
Other operating revenues		
Scrap sales	453.93	203.82
Export incentives	256.77	249.93
	1,30,955.84	**83,039.52**
Revenue disaggregation by geography is as follows:		
Geography		
India	1,17,264.13	70,649.11
Outside India	12,981.01	11,936.66

In presenting the geographical information, sale of products revenue has been based on the geographic location of the customers.

Notes to the Financial Statements
for year ended 31 March 2023

Information about major customers:

No customer represents 10% or more of the Company's total revenue during the year ended 31 March 2023 (31 March 2022:One).

Reconciliation of revenue recognized with the contracted price is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Contracted price	1,34,931.03	86,079.63
Reductions towards variable consideration components	3,975.19	3,040.10
Revenue recognised	1,30,955.84	83,039.52

The reduction towards variable consideration comprises cash discounts,trade discounts and rebates etc.

	Year ended 31 March 2023	Year ended 31 March 2022
Contract Balances		
Trade receivables	2,873.25	6,061.09
Contract liabilities	147.63	284.96

The contract assets primarily relate to the Company's rights to consideration for revenue accrued but not billed at the reporting date. The contract assets are transferred to receivables when the Company issues an invoice to the customer. The contract liabilities relate to the advance received from customers against which revenue is recognized when or as the performance obligation is satisfied.

25 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income:		
on bank deposits	129.18	101.80
others *	18.20	21.63
Rental income	56.20	56.14
Liabilities no longer required written back	1.29	11.18
Others	155.55	194.57
	360.42	**385.32**

* Others represents interest on security deposit to Punjab State Power Corporation Limited etc.

26 Cost of materials consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Raw material consumed		
Opening stock of raw materials	4,329.83	1,798.65
Add: Purchases of raw materials	35,300.74	29,723.17
Less: Inventory of material at the end of the year	3,068.63	4,329.83
	36,561.94	**27,191.98**
Packing material consumed		
Opening stock of materials	156.21	131.72
Add: Purchases of materials	3,272.74	2,873.51
Less: Inventory of material at the end of the year	154.83	156.21
	3,274.12	2,849.02
	39,836.06	**30,041.00**

Notes to the Financial Statements
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27 Changes in inventories of finished goods and work-in-progress

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock		
Work-in-progress	115.86	195.85
Finished goods	68.79	79.30
	184.65	**275.15**
Less:		
Closing stock		
Work-in-progress	127.32	115.86
Finished goods	6.51	68.79
	133.83	**184.65**
	50.82	**90.50**

28 Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus (also refer note 31(c)	6,222.01	5,376.51
Contributions to provident fund and other funds (also refer note 38)	604.20	535.85
Staff welfare expenses	91.30	53.19
	6,917.51	**5,965.55**

29 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities measured at amortised cost	6,615.08	6,603.36
Other borrowing costs *	184.36	291.08
Dividend on redeemable preference shares classified as financial liabilities measured at ammortised cost	300.00	-
	7,099.44	**6,894.44**

* Others borrowing costs represent hedging premium and bank charges

30 Depreciation and amortisation expense

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment and investment property	4,540.12	4,451.39
Amortisation of intangible assets	3.55	164.01
	4,543.67	**4,615.40**

Notes to the Financial Statements
for year ended 31 March 2023

31 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Stores and spares consumed	2,516.00	2,072.26
Chemicals consumed	18,371.92	13,638.94
Power and fuel [also refer note 31(c)]	20,857.23	14,976.07
Rent	30.38	27.77
Repair and maintenance		
- Buildings	84.33	88.74
- Machinery	825.85	654.96
- General Repair	12.33	21.22
Insurance	371.68	319.48
Rates and taxes	28.27	37.03
Legal and professional fees [refer note 31(a)]	501.61	443.30
Loss on sale of property, plant and equipment	9.11	18.34
Corporate social responsibility expenses [refer note 31(b)]	33.38	102.16
Bank charges	48.46	115.87
Commission on sales	236.71	254.19
Donation [also refer note 31 (d)]	15.61	30.61
Miscellaneous expenses [also refer note 31(c)]	1,580.15	1,662.68
	45,523.02	**34,463.64**

Note

(a): Auditors' remuneration (excluding taxes as applicable)

	Year ended 31 March 2023	Year ended 31 March 2022
As Auditor		
Statutory audit	13.00	11.00
Limited review of quarterly results	9.00	9.00
In other capacity		
Reimbursement of expenses	0.22	0.08
	22.22	**20.08**

(b): Detail of corporate social responsibility expenditure

(i) Gross amount required to be spent by the company during the year is INR 33.32 Lakhs (31 March 2022: INR 101.99 Lakhs)

(ii) Amount approved by the Board to be spent during the year is INR 33.32 Lakhs (31 March 2022: INR 101.99 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 (i) above	33.38	-	33.38
	-	-	-

(iv) Details of ongoing project

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With the Company	In Separate CSR Unspent A/c		From Company's Bank A/c	From Separate CSR Unspent A/c	With the Company	In Separate CSR Unspent A/c
	INR 132.39 Lakhs	INR 132.39 Lakhs	Nil	INR 132.39 Lakhs	-	-

(v) Nature of CSR Activities: Village School repair, street construction, Assistance to School for education, solar lights, tubewells etc

(vi) Details of related party transactions : NA

(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately: NA

(c): The Company does various expenditures in relation to pollution control activities. The amount of salaries, wages and bonus; power and fuel and miscellaneous expenses in relation to these activities are set out as below:

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	133.20	163.50
Power and fuel	648.85	577.20
Miscellaneous expenses*	125.75	76.74
	907.80	**817.43**

* Includes primarily effluent treatment plant expenses etc.

(d): The Company has given donation to political parties amounting INR Nil Lakhs in the current year (31 March 2022 . INR 30 Lakhs)

32 Exceptional Items

	Year ended 31 March 2023	Year ended 31 March 2022
Tax Related Items*	6,342.31	-
	6,342.31	**-**

* The Government of India vide Taxation Laws (Amendment) Ordinance 2019 dated 20 September 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provided domestic companies an option to pay Income tax at reduced tax rate effective April 1, 2019 subject to certain conditions. The company had opted to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. However, in the quarter ended 30 June 2022, the company had re-evaluated the new provision, assessed it's impact and decided to opt for the new tax regime w.e.f April 1, 2021. Consequently, tax expenses for the period have been considered at reduced tax rate. Further, the Company has used the new tax rates to re-measure its deferred tax liabilities and has written off the accumulated minimum alternative tax (MAT) credit in the quarter ended 30 June 2022. The impact of this change on the tax assets and liabilities as on 31 March, 2022 has been recognised in profit and loss as an Exceptional Tax Item in the said quarter. This has no impact on the operational profits of the Company.

Notes to the Financial Statements
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33 Tax expense

	Year ended 31 March 2023	Year ended 31 March 2022
a) Income tax recognised in statement of profit and loss		
Current tax	1,533.07	127.66
Deferred tax		
Attributable to -		
Adjustment of tax relating to earlier years	(128.68)	43.22
Origination and reversal of temporary differences	5,276.72	(742.72)
Total tax expense recognised in the current year	**6,681.11**	**(571.85)**
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	24.45	10.83
Total income tax recognised in other comprehensive income	**24.45**	**10.83**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	**24.45**	**10.83**
Items that may be reclassified to profit or loss	-	-
	24.45	**10.83**

34 Earnings per share

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Profit for basic earning per share of INR 1 each	13,615.18	1,342.26
(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 INR 1 each)	15.60	1.54

35 Financial instruments - Fair values and risk management

A. Financial instruments by category

The following table shows the carrying amounts and fair value of financial assets and financial liabilities including their level in the fair value hierarchy:

Financial assets	Level of hierarchy	As at 31 March 2023			As at 31 March 2022		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Non-current							
Other financial assets	3	-	-	394.38	-	-	864.93
- Deposits with original maturity of more than 12 months							-
Current							
Trade receivable		-	-	2,873.25	-	-	6,061.09
Cash and cash equivalents	3	-	-	154.26	-	-	356.07
Other bank balances	3	-	-	1,572.00	-	-	1,304.61
Derivative financial instruments	2	-	-	-	78.99	-	-
Other financial assets	3	-	-	158.87	-	-	193.44
Total financial assets		**-**	**-**	**5,152.76**	**78.99**	**-**	**8,780.13**

Financial liabilities	Level of hierarchy	As at 31 March 2023			As at 31 March 2022		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Non-current							
Borrowings	3	-	-	36,782.87	-	-	64,476.70
Other financial liabilities	3	-	-	2,281.82			1,809.39
Current							
Borrowings	3	-	-	14,497.91	-	-	11,754.92
Trade payables	3	-	-	2,582.60	-	-	3,569.15
Other financial liabilities	3	-	-	441.15	-	-	162.50
Employee related payables	3	-	-	983.64	-	-	676.92
Capital creditors	3	-	-	557.37	-	-	589.50
Total financial liabilities		**-**	**-**	**58,127.36**	**-**	**-**	**83,039.08**

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 2023 and 31 March 2022.

Valuation technique used to determine fair value:

Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments are determined using valuation techniques with market observable inputs. The model incorporates various inputs including credit quality of counter-parties and foreign exchange forward rates.

For cash and bank balances, trade receivables, loans, other financial assets, short term borrowings, trade payables and other current financial liabilities, the management assessed that they approximate their carrying amounts largely due to the short-term maturities of these instruments.

B. Financial risk management

(i) Risk management framework

"The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

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The Company has exposure to the following risks arising from financial instruments:

-credit risk (See (ii))

-liquidity risk (See (iii)); and

-market risk (See (iv))

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	2,873.25	6,061.09
Cash and cash equivalents	154.26	356.07
Other bank balances	1,572.00	1,304.61
Other financial assets	553.25	1,137.36
	5,152.76	**8,859.13**

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	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from top customer	6%	12%
Revenue from top five customers	27%	34%

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.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross Carrying amount	Loss allowance	Carrying amount
31 March 2023			
Less than 6 Months	2,794.98	-	2,794.98
More than 6 Months	78.27	-	78.27
	2,873.25	-	**2,873.25**
31 March 2022			
Less than 6 Months	5,747.81	-	5,747.81
More than 6 Months	313.28	-	313.28
	6,061.09	**-**	**6,061.09**

The loans primarily represents security deposits, inter-company deposits given and loans given to employees. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no allowance for expected credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The following table provides details regarding the contractual maturities of significant financial liabilities:

Particulars	Less than 1 Year	1 to 5 Years	More than 5 years	Total
31 March 2023				
Borrowings (including current maturities)	14,497.91	32,864.91	3,917.96	51,280.78
Trade payables	2,500.12	82.47	-	2,582.59
Other financial liabilities	1,982.17	2,281.82	-	4,263.99
	18,980.20	**35,229.20**	3,917.96	**58,127.36**
31 March 2022				
Borrowings (including current maturities)	11,754.92	52,188.62	12,288.08	76,231.62
Trade payables	3,279.51	289.65	-	3,569.16
Other financial liabilities	1,428.92	1,809.39	-	3,238.31
	16,463.35	**54,287.66**	**12,288.08**	**83,039.10**

(iv) Market Risk

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates

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:

Notes to the Financial Statements
for year ended 31 March 2023

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed rate borrowings	9,151.95	8,760.84
Floating rate borrowings	42,128.83	67,470.77
	51,280.78	**76,231.61**

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

	Profit or Loss	
	Strengthening	Weakening
For the period ended 31 March 2023		
Interest rate (0.5% movement)	(210.64)	210.64
For the year ended 31 March 2022		
Interest rate (0.5% movement)	(337.35)	337.35

(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 31 March 2023		As at 31 March 2022	
		Amount (INR)	Amount in foreign currency	Amount (INR)	Amount in foreign currency
Borrowings (secured)	USD	-	-	-	-
Less: Derivative contracts		-	-	-	-
		-	-	-	-
Borrowings (unsecured)	USD	-	-	989.06	13.05
Less: Derivative contracts		-	-	(989.06)	(13.05)
		-	-	-	-
Interest accrued but not due on unsecured loan	USD	-	-	8.86	0.12
Less: Derivative contracts		-	-	(8.86)	(0.12)
		-	-	-	-
Trade payables	USD	-	-	-	-
Net exposure in respect of recognised assets and liabilities		**-**	**-**	**-**	**-**

(ii) Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2023 and 31 March 2022 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	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (1% movement)	-	-	-	-
31 March 2022				
USD (1% movement)	-	-	-	-

36 Capital management

Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows.

	As at 31 March 2023	As at 31 March 2022
Total liabilities	72,264.50	84,563.98
Less: cash and bank balances	(1,726.26)	(1,660.68)
Adjusted net debt	70,538.25	82,903.30
Total equity	96,681.48	83,047.59
Adjusted net debt to equity ratio	**0.73**	**1.00**

37 Contingent liabilities and commitments (to the extent not provided for)

A (i). Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Claims against the Company not acknowledged as debts:		
Income tax matters	1,381.37	1,388.94
Excise duty matters	512.42	512.42
Others	-	291.97

A (ii). Other pending litigations

Particulars	As at 31 March 2023	As at 31 March 2022
Excise duty, Central Excise Act, 1944*	52.15	52.15

*Refund case is pending with Commissioner (Excise), INR 52.15 is classified under Note 14, cenvat credit recoverable

Notes to the Financial Statements
for year ended 31 March 2023

B Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances)	4,072.82	2,120.60

38 Employee benefits

I. Assets and liabilities relating to employee benefits

	As at 31 March 2023	As at 31 March 2022
Non-current		
Liability for compensated absences	131.31	118.95
	131.31	**118.95**
Current		
Liability for compensated absences	29.78	23.74
	29.78	**23.74**
Current		
Gratuity (asset)	3.59	6.12
	3.59	**6.12**

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 INR 406.38 (31 March 2022: INR 353.78) under provident fund scheme and ₹53.63 (31 March 2022: INR 55.66) under ESI scheme. These have been included in note 28 Employees benefits expenses, in the Statement of Profit and Loss.

III Defined benefit plan

Gratuity (funded)

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

Salary inflation risk

Higher than expected increase in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks

The expected contribution to defined benefit plan for the next year is INR 120.50

The following table sets out the status of the defined benefit plan as required under Ind-AS 19 - Employee Benefits

b) Reconciliation of present value of defined benefit obligation

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Present value of obligation at the beginning of the year	1,057.62	981.88
Benefits paid	(112.36)	(117.42)
Current service cost	118.01	103.00
Interest cost	77.10	66.77
Actuarial losses/(gains)	58.91	23.39
Present value of obligation at the end of the year	**1,199.29**	**1,057.62**

c) Reconciliation of the present value of plan assets

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets at the beginning of the year	1,063.74	1,014.76
Contributions	185.00	105.00
Interest Income	66.49	61.40
Benefits paid	(112.36)	(117.42)
Fair value of plan assets at the end of the year	**1,202.87**	**1,063.74**

d) Expenses recognized in the Statement of Profit and Loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	118.01	103.00
Interest cost	77.10	66.77
Interest income	(77.55)	(69.00)
Expenses recognized in profit and loss account	**117.57**	**100.76**

e) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Acturial gain/loss on the defined benefit obligation	(58.91)	(23.39)
Return on plan assets excluding interest income	(11.06)	(7.60)
Amount recognized in other comprehensive income	**(69.97)**	**(30.99)**

Notes to the Financial Statements
for year ended 31 March 2023

f) **Plan assets**

Plan assets of the company are held as bank balance, NSDL bonds and under LIC of India.

g) Actuarial assumption

Particulars	Year ended 31 March 2023 Per Annum	Year ended 31 March 2022 Per Annum
Economic assumptions		
Discount rate	7.38%	7.29%
Salary escalation rate per annum	8.00%	8.00%

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2012-14) rates

h) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended 31 March 2023		Year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(43.18)	46.55	(40.59)	43.80
Future salary growth rate (0.50% movement)	46.09	(43.18)	43.30	(40.52)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Expected benefit payments

Undiscounted amount of expected benefit payments for next 10 years:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Within 1 year	208.25	155.97
1-2 year	62.31	81.17
2-3 year	49.52	37.69
3-4 year	203.47	43.49
4-5 year	56.15	171.83
5-6 years	41.18	45.96
6 year onwards	**578.41**	**521.50**

39 Leases:

The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 9 years with no restriction placed upon the Company for entering into said lease

The Company also leases certain premises with contract terms of one to three years. These leases are short-term in nature and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases. Rental expense recorded for short-term leases was INR 30.38 Lakhs for the year ended 31 March 2023. (PY INR 27.77 Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Expenses relating to short-term leases	30.38	27.77
	30.38	**27.77**

Notes:

a. The Company incurred INR 30.38 during the current year towards expenses relating to short-term leases and leases of low-value assets for which the recognition exemption has been applied.

b. The total cash outflow for leases, including cash outflow for short term leases is INR 30.38 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 INR 30.38 (31 March 2022: INR 27.77).

B. Leases as lessor

Operating leases:

The Company has leased out its investment property on operating lease basis

i. The future minimum lease payments under non-cancellable operating leases receivable are as follows

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Within one year	50.71	48.54
Later than one year and less than five years	223.13	215.57
More than five years	220.64	278.89

ii. Amounts recognised in profit or loss

During the year ended 31 March 2023, property rentals of INR 56.20 (31 March 2022: ₹56.14) have been included in other income (Including lease straightlining) (refer note 25).

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income generated from property	56.20	56.14

Notes to the Financial Statements
for year ended 31 March 2023

40 Related party disclosures

A. List of related parties and nature of relationship where control exists

(i)	Holding Company	Kapedome Enterprises Limited
	Related entity of Key management personnel	Khaitan & Khaitan

B. List of related parties and nature of relationship with whom transactions have taken place during the current/ previous year

(i) Key management personnel and individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Jagesh Kumar Khaitan, Chairman

Mr. Pavan Khaitan, Vice Chairman & Managing Director

(ii) Non Executive directors

Mr. Vivek Bihani
Ms. Shireen Sethi
Mr. Drishinder Singh Sandhawalia
Mr Bhavdeep Sardana

(iii) Relatives of individuals mentioned above

Mrs. Usha Khaitan

Mrs. Aparna Khaitan

Ms. Deeksha Khaitan

Ms. Malavika Khaitan

Mrs. Shashi Khaitan

Mrs. Abha Khaitan

Mrs. Simran Sandhawalia
Mrs. Kushal Pal Sandhawalia

C. Transactions with related parties during the current / previous year:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Unsecured loans taken		
Mr. Jagesh Kumar Khaitan	30.00	53.00
Mrs. Usha Khaitan	16.00	-
Ms. Deeksha Khaitan	52.00	3.00
Ms. Malavika Khaitan	46.00	3.00
Mrs. Shashi Khaitan	-	100.00
Mrs. Abha Khaitan	-	250.00
Mr. Drishinder Singh Sandhawalia	36.08	33.45
Mrs.Simran Sandhawalia	39.72	36.90
Mrs Kushal Pal Sandhawalia	32.49	30.00
M/S Kapedome Enterprises Ltd.	-	350.00

Notes to the Financial Statements
for year ended 31 March 2023

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(ii) Unsecured loans repaid		
Mr. Jagesh Kumar Khaitan	20.00	10.00
Ms. Deeksha Khaitan	52.00	3.00
Ms. Malavika Khaitan	46.00	3.00
Mrs. Shashi Khaitan	-	100.00
Mrs. Abha Khaitan	-	250.00
Mr. Drishinder Singh Sandhawalia	33.45	31.00
Mrs.Simran Sandhawalia	36.90	35.70
Mrs Kushal Pal Sandhawalia	30.00	30.00

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(iii) Interest on unsecured loans		
Mr. Jagesh Kumar Khaitan	8.92	5.12
Mrs. Usha Khaitan	4.16	3.78
Ms. Deeksha Khaitan	5.31	5.36
Ms. Malavika Khaitan	4.53	4.54
Mrs. Shashi Khaitan	9.75	9.75
Mrs. Abha Khaitan	24.38	24.38
Mr. Drishinder Singh Sandhawalia	3.12	2.82
Mrs.Simran Sandhawalia	3.40	3.23
Mrs Kushal Pal Sandhawalia	2.89	2.79
M/S Kapedome Enterprises Limited	176.68	150.30
(iv) Compensation to key managerial personnel		
Short-term employee benefits		
Mr. Jagesh Kumar Khaitan	137.28	126.72
Mr. Pavan Khaitan	249.60	230.40
Commission to Directors		
Mr. Jagesh Kumar Khaitan	94.52	2.73
Mr. Pavan Khaitan	171.86	4.97
Post-employment benefits		
Mr. Jagesh Kumar Khaitan	7.84	3.81
Mr. Pavan Khaitan	15.70	8.94
Defined contribution Plan		
Mr. Jagesh Kumar Khaitan	10.30	9.50
Mr. Pavan Khaitan	18.72	17.28
Other long-term benefits		
Mr. Jagesh Kumar Khaitan	0.58	0.01
Mr. Pavan Khaitan	1.03	0.24
(v) Directors sitting fees (non-executive director)		
Mr. Vivek Bihani	2.10	2.35
Ms. Shireen Sethi	2.80	1.85
Mr. Bhavdeep Sardana	2.20	2.40
Mr. Drishinder Singh Sandhawalia	1.35	1.55
(vi) Management consultancy fees		
Mr. Drishinder Singh Sandhawalia	42.00	42.00
(vii) Reimbursement of expenses		
Mr. Jagesh Kumar Khaitan	0.81	0.94
Mr. Pavan Khaitan	2.97	2.23
Mr. Drishinder Singh Sandhawalia	0.45	0.24

Notes to the Financial Statements
for year ended 31 March 2023

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(viii) Other charges (rent)		
Kapedome Enterprises Limited	0.71	0.71
(ix) Purchases of materials		
Kapedome Enterprises Limited (Chemical)	-	77.62
Krofta Engineering Limited (Belt Film Press & SS 304 Chain With Uhmw Rollers)	-	166.73
(x) Advance on behalf of Kapedome		
Paid to Alleppy Fishermen on behalf of Kapedome	-	22.00
(xi) Advance return back		
Kapedome Enterprises Limited	-	22.00
(xii) Professional Fee		
Khaitan & Khaitan	-	7.48

D. Outstanding Balances

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Unsecured loans		
Fixed Deposits		
Mr. Jagesh Kumar Khaitan	40.00	30.00
Mrs. Shashi Khaitan	100.00	100.00
Ms. Deeksha Khaitan	55.00	55.00
Ms. Malavika Khaitan	49.00	49.00
Mrs. Abha Khaitan	250.00	250.00
Mr. Drishinder Singh Sandhawalia	36.08	33.45
Mrs.Simran Sandhawalia	39.72	36.90
Mrs Kushal Pal Sandhawalia	32.49	30.00
Mrs. Usha Khaitan	16.00	-
Loans from related parties (unsecured)		
Mr. Jagesh Kumar Khaitan	63.00	63.00
Mrs. Usha Khaitan	42.00	42.00
M/S Kapedome Enterprises Limited	2,006.00	2,006.00
Corporate Gurantee		
For a Loan from Bank to Kapedome Enterprises Limited	-	1,679.00
By Kapedome Enterprises Limited for a Loan taken by the Company	75,103.00	75,103.00

E. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash. Transactions relating to dividend are on the same terms and conditions that are offered to other shareholders

41 Segment information

The Company is primarily engaged in the business of manufacture and sales of paper, mainly in the domestic markets

The Board of Directors of the Company, who have been identified as being the chief operating decision maker (CODM), evaluate the Company's performance and allocate resources based on the analysis of various performance indicators of the Company as a single unit. Accordingly, there is no reportable segment or any entity wide disclosures which are applicable to the Company.

Notes to the Financial Statements
for year ended 31 March 2023

42 Dividends

The following dividends were declared and paid by the Company:

	As at 31 March 2023	As at 31 March 2022
₹NIL per equity share (31 March 2022: Nil per equity share)	-	-

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.

	As at 31 March 2023	As at 31 March 2022
INR 3/- per equity share (31 March 2022: INR NIL per equity share)	2,617.91	-
	2,617.91	-

43 As per guidelines in RBI circular dated 6th August 2020 "Resolution Framework for Covid-19 related Stress" , the Lenders sanctioned a Resolution Plan of the term debt obligations of the company. All the Lenders implemented the Resolution Plan on 19th June 2021 which inter alia provided for converting the interest on term loans for one year from 1st September 2020 into Funded Interest Term Loan (FITL) and extension of two years moratorium in the payment of principal of term loans.

44 (a) As sanctioned in the Resolution Plan, the repayment of FITL was co-terminus with the repayment of respective term loans. The repayment of FITL was due from September 2022 onwards till FY 2029-30. However, considering the present cash flows, the company has prepaid the entire FITL amount of INR 3,524.63 Lakhs in the quarter ended 30 September 2022.

(b) The company has further prepaid the restructured term loans amounting to INR 105 Crores and INR 102 Crores respectively in the quarters ending December 2022 and March 2023. These payments are in addition to the quarterly repayments which became due after the moratorium period ended on 31 August 2022.

(c) With the payments made in 4 (a) & (b), the total outstanding restructured term loans at the year end are lower than what it would have been, had the company not availed the resolution Plan from the Lenders.

45 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 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 statements

The quarterly statement of current assets filed, during the year, with banks are in agreement with books of accounts

(iv) Willful Defaulter

No bank has declared the company as "willful defaulter"

(v) Relationship with Struck off Companies

There are no transaction with the companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and the year ended 31 March 2022.

Notes to the Financial Statements
for year ended 31 March 2023

(vi) Registration of charges or satisfaction with Registrar of Companies:

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year 2022-23.

(vii) Compliance with number of layers of companies

No layers of companies has been established beyond the limit prescribed as per above said section / rules.

(viii) Compliance with approved Scheme(s) of Arrangements

No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(ix) Utilisation of Borrowed funds and share premium:

Particulars	Description
No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;	No such transaction has taken place during the year
No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries	No such transaction has taken place during the year

(x) Undisclosed income

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

(xi) Details of Crypto Currency or Virtual Currency

Particulars	31-Mar-23	31-Mar-22
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

Notes to the Financial Statements
for year ended 31 March 2023

(xii) Utilization of Borrowings

The company has utilized the borrowings from banks and financial institutions for the purpose for which they were taken.

(xiii) Key Financial Ratios

Ratios	Numerator	Denominator	FY 22-23	FY 21-22	%age Change	Reason for Change
Current Ratio (in times)	Current Assets	Current Liabilities	1.02	1.23	(17.05)	
Debt Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.53	0.92	(42.22)	Reduction in term liabilites pursuant to prepayment of term liabilites
Debt service coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest# & Lease Payments + Principal Repayments	3.67	1.45	152.72	Earnings improved during the current year
Return on Net Worth (%age)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	22.21	1.63	1,263.13	Earnings improved during the current year. Exceptional items have been added back while calculating this ratio.
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	9.31	8.82	5.55	
Debtors Turnover (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	32.46	19.49	66.52	Increase due to faster recovery of receivables
Trade payables turnover (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	29.13	19.26	51.26	Rationalisation of trade payables for better purchase efficiency
Net capital turnover (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	289.66	20.45	1,316.46	Improvement in sales
Net Profit Margin (%age)	Net Profit	Net sales = Total sales - sales return	10.42	1.62	542.52	Earnings improved during the current year
Return on capital employed (%age)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	21.01	4.63	354.24	Earnings improved during the current year. Exceptional items have been added back while calculating this ratio.
Return on Investment (Equity)			NA	NA	NA	

Notes to the Financial Statements
for year ended 31 March 2023

46 Previous Year's figures have been regrouped/ reclassified wherever considered necessary to make them comparable with the current year's classification/ disclosure.

As per our report of even date attached

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

Atul Bagla
Partner
M.No. 91885
Place : Chandigarh
Dated: April 29, 2023

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

Roshan Garg
Chief Financial Officer

Place : Chandigarh
Dated: April 29, 2023

Vivek Trehan
Company Secretary

Place : Chandigarh
Dated: April 29, 2023

Notes

Kuantum
The Paper Makers

Kuantum Papers Ltd

Regd Office:
Paper Mill Saila Khurda 144 529
Distt Hoshiarpur Punjab

CIN- L21012PB1997PLC035243
Ph.: 01884-502737
Fax: 01884-502700
Email: kuantumcorp@kuantumpapaers.com
Website: www.kuantumpapers.com