Kuantum Papers Ltd
The Paper Makers

KPL/SEs
01.09.2021

BSE Limit d Phiroz J j bhoy Tow rs Dalal Str t Mumbai 400 001 Scrip Cod : **532937** Scrip ID: **KUANTUM**	National Stock Exchang of India Limit d Exchang Plaza Plot No. C/1, G Block, Bandra-Kurla Compl x Bandra (East) Mumbai 400 051 Trading Symbol: "**KUANTUM- EQ**"

Sub: Annual R port for th FY 2020-21

D ar Sir,

Pursuant to R gulation 34 of S curiti s and Exchang Board of India (Listing Obligations and Disclosur R quir m nts) R gulations, 2015, pl as find attach d h r with copy of annual r port of th Company for th y ar 2020-21b ing s nt to th m mb rs by th p rmitt d mod (s) for your information, r cord and for displaying th sam on BSE & NSE portal.

This is also upload d on th Company's w bsit www.kuantumpap rs.com

Thanking you,

Yours faithfully,
For **Kuantum Papers Ltd**

VIVEK TREHAN
Digitally signed by VIVEK TREHAN
Date: 2021.09.01 12:50:57 +05'30'

(Viv k Tr han)
Company S cr tary
Encl: a/a

DIR CTOR O

To Membe

ur Directors ual Report on the business and operations, together with udited e financial year ended 31 March 2021.

INANC GHLIGHTS

The sur financial results of the Comp for the financial year 2020-21 are given hereunder.

(Rs. in lakhs)

	2020-21	2019-20
Sales &	**41,391.79**	75,350.53
Operatin	**3,932.16**	12,732.74
nterest	**2,774.65**	3,043.39
Gross Pr	**1,157.51**	9,689.35
Deprecia	**3,482.90**	3,170.16
Profit (los onal items and tax	**325.39)**	6,519.19
Exceptio	**857.59**	-
Profit (los al items	**32.98)**	6,519.19
Provision		
	-	1,206.96
	,910.28)	(1,868.
t (loss)	**(1,272.70)**	7,1
mprehe or (Ex	**44.19**	
mprehensi m	**(1,228.51)**	.61

ND

of the losse the ye our Directors have not recommended divid on the Equity and Non-Cu ative R ble Preference Shares.

TIONS

The yea ew sed disruptions in operations due to the unprece ted economic challenges faced by the Indian eco Covid-19 pandemic outbreak, nationwide loc down, severe restrictions and curf mposed the v te and central governments. During the year under review, the Company ac d a pro on of tric tonnes, as against 1,26,633 metric tonnes in the previous year. The tive fi the s was 84,183 metric tonnes this year leaving 69 metric tonnes as closing s aga le of tric tonnes in the previous year.

The figu given in the ncial statemen un

The company recorded sales turnove and lacs; Operating Profit at 932.16 lacs; Los Tax a other comprehensive in xpense) at Rs. 1, 5.51 la compared to loss before to write back of deferred tax culminating from the reduced tax rate announced by the Govt. in Septemb offer tax stimulus to the industry. In terms of Section 115 BAA of the come he Company ha ted th current asured the d x assets/lia ld op ime whi nted in write back sing nual ome tax rate.

he detailed performance of C en stated in the anagement Discussion & Ana ort.

DUSTRY STATUS

aper Industry is a significant pl ining in North Am d Europe since 2006 while ste our key Paper ar tegories are: Newsprint, Print aging applicatio de apers & other Specialty Papers. sumption, printi iting ades over 32%, tissue papers & kaging grades ected to tness higher growth rates, in futu

per CRISIL, global demand for perboard an nt in 2021 is pected to grow by 6-10% on-year due to dema action across the obe on account of Covid-19 related l in 2021, c sely ascertained by rld GDP growth during the period outlook, A report, world GDP pected to expand by 6% in 2021 afte 0. The em kets and the devel untries' economy is expected to gr ich are th drivers for paper hereas, the developing countries eco ow by 5. 1 after contracti 20. Demand for paper in China, whic a third emand, is expe % as the country is completely recover emic an ns have com mand in the US and EU, together accou st 40% d demand, is y onl out 2-3% as many areas there are still fa ssive vid cases.

e Indian paper industry was one of the v due t 19 pande g to closur ucational establishments, coaching cent corp es, and ture of Work me. The sector has witnessed some sig s of e clos institutes signif pacted the demand for paper. Paper manu ac ario i a significant shift stainability with large paper mills working o ficie uctivity, and reduce ensity. The industry has been working on new ces nd development towa ciency, environment preservation, and improv g pr

e Government's huge spending on healthcare ectors, RBI's liquidity meas ssive vaccination drive helped economic recove half of FY 2020-21. During the year under review the num er of COVID cases r nsiderably and restrictions were s witnessed significant r very in oth demand as s sales realization during last quart

per the World Bank a's GD growth is estimated between 8.3% per cent during FY 2 the success of the cinati campaign, requir t of mobility restrictions and global per CRISIL, d d i veloping econo rica, Latin America and Asia (p tinue to gr t st y rate over the n s rising literacy, and Govt and pel over cording to stati reading is at a very nasce n e-b n estimated on for W&P paper in India is GD sing literacy and the governme du al r rams.

NA NA DUC ION

The Go rnme ds (the NEP ed ca on that is eq e poli utionize g an st

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 education sector.

FINANCE

(a) TERM LOANS AND CAPEX PROJECTS

The members were informed in the last report that the company has taken up implementation of expansion and enhancement of the paper production capacity to 1,48,500 TPA, expanding its agro pulp and hard wood pulp streets, setting up an additional chemical recovery plant and a captive power plant, thereby sustaining competitiveness in capacity and quality enhancement, cost reduction and improving margins and profitability of the Company. The project cost was budgeted at Rs. 444.04 cr, which was envisaged to be financed by debt of Rs. 333.00 crores and internal sources of Rs. 111.04 crores.

The capex projects were proposed to be completed and commissioned in June 2020, but due to Covid-19 pandemic outbreak, nationwide lockdown and curfew in various states including Punjab, and delayed term loan disbursement by Banks, the capex projects were completed and commissioned in March 2021.

(b) WORKING CAPITAL

Banks have sanctioned/renewed the working capital limits amounting to Rs. 14,895 lacs (fund based Rs. 5,500 lacs, non-fund based Rs. 7,655 lacs and LER/CEL limits of Rs. 1,740 lacs) during the year under review.

(c) FIXED DEPOSITS

As on 31 March 2021, your Company had Fixed Deposits of Rs. 3,315.85 lacs. There were no overdue deposits as on 31 March 2021.

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 3 July 2020 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- Rs. 1,890.95 lacs

(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.

RESTRUCTURING UNDER RBI CIRCULAR DATED 6 AUGUST 2020 – "RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS"

The year under review brought unprecedented economic challenges to the country due to covid-19 pandemic outbreak and lockdown in various parts, which severally impacted the business operations of the company and its ability to meet its financial commitments. The company approached the Lenders for sanction of a "Resolution Plan under RBI's Framework Covid-19 related Stress" in terms of the RBI circular dated 6 August 2020.

The Resolution Plan was invoked and approved by the Lenders on 24 December 2020 and the Inter Creditor Agreement (ICA) was signed by all lenders on 22 January 2021. The final Resolution Plan was approved

and implemented by all the Lenders and the Legal documents were signed and executed on 19 June 2021. The Resolution Plan was implemented within the stipulated time including the security perfection .

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. The facility wise revised rating is as under:

Facilities	Amount (Rs./Cr)	Rating
Long term Bank Facilities	627.89	CARE BBB (Triple B) (Under Credit watch with Negative Implications)
Short term Bank Facilities	94.49	CARE A3+ (A Three Plus) (Under Credit watch with Negative Implications)
Fixed Deposits	45.00	CARE BBB (FD) [Triple B (Fixed Deposit) (Under Credit watch with Negative Implications)

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business.

MATERIAL CHANGE

The operations for FY 2020-21 have been severally impacted due to the Covid-19 pandemic outbreak, nationwide lockdown and curfew in various states including Punjab which affected the cash flows of the company and its ability to meet its financial commitments. The Lenders have sanctioned to the company a "Resolution Plan under RBI's Framework Covid-19 related Stress" in terms of the RBI circular dated 6 August 2020.

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 an existent constituted 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 Rs. 189.03 lacs including provision of Rs. 134.39 lacs on the projects covered under CSR activities. The work on several projects is already underway and the balance amount will be 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

and employees to
Company's code of
istle Blower Policy",
year under review.

agement Policy' to identify
the policy and procedure.

ainties that can impact its
systems and programs
npany to identify, assess,
file. To achieve this, the
Management and the Risk
various risks, which can
elaborately given in the

all the major processes to
efficient use of resources

ociates, internal auditors,
evaluates the adequacy
cesses through reviewing
ttee to ensure complete

oplicable provisions of the
ompany has entered into
ting to Rs. 459.50 lacs
e of GST) [Refer Note 41
related party transactions
ial Personnel, which had
ated party transactions is
EO and CFO. The Related
ebsite.

m AOC-2 are given in the
s are done at arm's length

ORS OR COURTS OR

or Tribunals, which would

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 Obligation 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 Obligation 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 2020-21	Cumulative till date
Number of programmes attended by independent directors	4	29
Number of hours spent by independent directors in such programmes	6	44

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) Fulfillment 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 24 March 2021. 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 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/extended 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 2021.

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/extended 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 o ce from the conclusion of the 23rd Annual General 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 2020-21 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 2021. The Company's Cost Audit Report for the year ended 31 March 2020 was filed on 15.09.2020 (Due date 30.09.2020). The said firm has been appointed as cost auditors of the Company for the financial year 2021-22 as well.

SECRETARIAL AUDITORS

M/s S.K. Sikka & Associates, Company Secretaries had been appointed as Secretarial Auditors to conduct Secretarial Audit of the Company, and have submitted the Secretarial Audit Report for the year ending 31 March 2021 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 2022.

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. The shareholders have approved the Sub-division of each equity share having nominal value of Rs.10/- (Rupees Ten Only) into 10 (Ten) equity shares having nominal value of Re. 1/- (Rupee One Only) each in the extraordinary general meeting held on 10.06.2020, and accordingly the face value of shares was Re. 1/- (Rupee One Only) after the record date i.e. 15 July 2020.

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

Relationship 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 Rs. 102 lacs per annum if employed throughout the year and Rs. 8.50 lacs 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 has extended corporate guarantee amounting to Rs. 1,679 lacs under Section 185 of the Companies Act, 2013 for a loan taken by the holding company M/s Kapedome Enterprises Limited, the

disclosure of which is given at Note No. 41 D forming part of the financial statements.

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 2021, 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 2021 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 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 Report” (BRR) 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 the company is amongst the top 1000 listed entities based on market capitalization as on March 31, 2021, the 'Business Responsibility Report' for the year 2020-21 forms part of the Annual Report.

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 : 12 August 2021

Jagesh Kumar Khaitan
Chairman

ANNEXURE-A

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 company's CSR Program is undertaken directly by the Company, as also through a CSR Implementation Partner. The CSR Implementation Partner is selected after a detailed due diligence exercise, which includes evaluation on the basis of its competence, experience, specialization and transparency.

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/BoardCommittees
   b) CSRPolicy - http:// www.kuantumpapers.com/policies
   c) CSR Projects -https://www.kuantumpapers.com/csrprojects
4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable**
5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable**
6. **Average net profit of the company for last three financial years as per Section 135(5) - Rs. 9,451.62 lakhs.**
7.

(a)	**Two percent of average net profit of the company as per section 135(5):**	Rs. 189.03 lakhs
(b)	**Surplus arising out of the CSR projects or programmes or activities of the previous financial years**	NIL
(c)	**Amount required to be set off for the financial year, if any**	NIL
(d)	**Total CSR obligation for the financial year (7a+7b-7c)**	Rs. 189.03 lakhs

8. **(a) CSR amount spent or unspent for the financial year**

Total Amount Spent for the Financial Year. (in Rs. Lakhs)	**Amount Unspent (in Rs. Lakhs)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)**		
	Amount.	**Date of transfer.**	**Name of the Fund**	**Amount.**	**Date of transfer.**
Rs. 54.64 lakhs	Rs. 134.39 lakhs	Being transferred	NA	-	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Rs. in Lakhs)

S No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No.)	Location	Project duration

(c) Details of CSR amount spent against other than ongoing projects for the financial year

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No.)	Locations		Amount allocated for the project (in Rs.)	Amount spent on the project or programs in FY 2020-21	Cumulative Expenditure up to the reporting period i.e. 31.03.2021	Mode of Implement-ation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.					Name	CSR Registration number
	NIL										

(d) Amount spent in Administrative Overheads: NA

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 54.64 lakhs

(g) Excess amount for set off, if any - NIL

Sl. No.	Particular	Amount (in Rs. lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 189.03 lakhs
(ii)	Total amount spent for the Financial Year	Rs. 54.64 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	NIL

9. (a) 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) (inRs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VIIas per section 135(6), if any.			Amount remaining to bespent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer.	
1.	2017-18	NA	-	NA	-	NA	NIL
2.	2018-19	NA	-	NA	-	NA	87.87 lakhs
3.	2019-20	NA	-	NA	-	NA	105.71 lakhs
	Total	NA	--	NA	-	NA	193.58 lakhs

	NIL						

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

(asset-wise details)

(a) Date of creation or acquisition of the capital asset(s)

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority orbeneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The year under review brought unprecedented economic challenges to the country due to covid-19 pandemic outbreak and lockdown in various parts, which severely impacted the business operations of the company and its ability to meet its financial as well as CSR commitment. However the requisite amount as per the Act is being spent as the projects are ongoing and spread over a period of 3 years.

Sd/-
Pavan Khaitan
Chairman-CSR Committee
& 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 our organization; be it Thermal or Electrical and is regularly monitored.

In continuation to our earlier efforts, during financial year 2020-21, we have taken number of initiatives as detailed below:

- Installation of new energy efficient steam turbines in place of old steam turbines.
- Replacement of high power consuming pumps and agitators with efficient ones.
- Providing thermal insulation to all steam lines in the plant.
- Installation of auto day /night light on-off and motion sensors.
- Replacement of transparent roof top sheets in place of asbestos sheets for availability of natural light inn phased manner.
- Thermal Energy saved by optimizing the recovery of condensate water.
- Automation of various processes through DCS and PLC to avoid manual operations.
- The Company has devised a system of regular energy audit.

Total energy consumption and energy consumption per unit of production of paper for the year 2020-21 is given in the table below :

POWER & FUEL CONSUMPTION	2020-21	2019-20
1. ELECTRICITY		
(a) Purchased		
Units (lakhs KWH)	**356.86**	554.15
Total amount (Rs. lakhs)	**2,446.87**	3,561.20
Rate/Unit (Rs./KWH)	**6.86**	6.43
(b) Own generation		
Through Diesel Generator		
Units (lakhs KWH)	**-**	-
Cost/Unit (Rs./KWH)	**-**	-
Through Steam Turbine / Generator		
Units (lakhs KWH)	**688.44**	960.48
Cost/Unit (Rs./KWH)	**4.32**	3.48
2 COAL (for Boiler)		
Quantity (Tonnes)	**53,704**	64,092
Total cost (Rs. lakhs)	**2,951.98**	3,524.93
Average rate (Rs.)	**5,497**	5,500
3. OTHERS		
Rice Husk (for Boiler)		
Quantity (Tonnes)	**76,535**	1,06,071
Total cost (Rs. lakhs)	**2,875.69**	4,380.60
Rate/Unit (Rs. MT)	**3,757**	4,130

4 CONSUMPTION/TONNE OF PRODUCTION

Production (Tonnes)	**82,531**	1,26,633
Electricity/Tonnes (KWH)	**1,267**	1,196
Furnace Oil/tonne (KL)	**0.008**	0.002
Coal/Tonne (MT)	**0.651**	0.506
Others Rice husk (MT)	**0.927**	0.838

II. TECHNOLOGY ABSORPTION

Research & Development and Environment

- Pulping and bleaching studies of Sababul wood and Dake Wood for alternative raw material development for making pulp and paper.
- Studies conducted on development of various new value added paper products like Thermal Paper (Kuantum Gold), MF Kraft, Absorbent Kraft, Kosmo Cup Stock, Kuantum Kappa (NS), Kosmo Ledger II, Kosmo Print, Kosheen NS, Azurlaid SWS, Blue Wove Paper, Kosmo Maplitho DS-4 which are successfully commercialized.
- ODL and chlorine dioxide bleaching lab study conducted in Hardwood Pulp Mill to improve viscosity and pulp strength characteristics which was successfully implemented in plant.
- Lab studies conducted to improve the efficiency of 5 nos. micro plate separators (MPS) to reduce fresh water consumption.
- Cooking of raw material with white liquor of various sulphidity levels carried out in lab to improve the pulp strength properties and to reduce cooking liquor consumption.
- Light fastness of pigment dyes from different supplies tested for improving paper quality with respect to shade and permanence.
- Accelerated aging study of different qualities of paper conducted during without oxygen, new Hardwood line commissioning time.
- Chloride levels including other ions checked expeditiously in ESP Ash and various Agro and Hardwood raw materials to control chloride build up in cooking liquor.
- Portable Paper Moisture Meter, Paper Roll Hardness Tester, Rolling Ball Tack Tester purchased and installed to improve quality of paper and strengthen the inputs checking.
- Mill wide study/analysis of waste water at various stages including cooling towers, ClO2, CRP and DM Plant to explore the possibility of recycling.
- To control chloride levels, study of chloride content at different stages of Demineralized Water Plant carried out.
- Segregated high COD and low COD treatment streams for effective treatment of effluent.
- Installation of primary sludge dewatering machine “Belt Filter Press” to improve ETP efficiency.

Quality Certifications the Company owns

- ISO Certification 9001:2015 (Quality Management System)
- ISO Certification 14001: 2015 (Environmental Management System)
- OHSAS Certification 45001:2018 (Occupation Health & Safety Assessment Series)
- FSC Certification SCS - COC - 04050 (Forest Stewardship Council)

The expenditure on R & D has been as follows:

(Rs. in lakhs)

	2020-21	2019-20
(i) Capital	-	-
(ii) Recurring	**181.81**	226.84
(iii) Total	**181.81**	226.84
(iv) Total R&D expenditure as a percentage of turnover	**0.39**	0.27

Technology absorption, adaptation and innovation

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.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

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

For and on behalf of the Board

Place : Chandigarh
Dated : 12 August 2021

Jagesh Kumar Khaitan
Chairman

ANNEXURE-2

SECRETARIAL AUDIT REPORT
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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
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, 2021, 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, 2021 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;

(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.

I further report that

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

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

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

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

I further report that during the financial year under review, following events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:

(i) As per the requirement of Section 135 of the Companies Act 2013, the Company was required to spend at least two percent of its average net profits for the three immediately preceding financial years, towards its Corporate Social Responsibility expenditure. During the year till 31 March 2021, the Company has spent Rs. 54.64 lacs out of Rs. 189.03 lacs due and amount unspent for the current year is Rs. 134.39 lacs. The Company has taken requisite steps to deposit the Unspent CSR amount under the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder.

(ii) During the audit period, the Company has taken approval of shareholders in Extra ordinary General Meeting held on 10.06.2020 for sub-division of each equity share having nominal value of Rs.10/- (Rupees Ten Only) into 10 (Ten) equity shares having nominal value of Re. 1/- (Rupee One Only) each fully paid-up and consequential changes in the Authorised Share Capital of the Company. The necessary intimation has been to the relevant Statutory Authorities to this effect. The record date for aforesaid sub-division was fixed as 15.07.2020

(iii) During the audit period, the Company has taken approval of shareholders in its meeting held on 07.08.2020 delegating the powers to the Board of Directors under section 177, 185, 186 and 188 of the Companies Act, 2013 for the related party transactions with Kapedome Enterprises Limited for supply of chemicals and materials for an amount not exceeding Rs. 75 crores (Rupees Seventy Five Crore only) in a financial year.

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
UDIN: F004241C000542603

Place : Chandigarh
Date : 29 June 2021

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.

7. Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

Pr=

29 June 2021

CP 3582

FCS 4241

ANNEXURE – 4

PARTICULARS OF EMPLOYEES 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)		Mr.Jagesh Kumar Khaitan — 16.68 : 1 Mr. Pavan Khaitan — 30.48 : 1
(ii)		

of he nu ma of e ma ent o ees on he o l

(iv)

MANAGEMENT DISCUSSION & ANALYSIS

1. An overview of the Economy and Business Environment

The year under review brought unprecedented economic challenges to the world as well as to the country due to Covid-19 pandemic outbreak and lockdown in various countries. To arrest the spread of the pandemic, India as well as many countries world over implemented severe restrictions which disrupted supply chains across industries. This led to a slowdown in the economic activities, resulting in contraction of India's GDP by 7.3% despite the remedial measures taken by the Government, RBI and other Regulatory authorities to support the economy.

As per IMF World Economic Outlook, multiple vaccine approvals and the launch of vaccination in many countries have raised hopes of an end to the pandemic. Despite the high and rising human toll caused by Covid-19, economic activity remained subdued in 2020-21 as the global economy contracted by 3.3 per cent. Economies adapted to new ways of working after lockdowns were eased in the second half of the year. New virus mutations and recurring waves raise concerns, though growing vaccine coverage lifts the sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic induced disruptions and the extent of policy support. Additional policy measures announced at the end of 2020, notably in the United States, EU and Japan, are expected to support the global economy in 2021 and 2022. Global growth is projected at 6 per cent in 2021, moderating to 4.9 per cent in 2022, which reflects the additional fiscal support in certain advanced economies and the anticipated vaccine-powered recovery starting second half of 2021.

2. Industry Structure and Development

Paper Industry is a significant player in the World Economy. Paper usage has been declining in North America and Europe since 2006 while steeply rising in China and other Asian 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 32%, tissue papers 8-10% and others about 3%. Tissue and packaging grades are expected to witness higher growth rates, in future.

As per CRISIL, global demand for writing and printing (W&P) paper, paperboard and newsprint in 2021 is expected to grow by 6-10% on-year after witnessing a steep fall in 2020 due to demand contraction across the globe on account of Covid-19 related disruptions. Paper demand revival in 2021, can be closely ascertained by world GDP growth during the period. According to IMF economic outlook, April 2021 report, world GDP to expand by 6% in 2021 after contracting by 3.3% in 2020. The emerging markets are expected to grow by 6.7% on-year, whereas, the developing countries economy is expected to grow by 5.1% in 2021 after contracting by 4.7% in 2020. Demand for paper in China, which accounts for almost a third of global demand, is expected to grow by 7-9% as the country has substantially recovered from the pandemic and utilizations have almost reached pre-covid levels. Demand in the US and EU, together accounting for almost 40% of the world demand, is expected to grow by about 5% as many areas there are still facing a successive wave of Covid.

Paper consumption in India, which is approximately 15 million tons per annum, is expected to touch 23.5 tons per annum by 2025 and predicted to increase by 7.6 per cent per year. The per capita consumption of paper in India, however, is still very low at 14 kgs per annum, as compared with the global average of 57 kgs and over 200 kgs in developed countries. The domestic market size is approximately INR 80,000 crores while exports of paper were valued at over INR 6,800 crores in FY 2019-20. India ranks fifteenth amongst paper manufacturing nations in the world and accounts for about 5% of the global paper production.

The Indian paper industry was one of the worst hit due to COVID-19 pandemic outbreak leading to closure of educational establishments, coaching centers, judicial establishments, corporate offices, and adoption of the new culture of Work from Home. The sector is now witnessing some signs of revival with lockdowns being lifted by states in a phased manner, resulting in gradual opening of educational institutes and offices.

Paper manufacturing scenario in India is witnessing a significant shift towards sustainability with large paper mills working to improve efficiencies, increase productivity, and reduce resource intensity. The industry has also been working on new practices including research and development towards energy efficiency, environment preservation, and improving process efficiencies.

The Government's huge spending on healthcare and infrastructure sectors, RBI's liquidity measures and the massive vaccination drive helped economic recovery in the second half of FY 2020-21. During the last quarter of the year under review, the number of COVID cases reduced considerably and restrictions were gradually lifted. This resulted in significant recovery in both demand as well as sales realization during the last quarter of the year.

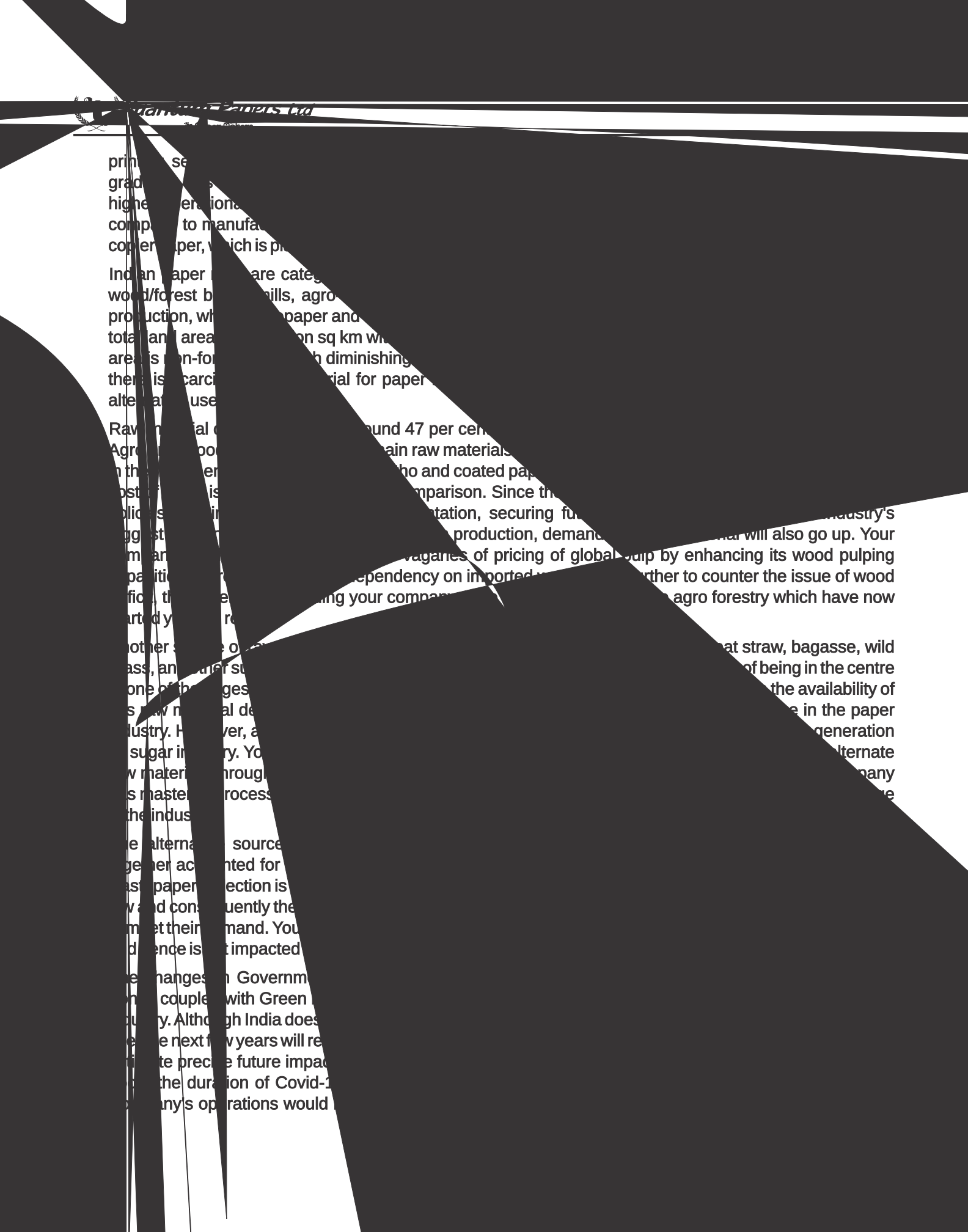
As per the World Bank, India's GDP growth is estimated at 8.3 per cent during FY 2021-22 depending on the success of the vaccination campaign, requirement of mobility restrictions and global economic recovery. The government has the ambition of making India a USD 5 trillion economy by 2024 for which various initiatives have been undertaken in the last few years to improve ease of doing business, encourage Make in India, invite foreign companies to India with schemes like PLI (production-linked incentive) and amend the legacy labor laws and Agricultural policies among others.

As per CRISIL, demand in developing economies in Africa, Latin America and Asia (particularly India) will continue to grow at a steady rate over the next five years as rising literacy, Government policies and corporate spend will propel overall volume. Online reading is at a nascent stage in the country, with e-book penetration estimated at only 3-4%. The demand for W&P paper in India is expected to clock 6-7% CAGR owing to rising literacy rates, rise in enrollment rates and the government's higher spending on educational programs.

3. Opportunities and Threats

The Indian paper industry is expected to grow at about 6-7% CAGR. The per capita paper consumption in India stands at 14 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 it's branding. Further with literacy rates to improve and universalization of education through legislative steps like Right to Education, government measures i.e. 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



sentiments and remedial measures of RBI and the Government.

The Government has announced the new National Education Policy (the NEP 2020) to focus on providing education that is equitable, accessible, high-quality and affordable. The policy will act 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.

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, environment policies, 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 the basic raw materials to manufacture paper. The availability of these raw materials is seasonal and is mainly dependent on good monsoon. The agro residue material 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, imported pulp 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 it to quite some extent on this front. We have suppliers connected to your company for the last more than three decades for supply of Agro raw materials, by way of long term arrangements.

India's wood resources are limited; therefore, cost of wood is much higher in global comparison. In the absence of Government's enabling policies favoring industrial/production plantation, securing future wood supplies is Industry's biggest challenge.

To secure part of 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, clonal varieties of fast growing hard wood trees are grown and distributed to farmers for them to plant on their land, and the company buys back the hardwood post the harvest, thereby positively uplifting the Greening India mission of the Government. Domestic land under cultivation is expanding by 10% every year; however, it is below the industry requirement. Also, this sustainable initiative has created major employment in the remote areas in close proximity to the mill thereby, helping rural development. We are 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 account for about 16-18 per cent of costs. Energy 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 you company by establishing a state of the art captive Co-Gen Plant to meet its entire power requirements.

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.

5. 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 and (iii) no real low cost substitutes for paper.

The Indian paper and paperboard industry has the potential and the capabilities 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 under the revised curriculum.

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

6. Company's Financial Performance & Analysis

The year under review had witnessed disruptions in operations due to unprecedented economic challenges faced by the Indian economy on account of the Covid-19 pandemic outbreak, nationwide lockdown, severe restrictions and curfew imposed by the various state and central governments. During the year under review, the Company achieved a production of 82,522 metric tonnes, as against 1,26,633 metric tonnes in the previous year. The quantitative figure for the sale of paper was 84,183 metric tonnes this year leaving 69 metric tonnes as closing stock, as against the sale of 1,25,267 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) and including other income stood at Rs. 41,391.79 lacs; Operating Profit at Rs. 3,932.16 lacs; Loss before Tax at Rs. 3,182.98 lacs; and a Net loss after tax and other comprehensive income (expense) at Rs. 1,228.51 lacs. The loss after tax for the year

under review is lower compared to loss before tax due to write back of deferred tax culminating from the reduced tax rates announced by the Govt. in September 2019 in order to offer tax stimulus to the industry. In terms of Section 115 BAA of the Income Tax Act 1961, the Company had evaluated the outstanding deferred tax liability (net) and based on current estimates, re-measured the deferred tax assets/liabilities likely to be reversed at the time the Company would opt for new tax regime which had resulted in write back of deferred tax liability amounting to Rs. 1,910.28 lacs using the revised annual effective income tax rate.

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 company has completed the backward integration projects at an outlay of INR 444 Cr comprising of enhancing the capacities of pulp and paper, Chemical Recovery Plant and Captive Power Plant in March 2021 which will lead to reduced production costs. The results of cost reduction initiatives and operational efficiencies will continue to be more visible in the current financial year 2021-22 as your company has implemented these initiatives to optimize capacity utilization, cost reduction, new products, optimizing production of better margin products by undertaking modification and up-gradation project consisting of a pulp mill, a chemical recovery plant and a captive power plant, for improving the cost effectivity, product quality and operations.

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.

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 o lay down a well thought business plan for each year. From the annual business plan, detailed budgets for evenue and capital for each quarter are determined. The actual performance is reviewed in comparison ith the budget and deviations, if any, are addressed adequately. The internal control mechanism is well stablished. The internal control system is supplemented by regular management reviews and periodical views by an independent firm of chartered accountants, which evaluate the functioning and quality of ernal controls and checks; and provide assurance of its adequacy and effectiveness. The scope of the ernal audit covers a wide variety of operational methods and ensures compliance with specified ndards with regard to availability and suitability of policies, practices and procedures, extent of erence, reliability of management information system and authorization procedures including steps for guarding of assets. The Reports of internal audit are placed before Audit Committee for review. The committee reviews the adequacy of the internal control systems, audit findings and suggestions. The any's Statutory Auditors regularly interact with the Audit Committee to share their findings and the of further improvement actions under implementation.

Human Resources and Industrial Relations

Your c ny epi e support of a committed and well satisfied human capital. Human resources are inva e company and the Company's endeavor has always been to retain the best p cal 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.

9. 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 31.03.2021, comprising of a Chairman, a Managing Director and four non-Executive Directors. Out of four, three non-Executive Directors were independent directors as on 31.03.2021. 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 2020-21		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. D.S. 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	3	Yes	2	-	-
Sh. Pavan Khaitan, Managing Director	Son of Sh. Jagesh Kumar Khaitan	Promoter, Executive	4	4	Yes	1	-	-

(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. D.S. 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
Sh. Pavan Khaitan, Managing Director	Kuantum Papers Limited	Executive Director

The shareholding of non-executive Directors of the company as on 31.03.2021 is as under:

Name of the Director	No. of shares
Sh. D.S. Sandhawalia	Nil
Sh. Vivek Bihani	Nil
Ms. Shireen Sethi	Nil
Sh. 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/invester.html.

(d) During the financial year 2020-21, Four (4) Board Meetings were held on 3 July 2020, 10 September 2020, 10 November 2020 and 11 February 2021. 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 prosecution notices and penalty notices which are materially important;
- Any issue, which involves possible public or product liability claims of substanti judgment or order which, may have passed strictures on the conduct of the adverse view regarding another enterprise that can have negative implications
- Significant labour problems and their proposed solutions. Any significant de Resources/ Industrial Relations front like signing of wage agreement, impleme Retirement Scheme etc.
- Share transfer and dematerialization compliances;
- Fatal or serious accidents or dangerous occurrences and materially significant ef problems;
- Materially relevant default in financial obligations to and by the Company or substan for goods sold by the Company;
- Non-compliances of any regulatory or statutory provision or listing requirement on 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 intellectua
- Sale of material nature of investments, subsidiaries, assets which is not in the norma business;
- Details of foreign exchange exposure and the steps taken by the management to limit th adverse exchange rate movement;
- To approve various policies, codes and committees pursuant to the Companies Act, 201 relevant rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sec and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2 Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and o Regulations and requirements of other regulatory bodies, if any.
- Quarterly, Half Yearly and Annual Compliance Report on Corporate Governance and Quarter Report on Investor Grievances pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 2020-21 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 mad by the Company and its professionals.

During the year, the Board has amended the Policy on Related Party Transactions in accordan e amendments to Listing Regulations. The amended Policy is available on the Company's w web link: http://www.kuantumpapers.com/invester.html

(g) Details of remuneration paid to the directors during the financial year 2020-21

**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, 2021, the committee comprised of the following four directors of the Company – three non-executives & independent and one executive & non-independent. During the financial year 2020-21, Audit Committee met 4 times i.e. 3 July 2020, 10 September 2020, 10 November 2020 and 11 February 2021 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	4	4
Ms. Shireen Sethi	Member	Independent, Non-Executive Director	4	4
Shri Bhavdeep Sardana	Member		4	3
Shri Pavan Khaitan	Member	Non-Independent, Executive Director	4	4

President (Finance) & 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 7 August, 2020.

(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.

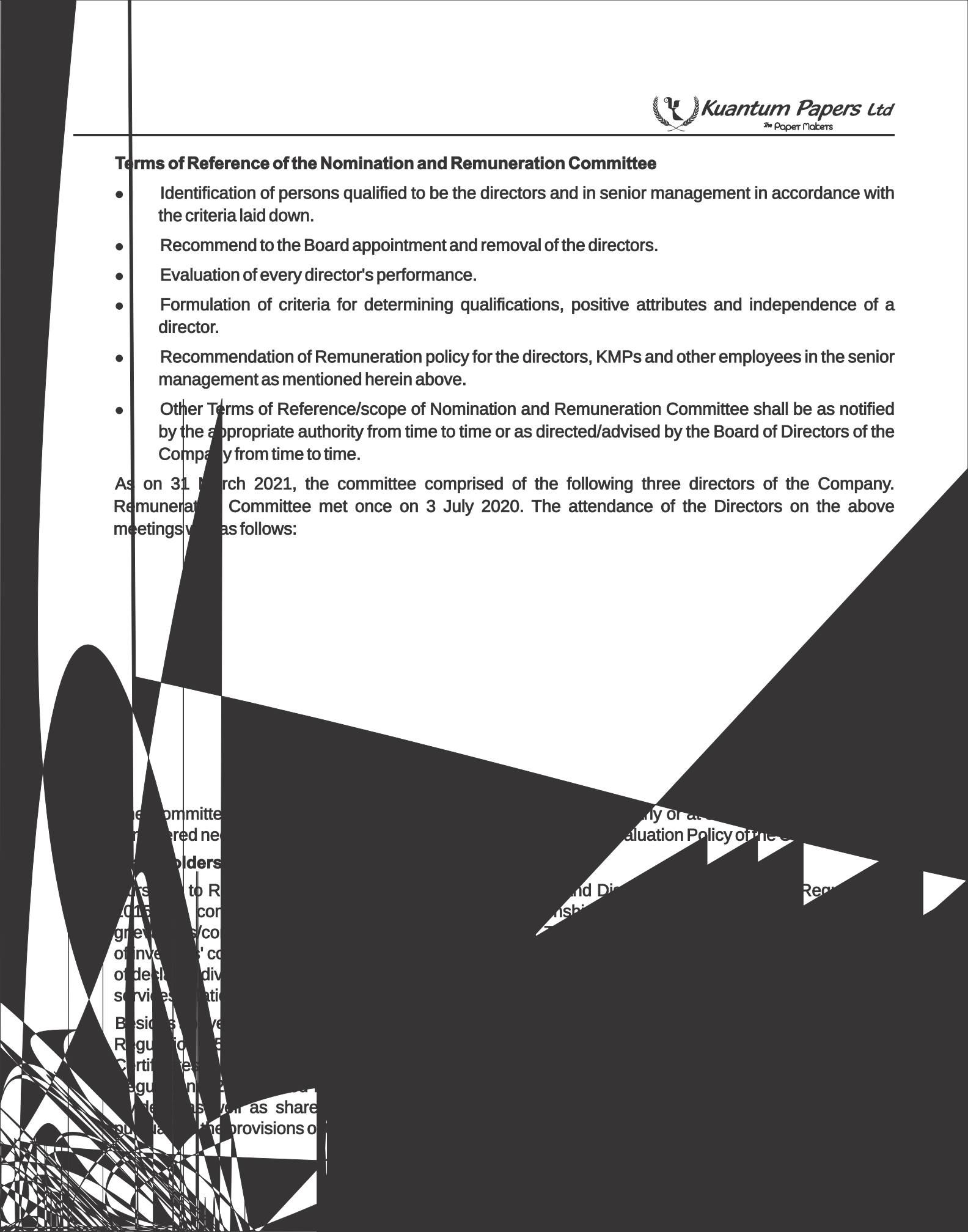
The Board adopted a formal mechanism for evaluating its performance as well as of its Committees and individual Directors including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of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

Non-Executive Director

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 2021, the committee comprised of the following three directors of the Company. Remuneration Committee met once on 3 July 2020. The attendance of the Directors on the above meetings was as follows:



As on 31 March 2021, the committee comprised of the following three directors of the Company. During the financial year 2020-21, the Committee met once on 11 February 2021 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	1	1
Shri Jagesh Kumar Khaitan	Member	Non-Independent Executive Director	1	1
Ms. Shireen Sethi	Member	Independent, Non-Executive Director	1	1

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

During the year, the Company received 3 complaints which were replied/resolved to the satisfaction of the investors. As on 31 March, 2021, no complaints and/or requests for dematerialization were pending. All valid requests for share transfers received during the year 2020-21 have been acted upon by the Company and no transfer was 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, Managing Director, has been constituted to oversee the risk management process in the Company.

Pursuant to the amendments made to SEBI (LODR) Regulations 2015, w.e.f. May 5, 2021, mandating that one of the independent directors to be a member of the Risk Management Committee, the Committee has been reconstituted on 30.06.2021 comprising of following members:

Director	Position	Category
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

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.

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 2020-21, the Committee met twice on 3 July 2020 and 11 February 2021 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	2	2
Shri Drishinder Singh Sandhawalia	Member	Non-Independent Non-Executive Director	2	2
Ms. Shireen Sethi	Member	Independent, Non-Executive Director	2	2

The 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 1/3rd 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.

4. General Body Meetings

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

Financial Year	Date	Time	Place
2017-18	10.08.2018	11.30 A.M.	Regd. Office - Paper Mill, Saila Khurd-144 529, Distt. Hoshiarpur, Punjab
2018-19	13.08.2019	11.30 A.M.	Regd. Office - Paper Mill, Saila Khurd-144 529, Distt. Hoshiarpur, Punjab
2019-20	07.08.2020	11.30 A.M.	Through Video conferencing (VC) / other audio visual means (OAVM)*

*Pursuant to the Ministry of Corporate Affairs Circulars dated 8th April, 2020, 13th April, 2020, 5th May, 2020 & 13th January 2021

Special Resolutions passed in the previous three AGMs

Financial Year	AGM Dated	Details of the Special Resolutions Passed
2017-18	10.09.2018	· To amend articles of the association of the company.
2018-19	13.08.2019	· To re-appoint Shri Pavan Khaitan as Managing Director of the Company. · To approve special resolution under section 185 of the Companies Act, 2013
2019-20	07.08.2020	· To re-appoint Shri Jagesh Kumar Khaitan as Chairman of the Company

An Extraordinary General Meeting was held on 10.06.2020 and the following Ordinary/ Special Resolutions were passed in the meeting:

Details of the Ordinary / Special Resolutions Passed	
1.	Approval from shareholders for Sub-division of each equity share having nominal value of Rs.10/- (Rupees Ten Only) into 10 (Ten) equity shares having nominal value of Re. 1/- (Rupee One Only) each, through Ordinary Resolution
2.	Approval from shareholders for amendment in Clause V - capital clause of Memorandum of Association through Special Resolution

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 31.03.2021 is 39260. The information as required in pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

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x) During the year under review, the Company has no vestor Education and Protection Fund (IEPF) pursuant to the relevan ct, 2013 read with Investor Education and Protection Fund (Awarene Rules, 2001 and modifications thereof as in the year 2012-13 no divid

The Company does not have a Subsidiary and hen al subsidiaries is not applicable.

The company has complied with all the requiremen port pursuant to SEBI (Listing Obligations and Disclosure Requireme

) The Company has not adopted discretionary requi of Schedule II in terms of Regulation 27(1) of SEBI (Listing Obligatio ts) Regulations, 2015.

v) The Company has complied with all the Corporate G ied in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Obligations and Disclosure Requirements) Regulations, 2015

7. Means of Communications

The Quarterly, Half Yearly and Annual Financial Results a exchanges i.e. SE and NSE, where the Company's shares are listed as s taken on record by the Board of Directors of the Company. Further, the Qu re published in leading newspapers such as Economics Times (English) a results are not sent individually to the shareholders. The financial results a the web-site of the Company at www.kuantumpapers.com

The investors can register their grievances at Company's e-

kuantumcorp@kuantumpapers.com

The Management Discussion and Analysis Report Forms pa

ders Transferred to IEPF

olders as on 1.04.2020

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, 2021 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 Rs. 18.70 lacs (including out of pocket expenses) for financial year 2020-21, 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. D.S. 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 2021.

Place : Chandigarh
Date : 12 August 2021

Pavan Khaitan
Chief Executive Officer

GENERAL SHAREHOLDERS INFORMATION

- **Annual General Meeting**

Date	23 September, 2021
Time	11.30 AM
Venue	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

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

- **Financial Calendar 2021-22 (Tentative)**

Board Meetings to take on record

Financial Results for Quarter ended 30.06.2021	Second week of August, 2021
Financial Results for Quarter ended 30.09.2021	Second week of November, 2021
Financial Results for Quarter ended 31.12.2021	Second week of February, 2022
Financial Results for Year / Quarter ended 31.03.2022	2nd / 3rd week of May, 2022
Book Closure Date	17 September, 2021 to 23 September, 2021 (both days inclusive)

- **Dividend Payable Date**

The Board has not recommended dividend on the noncumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up and the equity shares of Rs. 1/- each fully paid-up in view of the losses in the year under review.

- **Listing**

Name & address of stock exchanges
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
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 2021-22 to BSE Limited and National Stock Exchange of India Limited.

- **Stock Code/Symbol**

- 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 BSE Sensex during the financial year 2020-21 are given below.

Month	Company's Share Price (Rs.)		BSE Sensex	
	High	Low	High	Low
April 2020				
May 2020				
June 2020				
July 2020*				
August 2020				
September 2020				
October 2020				
November 2020				
December 2020				
January 2021				
February 2021				
March 2021				

The monthly high/low quotation of the equity shares traded at National Stock Exchange of India Limited and NSE Nifty during the financial 2021-22 are given below.

Month	Company's Share Price (Rs.)		NSE Nifty	
	High	Low	High	Low
April 2020				
May 2020				
June 2020				
July 2020*				
August 2020				
September 2020				
October 2020				
November 2020				
December 2020				
January 2021				
February 2021				
March 2021				

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- **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**

  The transfer of physical shares is normally processed within a period of 15 days from the date of receipt if the documents are complete in all respects. The transfers, transmissions etc. of the Company's securities are looked after by the Registrar & Share Transfer Agent of the Company, M/s MAS Services Ltd. under the supervision and control of Company Secretary. The details of shares transferred/transmitted alongwith Shares transfer/transmission registers are placed before the 'Securities Transaction Committee' for approval. 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 half yearly basis and is filed with the stock exchange. 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 exchange on half yearly basis.

Distribution of Equity Shareholding

Shareholding Pattern as on 31 March 2021

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	-	-
3.	Others		
	• Private Bodies Corporate	1,43,89,940	16.49
	• Indian Public	1,11,48,192	12.78
	• NRIs/OCBs	3,69,278	0.42
	Total	**8,72,63,630**	**100.00**

tribution of shareholding as on 31 March 2021

ding of Value of Rs.	No. of shareholders	%age of shareholders	No. of shares	%age of holding
	10,144	97.73	34,10,952	3.91
000	103	1.00	7,68,943	0.88
000	61	0.59	8,93,933	1.02
0,001 to 30,0	22	0.21	5,72,527	0.66
30,001 to 40,0 0	7	0.07	2,56,042	0.29
0,001 to 50	4	0.04	1,78,030	0.20
0,001 to 1	16	0.15	11,05,661	1.27
00,001	22	0.21	8,00,77,542	91.77
tal	**10,379**	**100.00**	**8,72,63,630**	**100.00**

- **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, 2021, approximately 98.71% 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 55 A 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 Ltd

I have examined the compliance of the conditions of Corporate Governance by Kuantum Papers Limited for the year ended 31st March, 2021, 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
UDIN: F004241C000772131

Place : Chandigarh
Date : 12 August 2021

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 2020-21 – Certification by CEO and CFO**

We, Pavan Khaitan, Managing Director & CEO and Roshan Garg, President-Finance & 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 2021 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
President-Finance & CFO

Pavan Khaitan
Managing Director & CEO

Place : Chandigarh
Dated : 30 June 2021

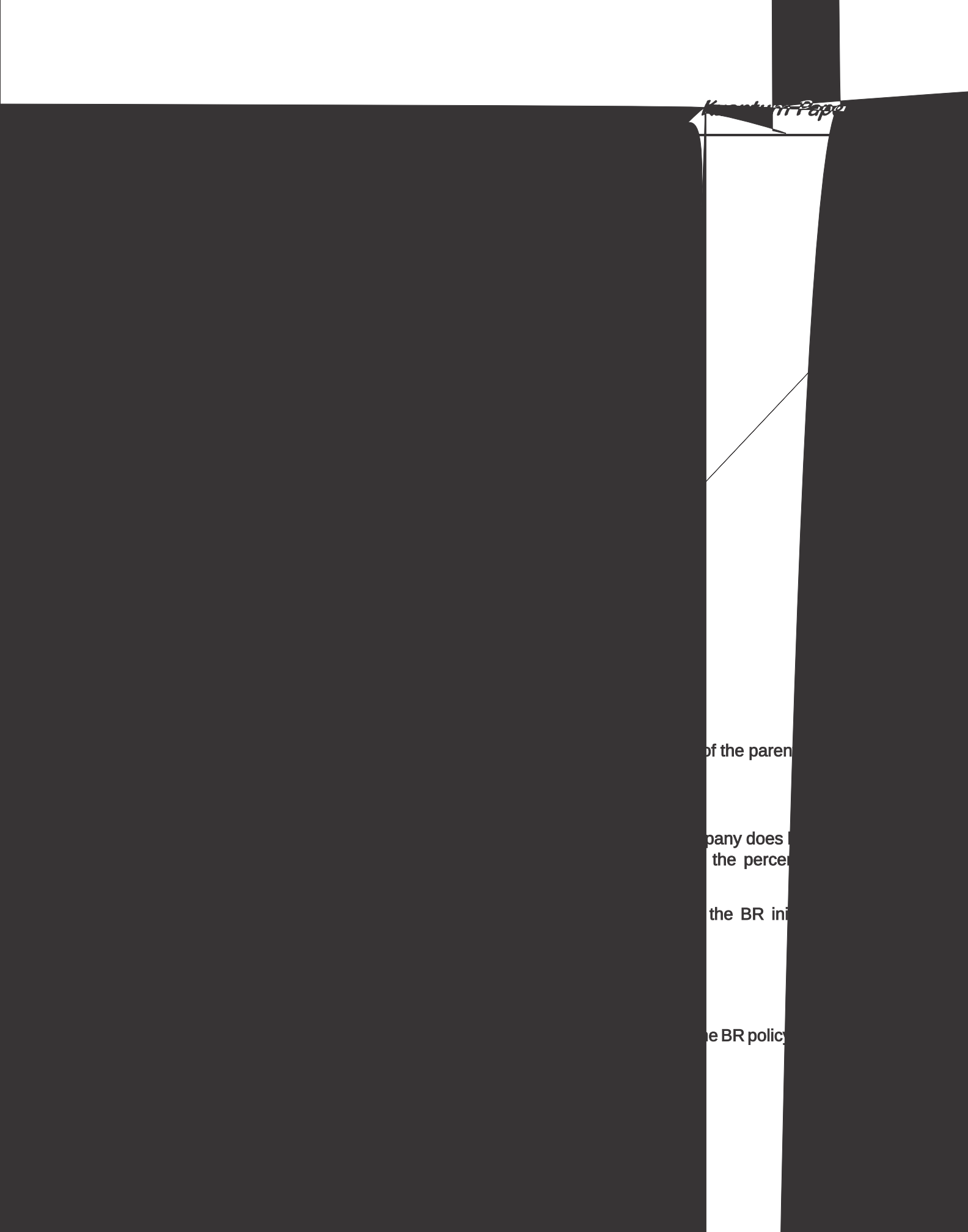
BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India (SEBI) as per the (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as 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.

Growing expectations from internal as well as external stakeholders along with stringent norms is driving organizations to disclose their performance on economic, environmental and social aspects to understand their impact onthe Company's day to day activities.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L21012PB1997PLC035243
2	Name of the Company	Kuantum Papers Limited
3	Registered address	Paper Mill, Saila Khurd, Punjab, 144529
4	Website	www.kuantumpapers.com
5	E-mail id	kuantumcorp@kuantumpapers.com
6	Financial Year reported	1st April, 2020 to 31st March, 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pulp, Paper & Paper Board - 4802
8	List three key products/services that the company manufactures/provides (as in balance sheet)	Writing, printing and specialty paper
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	 None 1 Location
10	Markets served by the Company – Local/State/National/International	We serve the Local/State/National/ International markets


of the paren
pany does
the perce
the BR ini
e BR policy

Name	DIN Number	
Pavan Khaitan	00026256	tor

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00026256
2	Name	Pavan Khaitan
3	Designation	Managing Director
4	Telephone number	0172-5172737
5	e-mail id	kuantumcorp@

vise (as per NVGs) BR Policy/policies

ils of compliance (Reply in Y/N)

	ns	
	a policy/ policies fo	
	being formulat	
	the relevan	
	s)	
	the policy being approved by t	
	yes, has it been signed by MD/	
	CEO/ appropriate Board Director?	
5	Does company have a specified committee o	
	oversee the implem	

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6	Indicate the link for the policy to be viewed online?	Link for policies on our website provided below*								
7	Has the policy been formally communicated to all relevant internal and external stake-holders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Principle no.	Policy
Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (Ethics, transparency, accountability)	· Code of Business Conduct & Ethics · Code of Conduct for Prevention of Insider Trading & Fair Disclosure · Whistle Blower Policy
Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (Safe and sustainable goods and services)	· Sustainability Policy · Environment, Health & Safety Policy · Quality Policy
Principle 3 Businesses should promote the wellbeing of all employees (Wellbeing of employees)	· Sustainability Policy · Human Rights Policy · Prevention of Sexual Harassment Policy
Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised (Responsiveness to all Stakeholders)	· CSR Policy · Sustainability Policy
Principle 5: Businesses should respect and promote human rights (Promoting Human Rights)	· Prevention of Sexual Harassment Policy · Whistleblowers Policy · Human Rights Policy
Principle 6 Business should respect, protect, and make efforts to restore the environment (Protecting the Environment)	· Environment, Health & Safety Policy · Risk Management Policy
Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (Responsible Policy Advocacy)	· Code of Business Conduct & Ethics · Whistle Blower Policy

Principle no.	Policy
Principle 8 Businesses should support inclusive growth and equitable development (Supportive Inclusive development)	· CSR Policy
Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner (Providing Value to customers)	· Quality Policy

*Policies of the Company, mentioned above, can be accessed online at:
http://www.kuantumpapers.com/Policies
http://www.kuantumpapers.com/Corporate Governance

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why : (not applicable)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The BR performance of the Company is now assessed annually at the end of financial year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Business Responsibility Report would now be published annually. This report can be accessed at company's website: www.kuantumpapers.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transpare... Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

We are committed to highest standards of corporate governance practices within our organizat... ms an integral part of our values, ethics and business practices which are aimed at creating ... g long-term value of stakeholders. We ensure that all our business is conducted with th... f transparency and accountability.

...r policy relating to the above aspects covers only the Company. Our Code ... es the ...e and reputation of the Company and serves as the groundwork of how ... decisions. ...s the Suppliers and contractors as well.

...stakeholder complaints have been received in the past finan... percentage was ...solved by the management? If so, provide details ther... rds or so.

...products and services

...cts or services whose ... porated social or environmental ...ities.

...ntu... ...inting and specialty papers. The entire ...able. Sustainability is embedded into various ...nt, manufacturing, transportation, distribution ...pany is focused on delivering stakeholder ...ted in the concept of sustainable ...mer needs, are resource-

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes, the company has procedures in place to ensure sustainable sourcing. The paper is manufactured mainly from Agro based residue which is sourced from the farmers in the surrounding villages / areas. This agro residue was traditionally burnt by the farmers in their fields and thus, the company has ensured that there is a sustainable alternate use for the same. The company is also FSC (Forest Stewardship Council) Certified which means that we comply with the highest international standards for wood harvested from forests that are responsibly managed, socially beneficial, environmentally conscious, and economically viable.

   The company procures 100% of its agro residue and wood material in a sustainable manner. Additionally, bio mass for generating power is also sourced sustainably. These two inputs together constitute approximately 40% of the total inputs.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes, the company has taken various steps to procure goods and services from local & small producers, including communities surrounding their place of work.

   The company utilizes agricultural residue based raw materials like wheat straw, wild grass (kana grass) and rice husk in its production, which are generally sourced from local villagers, communities and associations located within a 100 kms radius of the manufacturing plant of the company. These communities have been associated with the company for the past 3 decades. Preference is also given to get both skilled and unskilled workers and their services from the surrounding villages/areas to ensure that they have a sustainable source of livelihood.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company believes that waste created in operations is a potential resource for various other activities. Hence, it has strategically shifted its focus towards harnessing this potential resource and has adopted the principle of 3 R's i.e. Reduce, Reuse and Recycle in its operations. Waste has been put to the best use within the operations by optimizing existing processes. Non-hazardous solid wastes such as bamboo and hard wood dust, screen rejects, and effluent sludge are all re-used in the production processes at the plant. Fly-ash and lime sludge that is generated in the process is reused to make bricks. This has furthered the commitment towards reducing environmental impact of business activities via waste minimization and re-use.

Principle 3: Businesses should promote the well being of all employees

1. Please indicate the Total number of employees - 1351
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 896
3. Please indicate the Number of permanent women employees -14

4. Please indicate the Number of permanent employees with disabilities -5
5. Do you have an employee association that is recognized by management? Yes, workers representative.
6. What percentage of your permanent employees is members of this recognized employee association ? - 100%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up - gradation training in the last year?

   (a) Permanent Employees – 100%
   (b) Permanent Women Employees – 100%
   (c) Casual/Temporary/Contractual Employees- up to the extent possible
   (d) Employees with Disabilities-100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marg inalized.

1. Has the company mapped its internal and external stakeholders?

   Yes, the company has identified key stakeholder groups and mapped its internal and external stakeholders.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders from the nearby local communities and surrounding villages in the form of contractual employees and marginal farmers.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   We have undertaken several programmes relating to Education, Environment protection, Providing Health facility, Suvidha Centre, Sewerage System, Sewerage Line, Toilet/water cooler/R.O.System/Water Tank, Distribution of Sewing Machine and Leveling road/playground in nearby villages Saila Khurd, Garhshankar, Raniala and Bharatpur Jattan, Sailakhurd/Saila Kalan/Paddi Khuddi /BharatpurJattan, Raniala and BharatpurJattan, Bharatpur Jattan, V. Kharoudi and also incurring the allocated expenses through company's CSR endeavor.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/JointVentures/Suppliers/Contractors/NGOs/Others?

   Our policy on human rights is applicable to our manufacturing facility, corporate office and marketing branch offices. Besides the above, other stakeholder's viz. suppliers, vendors and surrounding residents approach the senior management personnel and discuss about grievance, if any, relating to human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   There have been no stakeholder complaints concerning violation of human rights during the FY 2020-21.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/others.

   The Company is committed towards environmental protection and has a well-defined corporate environmental policy in place. The policy covers the Company and its employees. The Company encourages its suppliers and contractors to employ environment friendly measures in their day to day operations.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Yes, the Company has taken up initiatives to address global environmental issues such as climate change, global warming by adopting waste minimisation, effluent reduction, energy conservation and water conservation in its operations.

3. Does the company identify and assess potential environmental risks? Y/N

   The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. The Risk Management Committee meets periodically and evaluates the efficacy of the framework relating to risk identification and its mitigation laid down by the Committee.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Presently there is no such project.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   (a) The company takes energy conservation very seriously and this is validated by the fact that we have been awarded the 2nd prize of energy conservation award from state designated agency PEDA in the recent past.

Energy Conservation is of prime importance to our organization, be it Thermal or Electrical and is regularly monitored. Last year a no of energy conservation projects has been implemented which include:

(i) Installation of LED lights in place of old in-efficient lights

(ii) Installation of auto day/night light sensors and motion

(iii) use of natural light in plant sheds wherever possible.

(iv) usage of LP steam in place of MP Steam to enhance power generation,

(v) Providing thermal insulation to all steam lines in the plant

(vi) installation of energy efficient pumps in place of old high power consuming pumps,

(vii) Old high power consuming motors are replaced with new energy efficient motors having class IE2 and IE3

(viii) New transformers are procured with low load losses i.e. energy efficient transformers

(ix) installation of VFDs (AC drives) on Boiler FD fans, PA fan, Boiler Feed Pump, Agitators, Cooling Towers Fans, Recovery Boiler CW Pump, Vacuum Pumps etc

(x) automation of various processes through DCS and PLC to avoid manual operations

(xi) all the Vacuum Pumps and Motors on Paper Machine no. 4 are being replaced with new energy efficient Vacuum Pumps and Motors.

(xii) the Co-generation plant operations have been optimized to have maximum efficiency

(xiii) Being a designated consumer under PAT scheme by BEE (Ministry of Power), Company has entrusted the job of consultancy and detailed energy audit to M/S Development Environergy Services Ltd, New Delhi and successfully achieved the 3653 nos. of Eserts after completion of PAT Cycle-II.

(b) The Company has devised a system of regular energy audit. Energy conservation is an ongoing process and new areas are continuously identified and investments are made, wherever necessary.

(c) The adoption of energy conservation measures has helped the Company in reduction of production costs.

6. Are the Emissions/Waste generated by the company with in the permissible limits given by CPCB/SPCB for the financial year being reported?

The Company is committed to minimizing its waste as well as emissions. It has initiated various to waste minimization and reuse. Also, the Company continues to invest in reducing air emission levels through adoption of cleaner technologies/fuels, monitoring of combustion efficiencies and investments in pollution control equipment. All these measures ensure that the emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.

There are no such notices which are pending as on end of Financial Year.

[redacted]siness, wh[redacted]a[redacted]
[redacted]nner.

[redacted]mpany a m[redacted]er[redacted]or
[redacted]your busine[redacted]e[redacted]

[redacted] is a memb[redacted]o[redacted]Industry
[redacted]an Pulp & P[redacted]p[redacted]Paper Mills
[redacted]on (IARPMA)[redacted]

[redacted] advocate[redacted]or improvement[redacted]
[redacted]od? Yes/[redacted]and Administr[redacted]
[redacted]c Reforms,[redacted]Water, Food S[redacted]
[redacted]ble Busines[redacted]

[redacted]ave sponso[redacted]ption of such tec[redacted]by the
[redacted]ustry throug[redacted]y (CII).

[redacted]siness sho[redacted]table developm[redacted]

[redacted] company h[redacted]s / projects in pur[redacted]the policy related to
[redacted]? If yes de[redacted]

[redacted]mpany has b[redacted]onents of inclusi[redacted]growth and has continued to
[redacted]ake projects f[redacted]welfare of the s[redacted]ety in the fields of environment,
co[redacted]ation of natu[redacted]ucation, rural dev[redacted]opment and livelihood interventions
etc. [redacted] Company [redacted]al Responsibility (CSR) Policy in accordance with the
pro[redacted]sions of the Co[redacted]nd rules made there under. The contents of the CSR Polic[redacted]
are discl[redacted]d on the [redacted]mpany.

In pursua[redacted]he [redacted]Act, 2013 and in alignment with its vision, the Company [redacted]
[redacted]SR init[redacted]nhance value c[redacted]ation in the society and in the commu[redacted]
operates[redacted]s serv[redacted]es, conduct a[redacted]initiatives, so as to promote sustai[redacted]
society a[redacted]nity. T[redacted]mpany[redacted]ision Statement is to actively contri[redacted]
econom[redacted]ne[redacted]ities of the area in which we op[redacted]
better, s[redacted]or the [redacted]privileged, and raise thei[redacted]
addition[redacted]com[redacted]conse[redacted]erving the envi[redacted]

[redacted]. Are the [redacted]ogramm[redacted]project[redacted]-house[redacted]
NGO/go[redacted]ernment structures[redacted]

Few [redacted]ogramm[redacted]re di[redacted]the company through its in house CSR tea[redacted]
Co[redacted]ny al[redacted]ks[redacted]Canadian Village Improvement Trust (ICVIT) who is a
[redacted]p Society of British Columbia, Canada. I.C.F.S.B.C, is a
[redacted]er[redacted]abl[redacted]der the laws of British Columbia and Canada, and was founded in
[redacted]76.

3. Have you done any impact a[illegible]ssment of your initiative?

   The Company adopts tool[illegible] Participatory Rural Appraisal to involve people in prioritizing their needs and defining type o[illegible]velopment initiatives suited to local needs. Villagers gives cores to development initiatives, e[illegible] individually scoring or in small groups and aggregating for the community as a whole.

4. What is your company's d[illegible] contribution to community development projects- Amount in INR and the details of the projects [illegible]rtaken?

   The yearly and Cumulati[illegible]etails of the expenditure are given in the annexure A attached to the Board of Directors report[illegible]

5. Have you taken steps to [illegible]ure that this community development initiative is successfully adopted by the community? Plea[illegible]xplain in 50 words, or so.

   The CSR team at the m[illegible]acturing site along with its partner Indo-Canadian Village Improve[illegible] Trust (ICVIT) regularly [illegible]eract with the local communities to assess the impact of co[illegible] development projects [illegible]rtaken by these units to ensure that the objectives and bene[illegible] projects are being met[illegible]hey are successfully adopted by the community.

Principle 9: Business sho[illegible]ngage with and provide value to their customers a[illegible] responsible manner.

1. What percentage of [illegible]mer complaints/consumer cases are pendin[illegible] year?

   Nil

2. Does the compar[illegible]lay product information on the [illegible] mandated as per [illegible]ws? Yes/No/N.A. /Remarks (ad[illegible]

   We display all rel[illegible]oduct information on the [illegible] use besides con[illegible]with the statutory requir[illegible]

3. Is there any ca[illegible]by any stakeholde[illegible] irresponsible [illegible]g and/or anti-co[illegible] on end[illegible]f fina[illegible] If so, provid[illegible]

   No [illegible]a[illegible] by any[illegible] irr[illegible]ble [illegible]ng / [illegible] e[illegible] financial [illegible]r.

4. [illegible] company [illegible]y out any co[illegible]

   [illegible]ompany [illegible]sed on delivering value to its custo[illegible] [illegible]eys are [illegible]ut on a regular basis. This provides valuable feedba[illegible] [illegible]vidin[illegible]ssible service to customers and to continuously improve in its engagement with [illegible]sto[illegible]

NDEPE RT

o the M Limited

eport nancial Statements

Opi

We h he Ind AS financial state mited("the Company"), which com as at March 31, 2021, t Loss, including the statement of othe he, Cash Flow Stateme hanges in Equity for the year then ende nancial statements, incl ummary of sig expla

In ou e h n and according to t Stan ina he information requ the n require r view in conformit pres under se with the Compa ame ed and othe enerally accep March 31, 2021, t sive loss, cha d e.

sis for Opi

e conducte e with th ompanies nsibili esponsib the St ndepend n ac Account ith t under m nsibilities in accordance with these requirements and the Code of Ethics.

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Description of Key Audit Matter

Key Audit Matters	How our Audit Addressed the matter
Impact of COVID-19 pandemic on Going Concern assessment of the Company The World Health Organization in February 2020 declared COVID 19 as a pandemic. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's manufacturing plant and offices also had to be closed down for a considerable period of time. These lockdowns have a significant impact on the overall economic activity in India and in particular on the paper industry. Accordingly, the future cash flow projections used to assess going concern are subject to significant estimation uncertainties. In view of the above, we have identified our assessment of the going concern basis of accounting as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Obtained an understanding of the Company's internal controls over its forecasting process; • Compared the key assumptions adopted by the Company in preparing the forecasted cash flows with our expectations based on actual cashflows of FY 2020-21 and our understanding of the changes to the Company's business. • Assessed the sensitivities and performed stress testing on the forecasted cash flows; • Examined the Company's funding arrangements and evaluated the financing terms and covenants to assess its ability to renew existing loans and/or obtain additional financing if the need arises; • Adequacy of the disclosures related to application of the going concern assumption.
Evaluation of Tax Position With effect from financial year 2019-2020, the Income Tax Act provides an option of paying income taxes at a lower rate subject to complying with certain prescribed conditions ('new tax regime'). The Company had opted to shift to the new tax regime from a specified financial year in the future. Accordingly, in the previous year, the deferred tax liabilities which were expected to reverse subsequent to the Company shifting to the new tax regime in the specified future year were remeasured and the consequential amount was recognized in the Statement of Profit and Loss of the current year. The determination of the point in time at which the aforesaid Company would shift to the new tax regime involves significant judgement and estimation regarding forecasting future taxable profits and realization of MAT credit entitlement (an item of deferred tax assets). Since the impact of remeasurement of deferred tax liabilities as stated above is sensitive to these judgements and	Our procedures included and were not limited to the following: • 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 and determination of the specified future financial year for shifting to the new tax regime. • Evaluated the design and implementation effectiveness of key internal controls regarding budgeting procedures upon which the forecasts are based and those on estimation of amount of deferred tax assets to be carried forward, including MAT credit entitlement. We also tested the operating effectiveness of such controls. • Tested appropriateness of forecasts of future taxable profits including revenue growth rates, EBITDA growth rates and other tax positions, based on our knowledge of the business and the observable market data of the industry. • Also compared actual results of current year with forecasts made in previous year. Ascertained reasons

estimates, it affects the amount of deferred tax liabilities that are reversed in the Statement of Profit and Loss of the current year. In the current year, in view of the backward integration project of the company getting commissioned, the entire workings had to be updated, resulting in shifting of the transition year and underlying amounts. Given the significant level of judgement involved and the quantitative significance, we have determined this to be a key audit matter.	for variance, if any, and assessed whether the same have been taken into consideration in preparing future forecasts. • Reassessed the recoverability of MAT credit entitlement (an item of deferred tax assets) against the forecast future taxable profits. • Assessed the adequacy of related disclosures in the financial statements.

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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other i
express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our respons
information and, in doing so, consider whether the other information is materially incon
statements or our knowledge obtained in the audit or otherwise appears to be materially m
work we have performed, we conclude that there is a material misstatement of this oth
required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financi

The Company's Board of Directors is responsible for the matters stated in section 134(5) o
2013 ("the Act") with respect to the preparation of these IND AS financial statements that give
the financial position, financial performance including other comprehensive income, change
flows of the Company in accordance with the accounting principles generally accepted in
Indian Accounting Standards(Ind AS) specified under section 133 of the Act read with the
Accounting Standards)Rules,2015, as amended. This responsibility also includes mainten
accounting records in accordance with the provisions of the Act for safeguarding of the assets of
for preventing and detecting frauds and other irregularities; selection and application of appro
policies; making judgments and estimates that are reasonable and prudent; and design, imp
maintenance of adequate internal financial controls, that were operating effectively for ensuring th
completeness of the accounting records, relevant to the preparation and presentation of the Sta
financial statements that give a true and fair view and are free from material misstatement, whether
error.

In preparing the Standalone Ind AS financial statements, the Board of Directors is responsible for a
Company's ability to continue as a going concern, disclosing, as applicable, matters related to going
using the going concern basis of accounting unless the Board of Directors either intends to liquidate th
or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also resp
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 Ind AS financial stateme
whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's rep
includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that a
conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement
arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonab
expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS finan
statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are als responsible for expressing our opinion on whether the company has adequate internal financial con system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accountin tes and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of acc , based on the audit evidence obtained, whether a material uncertainty exists related to event condition

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 Ind AS 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.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 Ind AS 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 the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) 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 II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note 38 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 36 B(iv)(c) to the financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Atul Bagla
Partner
Membership No: 91885
UDIN No. 21091885AAAACR5321

ace : Chandigarh
te : June 30, 2021

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets were physically verified by the management in the previous year in accordance with a planned program of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical 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 are held in the name of the Company.

(ii) 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.

(iii) The Company has not granted any loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of, clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder where applicable, the directives issued by the Reserve bank of India as applicable with regard to deposits accepted from the public. As informed to us, there have been no proceedings before the Company Law Boardor National Company Law Tribunal and Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities 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 ncome tax, GST, Duty of custom, Duty of excise, Value added tax, Sales tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below :

Name of the statute	Nature of Dues	Amount* Rs. lakhs	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	7.57	2005-2006 (Assessment year)	CIT(A)
Income tax Act, 1961	Income tax	856.36	2016-2017 (Assessment year)	CIT(A)
Income tax Act, 1961	Income tax	96.26	2012-2013 (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, whichever indicated in the said orders.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions and dues to debenture holders as at the year end. The Company had overdues aggregating to Rs.1292 Lacs as at March 31, 2021. However, in view of the approval and implementation of the Resolution Plan in terms of RBI circular dated 6 August 2020 by the Lenders on 19 June 2021, with the cut-off date of 1 September 2020, the overdues as on 31/03/2021 stand regularized.The Company did not have any loans or borrowings from government during the year.

(ix) According to the information and explanations given to us, the term loan taken by the Company have been applied for the purposes for which they were raised. As informed to us, the Company has not raised any moneys by way of initial public offer (including debt instruments) or further public offer.

(x) Based upon the audit procedures and information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act and the Company has taken requisite approvals as prescribed by the Act in this regard.

(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) According to information and explanations given to us by the management, transactions with related parties are in compliance with the Section 177 and 188 of Companies Act 2013 wherever applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting Standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) According to information and explanations given to us by the management, the company has not entered into any non-cash transactions with any of its directors or persons connected with the directors during the year. Therefore, clause 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

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

Atul Bagla
Partner
Membership No: 91885
UDIN No. 21091885AAAACR5321

Place : Chandigarh
Date : June 30, 2021

ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of Kuantum Papers Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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. 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 with reference to these standalone financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 judgment, 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 with reference to these financial statements

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) ...vide re...e ...corded as necessary to permit preparation of financial ...ements ...pre... ...ounting principles, and that receipts and expenditures of ... compa... b... ...with authorizations of management and directors of the com...pany; a...

...) prov... ...sonable ... ...on or timely detection of unauthorized acquisition, use, or disp... ...f the co...pany ... ...e a material effect on the financial statements.

...nheren... ...ions ...f Internal Financia... ...ols Over Financial Reporting

Becaus... ...heren... limitations of internal fina...ial controls over financial reporting, including the possibility of collusio... ...er m...nagement override of c... ...terial misstatements due to error or fraud may occur and not be d... ...so, p...jections of any evalua... ...financial controls over financial reporting to future periods ... ...to ...he risk that the interm... ...financial reporting may become inadequate because ... ...in c...nditions, or that the d... ...olicies or procedures may deteriorate.

Opinio...

In our op... ...pany has, in all ma... ...ial controls system over financial reporting ... ...to these stand... ...financial controls over financial reporting ... ...effectively as ... ...over financial reporting criteria establish... ...pany conside... ...ated in the Guidance Note on "Audit o... ...cal Control... ... of Chartered Accountants of Indi...

For **O P Bagla...**
Chartered ...ants
Firm Registration No.: 000... ...00091

Atul Bagla
Partner
...bership No: 91885
UDIN N... ...091885AAAACR5321

...handigarh
...une 30, 2021

BALANCE S[illegible] AT 31 MARCH 2021

	Note		As at 31 March 2020
[illegible]			
[illegible]ent [illegible]s			
[illegible]plan[illegible] equipment	3	[illegible]	1,02,012.76
[illegible]ork-in[illegible]gress	3	[illegible]	30,958.68
[illegible]nt prop[illegible]	4	[illegible]	790.49
[illegible]angible [illegible]sets	5	16[illegible]	550.16
[illegible] assets			
[illegible]ans	6	402.47	397.00
[illegible]ther financial assets	7	405.15	520.05
[illegible]tax assets (net)	8	28.8[illegible]	1.61
[illegible]on-current a[illegible]sets	9	73[illegible]	1,782.52
[illegible]on-current a[illegible]sets		1,46,53[illegible]	**1,37,013.27**
[illegible] assets			
[illegible]ries	10	5[illegible]	9,238.45
[illegible]al assets			
[illegible]Trade receiva[illegible]	11		1,433.48
[illegible]Cash and cas[illegible]valents	12		46.37
[illegible]Other ba[illegible]	13		1,902.75
[illegible]Loans	6		47.95
[illegible]Others financ[illegible]	7		721.24
[illegible]current assets	14		4,539.14
[illegible]current asset[illegible]			**[illegible]9.38**
[illegible]assets			**[illegible]65**
[illegible]TY AND LIABI[illegible]			
[illegible]y			
[illegible]y share capital	1[illegible]		
[illegible] equity			
[illegible] equity			
[illegible]ilities			
[illegible]current liabiliti[illegible]			
[illegible]ncial liabilities			
[illegible]- Borrowings			
[illegible]- Other financial[illegible]			
[illegible]isions			
[illegible]erred tax liabilities			
[illegible]erred income			
[illegible]l non-current lia[illegible]			
[illegible]rent liabilities			
[illegible]ncial liabilities			
[illegible]- Borrowings			
[illegible]- Trade payables			
[illegible]i) Total outstanding[illegible]ses and small enterpri[illegible]			
[illegible]ii) Total outstandin[illegible]her than micro enterpris[illegible] and small enter[illegible]			
[illegible]- Other financial [illegible]			
[illegible]er current liabilities			
[illegible]visions			
[illegible]ferred income			
[illegible]rrent tax liabilities (n[illegible]	24[illegible]		
[illegible]tal current liabilitie[illegible]			
[illegible]tal liabilities			
[illegible]To[illegible]equity and liabil[illegible]es			
[illegible]Sig[illegible]accounting policies	2		
[illegible]No[illegible]financial statements	3-45		

[illegible]Th[illegible]ng[illegible]es form an integral part of the financial statements

[illegible]As[illegible]of even date attached

[illegible]or O P Bagla[illegible]LP
[illegible]hartered Ac[illegible]
[illegible]Regist[illegible]0018N/N500091

[illegible]A[illegible]Bagla
[illegible]Partner
[illegible]Membe[illegible]01885

[illegible]Place : New Delhi
[illegible]Date : June 30, 2021

[illegible]For and on behalf of Board [illegible]

[illegible]Pavan Khaitan
[illegible]Director

[illegible]President-Finance & [illegible]

[illegible]Company Secretary

[illegible]Date : June 30, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

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

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	25	**40,388.34**	74,473.21
Other income	26	**1,003.45**	877.32
Total income		**41,391.79**	75,350.53
Expenses			
Cost of materials consumed	27	**13,790.33**	26,843.66
Changes in inventories of finished goods and work in progress	28	**797.55**	(683.49)
Employee benefits expense	29	**5,598.21**	6,187.97
Finance costs	30	**2,774.65**	3,043.39
Depreciation and amortisation expense	31	**3,482.90**	3,170.16
Other expenses	32	**17,273.54**	30,269.65
Total expenses		**43,717.18**	68,831.34
Project before exceptional items and tax		**(2,325.39)**	6,519.19
Exceptional Items	33	**857.59**	-
Profit before income tax		**(3,182.98)**	6,519.19
Income tax expense	34		
Current tax		**-**	1,206.78
Deferred tax		**(1,910.28)**	(1,868.17)
Total		**(1,910.28)**	(661.39)
Total Income Tax Expense		**(1,910.28)**	**(661.39)**
Profit for the year		**(1,272.70)**	7,180.58
Other comprehensive (expense)			
Items that will not be re-classified to profit or loss			
- Remeasurement of defined benefit liability/(assets)		**67.93**	(19.93)
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit liability/(assets)		**(23.74)**	6.96
Other comprehensive (expense) for the year (net of income tax)		**44.19**	(12.97)
Total comprehensive income for the year		**(1,228.51)**	7,167.61
Earnings per equity share [nominal value of ₹ 1 (previous year ₹ 1)]	35		
a) Basic (Rs.)		**(1.46)**	8.23
b) Diluted (Rs.)		**(1.46)**	8.23
Significant accounting polices	2		
Notes to the financial statements	3-45		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Atul Bagla
Partner
Membership No.: 91885

Place : Chandigarh
Date : June 30, 2021

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

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
Managing Director
DIN - 00026256

Roshan Garg
President-Finance & CFO

Vivek Trehan
Company Secretary

Place : Chandigarh
Date : June 30, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

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

A. Equity share capital	**Note** 15	
Balance as at 1 April 2019		872.64
Changes in equity share capital during the year		-
Balance as at 31 March 2020		872.64
Balance as at 1 April 2020		872.64
Changes in equity share capital during the year		-
Balance as at 31 March 2021		872.64

B. Other equity

Particulars	Reserves and surplus				
	Capital redemption reserve (Refer note 16)	Debenture Redemption reserve (Refer note 16)	General reserve (Refer note 16)	Retained earnings (Refer note 16) #	Total
Balance as at 1 April 2019	**200.00**	**107.14**	**2,457.92**	**73,020.87**	**75,785.93**
Total comprehensive income for the year ended 31 March 2020					
Profit (loss) for the year	-	-	-	7,180.58	7,180.58
Other comprehensive (expense) (net of tax)	-	-	-	(12.97)	(12.97)
Total comprehensive income for the year	**-**	**-**	-	**7,167.61**	**7,167.61**
Dividend (including corporate dividend tax)	-	-	-	(526.01)	(526.01)
Transfer to / (from) debenture redemption reserve	-	(107.14)	-	107.14	-
Recognition of unearned financial guarantee commission	-	-	-	(128.01)	(128.01)
Balance as at 31 March 2020	**200.00**	**-**	**2,457.92**	**79,641.60**	**82,299.52**
Total comprehensive income for the year ended 31 March 2021					
Profit for the year	-	-	-	(1,272.70)	(1,272.70)
Other comprehensive (expense) (net of tax)	-	-	-	44.19	44.19
Total comprehensive income for the year	**-**	**-**	**-**	**(1,228.51)**	**(1,228.51)**
Dividend (including corporate dividend tax)	-	-	-	(218.16)	(218.16
Transfer (from)/to debenture redemption reserve	-	-	-	-	-
Balance as at 31 March 2021	**200.00**	**-**	**2,457.92**	**78,194.93**	**80,852.85**

Includes land revaluation reserve of Rs. 41,294.33 and capital subsidy of Rs. 100.14 transferred to retained earnings in accordance with Ind AS 101

Significant accounting polices 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
ICAI Firm Registration No.: 000018N/N500091

Atul Bagla
Partner
Membership No. 91885
Place : Chandigarh
Date : June 30, 2021

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

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
Managing Director
DIN - 00026256

Roshan Garg
President-Finance & CFO
Place : Chandigarh
Date : June 30, 2021

Vivek Trehan
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

		Year ended 31 March 2021	Year ended 31 March 2020
A	**Cash flow from operating activities**		
	Profit before income tax	**(3,182.98)**	6,519.19
	Adjustments for:		
	Depreciation and amortisation expense	**3,482.90**	3,170.16
	Loss / (Profit) on sale of property, plant and equipment	**856.11**	14.18
	Change in fair value of derivative contracts	**-**	(498.89)
	Finance cost	**2,774.65**	3,043.39
	Interest income	**(88.39)**	(233.72)
	Foreign exchange gain/loss (unrealized)	**(323.80)**	759.49
	Liabilities no longer required written back	**(367.36)**	(1.21)
	Rental income	**(56.06)**	(56.09)
	Others	**(44.61)**	(23.43)
	Cash flow from operating activities before changes in following assets and liabilities	**3,050.46**	**12,693.07**
	(Increase) in loan assets	**(55.27)**	(82.58)
	(Increase) in other non-current assets	**5.87**	(30.39)
	(Increase)/Decrease in inventories	**3,998.02**	(2,881.27)
	(Increase)/ decrease in trade receivables	**(1,874.70)**	1,914.68
	(Increase) in other financial assets	**330.29**	(3.35)
	(Increase)/Decrease in other current assets	**294.89**	(2,540.54)
	Increase/(Decrease) in provisions	**72.78**	8.24
	(Decrease)/Increase in trade payables	**1,700.41**	(394.55)
	(Decrease)/Increase in other financial liabilities	**229.41**	(303.92)
	Increase/(Decrease) in other current liabilities	**331.59**	230.94
	Cash generated by operating activities	**8,083.75**	**8,610.33**
	Income tax paid / tax deducted at source (net of refund)	**(121.02)**	(1,127.06)
	Net cash generated from operating activities (A)	**7,962.73**	**7,483.27**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment	**(18,434.27)**	(27,701.77)
	Proceeds from sale of property, plant and equipment	**28.31**	33.08
	Rental income and other	**56.06**	56.09
	Decrease/(Increase) in deposit accounts (having original maturity of more than three months)	**452.91**	344.46
	Interest received	**84.00**	272.72
	Decrease in loan assets	**-**	1,845.67
	Net cash (used) in investing activities (B)	**(17,812.99)**	**(25,149.75)**
C	**Cash flows from financing activities**		
	Proceeds from long term borrowings	**16,576.15**	22,377.87
	Repayment of long term borrowings	**(4,498.23)**	(6,253.24)
	Proceeds of short term borrowings (net)	**(197.20)**	1,252.94
	Interest paid	**(1,815.32)**	(3,043.93)
	Dividend paid (including dividend distribution tax)	**(216.30)**	(522.67)
	Net cash generated from/ (used in) financing activities (C)	**9,849.10**	**13,810.97**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1.16)**	(3,855.51)
	Cash and cash equivalents at the beginning of the year (see below)	**46.37**	3,901.88
	Cash and cash equivalents at the end of the year (see below)	**45.21**	**46.37**
	Notes:		
1.	Cash and cash equivalents include :		
	Balance with banks in current accounts	**43.77**	31.34
	Cash on hand	**1.44**	15.03
		45.21	**46.37**

2. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows ".
3. Refer note 17 for reconciliation of movements of liabilities to cash flows arising from financing activities.
4. During the year, the Company paid in cash Rs. 54.64 (31 March 2020: Rs. 96.42) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 32 (b)).

Significant accounting polices	**2**
Notes to the financial statements	**3-45**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For O P Bagla & Co LLP
Chartered Accountants
ICAI Firm Registration No.: 000018N/N500091

Atul Bagla
Partner
Membership No. 91885
Place : Chandigarh
Date : June 30, 2021

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

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
Managing Director
DIN - 00026256

Roshan Garg
President-Finance & CFO
Place : Chandigarh
Date : June 30, 2021

Vivek Trehan
Company Secretary

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 19 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© and 3 – Assessment of useful life of Property, plant and equipment
- Note 2© 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), 20 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 asfar 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.

Accordingly, the comparative information presented for the previous year ended 31 March 2019 is not restated – i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed in note 2 (o). There is no material impact of transition from Ind AS 17 to Ind AS 116 in accounting for leases by the Company.

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

Recognition and measurement

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

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

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

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

Subsequent expenditure

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

Depreciation

Depreciation is calculated on cost of items of PPE (excluding freehold land) less their estimated residual values over their estimated useful lives using the straight-line method, except on second hand captive power plant on which it is on written 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 valuation 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 investments properties over a period of 60 years on a straight-line basis. The useful life estimate of 60 years is 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 postemployment 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 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 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.

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 that have a lease term of 12 months or less 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-ofuse 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.

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 individuo orestimat' l MCGs→ pT ă s (f

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents inc
deposits held with banks, other short-term highly liquid investments with original maturities of th
readily convertible to known amounts of cash and which are subject to an insignificant risk of change

Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the e
non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment
expenses associated with investing or financing cash flows. The cash flows from operating, investing a
the Company are segregated.

Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to e
the weighted average number of equity shares outstanding during the year. The weighted average nu
outstanding during the period is adjusted for events of bonus issue and share split. For the purpose
earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and th
number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity share

Foreign currency transactions

i) Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange r
of the transactions.

ii) Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at t
rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign c
translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary
liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the
transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

Notes to the Financial Statements for the period ended 31 March 2021

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

3 Property, plant and equipment and Capital work in progress

Gross carrying amount

	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Computers	Total	Capital work -in-progress
Balance as at 1 April 2019	41,435.96	8,502.00	51,131.29	163.35	437.31	321.34	1,01,991.24	5,407.47
Additions	20.41	82.36	7,885.34	14.55	256.50	155.20	8,414.36	33,490.39
Disposals	-	-	-	-	72.42	-	72.42	7,939.18 #
Balance as at 31 March 2020	**41,456.37**	**8,584.36**	**59,016.63**	**177.90**	**621.39**	**476.54**	**1,10,333.18**	**30,958.68**
Balance as at 1 April 2020	41,456.37	8,584.36	59,016.63	177.90	621.39	476.54	1,10,333.19	30,958.68
Additions	44.47	5,914.13	38,624.67	0.86	-	1.97	44,586.10	15,632.88
Disposals	-	31.86	1,045.55	6.46	23.38	8.09	1,115.33	44,536.88#
Balance as at 31 March 2021	**41,500.84**	**14,466.63**	**96,595.76**	**172.30**	**598.01**	**470.42**	**1,53,803.96**	**2,054.69**

Accumulated depreciation

Balance as at 1 April 2019	-	515.06	4,719.11	38.29	130.66	210.61	5,613.73	-
Depreciation for the year	-	259.28	2,315.65	16.13	69.32	71.49	2,731.86	-
Disposals	-	-	-	-	25.16	-	25.16	-
Balance as at 31 March 2020	**-**	**774.34**	**7,034.74**	**54.42**	**174.82**	**282.10**	**8,320.43**	**-**
Balance as at 1 April 2020	-	774.34	7,034.74	54.42	174.82	282.10	8,320.43	-
Depreciation for the year	-	276.41	2,657.15	16.83	74.99	61.62	3,087.00	-
Disposals	-	9.10	212.18	3.14	5.75	0.73	230.90	-
Balance as at 31 March 2021	**-**	**1,041.65**	**9,479.71**	**68.10**	**244.07**	**342.99**	**11,176.53**	**-**

Carrying amounts (net)

As at 31 March 2020	**41,456.37**	**7,810.02**	**51,981.89**	**123.48**	**446.57**	**194.44**	**1,02,012.76**	**30,958.68**
As at 31 March 2021	**41,500.84**	**13,424.98**	**87,116.04**	**104.20**	**353.94**	**127.43**	**1,42,627.44**	**2,054.69**

Note:

a. Refer note 17 for information on property, plant and equipment pledged as security by the Company.

b. Refer note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. Capitalised borrowing costs related to the plant and equipment amounted to Rs. 3,248.25 (previous year: Rs. 1,623.70).

d. The implementation of capex projects comprising of expansion of Pulp Mill/Production Capacity, Chemical Recovery Plant, Captive Power Plant and Allied Projects was completed during the year and the projects were put to commercial use from 25 March, 2021.

Notes to the Financial Statements for the year ended 31 March 2021

4 Investment property

Gross carrying amount

	Total
Balance as at 1 April 2019	
Additions	
Balance as at 31 March 2020	**840.34**

Balance as at 1 April 2020	840.34
Additions	-
Balance as at 31 March 2021	**840.34**

Accumulated depreciation

Balance as at 1 April 2019	
Depreciation for the year	
Balance as at 31 March 2020	

Balance as at 1 April 2020	
Depreciation for the year	
Balance as at 31 March 2021	

Carrying amounts (net)

As at 31 March 2020	
As at 31 March 2021	

Notes to the Financial Statements for the year ended 31 March 2021

5 Other intangible assets and Intangible assets under development

Gross carrying amount

	Computer Software	Total	Intangible assets under development
Balance as at 1 April 2019	947.30	947.30	100.00
Additions#	323.62	323.62	223.62
Disposals	-	-	323.62
Balance as at 31 March 2020	**1,270.92**	**1,270.92**	**-**
Balance as at 1 April 2020	1,270.92	1,270.92	-
Additions	-	-	-
Disposals	216.91	216.91	-
Balance as at 31 March 2021	**1,054.00**	**1,054.00**	**-**

Accumulated depreciation

Balance as at 1 April 2019	295.76	295.76	-
Amortisation for the year	425.00	425.00	-
Disposals	-	-	-
Balance as at 31 March 2020	**720.76**	**720.76**	**-**
Balance as at 1 April 2020	720.76	720.76	-
Amortisation for the year	382.60	382.60	-
Disposals	216.91	216.91	-
As at 31 March 2021	**886.44**	**886.44**	**-**

Carrying amounts (net)

Balance as at 31 March 2020	**550.16**	**550.16**	**-**
Balance as at 31 March 2021	**167.56**	**167.56**	**-**

Notes:

Represents intangible assets under development capitalized during the year.

Notes to ... the year ended 31 March 2021

6 Loans ...

(unsec... ...rwise stated)

	As at 31 March 2021		A... 31 M...	
	Current	Non-current	Current	
Security...	-	402.47		
Advanc...	2.69	-		
Others	95.05	-		
	97.74	402.47		

7 Other fin...

		As at 31 March 2021		As at 31 March 2020	
		Current	Non-current	Current	Non-current
Deposits wi... more than 1...	(a)	-			
Balance in u... ...unts		-			
Derivative fi...		321.68	-		
Interest accr...		71.79	-		
		393.47	402.15		

Note:

(a) Includes ... deposits of Rs. 388.05 (31 March 2... ...81) pledged as security for letter of credit, bank guarantee... ...d for margin money.

Notes to the Financial Statements for the year ended 31 March 2021

9 Other non-current assets *(Unsecured, considered good unless otherwise stated)*	As at 31 March 2021	As at 31 March 2020
Capital advances		
- to others	**15.40**	1,718.19
Advances other than capital advances		
- Prepaid expenses	**35.53**	51.91
Lease equalisation reserve*	**22.92**	12.42
*Refer to note 40	**73.85**	**1,782.52**

10 Inventories *(at lower of cost and net realisable value)*	As at 31 March 2021	As at 31 March 2020
Raw material and packing material #	**1,930.37**	
Work-in-progress	**195.85**	
Finished goods	**79.30**	
Stores and spares#	**2,084.53**	
Chemical and fuels	**950.37**	
	5,240.42	
Note:		
# Includes material in transit	**168.31**	372.71

quarante held

	As at 31 March 2020
5.10	2,141.78
126.71	176.28
2,129.57	2,212
9.77	
(9.77)	
32.88	
4,244.26	

mpany of Rs Nil (31 March 2020: 1,84

As at 31 March 2021				
Number of shares	**Amount**			
25,00,00,000	**2,500.**			
	2,50			
3,00,00,000				
3,00,00,000				
8,72,6				
,63,630	**872.64**	**87,26,363**	**872.64**	

each.

bed and fully paid up
f Rs. 1 each fully paid up
2020 Rs

Notes to the Financial Statements for the year ended 31 March 2021

(ii) Reconciliation of number of shares outstanding at beginning and end of the year

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	**87,26,363**	**872.64**	87,26,363	872.64
Increase on account of sub-division of equity shares [refer note (vi) below]	**7,85,37,267**	**-**	-	-
Balance at the end of the year	**8,72,63,630**	**872.64**	87,26,363	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 Rs. 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(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 2021		As at 31 March 2020	
	Number of shares	% of equity shares held	Number of shares	% of equity shares held
Kapedome Enterprises Limited (Equity shares of Rs. 1 each.(31 March-2020 Rs.10 each))	**5,80,37,880**	**66.51%**	58,03,788	66.51%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2021

During the five years immediately preceding 31 March 2021 ('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.

The Equity Shares of the company, during the current financial year, have been sub-divided from existing face of Rs. 10/- per equity share to face value of Re. 1/- per equity share based on approval by the shareholders in its Extraordinary General Meeting held on 10th June, 2020. Accordingly, basic and diluted earnings per equity shares have been computed for both the years presented in the financial statements on the basis of new number of equiy shares.

Based on the ratio of sub-division of shares, the share capital of the Company pre and post sub-division is as follows:

Particulars		Number of equity shares	Amount	Face value (INR)
Pre sub-division share capital structure:	Authorised share capital	2,50,000,00	2,500.00	10
	Issued, subscribed and Paid up share capital	87,26,363	872.64	10
Post sub-division share capital structure:	Authorised share capital	25,00,00,000	2,500.00	1
	Issued, subscribed and Paid up share capital	8,72,63,630	872.64	1

Notes to the Financial Statements for the year ended 31 March 2021

16 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 dsitribution towards dividend post redemption of debentures. The amount was transferred back to retained earnings on redemption of the debentures during the year.

(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).

17 Borrowings

	Notes	As at 31 March 2021	As at 31 March 2020
I. Non-current borrowings			
Term-loans			
- From banks (secured)	17(a)	**54,641.22**	43,181.83
- Vehicle loans (secured)	17(b)	**203.29**	295.50
Total (A)		**54,844.51**	**43,477.33**
Public deposits	17(c)		
- from related parties (unsecured) (refer note 40)		**454.00**	892.10
- others (unsecured)		**1,459.02**	1,703.26
Loan from Export Development Canada (unsecured)	17(d)	**1,368.87**	1,858.26
Loans from related parties (unsecured) (refer note 40)	17(e)		
-Mr. Pavan Khaitan & HUF of Mr. Pavan Khaitan		**-**	93.00
-Mrs. Aparna Khaitan		**-**	6.50
-Mr. Jagesh Kumar Khaitan		**40.00**	90.00
-Mrs. Usha Khaitan		**42.00**	10.00
-Kapedome Enterprises Limited		**1,656.00**	-
3,00,00,000 (previous year 3,00,00,000) 10% redeemable noncumulative preference shares of Rs. 10 each, fully paid up considered entirely financial liability in nature (unsecured)	17(f)	**3,000.00**	3,000.00
Total (B)		**8,019.89**	**7,653.12**
Total non-current borrowings (including current maturities) (A+B)		**62,864.40**	**51,130.45**
Less: Current maturities of non-current borrowings		**1,497.88**	**4,298.53**
		61,366.52	**46,831.92**

Notes to the Financial Statements for the year ended 31 March 2021

II. Current borrowings		As at 31 March 2021	As at 31 March 2020
Secured:			
Loans repayable on demand			
- Working capital	17(g)	**4,608.78**	4,805.98
Unsecured:			
Public deposits	17(c)		
- From related parties (refer note 40)		**106.70**	92.73
- From others		**1,296.13**	1,281.20
Inter corporate deposits	17(h)	**20.00**	20.00
		6,031.61	**6,199.91**

Note:

17 (a) Term Loan of:

i. Rs. 52,505.01 (31 March 2020 : Rs. 40,973.07) 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. Rs. 1,375.76 (31 March 2020 : Rs. 1,400.00) 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.i

iii. Rs 760.45 (31 March 2020 : Rs. 808.76) is secured by exclusive charge on the office premises at Industrial Area Chandigarh and is also secured by personal guarantees of directors and corporate guarantee of Kapedome Enterprises Limited.

iv. During the current year, the nominal (floating) interest rate was in the range of 7.75% to 10.75% per annum (31 March 2020 : 9.00% to 11.25% per annum).

v. The term loans are repayable in quarterly installments ranging from Rs 10 to Rs 375 till FY 2029-30.

17 (b) Vehicle loans of Rs 203.29 (31 March 2020: 295.50) 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 2020 : 8.20% to 10.50% per annum). The vehicle loans are repayable in monthly unequal installment ranging from Rs 0.08` to Rs 1.23 till FY 2024-25.

17 (c) Public deposits carry interest rate ranging between 8.50 % to 9.75% (31 March 2020: 8.50% to 9.75%) per annum and carry a maturity period from 12 to 36 months from the respective date of deposits.

17 (d) The rate of interest on Loans from Export Development Canada is 6 Month US LIBOR plus 3.90% (31 March 2020: 6 month US LIBOR plus 3.90% per annum). The term loan is repayable in half yearly installments ranging from Rs 50.03 to Rs 457.56 till FY 2024-25.

17 (e) The fixed rate of interest on loans from directors and relatives in current year is at rate of 9% (31 March 2020:8%)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.

17 (f) 10% non-cumulative redeemable preference shares of Rs. 10 each, fully paid up

The Company has only one class of preference shares having a par value of Rs. 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

Notes to the Financial Statements for the year ended 31 March 2021

Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The preference 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.

17 (g) 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 8.00% to 10.60% per annum (31 March 2020: 8.95% to 9.65% per annum).

17 (h) Inter corporate deposit from others carry an interest rate of 13% per annum (31 March 2020: 13% per annum) and the same are repayable within twelve months.

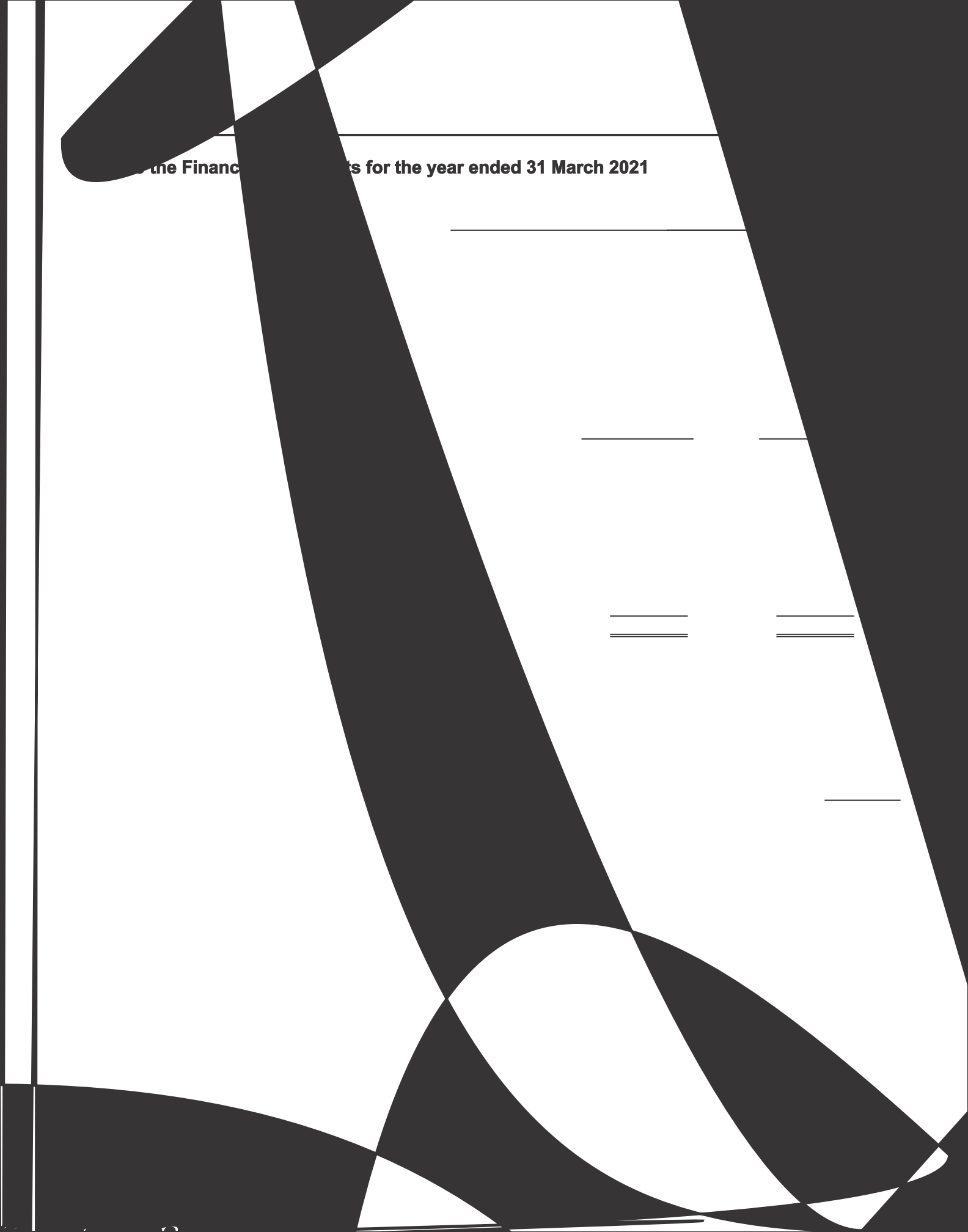
III Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2021	As at 31 March 2020
Borrowings at the beginning of the year (current and non current) including short term	**57,330.35**	39,456.10
Proceeds from borrowings*	**16,378.96**	23,630.81
Repayment of borrowings*	**(4,498.23)**	(6,253.24)
Foreign exchange movement and Transaction costs related to borrowings	**(315.07)**	496.69
Borrowings at the end of the year (current and non current)	**68,896.01**	**57,330.35**

* Including net movement during the year for short term borrowings

18 Other financial liabilities

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Current maturities of non-current borrowings [refer to note 17]	**1,497.88**	**-**	4,298.53	-
Interest accrued [refer to note 41]	**1,591.80**	**39.15**	345.86	25.76
Dividend payable on preference shares	**-**	**-**	300.00	-
Unpaid dividends	**17.10**	**-**	15.24	-
Capital creditors	**481.86**	**-**	4,936.82	-
Security deposits	**-**	**1,652.44**	-	1,601.30
Employee related payables	**659.64**	**-**	370.15	-
Others	**0.57**	**-**	111.74	-
	4,248.85	**1,691.59**	**10,378.34**	**1,627.06**


the Financ
ts for the year ended 31 March 2021

	MAT Credit Availment	Closing balance

As at 31 March 2020	
Current	Non-current
20.03	445.48
25.97	98.03
46.00	**543.51**

amount received is as on date

l life of the plant in the same

relation to a loan taken by its
paid any amount in lieu of the
ferred income from Unearned
25.97 lakhs (2020:Rs. 4 lakhs)

As at 31 March 2020

dated 26 August 2008 which
nces with its customers the
ly, the disclosure in respect of
ements based on information

es to the Financial Statements for the year ended 31 March 2021

Particulars		As at 31 March 2021	31 M
(a)	The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
	- Principal	10.22	
	- Interest	-	-
(b)	The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"); along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED ac		-
(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 y	-	-
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues abov actually paid to the small enterprise, for the purpose of disallowan deductible expense under the MSMED Act 2006	-	-

The total dues of Micro and Small Enterprises which were out ore than stipulated period are Rs. Nil (31 March 2020 Rs. Nil) as on balance sheet date.

Notes to the Financial Statements for the year ended 31 March 2021

25 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	40,233.06	74,273.10
Other operating revenues		
Scrap sales	154.12	200.11
Export incentive	1.16	-
	40,388.34	**74,473.21**

Revenue disaggregation by geography is as follows:

Geography		
India	**39,049.68**	72,727.66
Outside India		
Nepal	**1,183.38**	1,545.44

In presenting the geographical information, sale of products revenue has been based on the geographic location of the customers.

Information about major customers:

No customer represents 10% or more of the Company's total revenue during the year ended 31 March 2021 (31 March 2020: One).

Reconciliation of revenue recognized with the contracted price is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Contracted price	42,214.76	75,891.26
Reductions towards variable consideration components	1,826.42	1,418.05
Revenue recognised	**40,388.34**	**74,473.21**

The reduction towards variable consideration comprises cash discount, trade discount and rebates etc.

Contract Balances

	Year ended 31 March 2021	Year ended 31 March 2020
Trade receivables	**3,308.19**	1,433.48
Contract assets	**-**	-
Contract liabilities	**108.61**	277.56

The contract assets primarily relate to the Company's rights to consideration for revenue accrued but not billed at the reporting date. The contract assets are transferred to receivables when the Company issues an invoice to the customer. The contract liabilities relate to the advance received from customers against which revenue is recognized when or as the performance obligation is satisfied.

Notes to the Financial Statements for the year ended 31 March 2021

26 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income:		
on bank deposits	90.37	
others*	19.62	
Rental income	56.06	
Change in value of financial instruments measured at FVTPL	-	
Liabilities no longer required written back**	367.36	
Gain on sale of property, plant and equipment (net)	1.48	
Others	468.56	
	1,003.45	

27 Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Raw material consumed		
Opening stock of raw materials	3,048.73	
Add: Purchases of raw materials	11,122.63	
Less: Inventory of material at the end of the year	1,798.65	
	12,372.71	
Packing material consumed		
Opening stock of raw materials	113.65	
Add: Purchases of raw materials	1,435.69	
Less: Inventory of material at the end of the year	131.72	
	1,417.62	
	13,790.33	

28 Changes in inventories of finished goods and work-in-progress

Opening stock		
Work-in-progress	287.00	
Finished goods	785.70	
	1,072.70	
Less:		
Closing stock		
Work-in-progress	195.85	
Finished goods	79.30	
	275.15	
	797.55	

	2,529.67	
	152.05	
	361.67	
	3,100.30	
	382.60	
	3,482.90	
	1,068	
	5,9	
r note 32(a)]		
t and equipment		
rec		
foreign exchange fluctuations (net)		
esponsibility expenses [refer note 32(b)		
es	48.59	73

Notes to the Financial Statements for the year ended 31 March 2021

33 Exceptional Items

	Year ended 31 March 2021	Year ended 31 March 2020
Write off of Property, Plant and Equipment	857.59	-
	857.59	-

During the current year, the company has carried out technical evaluation of its Property, Plant & Equipment and assets having carrying value of Rs. 857.59 lacs were to be found unserviceable. These assets were written off and loss has been classified as an exceptional item in the statement of profit and loss.

34 Tax expense

	Year ended 31 March 2021	Year ended 31 March 2020
a) Income tax recognised in statement of profit and loss		
Current tax	-	1,206.78
Deferred tax		
Attributable to -		
Origination and reversal of temporary di erences	**(1,910.28)**	(1,865.37)
Total tax expense recognised in the current year	**(1,910.28)**	**(658.59)**

b) Reconciliation of effective tax rate

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	(3,182.98)	6,519.19
Tax at the Indian tax rate of 34.94% (previous year 34.94%)	(1,112.26)	2,278.06
Effect of expenses that are not deductible in determining taxable profit	68.37	160.47
Effect of income not taxable	(129.64)	-
Effect of tax holiday	-	(501.30)
Effect of change in tax rate due to section 115 BAA of Income Tax Act, 1961*	(736.75)	(2,337.77)
Effect of changes in estimate related to previous years	-	(260.85)
Income tax expenses recognised in statement of profit and loss	**(1,910.28**	**(661.39)**

* including Rs 1,956.22 on reversal of deferred tax liabilities as on 1 April 2019. Also refer note 20

d) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
-Remeasurement of defined benefit obligation	(23.74)	6.96
Total income tax recognised in other comprehensive income	**(23.74)**	**6.96**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(23.74)	6.96
Items that may be reclassified to profit or loss	-	-
	(23.74)	**6.96**

Notes to the Financial Statements for the year ended 31 March 2021

34 Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Profit for basic earning per share of Re. 1 each	**(1,272.70)**	7,180.58
(ii) Weighted average number of equity shares for (basic)	8,72,63,630	8,72,63,630
Basic and diluted earnings per share (face value of Re. 1 each)*	**(1.46)**	8.23
(Refer note no 15 (vi) regarding subdivision of shares)		

36 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities including their level in the fair value hierarchy:

	Note	Level of hierarchy	As at 31 March 2021			As at 31 March 2020			
			FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	
Financial assets									
Non-current									
Loans	(ii)	3	-	-	402.47	-	-	397.00	
Other financial assets	(ii)	3	-	-	405.15	-	-	520.05	
Current									
Trade receivable	(i)		-	-	3,308.19	-	-	1,433.48	
Cash and cash equivalents	(i)	3	-	-	45.21	-	-	46.37	
Other bank balances	(i)	3	-	-	1,566.61	-	-	1,902.75	
Loans	(i)	3	-	-	97.74	-	-	47.95	
Derivative financial instruments	(iv)	2	321.68	-	-	653.84	-	-	
Other financial assets	(i)	3	-	-	71.79	-	-	67.40	
Total financial assets			**321.68**	**-**	**5,897.16**	653.84	**-**	**4,415,901**	**921,627**

Notes to the Financial Statements for the year ended 31 March 2021

	Note	Level of hierarchy	As at 31 March 2021			As at 31 March 2020		
			FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Current								
Borrowings	(i)	3	-	-	6,031.61	-	-	6,199.91
Trade payables	(i)	3	-	-	4,478.08	-	-	2,786.46
Other financial liabilities	(i)	3	-	-	1,608.89	-	-	661.10
Current maturities of non-current borrowings	(iii)	3	-	-	1,497.88	-	-	4,298.53
Employee related payables	(i)	3	-	-	659.64	-	-	370.15
Capital creditors	(i)	3	-	-	481.86	-	-	4,936.82
Others	(i)	3	-	-	0.57	-	-	111.74
Total financial liabilities			**-**	**-**	**77,816.65**	**-**	**-**	**67,823.69**

Note:
Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The model incorporates various inputs including credit quality of counter-parties and foreign exchange forward rates.There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.

B. ended 31 May B. c y

...he Financ... ...ts for the year ended 31 March 2021

	31 March 2021	31 March 2...
		1...
		29...

31 March 2021			
Less than 6 Months	...3.63	-	**3,063.63**
	244.56		
	3,308.19		**3,308.19**
31 March 2020			
Less than 6 Months	1,279.99		1,279.99
	153.49		153.49
	1,433.48	-	...48

Notes to the Financial Statements for the year ended 31 March 2021

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:

	Less than 1 Year	1 to 5 Years	More than 5 years	Total
31 March 2021				
Borrowings (including current maturities)	7,529.49	50,555.81	10,810.71	68,896.01
Trade payables	4,478.08	-	-	4,478.08
Other financial liabilities	2,750.97	1,691.59	-	4,442.55
	14,758.54	**52,247.39**	**10,810.71**	**77,816.65**
31 March 2020				
Borrowings (including current maturities)	10,489.44	42,289.75	4,542.17	57,330.36
Trade payables	2,786.46	-	-	2,786.46
Other financial liabilities	6,079.83	1,627.06	-	7,706.89
	19,364.73	**43,916.81**	**4,542.17**	**67,823.71**

(iv) Market Risk

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

Notes to the Financial Statements for the year ended 31 M

Exposure to currency risk

The following table provides details of the Company's exposure to cu

Liabilities	As	20
	Currency	unt in foreign currency
Borrowings (secured)	USD	
Less: Derivative contracts		
Borrowings (unsecured)		
Less: Derivative contracts		
rest accrued but not due on unse		25
		(0.25)
		-
s		15.19
s	,116.47	15.19

ty analysis

onably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2021 and 31 n 2020 would have impacted the measurement of financial instruments denominated in foreign currency and acted Statement of Profit and Loss by shown below. This analysis is performed on foreign currency enominated monetary financial assets nding as at the year end. This analysis assumes that all other variables, in particular interes impact of forecast sales and purchases.

rticulars	
31 March 2021	
SD (1% ment)	
2020	
2% m	

Notes to the Financial State

37 Capital management

Risk management

The Company's policy is to m
sustain future development
capital using a ratio of 'adjus
of cash and cash equivaler
Balance Sheet).

The Company's adjusted ne

Total liabilities	
Less: cash and Bank balanc	
Adjusted net debt	
Total equity	
Adjusted net debt to equity r	

Notes to the Financial Statements for the year ended 31 March 2021

B. Commitments

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances)	640.65	7,467.87

39 Employee benefits

I. Assets and liabilities relating to employee benefits

	As at 31 March 2021	As at 31 March 2020
Non-current		
Liability for compensated absences	119.17	114.73
	119.17	**114.73**
Current		
Liability for compensated absences	34.60	34.18
	34.60	**34.18**
Current		
Gratuity (asset)	32.88	8.11
	32.88	**8.11**

For details about the related employee benefit expenses, refer to note no. 29.

II. Defined contribution plan

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. The Company has recorded expenses of Rs. 333.54 (31 March 2020: Rs. 349.92) under provident fund scheme and Rs.57.54 (31 March 2020: Rs. 68.03) under ESI scheme. These have been included in note 29 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

Notes to the Financial Statements for the year ended 31 March 2021

combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The expected contribution to defined benefit plan for the next year is Rs. 91.69

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 2021	Year ended 31 March 2020
Present value of obligation at the beginning of the year	950.25	843.54
Benefits paid	(63.79)	(73.99)
Current service cost	98.71	102.98
Interest cost	64.64	65.80
Actuarial losses/(gains)	(68.19)	12.19
Present value of obligation at the end of the year	**981.88**	**950.52**

c) Reconciliation of the present value of plan assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fair value of plan assets at the beginning of the year	958.63	849.13
Contributions	55.00	125.00
Interest Income	64.92	58.49
Benefits paid	(63.79)	(73.99)
Fair value of plan assets at the end of the year	**1,014.76**	**958.63**

d) Expenses recognized in the Statement of Profit and Loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	98.71	102.98
Interest cost	64.64	65.80
Interest income	(65.19)	(66.23)
Expenses recognized in profit and loss account	**98.16**	**102.55**

Notes to the Financial Statements for the year ended 31 March 2021

e) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial gain/loss on the defined benefit obligation	68.19	(12.19)
Return on plan assets excluding interest income	(0.27)	(7.74)
Amount recognized in other comprehensive income	**67.93**	**(19.93)**

f) Plan assets

Plan assets of the Company are held as bank balance, NSDL bonds and under LIC of India.

g) Actuarial assumptions

Particulars	As at 31 March 2021 (Per Annum)	As at 31 March 2020 (Per Annum)
Economic assumptions		
Discount rate	6.80%	6.80%
Salary escalation rate per annum	7.00%	7.00%

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2006-08) 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.

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(36.70)	39.56	(36.80)	39.65
Future salary growth rate (0.50% movement)	39.29	(36.80)	39.39	(36.90)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to the Financial Statements for the year ended 31 March 2021

C. Transactions with related parties during the current / previous year:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(i) Unsecured loans taken		
Mr. Jagesh Kumar Khaitan	55.00	120.00
Mrs. Usha Khaitan	42.00	15.00
Mr. Pavan Khaitan	-	35.00
Mrs. Aparna Khaitan	-	84.00
Ms. Deeksha Khaitan	-	52.00
Ms. Malavika Khaitan	-	46.00
Mr. Drishinder Singh Sandhawalia	31.00	-
Mrs.Simran Sandhawalia	35.70	14.00
Mrs. Kushal Pal Sandhawalia	35.20	48.73
M/S Kapedome Enterprises Limited	1,656.00	-
(ii) Unsecured loans repaid		
Mr. Jagesh Kumar Khaitan	295.00	442.00
Mrs. Usha Khaitan	85.00	5.00
Mr. Pavan Khaitan	128.00	35.00
Mrs. Aparna Khaitan	120.50	84.00
Ms. Deeksha Khaitan	-	52.00
Ms. Malavika Khaitan	-	46.00
Mr. Drishinder Singh Sandhawalia	26.50	-
Mrs. Simran Sandhawalia	31.60	12.00
Mrs. Kushal Pal Sandhawalia	53.93	45.00
(iii) Interest on unsecured loans		
Mr. Jagesh Kumar Khaitan	3.33	29.72
Mrs. Usha Khaitan	1.60	8.19
Mr. Pavan Khaitan	1.10	10.97
Mrs. Aparna Khaitan	(0.30)	12.90
Ms. Deeksha Khaitan	5.35	5.81
Ms. Malavika Khaitan	4.55	5.00
Mrs. Shashi Khaitan	9.75	9.75
Mrs. Abha Khaitan	24.38	24.38
Mr. Drishinder Singh Sandhawalia	2.71	2.57
Mrs.Simran Sandhawalia	3.11	2.95
Mrs Kushal Pal Sandhawalia	4.15	4.31
M/S Kapedome Enterprises Limited	62.34	-

Notes to th

Notes to the Financial Statements for the year ended 31 March 2021

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(x) Other charges (rent)		
Kapedome Enterprises Limited	0.71	0.71
(xi) Purchases of materials		
Kapedome Enterprises Limited (Chemical)	459.50	4,160.74
Krofta Papers Private Limited (Waste Paper/Gen Purchase)	5.19	3.44
(xii) Advance for supply of raw materials		
Kapedome Enterprises Limited	-	1,840.30
(xiii) Advance for supply return back		
Kapedome Enterprises Limited	1,840.30	-
(xiv) Purchase of machinery		
Krofta Papers Private Limited (MG Machine)	-	1,652.00
@ Mr. Drishinder Singh Sandhawalia has foregone consultancy fees for the period May to December, 2020.		

D. Outstanding Balances

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Unsecured loans		
Public Deposits		
Mr. Jagesh Kumar Khaitan	10.00	95.00
Mrs. Usha Khaitan	-	65.00
Mr. Pavan Khaitan & HUF of Mr. Pavan Khaitan	-	35.00
Mrs. Aparna Khaitan	-	114.00
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	31.00	26.50
Mrs.Simran Sandhawalia	35.70	31.60
Mrs Kushal Pal Sandhawalia	30.00	48.73

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Notes to the Financial Statements for the year ended 31 March 2021

43 The outbreak of Coronavirus (Covid-19) globally and in India has impacted business and economic activities in general. The Company's sale during the year ended March 2021 was impacted significantly by the pandemic and consequently capacity utilization of the plant was lower during nationwide lockdown and is gradually moving towards normal capacity. As regards the recoverability of assets, the Company expects to fully recover the carrying amounts of the assets. The Company is closely monitoring any material changes to future economic conditions.

44 Dividends

The following dividends were declared and paid by the Company during the year:	As at 31 March 2021	As at 31 March 2020
Rs. 2.5 per equity share (31 March 2020: Rs. 5 per equity share)	218.16	436.32
Dividend distribution tax on dividend to equity shareholders	-	89.69
	218.16	**526.01**

After reporting date the following dividend (excluding dividend distribution tax) 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 2021	As at 31 March 2020
Rs. Nil per equity share (31 March 2020: INR 2.5 per equity share)	-	218.16
	-	**218.16**

45 As per guidelines in RBI circular dated 6th August 2020 "Resolution Framework for Covid-19 related Stress" , the company approached the Lenders for a Resolution Plan to the term debt obligations of the company. All the Lenders have approved and implemented the Resolution Plan on 19th June 2021 which inter alia provide 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 and FITL.

As per our report of even date attached
For O P Bagla & Co LLP
Chartered Accountants
ICAI Firm Registration No.: 000018N/N500091

Atul Bagla
Partner
Membership No. 91885
Place : Chandigarh
Date : June 30, 2021

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

Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Pavan Khaitan
Managing Director
DIN - 00026256

Roshan Garg
President-Finance & CFO
Place : Chandigarh
Date : June 30, 2021

Vivek Trehan
Company Secretary