



Kvantum Papers Ltd

The Paper Makers

KPL/SE/2022
29.07.2022

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: 532937 Scrip ID: KUANTUM	National Stock Exchange of India Limited Exchange Plaza Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Tradhg Symbol: KUANTUM
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**Reg: Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015-
Outcome of Board Meeting**

Dear Sirs,

It is to inform you that in the Meeting of Board of Directors of the Company held on **Friday, 29th July 2022** at Chandigarh, the following decisions, among others, have been taken:

1. The Unaudited Financial Results for the quarter ended 30th June, 2022 were considered, discussed and approved. Copy of the same is attached
2. Cost Audit Report for the year ended 31 March 2022 was approved.
3. Approval of remuneration to the statutory auditors for FY 2022-23, as recommended by Audit Committee.

The meeting commenced at 12.45 PM and concluded at 2:25 PM

Thanking you,

Yours faithfully,

For Kvantum Papers Ltd


Vivek Trehan
Company Secretary
(Vivek Trehan)

Company Secretary & Compliance Officer



O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

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B-225, 5th Floor, Okhla Indl. Area
Phase - 1, New Delhi - 110020
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**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

**TO BOARD OF DIRECTORS OF
KUNTUM PAPERS LTD.**

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **KUNTUM PAPERS LTD.** ("the Company") for the quarter ended 30 June 2022, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review conducted and procedures performed as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS
Firm Regn No. 000018N/N500091

PLACE : CHANDIGARH
DATED : JULY 29, 2022

UDIN : 22091895ANUXB04358

(ATUL BAGLA)
PARTNER
M No. 91885



STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

(Rs in Lakhs)

S. No.	Particulars	Quarter ended		Year ended	
		30 June	31 March	30 June	31 March
		2022	2022	2021	2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue from operations				
	Sale/Income from operations	27,286.27	24,993.24	14,685.63	82,585.77
	Other operating income	137.84	205.68	66.23	453.75
	Total revenue from operations	27,424.12	25,198.92	14,751.86	83,039.52
2	Other income	127.77	67.39	148.08	385.32
3	Total Income (1+2)	27,551.88	25,266.31	14,899.94	83,424.85
4	Expenses				
	Cost of materials consumed	9,402.84	9,326.34	5,773.06	30,041.00
	Purchase of stock-in-trade	241.76	577.12	-	583.90
	Changes in inventory of finished goods and work-in-progress	(606.78)	529.78	(870.68)	90.50
	Employee benefits expense	1,644.76	1,523.18	1,446.98	5,965.55
	Finance costs	1,803.81	1,755.78	1,696.75	6,894.44
	Depreciation and amortization expense	1,125.83	1,119.85	1,208.39	4,615.40
	Other expenses:				
	- Power and fuel expense	4,776.13	4,410.54	2,577.15	14,976.07
	- Cost of chemical consumed	4,284.23	3,914.55	2,716.15	13,638.94
	- Others	1,598.58	1,611.33	1,560.63	5,848.62
	Total expenses	24,271.16	24,768.48	16,108.45	82,654.43
5	Profit/(loss) before exceptional items and tax (3-4)	3,280.72	497.83	(1,208.51)	770.42
6	Exceptional Items (refer note 6)	6,342.31	-	-	-
7	Profit/(loss) before tax (5-6)	(3,061.59)	497.83	(1,208.51)	770.42
8	Tax expense				
	a) Current tax	-	80.03	-	127.66
	b) Deferred tax	823.42	(57.64)	(663.59)	(742.72)
	c) Minimum alternate tax credit entitlement	-	43.22	-	43.22
	Total Tax expense	823.42	65.61	(663.59)	(571.84)
9	Net profit/(loss) for the period (7-8)	(3,885.01)	432.22	(544.92)	1,342.26
10	Other Comprehensive income/(expense)				
	(i) a) Items that will not be reclassified to profit or loss	-	(31.00)	-	(31.00)
	b) Income tax relating to items that will not be reclassified to profit	-	10.83	-	10.83
	(ii) a) Items that will be reclassified to profit or loss	-	-	-	-
	b) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
11	Total Comprehensive Income/(expense) for the period (9+10)	(3,885.01)	412.06	(544.92)	1,322.09
12	Earnings per share (EPS) face value (of INR 1/- each) (not annualised)-				
	- Basic (INR)-After Exceptional Items	(4.45)	0.50	(0.62)	1.54
	- Basic (INR)-Before Exceptional Items	2.82	0.50	(0.62)	1.54
	- Diluted (INR)-After Exceptional Items	(4.45)	0.50	(0.62)	1.54
	- Diluted (INR)-Before Exceptional Items	2.82	0.50	(0.62)	1.54
13	Total reserves (excluding revaluation reserve)				40,880.62
14	Paid-up equity share capital (Face value @ Rs 1 per share)	872.64	872.64	872.64	872.64
	See accompanying notes to the unaudited financial results				

As per our report attached
For O P Bagla & Co LLP
 Chartered Accountants
 FRN No. 000018N/N500091

Atul Bagla
 Partner
 M.No. 91885
 Place : Chandigarh
 Dated: 29.07.2022



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


Pavan Khaitan
 Vice Chairman & MD
 DIN- 00026256

Jagesh Kumar Khaitan
 Chairman
 DIN- 00026264

Note :

- 1 The above Unaudited Financials Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 29 July, 2022 and have been subjected to Limited Review by the Statutory Auditors. The review report of the Statutory Auditors is being filed with the BSE Ltd. and National Stock Exchange of India Limited. For more details, visit the investor section of our website at www.kuantumpapers.com and Financial Results at Corporate section of www.bseindia.com and www.nseindia.com.
- 2 The outbreak of Coronavirus (Covid-19) globally and in India has impacted business and economic activities in general. The Company's sale during the previous year ended March 2022 was impacted significantly by the pandemic and consequently capacity utilization of the plant was lower and is gradually moving towards normal capacity. The unaudited financial results for the current quarter are therefore are not comparable with the corresponding previous quarter i.e June 2021. 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.
- 3 The Company is engaged in the business of manufacturing and sale of Paper, which in the context of Indian Accounting Standard (Ind AS) - 108- Operating Segment, is the only operating segment of the company.
- 4 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 provided for converting the interest on term loans for one year from 1st September 2020 into Funded interest Term Loan (FITL) with extension of two years moratorium in the payment of principal of term loans.
- 5 Pursuant to the terms of Resolution Plan as mentioned in note 4, hereinabove, dividend can be declared/ paid by the Company only after meeting the dues of the Banks. The payment of interest has started from September 2021 and repayment of loan will start from September 2022. Based on the current performance for the year, the company is confident of discharging its debt obligations as per schedule and has provided for dividend on preference shares for the current quarter on accrual basis.
- 6 The Government of India vide Taxation Laws (Amendment) Ordinance 2019 dated 20 September 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provided domestic companies an option to pay Income tax at reduced tax rate effective April 1, 2019 subject to certain conditions. The company had opted to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. However, in the current quarter, the company has re-evaluated the new provision, assessed its impact and decided to opt for the new tax regime wef April 1, 2021. Consequently, tax expenses for the current quarter have been considered at reduced tax rate. Further, the Company has written off the accumulated minimum alternative tax (MAT) credit of Rs. 4,744.66 lakhs and has re-measured its existing net deferred tax liabilities, resulting in an increase by Rs. 1,597.65 lakhs. The impact of this change on the tax assets and liabilities as on 31 March 2022, aggregating to Rs.6,342.31 Lakhs has been recognised in profit and loss as an Exceptional Item in the current quarter. This has no impact on the operational profits and the Company expects that opting for the new tax regime would result in positive cash flows in the future.
- 7 The Company has certain amount due from a customer against which legal proceedings for recovery of the amount were initiated. The Company has obtained a status quo from Honourable High Court, New Delhi vide its order dated 18 September 2015, on the customer's other group holdings through which they own a hotel, the unencumbered value of which has been assessed by the management as sufficient to recover the outstanding amount. Additionally, Honourable High Court, New Delhi vide its order dated 13 December 2018, directed the prospective buyer of hotel to pay Rs. 195.50 lakhs to the company towards outstanding dues from customer. As the amount remained unpaid, the company filed an application in Honourable High Court for execution of the decree of the order dated 13 December 2018 which is under process. Trade Receivables in relation to this due as at 30 June 2022 is Rs. 97.65 lakhs (31 March 2022 : Rs. 97.65 lakhs, 30 June 2021: Rs. 97.65 lakhs).

As per our report attached
For O P Bagla & Co LLP
Chartered Accountants
FRN No. 000018N/N500091

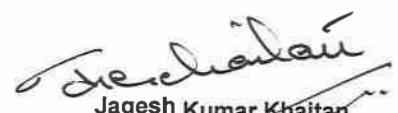

Atul Bagla
Partner
M.No. 91885



Place : Chandigarh
Dated: 29.07.2022

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


Pavan Khaitan
Vice Chairman & MD
DIN- 00026256


Jagesh Kumar Khaitan
Chairman
DIN- 00026264