



O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

Regd. Office :
B-225, 5th Floor, Okhla Indl. Area
Phase - 1, New Delhi - 110020
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Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Kuantum Papers Limited

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **Kuantum Papers Ltd.** ("the Company") for the quarter and year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- a. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the quarter and year ended 31 March, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Results" section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Annual Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in



India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Results

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

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

- Identify and assess the risks of material misstatement of the annual financial results, 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 Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.





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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of requirements specified under Regulations 33 and 52 of the listing regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.





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Other Matter

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations. Our opinion on the statement is not modified in respect of this matter.

PLACE : CHANDIGARH
DATED : APRIL 29, 2023

UDIN : 23091885BGWJIC 9899

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

(ATUL BAGLA)
PARTNER
M No. 91885



Regd. Office: Paper Mill, Saila Khurd-144529 Distt. Hoshiarpur (Punjab)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

(Rs in Lakhs)

S. No.	Particulars	Quarter ended			Year ended	
		31 March	31 December	31 March	31 March	31 March
		2023	2022	2022	2023	2022
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	Sale/Income from operations	34,293.34	34,850.60	24,993.24	1,30,245.14	82,585.77
	Other operating income	80.17	208.58	205.68	710.70	453.75
	Total revenue from operations	34,373.51	35,059.18	25,198.92	1,30,955.84	83,039.52
2	Other income	11.51	122.06	67.39	360.42	385.32
3	Total Income (1+2)	34,385.02	35,181.24	25,266.31	1,31,316.26	83,424.84
4	Expenses					
	Cost of materials consumed	9,741.67	10,276.74	9,326.34	39,836.06	30,041.00
	Purchase of stock-in-trade	276.55	94.44	577.12	707.14	583.90
	Changes in inventory of finished goods and work-in-progress	261.68	399.87	529.78	50.82	90.50
	Employee benefits expense	1,762.03	1,853.44	1,523.18	6,917.51	5,965.55
	Finance costs	1,586.23	1,752.25	1,755.78	7,099.44	6,894.44
	Depreciation and amortization expense	1,149.85	1,140.24	1,119.85	4,543.67	4,615.40
	Other expenses:					
	- Power and fuel expense	4,602.50	5,679.61	4,410.54	20,857.23	14,976.07
	- Cost of chemical consumed	4,645.10	4,713.38	3,914.55	18,371.92	13,638.94
	- Others	1,681.22	1,539.29	1,611.33	6,293.87	5,848.62
	Total expenses	25,706.83	27,449.26	24,768.47	1,04,677.66	82,654.42
5	Profit/(loss) before exceptional items and tax	8,678.19	7,731.98	497.84	26,638.60	770.42
6	Exceptional Items (refer note 6)	-	-	-	6,342.31	-
7	Profit/(loss) before tax (5-6)	8,678.19	7,731.98	497.84	20,296.29	770.42
8	Tax expense					
	a) Current tax	1,533.07	-	80.03	1,533.07	127.66
	b) Adjustment of tax relating to earlier years	(128.68)	-	-	(128.68)	-
	c) Deferred tax	768.62	2,003.86	(57.64)	5,276.72	(742.72)
	Minimum alternate tax credit entitlement	-	-	43.22	-	43.22
	Total Tax expense	2,173.01	2,003.86	65.61	6,681.11	(571.84)
9	Net profit/(loss) for the period (7-8)	6,505.18	5,728.12	432.23	13,615.18	1,342.26
10	Other Comprehensive income/(expense)					
	(i) a) Items that will not be reclassified to profit or loss	(69.97)	-	(31.00)	(69.97)	(31.00)
	b) Income tax relating to items that will not be reclassified to profit or loss	24.45	-	10.83	24.45	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)	6,459.66	5,728.12	412.06	13,569.66	1,322.09
12	Earnings per share (EPS) face value (of INR 1/- each) (not annualised)-restated					
	- Basic (INR)-After Exceptional Items	7.45	6.56	0.50	15.60	1.54
	- Basic (INR)-Before Exceptional Items	7.45	6.56	0.50	22.87	1.54
	- Diluted (INR)-After Exceptional Items	7.45	6.56	0.50	15.60	1.54
	- Diluted (INR)-Before Exceptional Items	7.45	6.56	0.50	22.87	1.54
13	Total reserves (excluding revaluation reserve)				54,514.51	40,880.62
14	Paid-up equity share capital (Face value @ Rs 1 per share)	872.64	872.64	872.64	872.64	872.64
	See accompanying notes to the audited 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: April 29, 2023



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

Jagesh Kumar Khaitan
 Chairman
 DIN- 00026264
 Place : Chandigarh
 Dated: April 29,

Pavan Khaitan
 VC & Managing Director
 DIN- 00026256
 Place : Chandigarh
 Dated: April

Note :

- 1 The above Audited Financials Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 29 April 2023. The audit 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 Company is engaged in the business of manufacturing and sale of pulp and Paper, which in the context of Indian Accounting Standard (Ind AS) - 108- Operating Segment, is the only operating segment of the company.
- 3 As per guidelines in RBI circular dated 6th August 2020 "Resolution Framework for Covid-19 related Stress", the Lenders sanctioned a Resolution Plan of the term debt obligations of the company. All the Lenders implemented the Resolution Plan on 19th June 2021 which inter alia provided for converting the interest on term loans for one year from 1st September 2020 into Funded Interest Term Loan (FITL) and extension of two years moratorium in the payment of principal of term loans.
- 4 (a) As sanctioned in the Resolution Plan, the repayment of FITL was co-terminus with the repayment of respective term loans. The repayment of FITL was due from September 2022 onwards till FY 2029-30. However, considering the present cash flows, the company has prepaid the entire FITL amount of Rs. 3,524.63 lakhs in the quarter ended 30 September 2022.
- (b) The company has further prepaid the restructured term loans amounting to Rs. 105 crores and Rs. 102 crores respectively in the quarters ending December 2022 and March 2023. These payments are in addition to the quarterly repayments which became due after the moratorium period ended on 31 August 2022.
- (c) With the payments made in 4 (a) & (b), the total outstanding restructured term loans at the year end are lower than what it would have been, had the company not availed the resolution Plan from the Lenders.
- 5 The Government of India vide Taxation Laws (Amendment) Ordinance 2019 dated 20 September 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provided domestic companies an option to pay Income tax at reduced tax rate effective April 1, 2019 subject to certain conditions. The company had opted to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. However, in the quarter ended 30 June 2022, the company had re-evaluated the new provision, assessed its impact and decided to opt for the new tax regime wef April 1, 2021. Consequently, tax expenses for the period have been considered at reduced tax rate. Further, the Company has used the new tax rates to re-measure its deferred tax liabilities and has written off the accumulated minimum alternative tax (MAT) credit in the quarter ended 30 June 2022. The impact of this change on the tax assets and liabilities as on 31 March, 2022 has been recognised in profit and loss as an Exceptional Tax Item in the said quarter. This has no impact on the operational profits of the Company.
- 6 The figures for the last quarter ended 31 March 2023 and the corresponding quarter ended in the previous year, as reported in these annual financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subject to audit.
- 7 The Board has proposed a dividend of Rs.3/- per equity share of Rs. 1/- each fully paid up subject to the approval of shareholders at the Annual General Meeting.

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: April 29, 2023



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

Jagesh Kumar Khaitan
Chairman
DIN-00026264

Place : Chandigarh
Dated: April 29, 2023

Pavan Khaitan
VC & Managing Director
DIN-00026256

Place : Chandigarh
Dated: April 29, 2023

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	1,40,680.47	1,40,060.77
(b) Capital work-in-progress	3,064.35	2,886.42
(c) Investment property	750.57	763.88
(d) Other intangible assets	-	3.55
(e) Financial assets		
(i) Others financial assets	394.38	864.93
(f) Income tax assets (net)	156.01	28.88
(g) Other non-current assets	2,583.68	1,476.49
Total non-current assets (A)	1,47,629.46	1,46,084.92
Current assets		
(a) Inventories	9,006.27	8,685.57
(b) Financial assets		
(i) Trade receivables	2,873.25	6,061.09
(ii) Cash and cash equivalents	154.26	356.07
(iii) Other bank balances	1,572.00	1,304.61
(iv) Other financial assets	158.87	272.43
(c) Other current assets	7,551.87	4,846.87
Total current assets (B)	21,316.52	21,526.64
Total assets (A+B)	1,68,945.98	1,67,611.56
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	872.64	872.64
(b) Other equity	95,808.84	82,174.95
Total equity (A)	96,681.48	83,047.59
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	36,782.87	64,476.70
(ii) Other financial liabilities	2,281.82	1,809.39
(b) Provisions	131.31	118.95
(c) Deferred tax liabilities (net)	11,721.41	126.83
(d) Deferred income	481.79	553.96
Total non-current liabilities (B)	51,399.20	67,085.82
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	14,497.91	11,754.92
(ii) Trade payables		
-Total outstanding dues of micro enterprises & small enterprises	26.90	24.26
-Total outstanding dues of creditors other than micro enterprises & small enterprises	2,555.69	3,544.89
(iii) Other financial liabilities	1,982.17	1,428.92
(b) Other current liabilities	835.99	598.85
(c) Provisions	29.78	23.74
(d) Deferred income	25.02	51.01
(e) Tax liabilities (net)	911.84	51.55
Total current liabilities (C)	20,865.30	17,478.14
Total liabilities (B+C)	72,264.50	84,563.97
Total equity and liabilities (A+B+C)	1,68,945.98	1,67,611.56



Cash Flow Statement for year ended 31 March 2023

	Year ended 31 March 2023	(Rs in Lakhs) Year ended 31 March 2022
A Cash flow from operating activities		
Profit before income tax	20,296.29	770.42
Adjustments for:		
Depreciation and amortisation expense	4,543.67	4,615.40
Loss/ (profit) on sale of property, plant and equipment	9.11	18.34
Change in fair value of derivative contracts	-	-
Finance cost	7,099.44	6,894.44
Interest income	(147.38)	(101.83)
Foreign exchange gain/loss (unrealized)	1.71	55.28
Liabilities no longer required written back	(1.29)	(11.18)
Rental income	(56.20)	(56.14)
Exceptional Items	6,342.31	-
Others	(23.74)	(27.48)
Cash flow from operating activities before changes in following assets and liabilities	38,063.93	12,157.25
(Increase) in other non-current assets	(141.92)	(42.11)
(Increase)/ decrease in inventories	(320.69)	(3,445.15)
Decrease/ (increase) in trade receivables	3,186.12	(2,755.80)
(Increase) in other financial assets	154.59	185.90
(Increase)/ decrease in other current assets	(2,705.00)	(602.61)
Increase/ (decrease) in provisions	(51.58)	(42.07)
(Decrease)/ increase in trade payables	(986.55)	(908.93)
Increase in other financial liabilities	789.75	135.39
Increase/ (decrease) in other current liabilities	225.87	230.66
Cash generated by operating activities	38,214.52	4,912.52
Income tax paid / tax deducted at source (net of refund)	(671.23)	(78.73)
Net cash generated from operating activities (A)	37,543.29	4,833.79
B Cash flow from investing activities		
Acquisition of property, plant and equipment	(6,540.37)	(4,282.76)
Proceeds from sale of property, plant and equipment	209.42	308.37
Receipt of government grants	-	114.38
Rental income and others	56.20	56.14
Decrease/ (increase) in deposit accounts (having original maturity of more than three months)	107.96	251.25
Interest received	201.54	88.16
Net cash (used) in investing activities (B)	(5,965.25)	(3,464.46)
C Cash flows from financing activities		
Proceeds from long term borrowings	15,076.69	36,780.47
Repayment of long term borrowings	(39,819.29)	(31,687.06)
Proceeds of short term borrowings (net)	(208.21)	2,189.81
Interest paid	(6,829.02)	(8,341.70)
Net cash generated from/ (used in) financing activities (C)	(31,779.84)	(1,058.48)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(201.80)	310.86
Cash and cash equivalents at the beginning of the year (see below)	356.07	45.21
Cash and cash equivalents at the end of the year (see below)	154.26	356.07
Notes:		
Cash and cash equivalents include :		
Balance with banks in current accounts	151.18	354.28
Cash in hand	3.08	1.80
	154.26	356.07

Significant accounting policies

The accompanying notes form an integral part of the financial statements

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

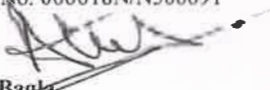


2. During the year, the Company paid in cash Rs. 33.38 lakhs (31 March 2022: Rs. 102.16 lakhs) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 31 (b)).


As per our report of even date attached

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

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


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




Jagesh Kumar Khaitan
Chairman
DIN - 00026264

Place : Chandigarh
Dated: April 29, 2023


Pavan Khaitan
VC & Managing Director
DIN - 00026256

Place : Chandigarh
Dated: April 29, 2023