



O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

Regd. Office :
B-225, 5th Floor, Okhla Indl. Area
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**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL
FINANCIAL RESULTS**

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

Opinion

We have audited the accompanying annual financial results of **KUNTUM PAPERS LTD.** ("the Company") for the year ended 31st March 2021 ("annual financial results"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 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 loss and other comprehensive loss and other financial information for the year ended 31 March 2021.

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 on the annual financial results.



Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results 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 Management and 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.
- 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.
- Conclude on the appropriateness of the Management and 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 appropriateness of this assumption. 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 annual 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.

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.

Other Matter

The annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.



PLACE : CHANDIGARH
DATED : JUNE 30,2021

UDIN : 21091885AAAACR5321

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 2021

(Rs in Lakhs)

S. No.	Particulars	Quarter ended			Year ended	
		31 March	31 December	31 March	31 March	31 March
		2021	2020	2020	2021	2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	Sale/Income from operations	16,834.25	11,810.75	17,788.77	40,233.06	74,273.10
	Other operating income	72.13	46.78	36.71	155.28	200.11
	Total revenue from operations	16,906.38	11,857.53	17,825.48	40,388.34	74,473.21
2	Other income	97.27	205.63	385.71	1,003.45	877.32
3	Total Income (1+2)	17,003.65	12,063.16	18,211.19	41,391.79	75,350.53
4	Expenses					
	Cost of materials consumed	5,829.95	4,142.74	6,167.53	13,790.33	26,843.66
	Changes in inventory of finished goods and work-in-progress	749.33	(270.24)	390.80	797.55	(683.49)
	Employee benefits expense	1,463.04	1,348.48	1,593.01	5,598.21	6,187.97
	Finance costs	431.97	802.87	706.37	2,774.65	3,043.39
	Depreciation and amortization expense	957.49	840.16	837.75	3,482.90	3,170.16
	Other expenses:					
	- Power and fuel expense	2,553.50	2,649.95	2,839.18	8,030.89	11,983.04
	- Cost of chemical consumed	2,566.37	1,948.30	2,740.22	5,982.43	12,690.96
	- Others	954.76	763.31	1,609.87	3,260.22	5,595.65
	Total expenses	15,506.41	12,225.56	16,884.73	43,717.18	68,831.34
	Profit before exceptional items and tax	1,497.24	(162.40)	1,326.46	(2,325.39)	6,519.19
	Exceptional Items	857.59	-	-	857.59	-
5	Profit before tax (3-4)	639.65	(162.40)	1,326.46	(3,182.98)	6,519.19
6	Tax expense					
	a) Current tax	-	-	245.44	-	1,206.78
	b) Deferred tax	(402.75)	(40.96)	(233.57)	(1,910.28)	(1,868.17)
	Minimum alternate tax credit entitlement	-	-	-	-	-
	Total Tax expense	(402.75)	(40.96)	11.87	(1,910.28)	(661.39)
7	Net profit for the period (5-6)	1,042.40	(121.44)	1,314.59	(1,272.70)	7,180.58
8	Other Comprehensive income/(expense)					
	(i) a) Items that will not be reclassified to profit or loss	82.87	(4.98)	(5.01)	67.93	(19.93)
	b) Income tax relating to items that will not be reclassified to profit or loss	(28.96)	1.74	1.75	(23.74)	6.96
	(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	-	-	-	-	-
9	Total Comprehensive Income for the period (7+8)	1,096.32	(124.68)	1,311.33	(1,228.51)	7,167.61
10	Earnings per share (EPS) face value (of INR 1/- each) (not annualised)-restated (refer note 4)					
	- Basic (INR)	1.19	(0.14)	1.51	(1.46)	8.23
	- Diluted (INR)	1.19	(0.14)	1.51	(1.46)	8.23
11	Total reserves (excluding revaluation reserve)				39,558.52	41,005.19
12	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 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

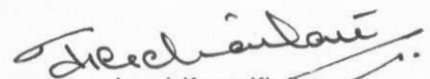
Place : Chandigarh

Dated: June 30, 2021



For and on behalf of the Board of Directors of

Kuantum Papers Limited



Jagesh Kumar Khaitan

Chairman

DIN- 00026264

Place : Chandigarh

Dated: June 30, 2021

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 30th June, 2021. 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.kuntumpapers.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 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. The audited financial results for the quarter and year ended 31st March, 2021 are therefore are not comparable with the corresponding previous periods. 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 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.
- 4 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.
- 5 The equity shares of the company, during the 2nd quarter of the current financial year, have been sub-divided from existing face value 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 all the periods presented in the above results on the basis of new number of equity 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	Face Value (in Rs.)	Amount (in lacs)
Pre sub-division share capital structure			
Authorised Share Capital	2,50,00,000	10	2,500.00
Issued, subscribed and paid up	87,26,363	10	872.64
Post sub-division share capital structure			
Authorised Share Capital	25,00,00,000	1	2,500.00
Issued, subscribed and paid up	8,72,63,630	1	872.64

- 6 The Company had provided a dividend of Re. 1/- per share in respect of non-cumulative redeemable preference shares in March, 2020. However, in the annual general meeting dated 7th August 2020, the dividend as aforesaid, amounting to Rs. 300 lakhs was withheld in order to conserve the resources. Accordingly, the provision for Rs. 300 lakhs was reversed in the quarter ended 30th September 2020. The company had provided dividend in respect of these shares amounting to Rs. 225 lakhs during the first 3 quarters of the current financial year. However, in view of the losses incurred during the year, the provision has been reversed.
- 7 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 quarter and the projects were put to commercial use from 25 March 2021.
- 8 During the quarter, the Company has carried out technical evaluation of its Property, Plant and Equipment and assets having carrying value of Rs. 857.59 lacs were found to be unserviceable. These assets were written off and the loss has been classified as an exceptional item in the statement of profit and loss.
- 9 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 on 7 August 2019 in Honourable High Court for execution of the decree of the order dated 13 December 2018. Trade Receivables in relation to this due as at 31 March 2021 is Rs. 97.65 lacs (31 December 2020 : 97.65 lacs, 31 March 2020: Rs. 150.37 lacs).
- 10 The standalone annual financial results include the results for the quarter ended 31 March 2021, being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by the auditors.

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: June 30, 2021

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

Jagesh Kumar Khaitan
Chairman
DIN- 00026264

Place : Chandigarh
Dated: June 30, 2021



Kvantum Papers Ltd

Regd. Office: Paper Mill, Saila Khurd-144529 Distt. Hoshiarpur (Punjab)
Statement of Assets and Liabilities

(Rs in Lakhs)

	As at 31 March 2021 (Un-Audited)	As at 31 March 2020 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	1,42,627.44	1,02,012.76
(b) Capital work-in-progress	2,054.69	30,958.68
(c) Investment property	777.19	790.49
(d) Other intangible assets	167.56	550.16
(e) Financial assets		
(i) Loans	402.47	397.00
(ii) Others financial assets	405.15	520.05
(f) Income tax assets (net)	28.88	1.61
(g) Other non-current assets	73.85	1,782.52
Total non-current assets (A)	1,46,537.23	1,37,013.27
Current assets		
(a) Inventories	5,240.42	9,238.45
(b) Financial assets		
(i) Trade receivables	3,308.19	1,433.48
(ii) Cash and cash equivalents	45.21	46.37
(iii) Other bank balances	1,566.61	1,902.75
(iv) Loans	97.74	47.95
(v) Other financial assets	393.47	721.24
(c) Other current assets	4,244.26	4,539.14
Total current assets (B)	14,895.90	17,929.38
Total assets (A+B)	1,61,433.12	1,54,942.65
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	872.64	872.64
(b) Other equity	80,852.85	82,299.52
Total equity (A)	81,725.49	83,172.16
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	61,366.52	46,831.92
(ii) Other financial liabilities	1,691.59	1,627.06
(b) Provisions	119.17	114.73
(c) Deferred tax liabilities (net)	837.16	2,723.71
(d) Deferred income	497.51	543.51
Total non-current liabilities (B)	64,511.95	51,840.93
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,031.61	6,199.91
(ii) Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	10.22	0.03
-Total outstanding dues of creditors other than micro enterprises and small enterprises	4,467.87	2,786.43
(iii) Other financial liabilities*	4,248.85	10,378.34
(b) Other current liabilities	353.91	388.29
(c) Provisions	34.60	34.18
(d) Deferred income	46.00	46.00
(e) Current tax liabilities (net)	2.63	96.38
Total current liabilities (C)	15,195.68	19,929.56
Total liabilities (B+C)	79,707.63	71,770.49
Total equity and liabilities (A+B+C)	1,61,433.12	1,54,942.65



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	Year ended 31 March 2021	(Rs in Lakhs) 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	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)
Decrease/ (increase) 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)
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 others	56.06	56.09
Decrease/ (increase) in deposit accounts (having original maturity of more than	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 in hand	1.44	15.03
	45.21	46.37



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Kquantum Papers Ltd

The Paper Makers

KPL/SE/2021
01.07.2021

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: 532937 Scrip ID: KQUANTUM	National Stock Exchange of India Limited Exchange Plaza Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Trading Symbol: KQUANTUM
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Reg: Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- Submission of declaration wrt unmodified opinion

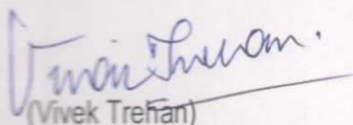
Dear Sir,

Pursuant to Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we had filed Audited Financial Results of the Company for the year ended 31 March 2021, along with the Report of Statutory Auditors thereto, duly approved by the Board of Directors of the Company, at its meeting held on 30 June 2021. In continuation of the same we are enclosing a declaration pursuant to Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015 regarding unmodified opinion of the Statutory Auditors on the annual financial results for the Year ended 31 March, 2021.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Kquantum Papers Ltd


(Vivek Trefan)

Company Secretary
Encl: a/a



Kuantum Papers Ltd

The Paper Makers

Declaration pursuant to Regulation 33(3)(d) of the Listing Regulations

I, Roshan Garg, Chief Financial Officer, hereby declare that the Statutory Auditors of the Company, M/s O P Bagla & Co LLP, Chartered Accountants (Firm Registration No. 000018N/N500091) have issued unmodified opinion on Annual Audited Financial Results of the Company, for the Financial Year ended 31st March, 2021, which have been approved by the Board of Directors of the Company at their meeting held on 30 June 2021.

(Roshan Garg)
Chief Financial Officer
30.06.2021

