



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, 2022 ("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, 2022.

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.





O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

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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.
- 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.

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 Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 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.

PLACE : NEW DELHI
DATED : MAY 21, 2022

UDIN : 2209188SAJIWTP5633



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

(ATUL BAGLA)
PARTNER
M No. 91885

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2022

(Rs in Lakhs)

S. No.	Particulars	Quarter ended			Year ended	
		31 March	31 December	31 March	31 March	31 March
		2022	2021	2021	2022	2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	Sale/Income from operations	24,993.24	22,900.90	16,834.25	82,585.77	40,233.06
	Other operating income	205.68	77.28	72.13	453.75	155.28
	Total revenue from operations	25,198.92	22,978.18	16,906.38	83,039.52	40,388.34
2	Other income	67.39	80.90	97.27	385.32	1,003.45
3	Total Income (1+2)	25,266.31	23,059.08	17,003.65	83,424.85	41,391.79
4	Expenses					
	Cost of materials consumed	9,326.34	8,328.54	5,829.95	30,041.00	13,596.25
	Purchase of stock-in-trade	577.12	6.78	-	583.90	194.09
	Changes in inventory of finished goods and work-in-progress	529.78	204.16	749.33	90.50	797.55
	Employee benefits expense	1,523.18	1,543.70	1,463.04	5,965.55	5,598.21
	Finance costs	1,755.78	1,765.64	431.97	6,894.44	2,774.65
	Depreciation and amortization expense	1,119.85	1,112.80	957.49	4,615.40	3,482.90
	Other expenses:					
	- Power and fuel expense	4,410.54	4,730.08	2,553.50	14,976.07	8,030.89
	- Cost of chemical consumed	3,914.55	3,899.79	2,566.37	13,638.94	5,982.43
	- Others	1,611.33	1,219.23	954.76	5,848.62	3,260.22
	Total expenses	24,768.48	22,810.72	15,506.41	82,654.43	43,717.18
	Profit/(loss) before exceptional items and tax	497.83	248.36	1,497.24	770.42	(2,325.39)
	Exceptional Items	-	-	857.59	-	857.59
5	Profit/(loss) before tax (3-4)	497.83	248.36	639.65	770.42	(3,182.98)
6	Tax expense					
	a) Current tax	80.03	47.63	-	127.66	-
	b) Deferred tax	(57.64)	(202.85)	(402.75)	(742.72)	(1,910.28)
	Minimum alternate tax credit entitlement	43.22	-	-	43.22	-
	Total Tax expense	65.61	(155.22)	(402.75)	(571.84)	(1,910.28)
7	Net profit/(loss) for the period (5-6)	432.22	403.58	1,042.40	1,342.26	(1,272.70)
8	Other Comprehensive income/(expense)					
	(i) a) Items that will not be reclassified to profit or loss	(31.00)	-	82.87	(31.00)	67.93
	b) Income tax relating to items that will not be reclassified to profit	10.83	-	(28.96)	10.83	(23.74)
	(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/(expense) for the period (7+8)	412.06	403.58	1,096.32	1,322.09	(1,228.51)
10	Earnings per share (EPS) face value (of INR 1/- each) (not annualised)-restated					
	- Basic (INR)	0.50	0.46	1.19	1.54	(1.46)
	- Diluted (INR)	0.50	0.46	1.19	1.54	(1.46)
11	Total reserves (excluding revaluation reserve)				40,880.62	39,558.52
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

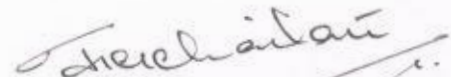
Place : Chandigarh

Dated: 21-May-2022



For and on behalf of the Board of Directors of

Kvantum Papers Limited



Jagesh Kumar Khaitan

Chairman

DIN- 00026264

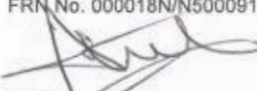
Place : Chandigarh

Dated: 21-May-2022

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 21st May, 2022. 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.kvantumpapers.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 2021 was impacted significantly by the pandemic and consequently capacity utilization of the plant was lower and is gradually moving towards normal capacity. The audited financial results for the quarter and year ended 31st March, 2022 are therefore are not comparable with the corresponding previous period. 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 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.
- 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 Pursuant to the terms of Resolution Plan as mentioned in note 3, hereinabove, dividend can be declared/ paid by the Company only after meeting the dues of the Banks. No dividend on equity and preference capital has been recommended, since the repayment of the Banks dues has not yet started.
- 6 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 31 March 2022 is Rs. 97.65 lakhs (31 December 2021 : 97.65 lakhs, 31 March 2021: Rs. 97.65 lakhs).
- 7 The standalone annual financial results include the results for the quarter ended 31 March 2022, 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: 21-May-2022



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


Jagesh Kumar Khaitan
Chairman
DIN- 00026264

Place : Chandigarh
Dated: 21-May-2022

