



**O P BAGLA & CO LLP**  
CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
STANDALONE FINANCIAL RESULTS**

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

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **KQUANTUM PAPERS LTD.** ("the Company") for the quarter ended 30 September 2022 and year to date results for the period from 1 April 2022 to 30 September 2022 ("the Statement"), 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 : NEW DELHI  
DATED : OCTOBER 18, 2022**

**UDIN : 22091885BABVMA6133**



  
**(ATUL BAGLA)  
PARTNER  
M No. 91885**

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022**

(Rs in Lakhs)

S. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 Sept	30 June	30 Sept	30 September	30 September	31 March
		2022	2022	2021	2022	2021	2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	Sale/Income from operations	33,814.92	27,286.27	20,006.00	61,101.19	34,691.63	82,585.77
	Other operating income	284.10	137.84	104.56	421.94	170.79	453.75
	<b>Total revenue from operations</b>	<b>34,099.02</b>	<b>27,424.12</b>	<b>20,110.56</b>	<b>61,523.14</b>	<b>34,862.42</b>	<b>83,039.52</b>
2	Other income	99.08	127.77	88.95	226.85	237.03	385.32
3	<b>Total Income (1+2)</b>	<b>34,198.11</b>	<b>27,551.88</b>	<b>20,199.51</b>	<b>61,749.99</b>	<b>35,099.45</b>	<b>83,424.85</b>
4	Expenses						
	Cost of materials consumed	10,414.80	9,402.84	6,613.06	19,817.64	12,386.12	30,041.00
	Purchase of stock-in-trade	94.38	241.76	-	336.14	-	583.90
	Changes in inventory of finished goods and work-in-	(3.95)	(606.78)	227.23	(610.73)	(643.44)	90.50
	Employee benefits expense	1,657.28	1,644.76	1,451.68	3,302.04	2,898.66	5,965.55
	Finance costs	1,957.14	1,803.81	1,676.27	3,760.96	3,373.02	6,894.44
	Depreciation and amortization expense	1,127.76	1,125.83	1,174.36	2,253.59	2,382.75	4,615.40
	Other expenses:						
	- Power and fuel expense	5,798.99	4,776.13	3,258.29	10,575.12	5,835.45	14,976.07
	- Cost of chemical consumed	4,729.21	4,284.23	3,108.46	9,013.44	5,824.61	13,638.94
	- Others	1,474.78	1,598.58	1,457.42	3,073.36	3,018.05	5,848.62
	<b>Total expenses</b>	<b>27,250.41</b>	<b>24,271.16</b>	<b>18,966.78</b>	<b>51,521.57</b>	<b>35,075.22</b>	<b>82,654.43</b>
5	<b>Profit/(loss) before exceptional items and tax</b>	<b>6,947.70</b>	<b>3,280.72</b>	<b>1,232.74</b>	<b>10,228.42</b>	<b>24.23</b>	<b>770.42</b>
6	Exceptional Items (refer note 6)	-	6,342.31	-	6,342.31	-	-
7	<b>Profit/(loss) before tax (5-6)</b>	<b>6,947.70</b>	<b>(3,061.59)</b>	<b>1,232.74</b>	<b>3,886.11</b>	<b>24.23</b>	<b>770.42</b>
8	Tax expense						
	a) Current tax	-	-	-	-	-	127.66
	b) Deferred tax	1,680.82	823.42	181.36	2,504.24	(482.23)	(742.72)
	Minimum alternate tax credit entitlement	-	-	-	-	-	43.22
	<b>Total Tax expense</b>	<b>1,680.82</b>	<b>823.42</b>	<b>181.36</b>	<b>2,504.24</b>	<b>(482.23)</b>	<b>(571.84)</b>
9	<b>Net profit/(loss) for the period (7-8)</b>	<b>5,266.88</b>	<b>(3,885.01)</b>	<b>1,051.38</b>	<b>1,381.87</b>	<b>506.46</b>	<b>1,342.26</b>
10	Other Comprehensive income/(expense)						
	(i) a) Items that will not be reclassified to profit or loss	-	-	-	-	-	(31.00)
	b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	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	<b>Total Comprehensive Income/(expense) for the period (9+10)</b>	<b>5,266.88</b>	<b>(3,885.01)</b>	<b>1,051.38</b>	<b>1,381.87</b>	<b>506.46</b>	<b>1,322.09</b>
12	Earnings per share (EPS) face value (of INR 1/- each) (not annualised)-restated						
	- Basic (INR)-After Exceptional Items	6.04	(4.45)	1.20	1.58	0.58	1.54
	- Basic (INR)-Before Exceptional Items	6.04	2.82	1.20	8.85	0.58	1.54
	- Diluted (INR)-After Exceptional Items	6.04	(4.45)	1.20	1.58	0.58	1.54
	- Diluted (INR)-Before Exceptional Items	6.04	2.82	1.20	8.85	0.58	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	872.64	872.64

 As per our report attached  
 For O P Bagla & Co LLP

 Chartered Accountants  
 FRN No. 000018N/N500091

 Atul Bagla  
 Partner  
 M.No. 91885  
 Place : New Delhi

Dated: 18 October 2022


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

 Jagesh Kumar Khaitan  
 Chairman  
 DIN- 00026264  
 Place : Chandigarh

Dated: 18 October 2022

 Pavan Khaitan  
 Vice Chairman & Managing Director  
 DIN- 00026256  
 Place : Chandigarh

Dated: 18 October 2022

**Notes:**

- 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 18 October, 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.kvantumpapers.com](http://www.kvantumpapers.com) and Financial Results at Corporate section of [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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 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.
- 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 from September 2022. Based on the current performance for the period, the company is confident of discharging its debt obligations as per schedule and has provided for dividend on preference shares 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 previous quarter, 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 previous quarter. 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 previous 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 Sept 2022 is Rs. 97.65 lakhs (31 March 2022 : Rs. 97.65 lakhs, 30 Sept 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 : New Delhi

Dated: 18 October 2022



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

**Jagesh Kumar Khaitan**  
Chairman  
DIN- 00026264  
Place : Chandigarh

Dated: 18 October 2022

**Pavan Khaitan**  
Vice Chairman & Managing Director  
DIN- 00026256  
Place : Chandigarh

Dated: 18 October 2022

	As at 30 Sept 2022 (Un-Audited)	As at 31 March 2022 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	139,562.89	140,060.77
(b) Capital work-in-progress	3,215.86	2,886.42
(c) Investment property	757.23	763.88
(d) Other intangible assets	-	3.55
(e) Financial assets		
(i) Loans	-	-
(ii) Others financial assets	652.85	864.93
(f) Income tax assets (net)	77.20	28.88
(g) Other non-current assets	904.02	1,476.49
<b>Total non-current assets (A)</b>	<b>145,170.05</b>	<b>146,084.92</b>
<b>Current assets</b>		
(a) Inventories	9,339.20	8,685.57
(b) Financial assets		
(i) Trade receivables	4,950.86	6,061.09
(ii) Cash and cash equivalents	737.32	356.07
(iii) Other bank balances	1,785.95	1,304.61
(iv) Loans	-	-
(v) Other financial assets	335.82	272.43
(c) Other current assets	6,162.71	4,846.87
<b>Total current assets (B)</b>	<b>23,311.87</b>	<b>21,526.64</b>
<b>Total assets (A+B)</b>	<b>168,481.92</b>	<b>167,611.57</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	872.64	872.64
(b) Other equity	83,556.82	82,174.95
<b>Total equity (A)</b>	<b>84,429.46</b>	<b>83,047.59</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	61,280.26	64,476.70
(ii) Other financial liabilities	2,226.43	1,809.39
(b) Provisions	136.95	118.95
(c) Deferred tax liabilities (net)	8,973.38	126.83
(d) Deferred income	527.95	553.96
<b>Total non-current liabilities (B)</b>	<b>73,144.97</b>	<b>67,085.82</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	4,958.29	11,754.92
(ii) Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	40.28	24.26
-Total outstanding dues of creditors other than micro enterprises and small enterprises	3,129.80	3,544.89
(iii) Other financial liabilities	1,640.62	1,428.92
(b) Other current liabilities	1,061.14	598.85
(c) Provisions	23.74	23.74
(d) Deferred income	50.99	51.01
(e) Tax liabilities (net)	2.63	51.55
<b>Total current liabilities (C)</b>	<b>10,907.49</b>	<b>17,478.15</b>
<b>Total liabilities (B+C)</b>	<b>84,052.46</b>	<b>84,563.98</b>
<b>Total equity and liabilities (A+B+C)</b>	<b>168,481.92</b>	<b>167,611.57</b>



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Regd. Office: Paper Mill, Saila Khurd-144529 Distt. Hoshiarpur (Punjab)  
Cash Flow Statement for period ended 30 Sept 2022

	period ended 30 Sept 2022	(Rs in Lakhs) Year ended 31 March 2022
<b>A Cash flow from operating activities</b>		
Profit before income tax	3,886.11	770.42
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,253.59	4,615.40
Loss/ (profit) on sale of property, plant and equipment	9.10	18.34
Change in fair value of derivative contracts	(39.26)	-
Finance cost	3,760.96	6,894.44
Interest income	(66.56)	(101.83)
Foreign exchange gain/loss (unrealized)	67.28	55.28
Liabilities no longer required written back	-	(11.18)
Rental income	(28.12)	(56.14)
Exceptional Items	6,342.31	-
Others	(25.82)	(27.48)
<b>Cash flow from operating activities before changes in following assets and liabilities</b>	<b>16,159.59</b>	<b>12,157.24</b>
(Increase) in other non-current assets	(228.89)	(42.11)
(Increase)/ decrease in inventories	(653.63)	(3,445.15)
Decrease/ (increase) in trade receivables	1,111.37	(2,755.80)
(Increase) in other financial assets	346.23	185.91
(Increase)/ decrease in other current assets	(1,315.84)	(602.61)
Increase/ (decrease) in provisions	18.00	(42.07)
(Decrease)/ increase in trade payables	(399.07)	(908.93)
Increase in other financial liabilities	373.30	135.39
Increase/ (decrease) in other current liabilities	462.01	230.66
<b>Cash generated by operating activities</b>	<b>15,873.06</b>	<b>4,912.53</b>
Income tax paid / tax deducted at source (net of refund)	(97.25)	(78.73)
<b>Net cash generated from operating activities (A)</b>	<b>15,775.82</b>	<b>4,833.79</b>
<b>B Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(1,477.13)	(4,282.76)
Proceeds from sale of property, plant and equipment	200.09	308.37
Receipt of government grants	-	114.38
Rental income and others	28.12	56.14
Decrease/ (increase) in deposit accounts (having original maturity of more than three months)	(608.34)	251.25
Interest received	35.27	88.16
<b>Net cash (used) in investing activities (B)</b>	<b>(1,822.00)</b>	<b>(3,464.46)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from long term borrowings	279.49	36,780.49
Repayment of long term borrowings	(4,136.50)	(31,687.06)
Proceeds of short term borrowings (net)	(6,204.48)	2,189.81
Interest paid	(3,511.07)	(8,341.70)
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>(13,572.57)</b>	<b>(1,058.47)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>381.25</b>	<b>310.87</b>
<b>Cash and cash equivalents at the beginning of the year (see below)</b>	<b>356.07</b>	<b>45.21</b>
<b>Cash and cash equivalents at the end of the year (see below)</b>	<b>737.32</b>	<b>356.07</b>



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