



KPL/LISTING
19.01.2023

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 Trading Symbol: " KUANTUM- EQ "
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Subject: Financial Results for the quarter and nine months period ended 31st December 2022

Dear Sir,

Pursuant to Regulation 29 of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, it was informed that the meeting of Audit Committee and Board of Directors of the Company will be held on Thursday, the **19th January, 2023** at Chandigarh, inter alia to examine, review and approve the unaudited Financial Results for the quarter and nine months period ended 31st December 2022. The meetings have accordingly been held and the Board has approved the financial results. Copy of the same attached herewith.

Please take the same on record.

Thanking you,

Yours faithfully,
For **Kquantum Papers Ltd**


(Vivek Trehan)
Company Secretary &
Compliance Officer



O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

Regd. Office :
B-225, 5th Floor, Okhla Indl. Area
Phase - 1, New Delhi - 110020
Ph.: 011-47011850, 51, 52, 53
E-Mail : admin@opbco.in
Website : www.opbco.in

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

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

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **KUANTUM PAPERS LTD.** ("the Company") for the quarter ended 31 December 2022 and year to date results for the period from 1 April 2022 to 31 December 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 : JANUARY 19, 2023**

UDIN : 23091285B6WJH46944




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

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2022

(Rs in Lakhs)

S. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 December	30 September	31 December	31 December	31 December	31 March
		2022	2022	2021	2022	2021	2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	Sale/Income from operations	34,850.60	33,814.92	22,900.90	95,951.80	57,592.53	82,585.77
	Other operating income	208.58	284.10	77.28	630.52	248.07	453.75
	Total revenue from operations	35,059.18	34,099.02	22,978.18	96,582.32	57,840.60	83,039.52
2	Other income	122.06	99.08	80.90	348.91	317.93	385.32
3	Total Income (1+2)	35,181.24	34,198.11	23,059.08	96,931.23	58,158.53	83,424.85
4	Expenses						
	Cost of materials consumed	10,276.74	10,414.80	8,328.54	30,094.38	20,714.66	30,041.00
	Purchase of stock-in-trade	94.44	94.38	-	430.58	-	583.90
	Changes in inventory of finished goods and work-in-progress	399.87	(3.95)	204.16	(210.86)	(439.28)	90.50
	Employee benefits expense	1,853.44	1,657.28	1,543.70	5,155.48	4,442.37	5,965.55
	Finance costs	1,752.25	1,957.14	1,765.64	5,513.21	5,138.66	6,894.44
	Depreciation and amortization expense	1,140.24	1,127.76	1,112.80	3,393.82	3,495.55	4,615.40
	Other expenses:						
	- Power and fuel expense	5,679.61	5,798.99	4,730.08	16,254.73	10,565.53	14,976.07
	- Cost of chemical consumed	4,713.38	4,729.21	3,906.57	13,726.82	9,731.17	13,638.94
	- Others	1,539.29	1,474.78	1,219.23	4,612.65	4,237.29	5,848.62
	Total expenses	27,449.26	27,250.41	22,810.72	78,970.83	57,885.94	82,654.43
5	Profit/(loss) before exceptional items and tax	7,731.98	6,947.70	248.36	17,960.40	272.59	770.42
6	Exceptional Items (refer note 6)	-	-	-	6,342.31	-	-
7	Profit/(loss) before tax (5-6)	7,731.98	6,947.70	248.36	11,618.09	272.59	770.42
8	Tax expense						
	a) Current tax	-	-	47.63	-	47.63	127.66
	b) Deferred tax	2,003.86	1,680.82	(202.85)	4,508.10	(685.08)	(742.72)
	Minimum alternate tax credit entitlement	-	-	-	-	-	43.22
	Total Tax expense	2,003.86	1,680.82	(155.22)	4,508.10	(637.45)	(571.84)
9	Net profit/(loss) for the period (7-8)	5,728.12	5,266.88	403.58	7,109.99	910.04	1,342.26
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	Total Comprehensive Income/(expense) for the period (9+10)	5,728.12	5,266.88	403.58	7,109.99	910.04	1,322.09
12	Earnings per share (EPS) face value (of INR 1/- each) (not annualised)-restated						
	- Basic (INR)-After Exceptional Items	6.56	6.04	0.46	8.15	1.04	1.54
	- Basic (INR)-Before Exceptional Items	6.56	6.04	0.46	15.42	1.04	1.54
	- Diluted (INR)-After Exceptional Items	6.56	6.04	0.46	8.15	1.04	1.54
	- Diluted (INR)-Before Exceptional Items	6.56	6.04	0.46	15.42	1.04	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




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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 19 January 2023 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.kquantumpapers.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 Rs. 105 crores of the restructured term loans in December 2022. This payment is in addition to the quarterly repayments becoming due after the moratorium ended on 31 August 2022. The total repayments made in the current year constitutes over 30% of the restructured term debt of the lenders implementing the Resolution Plan.
- 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 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.
- 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 31 December 2022 is Rs. 97.65 lakhs (31 March 2022 : Rs. 97.65 lakhs, 31 December 2021: Rs. 97.65 lakhs).


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


Atul Bagla
Partner
M.No. 91885

Place : New Delhi
Dated: 19 January 2023



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


Jagesh Kumar Khaitan
Chairman
DIN- 00026264

Place : Chandigarh
Dated: 19 January 2023


Pavan Khaitan
Vice Chairman & Managing Director
DIN- 00026256

Place : Chandigarh
Dated: 19 January 2023