

B S R & Co. LLP

Chartered Accountants

Unit No. A505A,
5th Floor, Elante Offices,
Plot No.178-178A, Industrial Area,
Phase -1, Chandigarh-160002

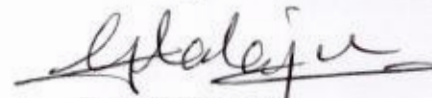
Telephone: + 91 172 664 4000
Fax: + 91 172 664 4004

Limited review report on unaudited quarterly financial results and year-to-date results under Regulation 33 of the Listing Regulations for Kuantum Papers Limited

To
Board of Directors of **Kuantum Papers Limited**

1. We have reviewed the accompanying Statement of unaudited financial results of Kuantum Papers Limited ("the Company") for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 ("the Statement").
2. 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 Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022



Gaurav Mahajan

Partner

Membership No.: 507857

ICAI UDIN: 20507857AAAAAK2053

Place: Chandigarh
Date: 12 February 2020



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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

(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
		2019	2019	2018	2019	2018	2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	Sale/Income from operations	18,674.24	19,004.78	22,372.80	56,484.33	57,644.21	79,119.05
	Other operating income	69.39	38.36	146.98	163.40	195.97	227.11
	Total revenue from operations	18,743.63	19,043.14	22,519.78	56,647.73	57,840.18	79,346.16
2	Other income	153.38	110.84	190.14	491.61	903.73	884.79
3	Total Income (1+2)	18,897.01	19,153.98	22,709.92	57,139.34	58,743.91	80,230.95
4	Expenses						
	Cost of materials consumed	6,964.25	7,046.90	7,591.28	20,676.13	19,716.30	26,844.53
	Changes in inventory of finished goods and work-in-progress	298.57	(567.16)	266.48	(1,074.29)	(638.46)	(185.96)
	Employee benefits expense	1,564.94	1,533.27	1,314.82	4,594.96	3,890.47	5,301.24
	Finance costs	708.98	882.12	779.18	2,337.02	1,975.70	2,837.97
	Depreciation and amortization expense	802.15	780.05	665.16	2,332.41	1,770.38	2,512.53
	Other expenses:						
	- Power and fuel expense	3,053.36	3,158.05	3,463.44	9,143.86	9,540.37	12,888.41
	- Cost of chemical consumed	3,182.57	3,465.17	3,908.18	9,950.74	9,658.20	12,964.18
	- Others	1,249.05	1,354.91	1,543.11	3,985.78	4,878.79	5,979.11
	Total expenses	17,823.87	17,653.31	19,531.65	51,946.61	50,791.75	69,142.01
5	Profit before tax (3-4)	1,073.14	1,500.67	3,178.27	5,192.73	7,952.16	11,088.94
6	Tax expense	(1,018.80)	(435.97)	969.43	(673.26)	2,430.20	3,295.06
7	Net profit for the period (5-6)	2,091.94	1,936.64	2,208.84	5,865.99	5,521.96	7,793.88
8	Other Comprehensive income/(expenses)						
	(i) a) Items that will not be reclassified to profit or loss	(4.97)	(4.98)	(5.99)	(14.92)	(17.97)	(17.29)
	b) Income tax relating to items that will not be reclassified to profit or loss	1.73	1.74	1.29	5.21	3.87	6.04
	(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)	2,088.70	1,933.40	2,204.14	5,856.28	5,507.86	7,782.63
10	Earnings per share -Basic and diluted (of Rs 10 each) (not annualized)	23.97	22.19	25.31	67.22	63.28	89.31
11	Total reserves (excluding revaluation reserve)						34,491.60
12	Paid-up equity share capital (Face value @ Rs 10 per share)	872.64	872.64	872.64	872.64	872.64	872.64
	See accompanying notes to the unaudited financial results.						

[Handwritten signatures]

Notes:

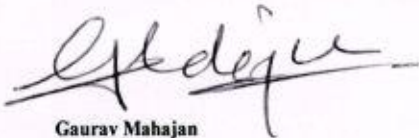
- 1 The equity shares of the Company have been listed and admitted to dealings on the National Stock Exchange w.e.f. 23 October 2019 as per the details given below:

S.No	Description of Securities	Symbol	Series	No. of securities	Market lot	Distinctive numbers	Lock-in details
1	Equity shares of Rs. 10, each fully paid up	KUANTUM	EQ	8,726,363	1	1 to 8,726,363	NA

- 2 The above Unaudited Financial Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 12 February 2020 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.kuantumpapers.com and Financial Results at Corporate section of www.bseindia.com and www.nseindia.com.
- 3 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 Segments, is considered as the only operating segment of the Company.
- 4 Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 116 did not have any material impact on the unaudited financial results.
- 5 Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. During the quarter ended 30 September 2019, in view of the MAT Credits, the Company determined that it will continue to recognize tax expense at the existing income tax rate as applicable to the Company. Accordingly, the Company has evaluated the outstanding deferred tax liability (net) as at 31 March 2019, and based on current estimates, remeasured the deferred tax assets/liabilities likely to be reversed at the time the Company would opt for new tax regime which has resulted in write back of deferred tax liability amounting to Rs. 854 and Rs. 1,738 in the quarter and nine months period ended 31 December 2019 respectively using the revised annual effective income tax rate.
- 6 The Company has certain amount due from a customer against which legal proceedings for recovery of the amount were initiated. The Company had 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 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. On 15 January 2020, Honourable High Court, New Delhi has given six weeks time to the prospective buyer towards repayment of dues to the Company. In addition, the Company on 10 December 2019 has entered into a Memorandum of Understanding with the customer for payment of Rs. 150.00 towards full and final settlement of total remaining outstanding together with interest for which the customer has paid Rs 122.23 till 31 December 2019. Trade receivables in relation to this due as at 31 December 2019 is Rs. 170.37 (31 March 2019: Rs. 292.60, 31 December 2018: Rs. 292.60).

As per our report attached

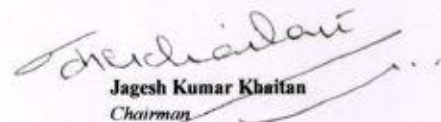
For **BSR & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022



Gaurav Mahajan
Partner
Membership No.: 507857

Place : Chandigarh
Date : 12 February 2020

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



Jagesh Kumar Khaitan
Chairman
DIN- 00026264

Place: Chandigarh
Date : 12 February 2020