

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

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

(Rs in Lakhs)

S. No.	Particulars	Quarter ended			Year ended	
		31 March	31 December	31 March	31 March	31 March
		2019	2018	2018	2019	2018
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	Sale/Income from operations (refer note 5 below)	21,474.84	22,372.80	19,040.75	79,119.05	71,369.55
	Other operating income	31.14	146.98	31.83	227.11	59.75
	Total revenue from operations	21,505.98	22,519.78	19,072.58	79,346.16	71,429.30
2	Other income	(18.94)	190.14	162.42	884.79	366.42
3	Total income (1+2)	21,487.04	22,709.92	19,235.00	80,230.95	71,795.72
4	Expenses					
	Cost of materials consumed	7,128.23	7,591.28	5,789.33	26,844.53	22,365.00
	Excise duty on sales	-	-	-	-	1,015.57
	Changes in inventory of finished goods and work-in-progress	452.50	266.48	448.03	-185.96	131.64
	Employee benefits expense	1,410.77	1,314.82	1,171.86	5,301.24	4,358.54
	Finance costs	862.27	779.18	517.80	2,837.97	2,458.40
	Depreciation and amortization expense	742.15	665.16	519.40	2,512.53	1,941.99
	Other expenses:					
	- Power and fuel expense	3,348.04	3,463.44	2,806.24	12,888.41	10,988.37
	- Cost of chemical consumed	3,305.98	3,908.18	3,192.33	12,964.18	11,638.26
	- Others	1,100.32	1,543.11	1,405.90	5,979.11	6,186.85
	Total expenses	18,350.26	19,531.65	15,850.89	69,142.01	61,084.62
5	Profit before tax (3-4)	3,136.78	3,178.27	3,384.11	11,088.94	10,711.10
6	Tax expense	864.86	969.43	1,117.73	3,295.06	3,422.35
7	Net profit for the period (5-6)	2,271.92	2,208.84	2,266.38	7,793.88	7,288.75
8	Other Comprehensive income/(expenses)					
	(i) a) Items that will not be reclassified to profit or loss	0.68	(5.99)	31.72	(17.29)	(21.23)
	b) Income tax relating to items that will not be reclassified to profit or loss	2.17	1.29	(9.66)	6.04	6.60
	(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)	2,274.77	2,204.14	2,288.44	7,782.63	7,274.12
10	Earnings per share -Basic and diluted (of Rs 10 each) (not annualized)	26.04	25.31	25.97	89.31	83.53
11	Total reserves (excluding revaluation reserve)	-	-	-	34,491.60	26,971.97
12	Paid-up equity share capital (Face value @ Rs 10 per share)	872.64	872.64	872.64	872.64	872.64

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Kuantum Papers Ltd

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

Statement of Assets and Liabilities

		(Rs in Lakhs)	
		As at 31 March 2019 (Audited)	As at 31 March 2018 (Audited)
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	96,377.51	81,491.67
	(b) Capital work-in-progress	5,407.47	8,009.59
	(c) Investment property	803.79	817.10
	(d) Other intangible assets	651.54	142.53
	(e) Intangible assets under development	100.00	428.57
	(f) Financial assets		
	(i) Loans	312.41	250.72
	(ii) Others financial assets	96.89	37.43
	(g) Income tax assets (net)	1.61	1.61
	(h) Other non-current assets	4,246.23	2,612.09
	Total non-current assets (A)	1,07,997.45	93,791.31
2	Current assets		
	(a) Inventories	6,357.18	7,448.17
	(b) Financial assets		
	(i) Trade receivable (also refer note 4)	3,348.16	3,200.22
	(ii) Cash and cash equivalents	3,901.88	1,422.25
	(iii) Other bank balances	2,667.02	3,389.51
	(iv) Loans	1,895.58	635.90
	(v) Other financial assets	261.34	178.94
	(c) Other current assets	1,998.60	2,075.12
	Total current assets (B)	20,429.76	18,350.11
	Total assets (A+B)	1,28,427.21	1,12,141.42
	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity share capital	872.64	872.64
	(b) Other equity	75,785.93	68,266.30
	Total equity (A)	76,658.57	69,138.94
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	30,027.10	23,833.97
	(ii) Other financial liabilities	1,551.72	1,321.34
	(b) Provisions	96.21	96.46
	(c) Deferred tax liability (net)	4,598.84	3,785.90
	(d) Deferred income	465.51	421.90
	Total non-current liabilities (B)	36,739.38	29,459.57
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	4,914.53	4,554.56
	(ii) Trade payables		
	-Total outstanding dues of micro enterprises and small enterprises	-	-
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	3,132.64	3,046.98
	(iii) Other financial liabilities	6,762.89	5,561.47
	(b) Other current liabilities	157.97	249.50
	(c) Provisions	24.54	16.97
	(d) Deferred income	20.03	17.47
	(e) Current tax liabilities (net)	16.66	95.96
	Total current liabilities (C)	15,029.26	13,542.91
	Total liabilities	51,768.64	43,002.48
	Total equity and liabilities (A+B+C)	1,28,427.21	1,12,141.42

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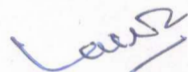
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Notes:

- 1 The above audited Financial Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 29 May 2019. The modified audit report of the Statutory Auditors is being filed with the BSE. For more details, visit the financials section of our website at www.kuantumpapers.com and Financial Results at Corporate section of www.bseindia.com.
- 2 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.
- 3 Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue From Contracts with Customers" using the cumulative effect method which is applied to contracts that were not completed as of 1 April 2018. Accordingly, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of Ind AS 115 on the audited annual financial results.
- 4 The Company has certain amount due from a customer against which legal proceedings for recovery of the amount were initiated. The Company had also obtained a status quo from Honorable High Court 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, Honorable High Court vide its order dated 13 December 2018 has directed the Prospective buyer of hotel to pay Rs. 195.50 to the Company towards outstanding dues from customer. Trade receivables in relation to this due as at 31 March 2019 is Rs. 292.60 (31 March 2018: Rs. 292.60).
- 5 Sales/income from operations for the year ended 31 March 2019 is not comparable with corresponding previous period since the same is net of Goods and Service Tax ('GST') whereas excise duty formed part of revenue till 30 June 2017.
- 6 The figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year, as reported in these annual financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subject to audit.
- 7 Other expenses include non recurring expense of Rs 803.51 (31 March 2018: Rs 233.32) undertaken towards business process improvement projects for which the Company had engaged an external specialist firm.
- 8 The board has proposed a dividend of Rs. 5.00 per equity share of Rs. 10 each fully paid up amounting to Rs. 526.00 (including dividend distribution tax), subject to approval in the Annual General Meeting.

As per our report attached

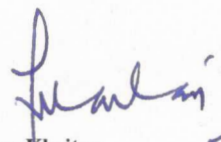
For **BSR & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022



Rajesh Arora
Partner
Membership No.: 076124

Place : Chandigarh
Date : 29 May 2019

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



Pavan Khaitan
Managing Director
DIN- 00026256

Place: Chandigarh
Date : 29 May 2019

B S R & Co. LLP

Chartered Accountants

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

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Fax + 91 172 664 4004

Independent Auditor's Report on the Statement of Audited Results of Kuantum Papers Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

To

Board of Directors of **Kuantum Papers Limited**

1. We have audited the annual financial results of Kuantum Papers Limited ('the Company') for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. These annual financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these annual financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per 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.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our qualified opinion.
4. We draw attention to the fact that the Company has given certain unsecured inter-corporate deposits (ICDs) during the year. The outstanding balance of ICDs as at 31 March 2019 amounted to Rs.1,842.80 lakhs (balance as at 29 May 2019 : Rs. 1,479.87 lakhs). In relation to these ICDs, we have not been provided with appropriate basis of selection of the Companies, including an assessment of their credit worthiness. In view of this, we are unable to comment on recoverability of these ICDs and impact, if any, on these annual financial results including compliance with provisions of Companies Act, 2013, to the extent applicable.

5. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in paragraph 4 above, these financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Rajesh Arora

Partner

Membership No.: 076124

Place: Chandigarh
Date: 29 May 2019

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1.	Turnover / Total income	80,230.95	80,230.95
	2.	Total Expenditure	69,142.01	69,142.01
	3.	Net Profit/(Loss)	7,793.88	7,793.88
	4.	Earnings Per Share	89.31	89.31
	5.	Total Assets	128,427.21	128,427.21
	6.	Total Liabilities	51,768.64	51,768.64
	7.	Net Worth	76,658.57	76,658.57
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

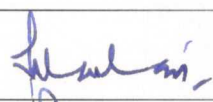
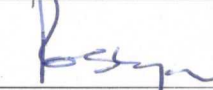
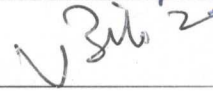
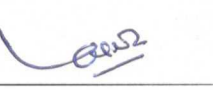
<p>a. Details of Audit Qualification:</p>	<p>1. Independent Auditor's Report on the Statement of Audited Results of Kuantum Papers Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015</p> <p>We draw attention to the fact that the Company has given certain unsecured inter-corporate deposits (ICDs) during the year. The outstanding balance of ICDs as at 31 March 2019 amounted to Rs.1,842.80 lakhs (balance as at 29 May 2019 : Rs. 1,479.87 lakhs). In relation to these ICDs, we have not been provided with appropriate basis of selection of the Companies, including an assessment of their credit worthiness. In view of this, we are unable to comment on recoverability of these ICDs and impact, if any, on these annual financial results including compliance with provisions of Companies Act, 2013, to the extent applicable.</p> <p>2. Consequently, other relevant assertions in the audit report on the financial statements and report on adequacy of the internal financial controls with reference to those financial statements have been also modified.</p>
<p>b. Type of Audit Qualification : Qualified opinion on Auditor's report on the financial statements and Adverse opinion on adequacy of the internal financial controls with reference to the financial statements.</p>	
<p>c. Frequency of qualification: First time</p>	

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	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
	Not applicable	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	Not applicable	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	In our view, the amount is fully recoverable.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Basis above, we were unable to determine whether adjustments, if any, were necessary to the Financial Statements.	
III.	<u>Signatories:</u>	
	• CEO/Managing Director	
	• CFO	
	• Audit Committee Chairman	
	• Statutory Auditor	
	Place: Chandigarh	
	Date: 29.05.2019	