

# B S R & Co. LLP

Chartered Accountants

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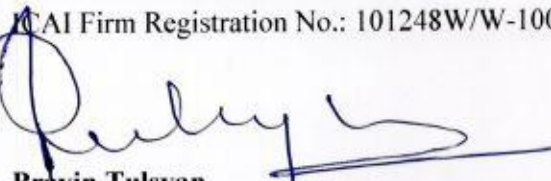
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## Review report to the Board of Directors of Kuantum Papers Limited

1. We have reviewed the accompanying Statement of unaudited financial results ("the financial results") of Kuantum Papers Limited ("the Company") for the quarter and nine months ended 31 December 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. These financial results are the responsibility of the Company's management and have been approved by the Board of Directors at its meeting held on 13 February 2018. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 financial results are 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.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying unaudited financial results, prepared in accordance with applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 05 July 2016 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*

ICAI Firm Registration No.: 101248W/W-100022



**Pravin Tulsyan**

*Partner*

Membership No.: 108044

Place : Chandigarh

Date : 13 February 2018



## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017

(₹ in Lakhs)

S. No.	Particulars	Quarter ended			Nine Months ended	
		31 December	30 September	31 December	31 December	31 December
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		2017	2017	2016	2017	2016
<b>1</b>	<b>Revenue from operations</b>					
	Sale/Income from operations (inclusive of excise duty)	17,332.99	17,023.74	16,137.01	52,328.80	46,954.32
	Other operating income	6.41	50.55	0.13	70.12	45.22
	<b>Total revenue from operations</b>	<b>17,339.40</b>	<b>17,074.29</b>	<b>16,137.14</b>	<b>52,398.92</b>	<b>46,999.54</b>
<b>2</b>	Other income	93.02	70.67	70.44	203.99	139.22
<b>3</b>	<b>Total income (1+2)</b>	<b>17,432.42</b>	<b>17,144.96</b>	<b>16,207.58</b>	<b>52,602.91</b>	<b>47,138.76</b>
<b>4</b>	<b>Expenses</b>					
	Cost of materials consumed	5,757.53	5,130.54	5,118.01	16,575.67	15,122.28
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	79.48	196.95	231.96	(316.39)	(153.63)
	Excise duty	-	-	896.37	1,015.57	2,563.34
	Employee benefits expense	1,063.84	1,000.62	878.45	3,070.55	2,673.97
	Finance costs	581.20	686.74	502.47	1,940.61	1,526.28
	Depreciation and amortization expense	491.59	467.46	391.40	1,422.59	1,108.38
	Other expenses:					
	- Power and fuel expense	2,711.79	2,967.60	1,902.31	7,990.31	6,429.23
	- Cost of chemical consumed	2,821.67	2,766.79	2,642.23	8,445.93	8,107.21
	- Others	1,453.47	1,586.91	1,645.76	5,088.90	4,105.55
	<b>Total expenses</b>	<b>14,960.57</b>	<b>14,803.61</b>	<b>14,208.96</b>	<b>45,233.74</b>	<b>41,482.61</b>
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>2,471.85</b>	<b>2,341.35</b>	<b>1,998.62</b>	<b>7,369.17</b>	<b>5,656.15</b>
<b>6</b>	<b>Tax expense</b>	<b>786.25</b>	<b>766.04</b>	<b>636.40</b>	<b>2,304.62</b>	<b>1,757.01</b>
<b>7</b>	<b>Net profit for the period (5-6)</b>	<b>1,685.60</b>	<b>1,575.31</b>	<b>1,362.22</b>	<b>5,064.55</b>	<b>3,899.14</b>
<b>8</b>	<b>Other Comprehensive Income (OCI)</b>					
	(i) a) Items that will not be reclassified to profit or loss	(15.39)	(30.02)	(15.46)	(52.95)	(46.53)
	b) Income tax relating to items that will not be reclassified to profit or loss	4.62	9.46	4.95	16.26	14.89
	(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	-	-	-	-	-
<b>9</b>	<b>Total Comprehensive Income for the period (7+8)</b>	<b>1,674.83</b>	<b>1,554.75</b>	<b>1,351.71</b>	<b>5,027.86</b>	<b>3,867.50</b>
<b>10</b>	Earnings per share -Basic and diluted (of ₹10 each) (not annualized)	19.32	18.05	15.61	58.04	44.68
<b>11</b>	Paid-up equity share capital (Face value @ ₹10 per share) See accompanying notes to the unaudited financial results	872.64	872.64	872.64	872.64	872.64

*Tejinder Singh*



**Notes:**

- 1 The Company adopted Indian Accounting Standards (Ind-AS) from 01 April 2017 with the transition date of 01 April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind-AS) 34-Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Consequently, erstwhile Indian Generally Accepted Accounting Principles (IGAAP) results for quarter and nine months ended 31 December 2016 has been restated to make them comparable. Reconciliation of net profit as reported under erstwhile IGAAP and as restated now under Ind-AS is as under

(₹ in Lakhs)

Particulars	Quarter ended	Nine months ended
	31 December	31 December
	(Unaudited)	(Unaudited)
	2016	2016
Net profit as reported earlier under erstwhile IGAAP	1,344.79	3,911.58
(i) Dividend on preference shares and dividend distribution tax now classified as finance costs (Refer note a below)	(75.00)	(286.07)
(ii) Incremental capitalization of borrowing cost (Refer note b below)	76.17	223.88
(iii) Others (Refer note c below)	8.86	27.90
(iv) Consequential tax adjustments	7.40	21.85
Net profit now reported under Ind-AS	1,362.22	3,899.14

(a) Represents consequential adjustment on account of classification of preference shares as financial liability and dividend distribution tax on cumulative financial instruments in nature of financial liability under Ind-AS previously classified as equity under IGAAP

(b) Represents incremental capitalization of borrowing cost by applying avoidable interest cost method on certain borrowings which was not permitted under erstwhile IGAAP

(c) Others include adjustments resulting from classification of actuarial loss to OCI, amortization of transaction cost on long term borrowings, etc.

- 2 The Company is engaged in the business of manufacturing and sale of paper, which in the context of India Accounting Standard (Ind-AS) 108-Operating Segments, is considered as the only operating segment of the Company.
- 3 The above unaudited results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13 February 2018. The unaudited results for the current quarter have been subjected to limited review by the Statutory Auditors of the Company. The unmodified review report of the Statutory Auditors is being filed with the BSE. For more details on unaudited results, visit Investor section of the Company's website [www.kuantumpapers.com](http://www.kuantumpapers.com) and Financial Results at Corporates section of [www.bseindia.com](http://www.bseindia.com).
- 4 According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the corresponding previous quarter ended 31 December 2016 and for the nine months ended 31 December 2016 were reported inclusive of Excise Duty. The Government of India has implemented Goods and Service Tax (GST) from 01 July 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 118, the revenue for the quarters ended 30 September 2017 and 31 December 2017 is reported net of GST. Had the previously reported revenues were shown net of excise duty, comparative revenue of the Company would have been as follows.

	Quarter ended			Nine months ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Net Sales/Income from Operations	17,332.99	17,023.74	15,240.64	51,313.23	44,390.98

As per our report attached

**B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

**Pravin Tulsyan**

Partner

Membership No.: 108044

Place: Chandigarh

Date: 13 February 2018

For and on behalf of the Board of Directors of

**Kuantum Papers Limited**

**Jagesh K Khaitan**

Chairman

DIN: 00026264

Place: Chandigarh

Date: 13 February 2018