



**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  
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<sup>st</sup> December 2020 and year to date results for the period from 1 April 2020 to 31<sup>st</sup> December ("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: FEBRUARY 11, 2021**

**UDIN: 21091885AAAABA3840**



  
**(ATUL BAGLA)**  
**PARTNER**

**M No. 91885**



**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020**

(Rs in Lakhs)

S. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 December	30 Sept	31 December	31 December	31 December	31 March
		2020~	2020	2019	2020	2019	2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Revenue from operations</b>						
	Sale/Income from operations	11,810.75	6,830.78	18,674.24	23,398.81	56,484.33	74,273.10
	Other operating income	46.78	35.65	69.39	83.15	163.40	200.11
	<b>Total revenue from operations</b>	<b>11,857.53</b>	<b>6,866.43</b>	<b>18,743.63</b>	<b>23,481.96</b>	<b>56,647.73</b>	<b>74,473.21</b>
2	Other income	205.63	636.78	153.38	906.18	491.61	877.32
3	<b>Total Income (1+2)</b>	<b>12,063.16</b>	<b>7,503.21</b>	<b>18,897.01</b>	<b>24,388.14</b>	<b>57,139.34</b>	<b>75,350.53</b>
4	<b>Expenses</b>						
	Cost of materials consumed	4,142.74	2,398.60	6,964.25	7,960.39	20,676.13	26,843.66
	Changes in inventory of finished goods and work-in-progress	(270.24)	(96.63)	298.57	48.22	(1,074.29)	(683.49)
	Employee benefits expense	1,348.48	1,325.98	1,564.94	4,135.17	4,594.96	6,187.97
	Finance costs	802.87	781.36	708.98	2,342.68	2,337.02	3,043.39
	Depreciation and amortization expense	840.16	843.87	802.15	2,525.41	2,332.41	3,170.16
	Other expenses:						
	- Power and fuel expense	2,649.95	1,699.85	3,053.36	5,477.39	9,143.86	11,983.04
	- Cost of chemical consumed	1,948.30	860.46	3,182.57	3,416.06	9,950.74	12,690.96
	- Others	763.31	793.13	1,249.05	2,305.45	3,985.78	5,595.65
	<b>Total expenses</b>	<b>12,225.56</b>	<b>8,606.61</b>	<b>17,823.87</b>	<b>28,210.77</b>	<b>51,946.61</b>	<b>68,831.34</b>
5	<b>Profit before tax (3-4)</b>	<b>(162.40)</b>	<b>(1,103.41)</b>	<b>1,073.14</b>	<b>(3,822.63)</b>	<b>5,192.73</b>	<b>6,519.19</b>
6	<b>Tax expense</b>						
	a) Current tax	-	-	217.07	-	961.34	1,206.78
	b) Deferred tax	(40.96)	(535.85)	(1,235.87)	(1,507.53)	(1,634.59)	(1,868.17)
	Minimum alternate tax credit entitlement	-	-	-	-	-	-
	<b>Total Tax expense</b>	<b>(40.96)</b>	<b>(535.85)</b>	<b>(1,018.80)</b>	<b>(1,507.53)</b>	<b>(673.26)</b>	<b>(661.40)</b>
7	<b>Net profit for the period (5-6)</b>	<b>(121.44)</b>	<b>(567.56)</b>	<b>2,091.94</b>	<b>(2,315.10)</b>	<b>5,865.99</b>	<b>7,180.58</b>
8	<b>Other Comprehensive income/(expense)</b>						
	(i) a) Items that will not be reclassified to profit or loss	(4.98)	(4.98)	(4.97)	(14.95)	(14.92)	(19.93)
	b) Income tax relating to items that will not be reclassified to profit or loss	1.74	1.74	1.73	5.22	5.21	6.96
	(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	<b>Total Comprehensive Income for the period (7+8)</b>	<b>(124.68)</b>	<b>(570.80)</b>	<b>2,088.70</b>	<b>(2,324.83)</b>	<b>5,856.28</b>	<b>7,167.61</b>
10	Earnings per share (EPS) face value (of INR 1/- each) (not annualised)-restated (refer note 4)						
	- Basic (INR)	(0.14)	(0.65)	2.40	(2.65)	6.72	8.23
	- Diluted (INR)	(0.14)	(0.65)	2.40	(2.65)	6.72	8.23
11	Total reserves (excluding revaluation reserve)						41,005.19
12	Paid-up equity share capital (Face value @ Rs 1 per share) See accompanying notes to the unaudited financial results	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

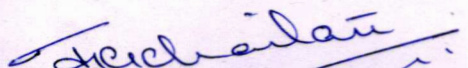
Place : New Delhi

Dated : 11.02.2021



For and on behalf of the Board of Directors of

**Kquantum Papers Limited**



**Jagesh Kumar Khaitan**

Chairman

DIN- 00026264

Place : Chandigarh

Dated : 11.02.2021



**Note :**

- 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 11th February, 2021 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](http://www.kuantumpapers.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 outbreak of Coronavirus (Covid-19) globally and in India has impacted business and economic activities in general. The Company's sale during the period ended December 2020 was impacted significantly by the pandemic and consequently capacity utilization of the plant was lower during nationwide lockdown and is gradually moving towards normal capacity. The unaudited financial results for the quarter and period ended 31st December, 2020 are therefore not comparable with the corresponding previous period. As regards the recoverability of assets, the Company expects to fully recover the carrying amounts of the assets. The Company is closely monitoring any material changes to future economic conditions.
- 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 Segment, is the only operating segment of the company.
- 4 The equity shares of the company, during the period ended 31 December 2020, have been sub-divided from existing face value of Rs. 10/- per equity share to face value of Re. 1/- per equity share based on approval by the shareholders in its Extraordinary General Meeting held on 10th June, 2020. Accordingly, basic and diluted earnings per equity shares have been computed for all the periods presented in the above results on the basis of new number of equity shares.

Based on the ratio of sub-division of shares, the share capital of the company pre and post sub-division is as follows:

Particulars	Number of Equity Shares	Face Value (INR)	Amount
Pre sub-division share capital structure			
Authorised Share Capital	2,50,00,000	10	2,500.00
Issued, subscribed and paid up	87,26,363	10	872.64
Post sub-division share capital structure			
Authorised Share Capital	25,00,00,000	1	2,500.00
Issued, subscribed and paid up	8,72,63,630	1	872.64

- 5 The Company had provided a dividend of Re. 1/- per share in respect of non-cumulative redeemable preference shares in March, 2020. However, in the annual general meeting dated 7th August 2020, the dividend as aforesaid, amounting to Rs. 300 lakhs was withheld in order to conserve the resources. Accordingly, the provision for Rs. 300 lakhs was reversed in the quarter ended 30th September 2020.
- 6 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 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 had given six weeks time to the prospective buyer towards repayment of dues to the company. Trade Receivables in relation to this due as at 31 December 2020 is Rs. 97.65 lacs (30 September 2020 : 97.65 lacs, 31 March 2020: Rs. 150.37 lacs, 31 December 2019 : Rs. 170.37 lacs).

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 : 11.02.2021



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

*Jagesh Kumar Khaitan*  
**Jagesh Kumar Khaitan**  
Chairman  
DIN- 00026264

Place : Chandigarh  
Dated : 11.02.2021