



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
KANTUM PAPERS LTD,**

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **KANTUM PAPERS LTD.** ("the Company") for the quarter ended 30 June 2020, 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 : September 10, 2020

UDIN : 20091885AAAACA4174



(Atul Bagla)
PARTNER

M No. 091885

Kvantum Papers Ltd

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

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

(Rs in Lakhs)

| S. No. | Particulars | Quarter ended | | | Year ended |
|-----------|---|-------------------|------------------|------------------|------------------|
| | | 30 June | 31 March | 30 June | 31 March |
| | | 2020 | 2020 | 2019 | 2020 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| 1 | Revenue from operations | | | | |
| | Sale/Income from operations | 4,757.28 | 17,788.77 | 18,805.31 | 74,273.10 |
| | Other operating income | 0.72 | 36.71 | 55.65 | 200.11 |
| | Total revenue from operations | 4,758.00 | 17,825.48 | 18,860.96 | 74,473.21 |
| 2 | Other income | 63.78 | 385.71 | 227.39 | 877.32 |
| 3 | Total Income (1+2) | 4,821.77 | 18,211.19 | 19,088.35 | 75,350.53 |
| 4 | Expenses | | | | |
| | Cost of materials consumed | 1,419.05 | 6,167.53 | 6,664.98 | 26,843.66 |
| | Changes in inventory of finished goods and work-in-progress | 415.09 | 390.80 | (805.70) | (683.49) |
| | Employee benefits expense | 1,460.71 | 1,593.01 | 1,496.75 | 6,187.97 |
| | Finance costs | 758.46 | 706.37 | 745.92 | 3,043.39 |
| | Depreciation and amortization expense | 841.38 | 837.75 | 750.21 | 3,170.16 |
| | Other expenses: | | | | |
| | - Power and fuel expense | 1,127.59 | 2,839.18 | 2,932.45 | 11,983.04 |
| | - Cost of chemical consumed | 607.31 | 2,740.22 | 3,303.00 | 12,690.96 |
| | - Others | 749.01 | 1,609.87 | 1,381.82 | 5,595.65 |
| | Total expenses | 7,378.60 | 16,884.73 | 16,469.43 | 68,831.34 |
| 5 | Profit before tax (3-4) | (2,556.83) | 1,326.46 | 2,618.92 | 6,519.19 |
| 6 | Tax expense | | | | |
| | a) Current tax | - | 245.44 | 583.53 | 1,206.78 |
| | b) Deferred tax | (930.72) | (233.57) | 197.99 | (1,868.17) |
| | Minimum alternate tax credit entitlement | | | | |
| | Total Tax expense | (930.72) | 11.87 | 781.52 | (661.40) |
| 7 | Net profit for the period (5-6) | (1,626.11) | 1,314.59 | 1,837.40 | 7,180.58 |
| 8 | Other Comprehensive income/(expense) | | | | |
| | (i) a) Items that will not be reclassified to profit or loss | (4.98) | (5.01) | (4.97) | (19.93) |
| | b) Income tax relating to items that will not be reclassified to profit or loss | 1.74 | 1.75 | 1.74 | 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 | Total Comprehensive Income for the period (7+8) | (1,629.35) | 1,311.33 | 1,834.17 | 7,167.61 |
| 10 | Earnings per share -Basic and diluted (face value of Rs 10 each) (not annualized) | (18.63) | 15.06 | 21.06 | 82.29 |
| 11 | Total reserves (excluding revaluation reserve) | | | | 41,005.19 |
| 12 | Paid-up equity share capital (Face value @ Rs 10 per share) | 872.64 | 872.64 | 872.64 | 872.64 |
| | See accompanying notes to the unaudited financial results | | | | |

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 : September 10, 2020

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

Jagesh Kumar Khajtan
Chairman
DIN- 00026264

Place : Chandigarh
Dated : September 10, 2020

Note :

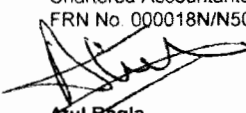
- 1 The above Unaudited Financials Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 10th September, 2020 and have been subjected to Limited Review by the Statutory Auditors. The review report of the Statutory Auditors is being filed with the 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.nscindia.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 quarter June 2020 was impacted significantly by the nationwide lockdown and consequently capacity utilization of the plant was lower. 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 unaudited financial results for the quarter ended 30th June, 2020 have been adversely impacted by the outbreak of Covid-19 pandemic and therefore are not comparable with the corresponding previous quarter.
- 4 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.
- 5 In order to improve the liquidity of the Company's share and to make it more affordable for small investors as also to broad base the investors, the Company in compliance with the provisions of Companies Act, 2013 and SEBI-LODR Regulations 2015 sub-divided each equity share having nominal value of Rs. 10/- into 10 equity shares having nominal value of Re. 1/- each effective from 15 July 2020.

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

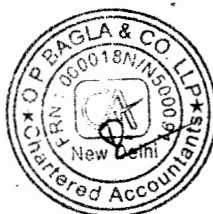
| Particulars | | Number of Equity Shares | Face Value (INR) | Amount |
|---|--------------------------------------|-------------------------|------------------|----------|
| Pre sub-division share capital structure | Authorised Share Capital | 2,50,00,000 | 10 | 2,500.00 |
| | Issued, subscribed and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

- 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 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. Trade Receivables in relation to this due as at 30 June 2020 is Rs. 140.37 (31 March 2020: Rs. 150.37, 30 June 2019 : Rs. 292.60).


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 : September 10, 2020



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


Jagesh Kumar Khaitan
Chairman
DIN- 00026264

Place : Chandigarh
Dated : September 10, 2020