



Kvantum Papers Ltd

The Paper Makers

KPL/BSE/2018
25.05.2018

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400 001.

Ref: Scrip Code - 532937
Scrip ID- KUANTUM

Reg: Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- Submission of Financial Results

Dear Sir,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is informed to you that Board of Directors have approved the Audited Financial Results for the year ended 31 March 2018, in its meeting held on Friday, the 25th May, 2018 at Chandigarh and the Copy of the same alongwith Statement of Assets and Liabilities, the Independent Auditors Report of the Statutory Auditors, and the Declaration pursuant to Regulation 33(3)(d) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2016 are enclosed.

The meeting commenced at 12.30 PM and concluded at ~~3.45~~ 3.45 PM.

Thanking you,

Yours faithfully,
For **Kvantum Papers Ltd**

(Vivek Trehan)
Company Secretary
Encl: a/a

B S R & Co. LLP

Chartered Accountants

First Floor, SCO 22 - 23
Sector - 8C, Madhya Marg
Chandigarh - 160009 (India)

Telephone: + 91 0172 6644000
Fax: + 91 0172 6644004

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) Regulations, 2015

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

We have audited the accompanying annual financial results of Kuantum Papers Limited ('the Company') for the year ended 31 March 2018, 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 the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 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.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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.

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 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 opinion.

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and



B S R & Co. LLP

- (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 2018.

For B S R & Co. LLP

Chartered Accountants

Registration No.: 101248W/W-100022



Pravin Tulsyan

Partner

Membership No: 108044

Place: Chandigarh
Date: 25 May 2018

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

(₹ in Lakhs)

S. No.	Particulars	Quarter ended			Year ended	
		31 March	31 December	31 March	31 March	31 March
		2018	2017	2017	2018	2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	Sale/Income from operations (refer note 7 below)	19,040.75	17,332.99	17,294.72	71,369.55	64,249.04
	Other operating income	31.83	6.41	12.41	59.75	23.47
	Total revenue from operations	19,072.58	17,339.40	17,307.13	71,429.30	64,272.51
2	Other income	162.42	93.02	145.50	366.42	318.88
3	Total income (1+2)	19,235.00	17,432.42	17,452.63	71,795.72	64,591.39
4	Expenses					
	Cost of materials consumed	5,789.33	5,757.53	5,649.60	22,365.00	20,771.88
	Excise duty on sales	-	-	953.70	1,015.57	3,517.04
	Changes in inventories of finished goods and work-in-progress	448.03	79.48	93.48	131.64	(60.15)
	Employee benefits expense	1,171.86	1,100.46	1,048.03	4,358.54	3,820.93
	Finance costs	517.80	581.20	490.18	2,458.40	2,016.46
	Depreciation and amortization expense	519.40	491.59	428.03	1,941.99	1,536.41
	Other expenses:					
	- Power and fuel expense	2,806.24	2,780.46	2,110.40	10,988.37	8,762.35
	- Cost of chemical consumed	3,192.33	2,821.67	2,452.10	11,638.26	10,559.31
	- Others	1,405.90	1,348.18	1,459.62	6,186.85	5,243.51
	Total expenses	15,850.89	14,960.57	14,685.14	61,084.62	56,167.74
5	Profit before tax (3-4)	3,384.11	2,471.85	2,767.49	10,711.10	8,423.65
6	Tax expense	1,117.73	786.25	736.55	3,422.35	2,493.56
7	Net profit for the period (5-6)	2,266.38	1,685.60	2,030.94	7,288.75	5,930.09
8	Other Comprehensive Income (OCI)					
	(i) a) Items that will not be reclassified to profit or loss	31.72	(15.39)	(14.61)	(21.23)	(61.14)
	b) Income tax relating to items that will not be reclassified to profit or loss	(9.66)	4.62	2.97	6.60	17.86
	(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)	2,288.44	1,674.83	2,019.30	7,274.12	5,886.81
10	Earnings per share -Basic and diluted (of ₹ 10 each) (not annualized)	25.97	19.32	23.27	83.53	67.96
11	Total reserves (excluding revaluation reserve)	-	-	-	26,971.97	19,907.91
12	Paid-up equity share capital (Face value @ ₹10 per share)	872.64	872.64	872.64	872.64	872.64
	See accompanying notes to the audited financial results.					



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Kvantum Papers Ltd

Regd. Office: Paper Mill, Saila Khurd-144529 Distt. Hoshiarpur (Punjab)
Statement of Audited Assets And Liabilities

(₹ in Lakhs)

	As at 31 March 2018 Audited	As at 31 March 2017 Audited
ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	81,491.67	76,136.72
(b) Capital work-in-progress	8,009.59	4,153.85
(c) Investment property	817.10	830.38
(d) Other intangible assets	142.53	216.91
(e) Intangible assets under development	428.57	-
(f) Financial assets		
(i) Loans	250.72	247.14
(ii) Others financial assets	37.43	69.58
(g) Current tax assets (net)	1.61	14.82
(h) Other non-current assets	2,612.09	2,150.81
Total non-current assets (A)	93,791.31	83,820.21
2 Current assets		
(a) Inventories	7,448.17	6,087.51
(b) Financial assets		
(i) Trade receivable (also refer note 6)	3,200.22	3,434.89
(ii) Cash and cash equivalents	1,422.25	2,229.96
(iii) Other bank balances	3,389.51	1,360.52
(iv) Loans	635.90	60.95
(v) Other financial assets	178.94	176.11
(c) Other current assets	2,075.12	3,937.17
Total current assets (B)	18,350.11	17,287.11
Total assets (A+B)	112,141.42	101,107.32
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	872.64	872.64
(b) Other equity	68,266.30	61,202.24
Total equity (A)	69,138.94	62,074.88
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	23,833.97	19,909.67
(ii) Other financial liabilities	1,321.34	1,200.76
(b) Provisions	96.46	102.41
(c) Deferred tax liability (net)	3,785.90	2,757.99
(d) Deferred income	421.90	445.19
Total non-current liabilities (B)	29,459.57	24,416.02
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,554.56	3,800.63
(ii) Trade payables	3,046.98	2,441.52
(iii) Other financial liabilities	5,561.47	7,853.57
(b) Other current liabilities	249.50	295.24
(c) Provisions	16.97	8.28
(d) Deferred income	17.47	-
(e) Current tax liabilities (net)	95.96	217.18
Total current liabilities (C)	13,542.91	14,616.42
Total liabilities	43,002.48	39,032.44
Total equity and liabilities (A+B+C)	112,141.42	101,107.32

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Notes:

- 2 The Company adopted Indian Accounting Standards (Ind AS) from 1 April 2017 with the transition date of 1 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) prescribed under section 133 of the Companies Act, 2013. Consequently, erstwhile Indian Generally Accepted Accounting Principles (IGAAP) results for the year ended and quarter ended 31 March 2017 has been restated to make them comparable. Reconciliation of equity and net profit as reported under erstwhile IGAAP and as restated now under Ind AS is as under:

(₹ in Lakhs)

Particulars	Equity as at		Net Profit	
	As at		Quarter ended	Year ended
	31 March		31 March	31 March
	(Audited)		(Audited)	(Audited)
	2017	2017	2017	
Reported earlier under erstwhile IGAAP	62,183.06	2,179.76	6,091.35	
(i) Dividend on preference shares and dividend distribution tax now classified as finance costs (Refer note a below)	(300.00)	(75.00)	(361.07)	
(ii) Incremental capitalization of borrowing cost (Refer note (b) below)	263.55	39.67	263.55	
(iii) Others (Refer note (c) below)	(31.59)	6.20	34.08	
(iv) Consequential tax adjustments	(40.14)	(119.69)	(97.82)	
Reported now under Ind AS	62,074.88	2,030.94	5,930.09	

- (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.
- 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 The figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year, as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subjected to audit. Further, previous period figures have been regrouped/reclassified to confirm to the current year classification.
- 5 The board has proposed a dividend of Rs. 2.5 per equity share of Rs. 10 each fully paid up amounting to Rs. 263 lakhs (including dividend distribution tax), subject to approval in the Annual General Meeting.
- 6 Trade receivables include Rs.292.60 (31 March 2017: Rs. 292.60) in relation to due from a customer against which legal proceedings for recovery of the amount were initiated. The Company has 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. The management is hopeful of recovering the entire amount including adequate amount to compensate time value of loss. In view of the favorable injunction and related value of the property, the management believes that there is no expected credit loss allowance required to be recognised.
- 7 According to the requirements of Ind AS and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, net sales/ income from operations for the corresponding previous quarter ended 31 March 2017 and for the year ended 31 March 2017 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 net sales/ income from operations for the quarter ended 31 March 2018 and 31 December 2017 is reported net of GST. Had the previously reported net sales/ income from operations were shown net of excise duty, comparative revenue of the Company would have been as follows:

	Quarter ended			Year ended	
	31 March 2018 Audited	31 December 2017 Unaudited	31 March 2017 Audited	31 March 2018 Audited	31 March 2017 Audited
Sales/Income from Operations	19,040.75	17,332.99	16,341.02	70,353.98	60,732.00

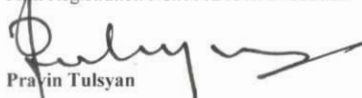
- 8 The above audited results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 25 May 2018. The unmodified audit report of the Statutory Auditors is being filed with the BSE. For more details on audited results, visit Investor section of the Company's website www.kvantumpapers.com and Financial Results at Corporates section of www.bseindia.com.

As per our report attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.:101248W/W-100022


Pravin Tulsyan

Partner

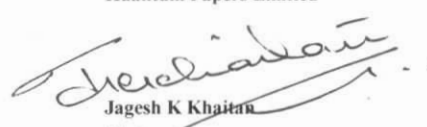
Membership No.: 108044

Place : Chandigarh

Date : 25 May 2018

For and on behalf of the Board of Directors of

Kvantum Papers Limited


Jagesh K Khaitan

Chairman

DIN- 00026264

Place: Chandigarh

Date : 25 May 2018



Kvantum Papers Ltd

The Paper Makers

KPL/BSE/2018

25.05.2018

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400 001.

Ref: Scrip Code - 532937
Scrip ID- KUANTUM

Dear Sir,

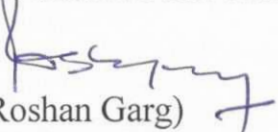
Sub: **Declaration pursuant to Regulation 33(3)(d) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2016**

I, Roshan Garg, Chief Financial Officer of the Company hereby declare that, the Statutory Auditors of the Company, M/s BSR & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 101248W/W-100022) have issued an audit report with unmodified opinion on Audited Financial Results of the Company (Standalone) for the quarter and year ended on 31st March, 2018.

This Declaration is given in Compliance with Regulation 33(3)(d) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2016, vide notification SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take the same on your records.

Yours Faithfully,
For KUANTUM PAPERS LIMITED


(Roshan Garg)
Chief Financial Officer