Kuantum Papers Ltd

The Paper Makers

KPL/LISTING
14.11.2019

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: **532937** Scrip ID: **KUANTUM**	National Stock Exchange of India Limited Exchange Plaza Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Trading Symbol: "**KUANTUM- EQ**"

Subject: Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- Outcome of Board Meeting

Dear Sir,

Pursuant to Regulation 29 of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, it was informed that the next meeting of Audit Committee and Board of Directors of the Company will be held on Thursday, the **14th November, 2019** at Chandigarh, inter alia to examine, review and approve the unaudited Financial Results for the quarter and half year ended 30 September, 2019. The meetings have accordingly been held and the Board has approved the results which have been filed separately. The meeting commenced at 12.15 PM and concluded at 3:45 PM.

Thanking you,

Yours faithfully,
For **Kuantum Papers Ltd**

(Vivek Trehan)
Company Secretary &
Compliance Officer

Kuantum Papers Ltd

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2019

(₹ in Lakhs)

S. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Revenue from operations**						
	Sale/Income from operations	19,004.78	18,805.31	16,973.22	37,810.09	35,271.41	79,119.05
	Other operating income	38.36	55.65	44.33	94.01	49.00	227.11
	Total revenue from operations	**19,043.14**	**18,860.96**	**17,017.55**	**37,904.10**	**35,320.41**	**79,346.16**
2	Other income	110.84	227.39	518.84	338.23	1,001.32	884.79
3	**Total income (1+2)**	**19,153.98**	**19,088.35**	**17,536.39**	**38,242.33**	**36,321.73**	**80,230.95**
4	**Expenses**						
	Cost of materials consumed	7,046.90	6,664.98	5,952.44	13,711.88	12,125.02	26,844.53
	Changes in inventory of finished goods and work-in-progress	(567.16)	(805.70)	(361.62)	(1,372.86)	(904.94)	(185.96)
	Employee benefits expense	1,533.27	1,496.75	1,325.70	3,030.02	2,575.65	5,301.24
	Finance costs	882.12	745.92	618.30	1,628.04	1,196.52	2,837.97
	Depreciation and amortization expense	780.05	750.21	586.13	1,530.26	1,105.23	2,512.53
	Other expenses:						
	- Power and fuel expense	3,158.05	2,932.45	3,083.37	6,090.50	6,076.93	12,888.41
	- Cost of chemical consumed	3,465.17	3,303.00	2,564.93	6,768.17	5,750.02	12,964.18
	- Others	1,354.91	1,381.82	1,698.92	2,736.73	3,623.41	5,979.11
	Total expenses	**17,653.31**	**16,469.43**	**15,468.17**	**34,122.74**	**31,547.84**	**69,142.01**
5	**Profit before tax (3-4)**	**1,500.67**	**2,618.92**	**2,068.22**	**4,119.59**	**4,773.89**	**11,088.94**
6	**Tax expense**	(435.97)	781.52	652.83	345.55	1,460.76	3,295.06
7	**Net profit for the period (5-6)**	**1,936.64**	**1,837.40**	**1,415.39**	**3,774.04**	**3,313.13**	**7,793.88**
8	**Other Comprehensive income/(expenses)**						
	(i) a) Items that will not be reclassified to profit or loss	(4.98)	(4.97)	(5.99)	(9.95)	(11.98)	(17.29)
	b) Income tax relating to items that will not be reclassified to profit or loss	1.74	1.74	1.29	3.48	2.58	6.04
	(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)**	**1,933.40**	**1,834.17**	**1,410.69**	**3,767.57**	**3,303.73**	**7,782.63**
10	Earnings per share -Basic and diluted (of Rs 10 each) (not annualized)	22.19	21.06	16.22	43.25	37.97	89.31
11	Total reserves (excluding revaluation reserve)						34,491.60
12	Paid-up equity share capital (face value @ Rs 10 per share)	872.64	872.64	872.64	872.64	872.64	872.64

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Statement of Assets and Liabilities

(₹ in Lakhs)

	As at 30 September 2019 (Unaudited)	As at 31 March 2019 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	95,611.73	96,377.51
(b) Capital work-in-progress	16,939.55	5,407.47
(c) Investment property	797.14	803.79
(d) Other intangible assets	753.45	651.54
(e) Intangible assets under development	-	100.00
(f) Financial assets		
(i) Loans	402.92	312.41
(ii) Others financial assets	490.86	96.89
(g) Income tax assets (net)	344.67	1.61
(h) Other non-current assets	5,001.96	4,246.23
Total non-current assets (A)	**120,342.28**	**107,997.45**
Current assets		
(a) Inventories	7,574.01	6,357.18
(b) Financial assets		
(i) Trade receivable (also refer note 7)	2,481.69	3,348.16
(ii) Cash and cash equivalents	663.73	3,901.88
(iii) Other bank balances	1,986.93	2,667.02
(iv) Loans	125.44	1,895.58
(v) Other financial assets	375.98	261.34
(c) Other current assets	1,633.48	1,998.60
Total current assets (B)	**14,841.26**	**20,429.76**
Total assets (A+B)	**135,183.54**	**128,427.21**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	872.64	872.64
(b) Other equity	79,027.48	75,785.93
Total equity (A)	**79,900.12**	**76,658.57**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	31,975.68	30,027.10
(ii) Other financial liabilities	1,661.37	1,551.72
(b) Provisions	107.50	96.21
(c) Deferred tax liability (net)	4,196.65	4,598.84
(d) Deferred income	455.50	465.51
Total non-current liabilities (B)	**38,396.70**	**36,739.38**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,208.68	4,914.53
(ii) Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	3,309.15	3,132.64
(iii) Other financial liabilities*	8,060.71	6,762.89
(b) Other current liabilities	242.54	157.97
(c) Provisions	28.95	24.54
(d) Deferred income	20.03	20.03
(e) Current tax liabilities (net)	16.66	16.66
Total current liabilities (C)	**16,886.72**	**15,029.26**
Total liabilities (B+C)	**55,283.42**	**51,768.64**
Total equity and liabilities (A+B+C)	**135,183.54**	**128,427.21**

* including capital creditors of Rs. 2,743.70 lakhs (31 March 2019: Rs. 958.10 lakhs)

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Cash Flow Statement for the half year ended 30 September 2019

(₹ in Lakhs)

	Half year ended 30 September 2019 (Unaudited)	Half year ended 30 September 2018 (Unaudited)
A Cash flow from operating activities		
Profit before income tax	4,119.59	4,773.89
Adjustments for:		
Depreciation and amortisation expense	1,530.26	1,105.23
Change in fair value of derivative contracts	(123.44)	(762.30)
Finance cost	1,628.04	1,196.52
Interest income	(161.43)	(189.33)
Foreign exchange gain/loss (unrealized)	129.27	745.32
Liabilities no longer required written back	(0.70)	(2.46)
Rental income	(20.95)	(22.60)
Others	(10.00)	(8.71)
Cash flow from operating activities before changes in following assets and liabilities:	**7,090.64**	**6,835.56**
Decrease / (increase) in loan assets	1,679.64	(236.30)
(Increase)/ decrease in other non-current assets	(0.46)	7.90
(Increase)/ decrease in inventories	(1,216.83)	1,582.89
Decrease in trade receivables	866.48	295.44
(Increase) in other financial assets	(123.39)	(604.92)
Decrease in other current assets	365.12	208.68
Increase in provisions	5.76	6.02
Increase in trade payables	186.28	99.82
Increase in other financial liabilities	125.37	884.57
Increase/ (decrease) in other current liabilities	85.28	(1.93)
Cash generated by operating activities	**9,063.89**	**9,077.73**
Income tax paid / tax deducted at source (net of refund)	(1,087.34)	(1,140.50)
Net cash generated from operating activities (A)	**7,976.55**	**7,937.23**
B Cash flow from investing activities		
Acquisition of property, plant and equipment	(11,252.05)	(9,976.85)
Rental income and others	20.95	31.31
Decrease in deposit accounts (having original maturity of more than three months)	286.07	2,291.16
Interest received	170.23	171.48
Net cash (used) in investing activities (B)	**(10,774.80)**	**(7,482.90)**
C Cash flows from financing activities		
Proceeds from long term borrowings	8,137.06	6,150.45
Repayment of redeemable non convertible debentures	(3,000.00)	-
Repayment of long term borrowings	(3,628.72)	(1,895.80)
Proceeds of short term borrowings (net)	*270.32*	*130.31*
Interest paid	(1,692.50)	(1,262.84)
Dividend paid (including dividend distribution tax)	(526.06)	(263.00)
Net cash (used in)/ generated from financing activities (C)	**(439.90)**	**2,859.12**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(3,238.15)**	**3,313.45**
Cash and cash equivalents at the beginning of the period (see below)	**3,901.88**	**1,422.24**
Cash and cash equivalents at the end of the period (see below)	**663.73**	**4,735.69**

Notes:

1. Cash and cash equivalents include :		
Balance with banks		
- in current accounts	662.21	727.36
- Fixed deposits with original maturities upto 3 months	-	4,000.00
Cash on hand	1.52	8.33
	663.73	**4,735.69**

Notes:

1 The equity shares of the Company have been listed and admitted to dealings on the National Stock Exchange w.e.f 23 October 2019 as per the details given below:

S.No	Description of Securities	Symbol	Series	No. of securities	Market lot	Distinctive numbers	Lock-in details
1	Equity shares of Rs. 10, each fully paid up	KUANTUM	EQ	8,726,363	1	1 to 8,726,363	NA

2 The above Unaudited Financial Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 14 November 2019 and have been subjected to Limited Review by the Statutory Auditors. The unmodified review report of the Statutory Auditors is being filed with the BSE and National Stock Exchange. For more details, visit the financials section of our website at www.kuantumpapers.com and Financial Results at Corporate section of www.bseindia.com and www.nseindia.com

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 Effective 1 April 2019, the Company adopted IndAS 116 "Leases" using the modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of Ind As 116 did not have any material impact on the unaudited financial results.

5 The Company had given certain unsecured inter-corporate deposits (ICDs) during the previous year having balance outstanding as on 31 March 2019 of Rs. 1,842.80 lakhs which was a subject matter of qualification in the statutory accounts for the year then ended. The balance outstanding of these ICDs as on 30 September 2019 is Rs. nil (30 June 2019: Rs. 987.00 lakhs).

6 In accordance with Taxation Law (Amendment) Ordinance, 2019 dated 20 September 2019 and considering the fact that the Company has existing benefits available in the form of MAT credits, the Company has determined that it will continue to recognize tax expense at the existing income tax rate as applicable to the Company for the time being. Further, the Company has evaluated the outstanding deferred tax liability as at 31 March 2019 and, based on current estimates, written back deferred tax liability aggregating to Rs. 884 during the quarter and six months ended 30 September 2019 which represents the effect of the total adjustment over the period using the annual effective income tax rate.

7 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, 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, Honorable High Court 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. However, the amount remained unpaid and the Company has filed a petition on 7 August 2019 in Honorable High Court for granting the execution of the decree of the Honorable High Court dated 13 December 2018. Trade receivables in relation to this due as at 30 September 2019 is Rs. 292.60 (31 March 2019: Rs. 292.60, 30 September 2018: Rs. 292.60).

As per our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857

Place : Chandigarh
Date : 14 November 2019

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

Jagesh Kumar Khaitan
Chairman
DIN- 00026264

Place: Chandigarh
Date : 14 November 2019