



# KPR & CO.

## Chartered Accountants

39/181C, Anantha, Mahakavi G. Road, Karikkamuri, Kochi – 682011

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### Independent Auditor's Report

To the Members of M/s. Cella Space Limited, Kochi (Formerly Sree Sakthi Paper Mills Limited).

#### **Report on the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of M/s. Cella Space Limited, Kochi (Formerly Sree Sakthi Paper Mills Limited), which comprises of the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including other comprehensive income) for the year ended 31<sup>st</sup> March 2020, the Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2020, the Cash Flow Statement for the year ended 31<sup>st</sup> March 2020, and a Summary of Significant Accounting Policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('the Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020; and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended 31<sup>st</sup> March 2020.

#### **Emphasis of Matter**

*We Invite the attention of users to –*

- (a) *Based on our review conducted as above we draw attention to Note No. 27 of the financial statements regarding recognition of income by writing back of statutory dues, long outstanding liabilities and creditors standing due in the books of accounts.*
- (b) *Our Report is not qualified on the above matters.*



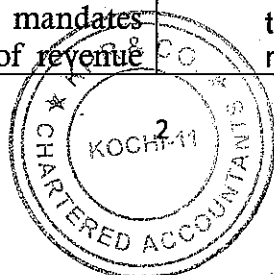
## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in the report.

The Key Audit Matters	How our audit addressed the key audit matter
<b>Adoption of Ind AS 115 – Revenue from Contracts with Customers</b>	
<p>The Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.</p> <p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Additionally, the standard mandates robust disclosures in respect of revenue</p>	<p>Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, included –</p> <ul style="list-style-type: none"><li>• Evaluation of the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;</li><li>• Evaluation of the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;</li><li>• Evaluation of the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and</li><li>• Evaluation of the appropriateness of the disclosures provided under the new revenue standard and assessed</li></ul>



<p>and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.</p>	<p>the completeness and mathematical accuracy of the relevant disclosures.</p>
<b>Evaluation of uncertain tax positions</b>	
<p>The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p>	<p>Our audit procedures included –</p> <ul style="list-style-type: none"> <li>• Detailed analysis of the pending disputes on account of taxes at various forums;</li> <li>• Obtaining internal expert opinion on the merit and sustainability of the disputes and litigations;</li> <li>• Evaluating the legal precedences in evaluating the management judgements on these uncertain tax positions.</li> </ul>
<b>Recoverability of receivables and advances</b>	
<p>As at March 31, 2020, the position of assets included –</p> <ul style="list-style-type: none"> <li>• Trade receivables (Note 8A ): Rs.697.58 lakhs</li> <li>• Security Deposits (Note 6B):Rs.44.57 lakhs</li> <li>• Other Non-Current Assets (Note 7) Rs.84.57 lakhs</li> <li>• Security Deposits (EMD) (Note 8C) : Rs.27.6 lakhs</li> </ul> <p>Out of the above, most of the balances were outstanding for long and hence it was necessary to ascertain the recoverability and realisability of such receivables and advances.</p>	<p>Our audit procedures included –</p> <ul style="list-style-type: none"> <li>• Detailed analysis of the long outstanding receivables and advances;</li> <li>• Obtaining management analysis on the realisability of such assets;</li> <li>• Obtaining confirmation of balances for major balances outstanding;</li> <li>• Evaluating the adequacy of provision made by the management for doubtful assets included therein.</li> </ul>

### Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge



obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

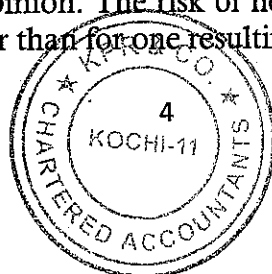
In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve



collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

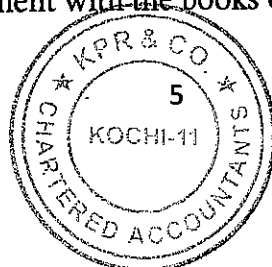
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with respect to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable attached as Annexure 1.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, including other comprehensive income, Statement of changes in Equity, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013 except for Mr. Subramoniam Sivathanu Pillai. We are informed that the order of disqualification of Mr. Rajkumar Sivathanu Pillai has been stayed by Honorable High Court of Madras vide writ petition no. 29141/2017 dated 30-11-2017.
- f) With respect to other matters to be included in the Auditors Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii) The company has no long term contracts including derivative contracts and hence no provision on account of material foreseeable losses is required.
  - (iii) There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Kochi-11  
30.07.2020

For KPR & Co.  
Chartered Accountants  
Firm Regn. No. 5326S  
*Deepa*  
DEEPA PRAVEEN B.Com., FCA  
Partner (Memb. No.232410)

UDIN:20232410AAAAAM6343



Ref: M/s.Cella Space Limited, Kochi (Formerly Sree Sakthi Paper Mills Limited) (2019-2020)

Annexure A: Referred to in paragraph 5 (1) of report on other Legal and Regulatory requirements of our report of even date-

- (i) In respect of the fixed assets –
  - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management at reasonable intervals and the discrepancies noticed have been properly dealt with in the books of accounts.
  - c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.
- (ii) The Company does not have any inventory during the year .Hence the clause 3(ii) of the order is not applicable to the company.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, firms, LLPs, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the explanations given to us, the Company has complied with the provisions of the Sections 185 and 186 of the Act in respect of the grant of loans, making investments and providing guarantees and securities made by it. The company had granted loans/advances to subsidiary companies as given in iii (a) above, which we were informed by the company that the provisions of section 185 and 186 are not applicable as they were made before 12th September 2013 being the effective date of Sec 185 of Companies Act 2013.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year. Therefore, the provisions of clause 3 (v) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

(vi) We have broadly reviewed the books and records maintained by the company pursuant to the order of the Central Government 148 (1) of the Companies Act 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determining whether these records are accurate or complete.

(vii) (a) According to the information given to us and on the basis of the checks conducted by us we report that the company has not been regular in depositing undisputed statutory dues including Provident fund, Employees state insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other statutory dues with appropriate authorities. The extent of arrears of Statutory dues as at the last day of the financial year concerned outstanding for a period of more than six months as at 31.3.2020, from the date they became payable are as under –

- Income tax payable: Rs. 60.55 lakhs,
- TDS deducted but not remitted to Government Rs 0.81 lakhs,
- TCS payable Rs 0.03 lakhs

(b) According to the information and explanations given to us, and based on the records of the company examined by us, the particulars of dues towards income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31st March 2020, which have not been deposited on account of any dispute are furnished as under -

Sl. No	Name of the statute	Nature of Dues	Amount of tax disputed (Rs. In lakhs)	Period to which the dispute relates.	Forum where the Dispute is pending.
1	Income Tax Act	Income Tax	22.18	AY 2014-15	CIT(Appeals), Kochi
2	Income Tax Act	Income Tax	27.42	AY 2018-19	CPC
3	Central Sales Tax Act	Central Sales tax	15.48	A.Y 2007-08	Deputy Commissioner (Appeals), Kochi
4	Central Excise Act 1944	Excise Duty	350.79	AY 2010-11	Excise Tribunal, Bangalore
5	Customs Act 1962	Customs Duty	58.79	AY 2010-11	Directorate General of Foreign Trade





(viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and Government except for temporary delays occurred in the repayment.

There were no debenture holders at any time during the year.

(ix) The company has not made any initial public offer or further public offer in the year under audit. The proceeds of the term loans availed by the company have been applied for the purpose for which they are raised.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or any fraud on the company by its officers or employees during the year was noticed or reported, nor we were informed of such case by the management.

(xi) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 19 read with Schedule V to the Companies Act 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review in accordance with the requirements of Section 42 of the Companies Act 2013 and the amount raised has been used for the purposes for which the funds were raised.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him for which provisions of section 192 are applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Kochi -11  
30.07.2020

For KPR & Co.  
Chartered Accountants  
Firm Regn No. 5326S  
*Deepa*  
DEEPA PRAVEEN B.Com., FCA  
Partner (Mem. No. 232410)

UDIN:20232410AAAAAM6343



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON the FINANCIAL STATEMENTS OF M/S. CELLA SPACE LIMITED, KOCHI (FORMERLY SREE SAKTHI PAPER MILLS LIMITED).**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of M/s. Cella Space Limited, Kochi (Formerly Sree Sakthi Paper Mills Limited)(the company) as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the financial statements of the company for the year ended on that date.

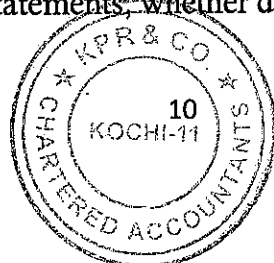
**Management's responsibility for Internal Financial Controls**

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the Guidance Note) and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain Audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial control systems over financial reporting.

### **Meaning of internal financial controls over financial reporting**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding the prevention or timely deduction of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over the financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

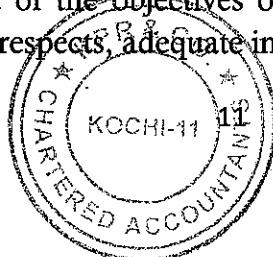
### **Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been revealed as at March 31, 2020:

*The internal control system established by the company for recording of financial transactions in time was not operating effectively due to which there was considerable delay in recording, reconciling and reporting the financial information on a timely basis. Further no internal audit was conducted during the year.*

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial



reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Company.

Kochi – 11  
30.07.2020

For KPR & Co.  
Chartered Accountants  
Firm Regn. No. 5326S

*Deepa*  
DEEPA PRAVEEN B.Com., FCA  
Partner (Memb. No. 232410)

UDIN:20232410AAAAAM6343



CELLA SPACE LIMITED  
(Formerly Sree Sakthi Paper Mills Limited)  
CIN : L93000KL1991PLC006207  
SREE KAILAS 57/2993 /94  
PALIAM ROAD ERNAKULAM KL 682016  
Balance Sheet as at March 31, 2020

(Figs in ₹ in Lakh)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
<b>I. Assets</b>			
<b>1 Non-current assets</b>			
Property, plant & equipment	4A	916.28	930.74
Capital work-in progress	4B	901.54	-
Investment property	4C	8.53	8.53
Intangible assets	5	-	-
Financial assets			
Investments	6A	15.10	15.10
Deposits	6B	20.58	-
Deferred tax assets (net)			
Other non-current assets	7	1.45	15.36
<b>2 Current Assets</b>			
Inventories		-	-
Financial assets			
Trade receivables	8A	15.11	51.00
Cash and cash equivalents	8B	69.51	0.91
Loans	8C	-	-
Tax Assets (Net)			
Other current assets	9	33.33	42.79
Assets held for sale		-	-
<b>TOTAL</b>		<b>1,981.43</b>	<b>1,064.43</b>
<b>II. Equity &amp; Liabilities</b>			
<b>1 Equity</b>			
Equity share capital	10	1,915.12	1,820.12
Other equity	11	(4,369.74)	(4,329.82)
<b>2 Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial liabilities			
Non Current Borrowings	14A	1,828.23	1,055.64
Provisions	15	9.65	8.56
Deferred tax liabilities (Net)	16	-	-
Other non-current liabilities	17	164.73	42.87
<b>3 Current Liabilities</b>			
Financial liabilities			
Current Borrowings	14B	2,041.50	1,601.55
Trade payables	18	203.27	496.80
Other current financial liabilities	19	43.45	4.92
Other current liabilities	20	145.22	292.08
Provisions	15	-	71.71
<b>TOTAL</b>		<b>1,981.43</b>	<b>1,064.43</b>

Summary of significant accounting policies 1,2,3  
The accompanying notes form an integral part of the financial statements.

As per our report of even date attached,  
For KPR & Co.,  
Chartered Accountants  
FRN: 05326S

Deepa Praveen, FCA  
Partner (M/No. 232410)



S Rajkumar  
Vice Chairman &  
Managing Director

V N Sridharan  
Chief Financial Officer

For and on behalf of the Board,

Visakh Rajkumar  
Director

R Ponnambalam  
Company Secretary

Cochin - 11  
Date : 30/07/2020

Chennai-17  
Date : 30/07/2020

UDIN: 20232410AAAAAM6343

**CELLA SPACE LIMITED**

(Formerly Sree Sakthi Paper Mills Limited)

CIN : L93000KL1991PLC006207

SREE KAILAS 57/2993 /94

PALIAM ROAD ERNAKULAM KL 682016

**Statement of profit and loss for the period ended March 31, 2020**

(Figs in ₹ in Lakh)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	21	268.86	-
II Other income	22	62.69	393.34
III Total Income (I + II)		<u>331.55</u>	<u>393.34</u>
IV Expenses			
- Cost of materials		59.59	-
- Changes In Inventory		-	-
- Employee Benefit Expenses	23	62.57	69.89
- Finance costs	24	159.21	8.16
- Depreciation and amortisation expenses	25	43.01	57.49
- Impairment loss Property, Plant & Equipment		-	158.97
- Other Expenses	26	125.10	259.88
Total expenses (IV)		<u>449.48</u>	<u>554.39</u>
V Profit/(Loss) before, exceptional items and tax (III - IV)		(117.93)	(161.05)
VI Exceptional items- Expenses/(Income)	27	(203.84)	(323.98)
VII Profit/(Loss) before tax (V - VI)		85.91	162.93
VIII Tax expense			
- Current income tax	28	-	-
- Deferred Tax	28	-	(27.78)
			<u>(27.78)</u>
IX Profit / (Loss) for the period from continuing operations. (VII-VIII)		<u>85.91</u>	<u>190.71</u>
X Other comprehensive income			
- Items that will not be reclassified to Profit or Loss	29	0.50	1.64
- Income tax relating to items that will not be reclassified to Profit	29	-	-
XI Total comprehensive income for the period (IX + X)		<u>86.41</u>	<u>192.35</u>
XII Earnings per Equity shares (of continuing operations) of Rs. 10/- each			
- Basic	13	0.46	1.03
- Diluted	13	0.46	0.99

Summary of significant accounting policies

1,2,3

The accompanying notes form an integral part of the financial statements

As per our report of even date attached,  
For KPR & Co.,  
Chartered Accountants  
FRN: 05326S

*Deepa*  
Deepa Praveen, FCA  
Partner (M.No. 232410)



Cochin -11  
Date : 30/07/2020

For and on behalf of the Board,

*Visakh Rajkumar*  
S. Rajkumar  
Vice Chairman &  
Managing Director

*V N Sridharan*  
V N Sridharan  
Chief Financial Officer

*Visakh Rajkumar*  
Visakh Rajkumar  
Director

*R Ponnambalam*  
R Ponnambalam  
Company Secretary

Chennai-17  
Date : 30/07/2020

**CELLA SPACE LIMITED**  
 (Formerly Sree Sakthi Paper Mills Limited)  
 CIN : L93000KL1991PLC006207  
 SREE KAILAS 57/2993 /94  
 PALIAM ROAD ERNAKULAM KL 682016

**Statement of Cash Flow for the period ended March 31, 2020** (Figs in ₹ in Lakh)  
**In Terms of Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows Under Indirect Method**

Particulars	For period ended March 31, 2020	For period ended March 31, 2019
Year ended 31 March 2020		
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Total Comprehensive Income	86.41	192.35
Adjustments for :		
Provision for Income-tax		(27.78)
Provision for Gratuity	1.09	0.12
Provision for Projects written back	(8.67)	
Depreciation, amortisation and impairment	43.01	216.46
Interest Income	(0.43)	(1.53)
(Profit)/Loss on write off/ sale of Fixed Assets	(4.36)	-
(Profit)/Loss on write off/ sale of investment		0.38
Fair value change in investment through OCI		(0.21)
Finance Cost	159.21	8.16
Operating Profit before working capital changes	276.27	387.95
Decrease(Increase) in Trade receivable	35.90	128.15
Decrease(Increase) in Loans and Advances	-	0.06
Decrease(Increase) in Deposits	(20.58)	-
Decrease(Increase) in other non current assets	13.91	(1.77)
Decrease(Increase) in other current assets & assets held for sale	20.07	653.51
Increase(Decrease) in Trade payable	(293.51)	116.46
Increase(Decrease) in Provisions	(70.61)	
Increase(Decrease) in Current Liabilities	(146.86)	(263.11)
Increase(Decrease) in Other Non Current Liabilities	121.86	41.44
Cash from Operations	(63.56)	1,062.69
Income Tax paid	(10.62)	(0.02)
<b>Cash from Operating before exceptional Items</b>	<b>(74.18)</b>	<b>1,062.67</b>
Exceptional Items	8.67	-
<b>Cash from Operating Activities</b>	<b>(65.51)</b>	<b>1,062.67</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds on Sale of Fixed Assets	3.35	-
Purchase of Fixed Assets	(29.01)	(378.12)
Purchase of Investment property	-	(7.50)
Proceeds on Sale of investment	-	1.12
Profit on sale of car	4.36	
Capital work in progress	(901.54)	
Reversal of Depreciation reserve	2.88	
Interest Income	0.42	1.53
<b>Net Cash from Investing Activities</b>	<b>(919.54)</b>	<b>(382.97)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from		
- Issue of shares	104.50	99.55
- Issue of shares warrants	(104.50)	(99.55)
- Borrowings	(215.05)	(233.72)
- Increase in other financial Liabilities	0.31	
Interest paid	(159.21)	(8.16)
<b>Net Cash from Financing Activities</b>	<b>(373.95)</b>	<b>(241.88)</b>



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**DTOTAL INCREASE (DECREASE) IN CASH AND CASH**

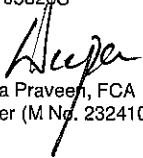
**EQUIVALENTS DURING THE YEAR (A+B+C)**

Cash and cash equivalents at the beginning of the year	(1,359.00)	437.82
Cash and cash equivalents at the end of the year	(249.09)	(686.91)
	<u>(1,608.09)</u>	<u>(249.09)</u>

**Components of cash and cash equivalents**

Balance with Banks		
In Current Accounts	1.69	0.14
In Deposit Accounts	67.74	0.69
Cash in Hand	0.08	0.08
Short Term Loan	(946.65)	(250.00)
Long Term Loan	(730.95)	
Total cash and cash equivalents	<u>(1,608.09)</u>	<u>(249.09)</u>

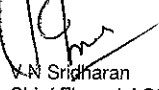
For KPR & Co.,  
Chartered Accountants  
FRN: 05326S


  
Deepa Praveen, FCA  
Partner (M No. 232410)

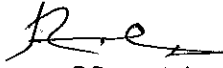
Cochin - 11  
Date : 30/07/2020

For and on behalf of the Board,

  
Visakh Rajkumar  
Vice Chairman &  
Managing Director

  
V.N. Sridharan  
Chief Financial Officer

  
Visakh Rajkumar  
Director

  
R Ponnambalam  
Company Secretary

Chennai-17  
Date : 30/07/2020





CELLA SPACE LIMITED  
 (Formerly Sree Sakthi Paper Mills Limited)  
 CIN : L93000KL1991PLC006207  
 SREE KAILAS 57/2993 /94  
 PALIAM ROAD ERNAKULAM KL 682016  
 Notes forming part of the Financial Statements

**NOTE 5 - Intangible Assets**

Particulars	(₹ in Lakh)	
	Computer Software	Total
<b>Year ended 31 March 2019</b>		
<b>Gross Carrying Amount</b>		
Opening Gross Carrying amount	0.16	0.16
Additions	-	-
<b>Closing Gross Carrying Amount</b>	<b>0.16</b>	<b>0.16</b>
<b>Accumulated Depreciation</b>		
Opening Accumulated Depreciation	-	-
Amortisation charge during the year	-	-
Impairment Charge	0.16	0.16
<b>Closing Accumulated Depreciation</b>	<b>0.16</b>	<b>0.16</b>
<b>Net Carrying Amount</b>	<b>-</b>	<b>-</b>
<b>Year ended 31 March 2020</b>		
<b>Gross Carrying Amount</b>		
Opening Gross Carrying amount	0.16	0.16
Additions	-	-
<b>Closing Gross Carrying Amount</b>	<b>0.16</b>	<b>0.16</b>
<b>Accumulated Depreciation</b>		
Amortisation charge during the year	0.16	-
Impairment Charge	-	0.16
<b>Closing Accumulated Depreciation</b>	<b>0.16</b>	<b>0.16</b>
<b>Net Carrying Amount</b>	<b>-</b>	<b>-</b>

**NOTE 6 : Non Current Financial Assets**

**NOTE 6A - Investment**

Particulars	(₹ in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Investment carried at fair value through other comprehensive income		
Quoted		
- Equity Instruments	-	-
Unquoted		
- Equity Instruments	1.00	1.00
	<b>1.00</b>	<b>1.00</b>
Investment carried at amortized cost		
- Investments in Subsidiaries	14.10	14.10
	<b>14.10</b>	<b>14.10</b>
<b>Total investment</b>	<b>15.10</b>	<b>15.10</b>

There are no financial investments measured at fair value through profit and loss



* Details of investment			(₹ in Lakh)	
Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
<b>Unquoted Non-Trade Investments:</b>				
Investment in Equity Instruments				
<u>Investments in Subsidiaries</u>				
- Jala Shaayi Alamparathodu Hydro Power Ltd (47,001 Equity Shares Of Rs 10 Each Fully Paid Up)	4.70		4.70	
- Sree Kailas Palchuram Hydro Power Ltd (47,001 Equity Shares Of Rs 10 Each Fully Paid Up)	4.70		4.70	
- Sree Adi Sakthi Mukkuttathode Hydro Power Ltd (47,001 Equity Shares Of Rs 10 Each Fully Paid Up)	4.70		4.70	
<u>Investment In Others</u>				
- Kerala Enviro Infrastructure Ltd (10,000 Equity Shares Of Rs 10 Each Fully Paid Up)	1.00		1.00	
	<b>15.10</b>		<b>15.10</b>	

NOTE 6B -Deposits			(₹ in Lakh)	
Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
<b>Unsecured Considered Doubtful</b>				
- Security Deposits	44.57		23.99	
	44.57		23.99	
- Provision for doubtful deposits	(23.99)		(23.99)	
	<b>20.58</b>		<b>-</b>	

NOTE 7 : Other Non Current Assets			(₹ in Lakh)	
Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
<b>Unsecured,considered good</b>				
- Advance to related parties	1.45		15.36	
<b>Unsecured,considered doubtful</b>				
- Capital Advances	83.12		83.12	
Less: Provision for doubtful advances	(83.12)		(83.12)	
	<b>1.45</b>		<b>15.36</b>	

* Details of Advance to related parties			(₹ in Lakh)	
Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
Jalashaayi Alamparathode Hydro Power Ltd,	0.19		-	
Sree Kailas Palchuram Hydro Power Ltd	1.01		14.42	
Sree Adisakthi Mukkuttathode Hydro Power Ltd	0.25		0.94	
	<b>1.45</b>		<b>15.36</b>	

NOTE 8: Current Financial Assets

NOTE 8A :Trade Receivables			(₹ in Lakh)	
Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
<b>Secured</b>				
- More than six months from the date they became due	-		-	
<b>Unsecured</b>				
- Considered Good				
(i) Exceeding Six Months From they become Due	-		40.71	

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(ii) Others	15.11	10.29
- Considered Doubtful	682.47	783.33
Provision for doubtful debts	(682.47)	(783.33)
	<u>15.11</u>	<u>51.00</u>

A. Details of debts due by related party

Particulars	As at March 31, 2020	As at March 31, 2019
Directors	-	-
Officers	-	-
Firms in which any director is a partner	11.62	-
Private Companies in which any Director is a director or member	-	-
	<u>11.62</u>	<u>-</u>

NOTE 8B :Cash and cash equivalents

Particulars	(₹ in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Balance with Banks		
- In Current Accounts	1.69	0.14
- In Deposit Accounts	67.74	0.69
Cash in Hand	0.08	0.08
	<u>69.51</u>	<u>0.91</u>

NOTE 8C : Loans

Particulars	(₹ in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Security deposit		
- Unsecured	27.60	27.60
Less: Provision for doubtful deposits	(27.60)	(27.60)
	<u>-</u>	<u>-</u>

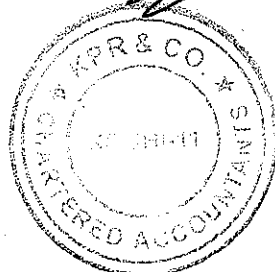
NOTE 9 : Other Current Assets

Particulars	(₹ in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Income Tax Prepaid	10.62	20.65
Balance with Revenue authorities	16.96	-
Earmarked deposits	5.23	4.92
Other receivables	0.52	17.22
	<u>33.33</u>	<u>42.79</u>

NOTE 10 :Equity share capital

A. Authorised

Particulars	(₹ and Nos in Lakh)			
	Equity shares		Preference shares	
	Shares	Amount	Shares	Amount
As at April 2019	250.00	2,500.00	250.00	2,500.00
- Increase during the year	-	-	-	-
As at 31 March 2020	380.00	3,800.00	120.00	1,200.00
- Increase during the year	-	-	-	-



**B. Issued, Subscribed & fully Paid Up**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period	182.01	1,820.12	172.96	1,729.62
Issued during the period	9.50	95.00	9.05	90.50
Outstanding at the end of the period	191.51	1,915.12	182.01	1,820.12

**Rights, Preferences and Restrictions attached to equity Shares**

- The Company has only one class of shares referred to as Equity Shares having a par value of Rs.10/- per share. Each holder of Equity Shares is entitled to one vote per share.
- The company declares and pays dividend in Indian Rupees. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the company the holders of equity shares shall be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- No shares have been forfeited till date.
- Out of the total share capital issued and called up, no calls are outstanding as unpaid.
- During the last 5 years, the company has not issued any shares pursuant to any contract without payment being received in, cash as bonus shares or has not brought back any shares.
- The following shareholders hold more than 5% of the shares:

Name	As at 31-03-2020		As at 31-03-2019	
	No of Shares	% of holding	No of Shares	% of holding
S.Rajkumar	94.61	49.40%	85.11	46.76%

**NOTE 11 :Other equity**

Particulars	As at	
	March 31, 2020	March 31, 2019
Capital Reserve	36.68	36.68
General Reserve	533.00	533.00
Retained earnings	(6,825.22)	(6,711.14)
Securities premium	1,694.39	1,684.89
Money received against share warrants	-	135.85
Other comprehensive income		
- Actuarial gain/(loss) on defined benefit obligation	(6.74)	(7.24)
- Equity instrument through other comprehensive income	(1.95)	(1.85)
	<u>(4,369.74)</u>	<u>(4,329.82)</u>

**NOTE 12 : Analysis of items of other comprehensive income (OCI), net of tax**

Particulars	As at	
	March 31, 2020	March 31, 2019
As at 1st april 2019	(7.24)	(1.85)
Remeasurements		
Remeasurements utilized during the year	0.50	
As at 31st march 2020	<u>(6.74)</u>	<u>(1.85)</u>

**NOTE 13 : Earning per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

Particulars	Profit (loss) attributable to equity shareholders (basic and diluted)	
	For period ended 31-Mar-20	For period ended 31-Mar-19
Basic Earnings per Share (EPS)		
Profit (loss) for the year, attributable to the equity holders	85.91	190.71
Weighted average number of equity shares outstanding at the end of the year	186.76	184.87
Basic Earnings per Share (EPS)	0.46	1.03

*J. J. J.* *V. V. V.*



<b>Diluted Earnings Per Share (EPS)</b>		
Profit / (loss) for the year, attributable to the equity holders, adjusted for the effect of potential equity shares	85.91	190.71
Weighted average number of equity shares outstanding at the end of the year, including the potential equity shares	186.76	194.36
<b>Diluted Earnings Per Share (EPS)</b>	<b>0.46</b>	<b>0.99</b>

**NOTE 14 : Financial Liabilities**

**NOTE 14A: Non Current Borrowings**

Particulars	(₹ in Lakh)	
	As at March 31, 2020	As at March 31, 2019
<b>Non-current Borrowings</b>		
Long term borrowings from bank*	692.73	
11.25% Preference shares Redeemable **	1,135.50	1,055.64
	<b>1,828.23</b>	<b>1,055.64</b>

\*Current maturities of long term borrowings are disclosed under 'other Current financial liabilities'

**\*\* Notes to Preference shares**

- (i) The Company has only one class of Preference Shares (non-convertible cumulative redeemable ) having a face value of Rs.10/- per share.
- (ii) Preference shares carries a dividend at the rate of 11.25%
- (iii) The company shall redeem the preference shares having aggregate face value of Rs. 600 lakhs at par in 4 annual installments of Rs. 150 lakhs each from the end of F.Y 2020-21 onwards. The balance preference shares having aggregate face value of Rs. 400 lakhs shall be redeemed in full at par at the end of F.Y 2027-28.

Details of shares held by each shareholder holding more than 5% shares:

Name	As at 31-03-2020		As at 31-03-2019	
	No of Shares	% of holding	No of Shares	%
Kerala State Industrial Development Corporation Limited	60.00	60.00%	60.00	60.00%
S.Rajkumar	39.51	39.51%	40.00	40.00%

**NOTE 14B: Current Borrowings**

Particulars	(₹ in Lakh)	
	As at March 31, 2020	As at March 31, 2019
<b>Secured Loans from Banks</b>		
Short term loan from bank	946.65	250.00
<b>Sub-Total</b>	<b>946.65</b>	<b>250.00</b>
<b>Unsecured Loans</b>		
Loan from Related Parties		
- From Directors	1,052.05	1,315.28
- From Companies in which directors are interested	42.80	36.27
<b>Sub-Total</b>	<b>1,094.85</b>	<b>1,351.55</b>
<b>Total</b>	<b>2,041.50</b>	<b>1,601.55</b>

*Vinay* *J*



Terms of repayment of loan.		
Name of bank	Andhra Bank	
Type of loan	Term loan (Short term)	Term loan (Long term)
Amount sanctioned	20.80 Crores	7.84 Crores
Current interest rate as at year end	11%	11%
Details of repayment	To be repaid within 12 months from the date of first	Repayable in 120 EMI, with a gestation period of 2 months.
Details of security	Entire fixed assets along with the equitable mortgaged land.	Secured against the lease rentals receivable

* Current Borrowings - Secured				₹ In Lakh)	
Particulars	As at		As at		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Short term borrowing from bank					
- Andhra bank			946.65	250.00	
			<u>946.65</u>	<u>250.00</u>	

* Current Borrowings - Unsecured				₹ In Lakh)	
Particulars	As at		As at		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Related parties					
- Loan from Directors			1,052.05	1,315.28	
- Loan from Group Companies			42.80	36.27	
			<u>1,094.85</u>	<u>1,351.55</u>	

- i Loan from related parties are repayable on demand.  
ii There is no continuing default / default as on the date of balance sheet in repayment of loans and interest.

NOTE 15 :Provisions				₹ In Lakh)	
Particulars	As at		As at		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Non-Current Provisions					
Provision for Employee benefits					
- Gratuity			9.65	8.56	
			<u>9.65</u>	<u>8.56</u>	
Current Provisions					
Provision for Income Tax for earlier years			-	71.71	
			-	<u>71.71</u>	

The company has estimated the liability for Gratuity based on the report obtained from an independent consulting actuary as at 31.03.2020

Reconciliation of the net defined benefit liability

Particulars	TYPE OF PLAN	
	Gratuity	Leave plan
As at 1 April 2018	8.44	
Expected return on plan assets	0.59	
Interest Cost	0.96	
Current service cost	(1.43)	
Actuarial loss/(gain) on obligation	-	
Employer contribution to plan assets	-	
Net effect of benefit payments	-	

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As at 31 March 2019	8.56	-
Expected return on plan assets	-	-
Interest Cost	0.59	-
Current service cost	1.00	-
Actuarial loss/(gain) on obligation	(0.50)	-
Employer contribution to plan assets	-	-
Net effect of benefit payments	-	-
As at 31 March 2020	9.65	-

Expense recognised in profit or loss

Particulars	TYPE OF PLAN	
	Gratuity	Leave plan
<b>For the period ended 31 March 2019</b>		
Expected return on plan assets	-	-
Interest Cost	0.59	-
Current service cost	0.96	-
Actuarial loss/(gain) on obligation, recognised in OCI at the end of the year	(1.43)	-
Claims received w.r.t previous years	-	-
<b>Total amount recognised in profit or loss</b>	<b>0.12</b>	<b>-</b>
<b>For the period ended 31 March 2020</b>		
Expected return on plan assets	-	-
Interest Cost	0.59	-
Current service cost	1.00	-
Actuarial loss/(gain) on obligation	(0.50)	-
Employer contribution to plan assets recognised in P/L	-	-
<b>Total amount recognised in profit or loss</b>	<b>1.09</b>	<b>-</b>

Remeasurements recognized in other comprehensive income

Particulars	TYPE OF PLAN			
	Gratuity		Leave plan	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Actuarial loss/(gain) on obligation	(0.50)	(1.43)	-	-
Balance as at the end of the year	(0.50)	(1.43)	-	-

Significant Estimates- The Significant actuarial valuation applicable for the plans are as below:

Particulars	31/03/2020	31/03/2019
Mortality table	Indian Assured Lives Mortality	Indian Assured Lives Mortality (2006-08)
Discount Rate	5.56%	6.94%
Salary escalation rate	5.00%	5.00%
Expected rate of return on plan assets	Not Applicable	Not Applicable

Sensitivity Analysis of the Defined Benefit Plans

	31st March, 2020
a) Defined Benefit Obligation - Discount rate + 100 basis points	(5,945.00)
b) Defined Benefit Obligation - Discount rate - 100 basis points	6,645.00
c) Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	6,615.00
d) Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(6,029.00)

NOTE 16 :Deferred tax liabilities

Particulars	(₹ in Lakh)	
	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Liabilities</b>		
- Property, Plant & Equipment	-	60.66
<b>Deferred Tax Asset</b>		
- Provision for unrecognised expense	(66.47)	(75.65)
- Provision for Gratuity	(2.51)	(2.22)
- Provision for Doubtful Debts/Claims	(255.75)	(203.67)



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Net Deferred Tax Liabilities/(Assets)	(324.73)	(220.88)
Deferred Tax Asset on account of carried forward loss	(782.97)	(830.39)
Net Deferred Tax Liabilities / (Asset)	(1,107.70)	(1,051.27)
Less: Deferred Tax Liabilities / (Assets) unrecognised (Refer Note No.3.3B)	(1,107.70)	(1,051.27)
Net Deferred Tax Liabilities / (Assets) to Balance Sheet	-	-

**Movement in deferred tax liabilities**

Particulars	Carried forward loss	Property, Plant & Equipment	for unrecognised expense	Provision for Gratuity	Provision for Doubtful Debts/Claims	Total
At 1st April 2019	(830.39)	60.66	(75.65)	(2.22)	(203.67)	
(+)/(-)	47.42	28.49	9.18	(0.29)	(141.23)	
Deferred Tax Liability / (Asset) at the year end	(782.97)	89.15	(66.47)	(2.51)	(344.90)	
Less:						
Charged to -			(66.47)	(2.51)	(255.75)	
Profit / Loss	-	89.15	-	-	89.15	
Other	-					
Comprehensive Income						
At 31 March 2020	(782.97)	-	(66.47)	(2.51)	(255.75)	(1,107.70)

**NOTE 17 : Other non-current liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	-	1.43
Rent Deposit	164.73	41.44
	<u>164.73</u>	<u>42.87</u>

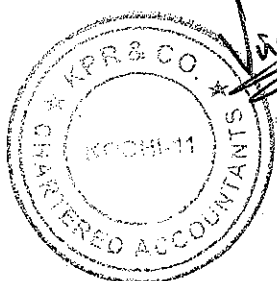
**NOTE 18 : Trade Payables**

Particulars	As at March 31, 2020	As at March 31, 2019
Payable to Micro Small & Medium Enterprises	-	0.65
Other Trade Payables		
- Supplies	203.27	447.65
- Stores & Spares	-	48.50
	<u>203.27</u>	<u>496.80</u>

**Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

i The above balances are subject to confirmation from the respective parties.

Particulars	For the year March 31, 2020	For the year ended March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end	-	0.65
The amount of interest paid by the company along with the amounts of the payments made to the supplier beyond the appointed day during the year	1.25	-
The amount of interest due and payable for the period of delay in making payment	-	0.20
The amount of interest accrued and remaining unpaid at the end of the year	-	0.40
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	0.60	-





**NOTE 19 : Other current financial liabilities**

Particulars	As at	
	March 31, 2020	March 31, 2019
Current maturities of long term debts	38.22	
Unclaimed Dividend	2.15	
Dividend payable	3.08	4.92
	<u>43.45</u>	<u>4.92</u>

**NOTE 20 : Other Current Liabilities**

Particulars	As at	
	March 31, 2020	March 31, 2019
Other liabilities		
- Salaries and Other Benefits	37.54	82.33
- Statutory Dues Payable	65.93	137.29
- Other Payables	41.75	72.46
	<u>145.22</u>	<u>292.08</u>

**NOTE 21 : Revenue From Operations**

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
(i) Sale of products:		
- Sale of Paper and Paper Products	19.45	-
(ii) Sale of service		
- Lease Rental Income	105.18	-
(iii) Other operating revenue	143.23	-
	<u>268.86</u>	<u>-</u>

**NOTE 22 : Other Income**

Particulars	For the year ended		(₹ in Lakh)
	March 31, 2020	March 31, 2019	
(i) Interest income:			
- On deposits with banks [Tax Deducted at Source Rs 'Nil' (Previous year Rs 0.16 Lakhs)]	0.43	0.21	
- On Advances	1.04	1.32	
(ii) Sale of Scrapped Fixed Assets	11.89	333.57	
(iii) Dividend income	0.05		
(iv) Other non-operating income	8.47	58.24	
(v) Credits no longer payable, forfeited	32.14		
(vi) Provision for Projects Written back	8.67		
	<u>62.69</u>	<u>393.34</u>	

**Details of Other non-operating income**

Particulars	For the year ended		(₹ in Lakh)
	March 31, 2020	March 31, 2019	
Insurance Income	0.55	0.83	
Miscellaneous Income	7.89	57.41	
	<u>8.47</u>	<u>58.24</u>	

*Jms*      *Vankar*



## NOTE 23 : Employee Benefit Expenses

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries, Wages & Allowances	26.40	47.56
Gratuity	3.86	1.55
Staff Welfare Expenses	5.14	3.35
Employer's Contribution to PF	0.37	0.66
Employer's Contribution to ESI	0.09	0.18
Allowances and expenses to contract workers	0.55	13.13
Others	26.16	3.16
	<u>62.57</u>	<u>69.89</u>

## NOTE 24 : Finance Cost

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Interest Cost on Financial liabilities carried at amortised cost		
- Interest expense	69.17	43.14
- Other borrowing cost	10.18	0.20
- Cost on Preference Shares, adjusted for the fair value	79.86	(35.19)
	<u>159.21</u>	<u>8.15</u>

## NOTE 25 : Depreciation and amortisation expenses

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Depreciation on Property, Plant & Equipment	43.01	57.49
	<u>43.01</u>	<u>57.49</u>

## NOTE 26 : Other Expenses

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Payment to auditor	1.04	1.15
Power and fuel	1.69	5.83
Rent	-	1.08
Repairs and maintenance (other than buildings and machinery)	1.72	35.43
Insurance charges	1.39	1.88
Rates and Taxes	14.78	9.00
Cleaning and maintenance expenses	12.82	
Manpower Supply	6.14	
Professional charges	11.85	
Sitting fees	3.25	
Provision for Expected Credit Loss	49.07	62.59
Loss on sale of investments	-	0.38
Loss on sale of fixed assets	-	
Freight outwards	-	0.09
Miscellaneous expenses	21.25	142.45
	<u>125.10</u>	<u>259.88</u>

## NOTE 26A : Payment to auditor

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Statutory Audit Fee	0.75	0.75
Tax Audit Fee	0.25	0.25
Auditors Out of pocket Expense	0.04	-
Fee for other services	-	0.10
Audit fee for certification	-	0.05
	<u>1.04</u>	<u>1.15</u>

*Jm* *Vs/16*



**NOTE 27 : Exceptional Items expense / (Income)**

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Retrenchment Compensation		31.01
Loan and interest on loan forfeited account	₹ -	-
Loss on sale of asset held for sale		374.00
Credits no longer payable, forfeited		(728.99)
Liabilities no longer payable, Written Back *	(141.45)	-
Taxes Written back **	(62.99)	-
	<u>(203.94)</u>	<u>(323.98)</u>

\* The company has assessed the liabilities relating to the Paper Division and has entered into settlement with many of the creditors. In this process, the company has determined the liabilities or part of the liabilities which are no longer payable by the company on the basis of settlement made with them. Such liabilities amounting to Rs.141.54 Lakhs has been written back and has been disclosed as \* Liabilities no longer payable, written back\*

The company has settled the disputed statutory liabilities payable under central excise/ service tax provisions under the sabka viswas ( Legacy Dispute Resolution Scheme) 2019 introduced by Government of India. The portion of such liabilities which is no longer payable has been written back by the company. Also, statutory liability outstanding after the payment of amount determined by the department upon the regular assessment has been written back.

\*\*\* Other than the liabilities disclosed in the contingent liabilities in Note no. 31, there is no liability outstanding on account of Central Excise either as per excise records or as per demand notices issued against the company.

**NOTE 28 : Tax Expense**

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Current Tax	-	-
Deferred Tax	-	(27.78)
		<u>(27.78)</u>

**Income tax recognized in other income**

Particulars	For the year ended 31/03/2020			For the Year ended 31/03/2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurement of defined benefit liability	0.50	-	0.50	1.43	-	1.43
Remeasurement of Equity Instruments through OCI	0	-	-	0.21	-	0.21

**Reconciliation of effective tax rate**

A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	For the year ended 31/03/2020		For the year ended 31/03/2019	
Profit from continuing operations before income tax expense		85.91		162.93
Tax on accounting profit at 28% (P.Y 28.75%)		22.34		42.36
Less: Tax Credit on account of non-taxable incomes	(1.15)			(194.27)
(+)(-): Tax effect on account of Deferred Tax			(248.66)	
Net tax credit (asset) for the year			174.15	(74.51)
Less: Tax Credit not recognised during the year				

*John*      *Vinith*



Tax Credit /(liability) relating to earlier years reversed				46.73
(+)/(-): Tax effect of Deferred Tax on account of unabsorbed losses				
Tax credit relating to current year losses, not recognised				151.91
Tax credit on account	(22.34)		(830.39)	
Less: Tax Credit relating to earlier years, not recognised		(22.34)	830.39	-
Total income tax expense/(credit)		(0.00)		(27.78)
(+)/(-) Tax adjustments for the earlier years		-		-
Income Tax expense / (credit) as per Profit and Loss		(0.00)		(27.78)

**NOTE 29 : Other comprehensive income**

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Actuarial gain/(loss) on defined benefit obligation	0.50	1.43
Equity instrument through other comprehensive income	-	0.21
Tax effect of the above	-	-
	<b>0.50</b>	<b>1.64</b>

**NOTE 30 : Fair Value Hierarchy**

The management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, cash credits, buyers credit and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values for the financial assets given below:

**Quoted Equity Instrument and Mutual Funds:**

The fair values of the quoted equity shares measured using quoted prices. This includes listed equity instruments and mutual funds that are listed in the stock exchange.

**Unquoted Equity Shares of Other Companies:**

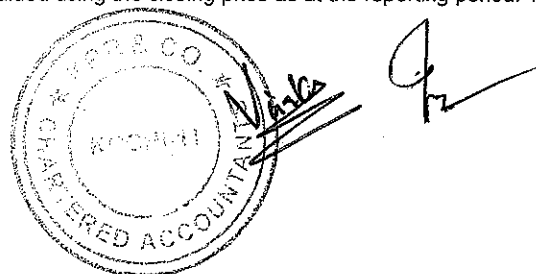
The fair values of the unquoted equity shares have been estimated using NAV model using the book value of assets and liabilities.

**Preference Shares**

The value of the preference shares are estimated based on the weighted average cost of capital.

Particulars	31.03.2020		31.03.2019	
	Significant		Significant	
	Level 1	Level 3	Level 1	Level 3
<b>Financial Assets</b>				
<b>Investment in Unquoted instruments</b>				
Kerala Enviro Infrastructure Limited		1.00		1.00
Jala Shaayi Alamparathodu Hydro Power Ltd		4.70		4.70
Sree Kailas Palchuram Hydro Power Ltd		4.70		4.70
Sree Adi Sakthi Mukkuttathode Hydro Power Ltd		4.70		4.70
<b>Financial Liabilities</b>				
Preference shares		1,135.50		1,055.64

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing



The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in Level 3.

**NOTE 31 : Contingent liabilities and Commitments \*\*\***

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Amount of Income tax liabilities disputed in appeal	22.18	23.82
Income Tax liability on account of TDS default.	4.21	
Excise duty disputed under appeal	350.79	350.79
Claim towards water charge raised by Kerala Water Authority	78.42	78.42
Customs duty liability under EPCG claim	58.79	58.79
Employee Provident Fund demand under appeal	34.17	
Penalty from BSE Ltd under appeal	6.60	
Arrears of non - convertible cumulative preference dividend	673.10	673.10
	<b>1,228.26</b>	<b>1,184.92</b>

**NOTE 32 : Additional Information**

**Details of Provisions Pursuant to Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets**

Particulars	As at 31st	Provision made	Provision	As at 31st
	march 2019	during the year	utilized during the year	march 2020
Trade receivables	783.33	49.07	149.93	682.47
Income Tax	71.71	-	71.71	-
Gratuity and Leave Encashment	8.56	1.09	-	9.65
Capital Advances	87.34	-	-	87.34
Deposits	51.59	-	-	51.59
Advance for Power Project	52.48	-	8.67	43.81
Temporary Advances	286.75	-	5.29	281.46
Investments	3.00	-	-	3.00

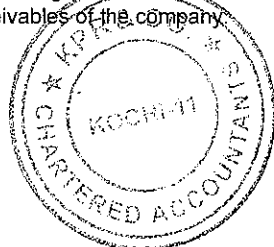
**Details of Lease Rentals pursuant to Ind AS 116- Leases**

Particulars	Particulars
Lessee	Fine Tech Corporation Private Limited
Security Deposit	Rs.93,45,146/-
Lease Term	15 Years

Lease Rental	Amount ( Rs)
19-20	1,06,17,966/-
20-21	1,29,91,104/-
21-22	1,36,02,330/-
22-23	1,42,44,115/-
23-24	1,49,17,991/-
Remaining years	19,45,60,400/-

**Additional Disclosures**

a) As the Company had terminated its business operations pertaining to manufacturing of Kraft Paper in 2016-2017, the management is in the process of ascertaining and reconciling, wherever necessary, the realizable value of entire receivables of the company.



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(b) As a matter of prudence, the company has already created a cumulative provision for bad and doubtful debts amounting to Rs.682.47 lakhs which in the opinion of the management is sufficient to cover the entire doubtful debts of the company.

(c) As negotiations are going on with the debtors and creditors of the company for settlement of dues, we have not obtained the confirmation of balances as for some of the creditors at the year end. Any additional liability required based on the reconciliations / settlement made with the debtors and creditors, will be provided in the due course.

(d) Compliance on transfer of Unpaid Dividend and Unclaimed Shares to IEPF Account  
Sec 124(5) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rule, 2017, requires every company to transfer any unpaid dividend along with the corresponding equity shares outstanding for more than the period prescribed under Act to the Investor Education and Protection Fund (IEPF) Account.

The Ministry of Corporate Affairs (MCA) vide General Circular No. 12/2017 dated 16.10.2017 had notified the due date to transfer the equity shares where the specified period has completed

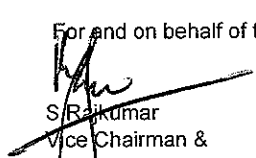
The company has not transferred such equity shares .The Company is taking necessary steps to identify such equity shares and comply with the provisions of the Act.

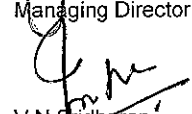
For KPR & Co.,  
Chartered Accountants  
FRN: 05326S


Deepa Praveen, FCA  
Partner (M No. 232410)

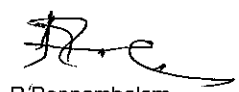
Cochin - 11  
Date : 30/07/2020

For and on behalf of the Board,

  
S Rajkumar  
Vice Chairman &  
Managing Director

  
V N Sridharan  
Chief Financial Officer

  
Visakh Rajkumar  
Director

  
R Ponnambalam  
Company Secretary

Chennai-17  
Date : 30/07/2020



Notes forming part of the Financial Statements

(Figs in ₹ in Lakh)

Note 4A: Plant, Property & Equipments	Property, Plant & Equipment							Total
	Land	Building	Furniture & fixtures	Plant & machinery	Vehicle	Office equipments		
<b>Year ended 31 March, 2019</b>								
<b>Gross Carrying Amount</b>								
Opening Gross carrying amount	198.52	744.12	18.20	86.60	11.10	10.97		1,069.51
Exchange differences	-	-	-	-	-	-		-
Additions	-	378.12	-	-	-	-		378.12
Disposals	1.03	60.89	-	35.40	-	2.10		99.42
<b>Closing Gross Carrying Amount</b>	<b>197.49</b>	<b>1,061.35</b>	<b>18.20</b>	<b>51.20</b>	<b>11.10</b>	<b>8.87</b>		<b>1,348.21</b>
<b>Accumulated Depreciation and Impairment</b>								
Opening accumulated depreciation	-	207.98	8.69	64.65	10.45	7.61		299.39
Depreciation charge during the year	-	42.22	1.37	13.26	-	0.64		57.49
Impairment Loss	-	152.81	-	5.60	-	0.56		158.97
Exchange differences	-	-	-	-	-	-		-
Reversal of depreciation reserve (including impairment on assets disposed)	-	(60.88)	-	(35.39)	-	(2.10)		(98.37)
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>342.13</b>	<b>10.06</b>	<b>48.12</b>	<b>10.45</b>	<b>6.71</b>		<b>417.47</b>
<b>Net Carrying Amount</b>	<b>197.49</b>	<b>719.22</b>	<b>8.14</b>	<b>3.08</b>	<b>0.65</b>	<b>2.16</b>		<b>930.74</b>
<b>Year Profit / (Loss) for the period from continuing operations. (VII-VIII)</b>								
<b>Gross Carrying Amount</b>								
Opening Gross carrying amount	197.49	1,061.35	18.20	51.20	11.10	8.87		1,348.21
Exchange differences	-	-	-	-	-	-		-
Additions	-	24.81	-	-	4.20	-		29.01
Disposals	-	-	-	-	3.35	-		3.35
<b>Closing Gross Carrying Amount</b>	<b>197.49</b>	<b>1,086.17</b>	<b>18.20</b>	<b>51.20</b>	<b>11.95</b>	<b>8.87</b>		<b>1,373.87</b>
<b>Accumulated Depreciation and Impairment</b>								
Opening accumulated depreciation	-	342.13	10.06	48.12	10.45	6.71		417.47
Depreciation charge during the year	-	41.07	1.80	0.09	0.05	-		43.01
Impairment Loss	-	-	-	-	-	-		-
Exchange differences	-	-	-	-	-	-		-
Reversal of depreciation reserve (including impairment on assets disposed)	-	-	-	-	2.89	-		2.89
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>383.20</b>	<b>11.86</b>	<b>48.21</b>	<b>7.61</b>	<b>6.71</b>		<b>457.59</b>
<b>Net Carrying Amount</b>	<b>197.49</b>	<b>702.96</b>	<b>6.34</b>	<b>2.99</b>	<b>4.34</b>	<b>2.16</b>		<b>916.28</b>

Note 4B: Capital Work In Progress

Particulars	As at March 31, 2020	As at March 31, 2019
Opening carrying amount	-	-
Expenditure recognised in the carrying amount in the course of construction of warehouse building during the year	901.54	-
<b>Closing carrying amount</b>	<b>901.54</b>	<b>-</b>

- (i) Borrowing cost capitalised during the year - ₹ 66.37 lakhs (Previous Year : ₹ 18.78 Lakhs)
- (ii) The company has taken the complete possession of 1.76 acres of industrial land at Edayar, Kerala by paying the entire consideration to the buyer. The company has been using the said property entirely since 2013 onwards. However, the final clearance from the respective Governmental authorities for effecting the transfer of the legal ownership has not been received and is awaiting by the company. In view of the above facts, and in accordance with the substance and economic reality, the cost of purchase of the said land has been included in the block of Land as above.



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**Note 4C: Investment Property**

Particulars		As at March 31, 2020	As at March 31, 2019
Gross Carrying amount			
Opening Gross Carrying amount		8.53	-
Additions		-	8.53
Closing Gross Carrying amount	(A)	8.53	8.53
Accumulated Depreciation			
Opening Accumulated Depreciation		-	-
Depreciation charged		-	-
Closing Accumulated Depreciation	(B)	-	-
<b>Net Carrying Amount</b>	<b>(A - B)</b>	<b>8.53</b>	<b>8.53</b>

**(i) Amounts recognised in Profit or Loss for investment in property**

Rental Income	-	-
Direct Operating Expenses from the property that generated rental income	-	-
Direct Operating Expenses from the property that did not generate rental income	-	-
Profit from Investment Properties before depreciation	-	-
Depreciation	-	-
<b>Profit from Investment Property</b>	<b>-</b>	<b>-</b>

- (ii) There are no restrictions on the realisability of investment property or on the remittance of income and proceeds of disposal therefrom.  
 (iii) There are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.  
 (iv) The company has not estimated the fair value of the investment properties as at the year end; and therefore the fair value has not been disclosed.

*Vignals*      *J*





**CELLA SPACE LIMITED**  
(Formerly Sree Sakthi Paper Mills Limited)  
CIN : L93000KL1991PLC006207

**SREE KAILAS 57/2993 /94, PALIAM ROAD, KOCHI-16**  
Statement of changes in equity for the period ended March 31, 2020

**A. Equity share capital**

(Figs in ₹ in Lakh)

Particulars	Opening balance as at 1 Apr 2018	Changes in equity share capital during the year	Closing balance as at 31 Mar 2019	Changes in equity share capital during the year	Closing balance as at 31 Mar 2020
Equity shares of Rs.10 each	1,729.62	90.50	1,820.12	95.00	1,915.12
<b>Total</b>	<b>1,729.62</b>	<b>90.50</b>	<b>1,820.12</b>	<b>95.00</b>	<b>1,915.12</b>

Year ended 31 March 2020

Year ended 31 March 2020

(₹ in Lakh)

Particulars	Opening balance as at 1 Apr 2019	Changes in accounting policy/ prior period errors	Restated balance as at 1 Apr 2019	Current Year Transactions	Closing balance as at 31 Mar 2020
Capital Reserve	36.68	-	36.68	0.00	36.68
General Reserve	533.00	-	533.00	-	533.00
Retained earnings	(6,711.14)	-	(6,711.14)	85.92	(6,625.22)
Securities premium	1,684.89	-	1,684.89	9.50	1,694.39
Money received against share warrants	135.85	-	135.85	(135.85)	-
Other comprehensive income	-	-	-	-	-
- Actuarial gain/(loss) on defined benefit obligation	(7.24)	-	(7.24)	0.50	(6.74)
- Equity instrument through other comprehensive income	(1.85)	-	(1.85)	-	(1.85)
<b>Total reserves</b>	<b>(4,329.82)</b>	<b>-</b>	<b>(4,329.82)</b>	<b>(39.93)</b>	<b>(4,369.74)</b>

For KPR & Co.,  
Chartered Accountants  
FRN: 053265

Deepa Praveen, FCA  
Partner (M No. 232410)

Cochin - 11  
Date : 30/07/2020

For and on behalf of the Board,

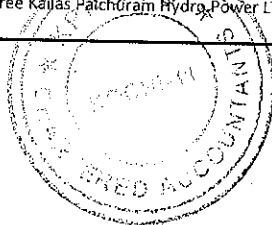
S Ralkumar  
Vice Chairman &  
Managing Director

V N Sridharan  
Chief Financial Officer



Details in respect of related parties in Pursuant to IND AS 24

Nature of Relationship	Name of Related party	Details of Transactions		
		Nature of Transactions	Amount (Rs. in Lakhs)	
			2019-20	2018-19
Key Managerial Personnel (Managing Director)	1 Mr. S Rajkumar	Unsecured Loan	263.73	907.59
Key Managerial Personnel (Director)	2 Mrs. Rajee Rajkumar	Remuneration	7.61	
		Unsecured Loan		2.49
Key Managerial Personnel (Director)	3 Mr. Visakh Rajkumar	Sitting Fees	0.50	0.30
		Remuneration	6.00	
Key Managerial Personnel (Director)	4 Mr. G Ragavan	Sitting Fees	0.95	0.70
Key Managerial Personnel (Director)	5 Mr. U G Bhat	Sitting Fees	0.55	0.50
Key Managerial Personnel (Director)	6 Mr. N Subramanian	Sitting Fees	0.95	0.60
Key Managerial Personnel (Non Executive Director)	7 Mr. Akhilesh Agarwal	Sitting Fees	0.30	0.20
Key Managerial Personnel (Company Secretary)	8 Mr.R. Ponnambalam	Remuneration	1.00	0.14
Key Managerial Personnel (Company Secretary)	9 Mr. V.N Sridharan	Remuneration	3.60	
Key Managerial Personnel (Director)	10 Mrs. lasaki Kamalam	No Transactions	-	-
Key Managerial Personnel (Director)	11 Mr. S Subramaniam	No Transactions	-	-
Relatives of Key Managerial Personnels	12 Mr. Vignesh Rajkumar	No Transactions	-	-
	13 Mr. S Giridhar	Unsecured Loan	-	(208.75)
	14 Mr. A Ganesh	No Transactions	-	-
Enterprises over which any person mentioned in 1 to 14 above is able to exercise significant influence	15 Mr. A Padmanabhan	Hill earth Expenses	6.01	(56.57)
	16 Shri Kailash Logistics Chennai LTD	Sale of Scrap	-	-
		Unsecured Loan	1.32	-
	17 Cartopacks	Interest on Unsecured Loan	5.81	36.27
		Sale of goods	16.12	-
	18 Aditya Papers	Purchase of Cartons	-	0.01
		Sale of goods	-	-
	19 Maharaj Continental Trades LTD	Unsecured Loan	-	(116.85)
		Debt Collection expense reimbursement	-	8.07
	20 Sree Giri Packagings LTD	Hill earth Expenses	23.05	-
		Sale of Goods	-	-
	21 Very Same Industrial Aids LTD	Repayment of unsecured Loan	60.46	0.01
		22 Visakh Homes LTD	Unsecured Loan	1.75
	Advance for scrap received		-	(14.20)
Contract expenses	263.05		344.10	
Commission for marketing warehouse	-		36.76	
23 Sree Kashyap Surya Energy Equipments PVT LTD	EMD	5.00	-	
24 Sree Sakthi Ganapathy Charitable Trust	No Transactions	-	-	
25 Sree Sakthi Constructions and Infrastructure LTD	Donations	-	0.25	
	Repayment of unsecured Loan	33.71	-	
Subsidiaries	26 Sree Adisakthi Mukkuttathode Hydro Power LTD	Interest on advance	0.11	0.08
		Advance Received	0.81	0.25
	27 Jalashaayi Alamparthodu Hydro Power LTD	Interest on advance	0.58	0.00
		Advance given	0.13	(0.35)
	28 Sree Kailas Palchuram Hydro Power LTD	Interest on advance	0.88	1.24
		Advance Received	13.69	0.21



*Vinayak J*

**CELLA SPACE LIMITED**  
**(Formerly SREE SAKTHI PAPER MILLS LIMITED)**  
**CIN: L93000KL1991PLC006207**

**Annexure to Notes on Standalone Financial Statements for the Year ended March 31, 2020**

**1 – Reporting Entity**

**M/s. Cella Space Limited** (formerly known as Sree Sakthi Paper Mills Limited) (the 'Company') is a company incorporated in India as a Limited Company on 3rd October, 1991, under the provisions of Companies Act 1956, with the main objective of manufacturing of paper and paperboards ('the paper operations'). However, the paper operations were closed down in June 2016. Further, the company amended its main object to deal in the business of logistics, Industrial Parks, Logistics Parks, ('the logistics operation'). Accordingly, the company converted its factory building at Edayar, Kochi into a warehouse which has been let out to commercial parties in March, 2019.

**2 – Basis of Preparation of Standalone Financial Statements**

a) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the 'Act') and the relevant provisions of the Act.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.





and feasibility of such a plan, the management amended the Memorandum of Association (MoA) of the company to insert necessary object clause for the logistics operations.

At the first phase of the logistics operations, the company modified and converted the existing factory building at Edayar into a commercial warehouse. The project was completed in March, 2019 and the warehouse has been handed over to tenant in the same month itself and the company started to earn revenue ('Lease Rentals') from 27<sup>th</sup> May 2019 onwards.

In the current scenario, the company has successfully completed the first phase of the logistics operations and will continue with the construction of other logistics warehouses and thereby generate revenue in the upcoming financial years. Accordingly, the going concern assumption is very much valid and appropriate.

### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the concerned notes.

### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2020 is included in the concerned notes.

#### **f) Measurement of Fair Values**

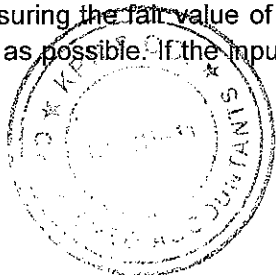
A number of the company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is required, the Company assesses the evidence obtained by the third parties to support the conclusions that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall



into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **3 – Accounting Policies**

#### **1) Revenue Recognition**

The revenue of the company is recognized on accrual basis in accordance with the applicable Indian Accounting Standards (Ind AS) and other Generally Accepted Accounting Principles in India.

The revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### *Transitional provisions of Ind AS 115 “Revenue from Contracts with the Customers”*

The company has recognized income from contracts as per Ind AS 115 “Revenue from Contracts with customers” which has been made mandatory w.e.f 01.04.2018. The effect of transition to the Ind AS has been provided, wherever applicable, under the Modified Retrospective Approach wherein the cumulative effect of the transition to Ind AS 115, if any, has been presented as an adjustment to opening balance of equity at the date of initial application. The comparative figures are not restated and are presented using existing revenue standards.

#### **2) Foreign currency**

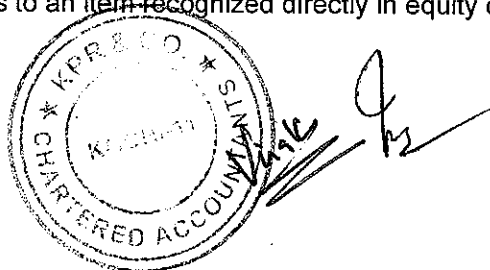
##### **Foreign Currency Transactions**

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

#### **3) Income tax**

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.



**a) Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**b) Deferred Tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.



*Vinod J*

#### 4) Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of fund. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### 5) Cash flow statement

Cash flow statements are prepared under Indirect Method whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents comprise of cash in hand, current and other accounts (including fixed deposits) held with banks.

#### 6) Events occurring after the balance sheet date

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

#### 7) Property, Plant and equipment

##### a) Recognition and Measurement

Land is capitalized on the basis of actual cost of acquisition, including establishment charges of land acquisition agency and legal expenses incurred for acquisition.

##### b) Capitalization of Assets and Charging of Depreciation

Fixed Assets are stated at cost. The cost of acquisition of Fixed Assets is inclusive of freight, duties, taxes, incidental expenses and the cost of installation/erection as applicable.

Depreciation is in accordance with the provisions of Schedule II to the Companies Act, 2013. In the case of assets added /sold/discarded/transferred depreciation is changed on pro-rata basis.

##### c) Impairment of Property, Plant and Equipment (PPE)

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the PPE.



*Visa* *[Signature]*



- d) Determination of the estimated useful lives  
Useful lives of all PPE are based on the estimation done by the Management which is in line with the useful lives as prescribed in Part 'C' of Schedule II to the Act. In cases, where the useful lives are different from those prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.
- e) Fixed Assets identified for disposal are stated at Net Block Value or Net Realizable value whichever is lower and are shown separately in the financial statements as asset held for sale.
- f) Cost of Machinery Spares which can be used only in connection with an item of fixed asset and the use of which is expected to be irregular is allocated to the fixed assets and depreciated to the extent of 95% within a period not exceeding the useful life of the respective fixed asset. Individual spare parts having significant values are capitalized.
- g) Borrowing cost relating to the acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. The qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
- h) Subsequent Expenditures are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

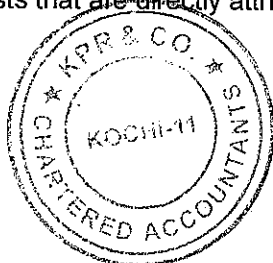
**8) Intangible Assets - Recognition, Measurement and Amortization:**

Intangible Assets are amortized over the useful life of the respective assets. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

**9) Valuation of investments:**

- (i) Financial instruments  
a) Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.



*Vinob J*

b) Classification and subsequent measurement

Financial assets: On initial recognition, a financial asset is classified as measured at –

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

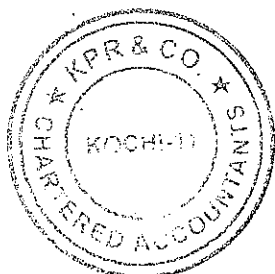
All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.



*Vignesh*  
*J*

### Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

#### c) De-recognition

#### Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

#### Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

### 10) Valuation of Current Assets:

- a) Stores, Spares, Materials under Inspection, Materials in Transit, Materials Issued on Loan and Raw Materials are accounted for at lower of the cost on Weighted Average Method or Net Realizable Value.
- b) Finished Goods are accounted for at lower of the cost on FIFO Method or Net Realizable Value.
- c) Semi-finished Goods (Work-in-Process) are valued at variable cost on Weighted Average Method.



### 11) Non-current assets held for sale

Non-current assets comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss.

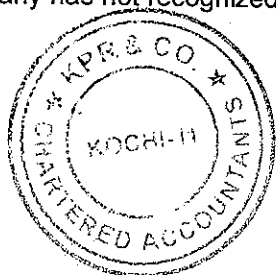
Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortized or depreciated.

### 12) Retirement/Terminal Benefits/Bonus/Leave encashment

- a) Company's liability towards employee benefits such as gratuity and leave encashment are provided for on the basis of actuarial valuation.
- b) Expenditure incurred on short term employee benefits including bonus, production incentive, medical benefits and other perquisites etc. are charged to the Profit and Loss Account at un-discounted amounts in the year in which services are rendered.
- c) Expenditure on employee benefits in the nature of contributions to Provident Fund, Employees State Insurance, Labour Welfare Fund etc. are charged to the Profit and Loss Account as and when contributions to the respective funds are due.
- d) Liability for bonus is provided for as per the provisions of the Payment of Bonus Act 1965.
- e) Actuarial gains or losses, as the case may be, in respect of valuation of employee benefits are charged to the Profit and Loss Account.
- f) Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in OCI.

### 13) Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions (other than trade payables and accruals) as mentioned in the Ind As 37 issued by the Institute of Chartered Accountants of India are accounted for and disclosed to the extent practicable in the manner laid down in the said Accounting Standard.
- b) Contingent Liabilities disclosed in the Notes forming part of the Accounts comply with Ind As 37 to the extent practicable.
- c) Company has not recognized any Contingent Asset.



*Vishal* *J*

#### 14) Investment Property

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed out as and when it is incurred. When a part of the Investment property is replaced, the carrying amount of the replaced asset is de-recognized.

Fixed assets re-classified as investment properties are accounted at the carrying amount of such fixed assets as on the date of such conversion.

Investment properties are depreciated using the straight line method over the estimated useful lives. The useful life of the investment properties are estimated at 25 - 30 years based on the technical evaluation performed by the management.

#### 15) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration

Ind AS 116 'Leases' requires the lessor to classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The Company has classified its lease as 'Operating Lease' at the inception date and is reassessed only if there is a lease modification. Changes in estimates, or changes in circumstances of the economic life or of the residual value of the underlying asset, do not give rise to a new classification of a lease for accounting purpose.

The Company has recognized lease payments from operating lease as income on a straight-line basis, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

The company has also recognized costs, including depreciation, incurred in earning the lease income as an expense. Any initial direct costs incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognize those costs as an expense over the lease term on the same basis as the lease income. The company has also applied Ind AS 36 to determine whether the underlying asset subject to an operating lease is impaired and accounted for the impairment losses identified, if any.



*Vishu J*