

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

Annexure to Notes on Standalone Financial Statements for the Year ended March 31, 2019

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.

c) Basis of Measurement

The financial statements have been prepared on the historical cost basis as a going concern on accrual basis except for the following items:

Item	Measurement Basis
Certain financial assets and liabilities	At fair value or amortized cost
Net defined benefit liability	At the Present Value of the defined benefit obligations.

d) Basis Of accounting

Revenue from Operations

As the paper operations were closed down in June 2016, the company has not earned any income there from during the current year.

Also, as the logistics operations were commissioned only towards the end of the current year, no income therefrom has been accrued during the current year.

e) Use of Estimates and Judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Appropriateness of Going Concern

The Pollution Control Board (PCB) required the paper operations of the company to make drastic changes / modification to the existing waste / effluent water disposal system installed by the company at its Kraft Paper Units I & II at Edayar. The company discussed the financial and commercial viability of the requirements proposed by the PCB and found it to be financially as well as commercially 'non- viable' considering the present productivity and profitability of the operation. Consequently, PCB issued closure notice [Notice No. (PCB / ESC / CO – 99 /07)] to both the Kraft Paper on 05.05.2016. Even though the company approached the Hon. High Court of Kerala for staying the order issued by the PCB, it restrained from interfering / staying the order issued by the PCB.

The company was required to close down both the units at Edayar with effect from 27.06.2016 and the entire paper operations were discontinued. As a result of it, the entire business were terminated for the subsequent periods, except for selling and realizing the remaining inventory of raw materials and finished goods, stock, stores and spares and fixed assets.

As a part of revival plans proposed for the company, the Board of Directors decided to venture into the 'Logistics Business' by making use of the existing infrastructure consisting 9.75 acres of land and building at Edayar. Accordingly, after analysing the financial and commercial viability 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.

In the current scenario, the company has successfully completed the first phase of the logistics operations and will generate revenue from the beginning of the ensuing financial year. 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 2018 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.

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.

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.

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.

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.

a) 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.

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.

CELLA SPACE LIMITED

(Formerly Sree Sakthi Paper Mills Limited)

CIN : L93000KL1991PLC006207

Statement of changes in equity for the period ended March 31, 2019**A. Equity share capital**

(Figs in ₹ in Lakh)

Particulars	Opening balance as at 1 Apr 2017	Changes in equity share capital during the year	Closing balance as at 31 Mar 2018	Changes in equity share capital during the year	Closing balance as at 31 Mar 2019
Equity shares of Rs. 10 each	1,643.62	86.00	1,729.62	90.50	1,820.12
Total	1,643.62	86.00	1,729.62	90.50	1,820.12

B. Other Equity

(₹ in Lakh)

Particulars	Opening balance as at 1 Apr 2018	Changes in accounting policy/ prior period errors	Restated balance as at 1 Apr 2018	Total comprehensive income for the year	Dividends	Transfer to retained earnings	Tax on other comprehensive income	Closing balance as at 31 Mar 2019
Capital Reserve	36.68	-	36.68	-	-	-	-	36.68
General Reserve	533.00	-	533.00	-	-	-	-	533.00
Retained earnings	(6,901.85)	-	(6,901.85)	190.71	-	-	-	(6,711.14)
Securities premium	1,675.84	-	1,675.84	9.05	-	-	-	1,684.89
Money received against share warrants	235.40	-	235.40	(99.55)	-	-	-	135.85
Other comprehensive income	-	-	-	-	-	-	-	-
- Actuarial gain/(loss) on defined benefit obligation	(8.67)	-	(8.67)	1.43	-	-	-	(7.24)
- Equity instrument through other comprehensive income	(2.06)	-	(2.06)	0.22	-	-	-	(1.85)
Total reserves	(4,431.66)	-	(4,431.66)	101.84	-	-	-	(4,329.82)

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

sd/-

Deepa Praveen, FCA
Partner (M No. 232410)

Cochin - 11
28.05.2019

For and on behalf of the Board,

sd/-

S Rajkumar
Vice Chairman &
Managing Director

sd/-

V N Sridharan
Chief Financial Officer

sd/-

N. Subramanian
Director

sd/-

R Ponnambalam
Company Secretary

Chennai -17
28.05.2019

Notes forming part of the Financial Statements

(Figs in ₹ in Lakh)

Particulars	Property, Plant & Equipment						Total
	Land	Building	Furniture & fixtures	Plant & machinery	Vehicle	Office equipments	
Year ended 31 March, 2018							
Gross Carrying Amount							
Opening Gross carrying amount	233.27	744.12	18.20	86.60	11.10	10.97	1,104.26
Exchange differences	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	34.75	-	-	-	-	-	34.75
Closing Gross Carrying Amount	198.52	744.12	18.20	86.60	11.10	10.97	1,069.51
Accumulated Depreciation and Impairment							
Opening accumulated depreciation	-	59.73	4.29	62.80	6.71	4.94	138.48
Depreciation charge during the year	-	64.67	3.95	1.85	0.31	2.29	73.07
Impairment loss	-	83.59	0.45	-	3.43	0.37	87.84
Exchange differences	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	207.98	8.69	64.65	10.45	7.61	299.39
Net Carrying Amount	198.52	536.14	9.51	21.95	0.65	3.36	770.11

Year ended 31 March, 2019							
Gross Carrying Amount							
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
Closing Gross Carrying Amount	197.49	1,061.35	18.20	51.20	11.10	8.87	1,348.21
Accumulated Depreciation and Impairment							
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)
Closing Accumulated Depreciation	-	342.13	10.06	48.12	10.45	6.71	417.47
Net Carrying Amount	197.49	719.22	8.14	3.08	0.65	2.16	930.74

(i) Borrowing cost capitalised during the year - ₹ Nil (Previous Year: ₹ Nil)

(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 accounted as Land as above.

Note 4B: Investment Property

Particulars	As at	
	March 31, 2019	March 31, 2018
Gross Carrying amount		
Opening Gross Carrying amount	-	-
Additions	sd/-	sd/-
Closing Gross Carrying amount	(A)	8.53
sd/-		
Depreciation charged	-	-
Closing Accumulated Depreciation	sd/-	sd/-
Net Carrying Amount	(A - B)	8.53

(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	-	-
Profit from Investment Property	-	-

(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.

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

(₹ in Lakh)

Particulars	Computer Software	Total
Year ended 31 March 2018		
Gross Carrying Amount		
Opening Gross Carrying amount	0.16	0.16
Additions	-	-
Closing Gross Carrying Amount	0.16	0.16
Accumulated Depreciation		
Opening Accumulated Depreciation	-	-
Amortisation charge during the year	-	-
Impairment Charge	0.16	0.16
Closing Accumulated Depreciation	0.16	0.16
Net Carrying Amount	-	-
Year ended 31 March 2019		
Gross Carrying Amount		
Opening Gross Carrying amount	0.16	0.16
Additions	-	-
Closing Gross Carrying Amount	0.16	0.16
Accumulated Depreciation		
Opening Accumulated Depreciation	0.16	-
Amortisation charge during the year	-	-
Impairment Charge	-	0.16
Closing Accumulated Depreciation	0.16	0.16
Net Carrying Amount	-	-

NOTE 6 : Non Current Financial Assets
NOTE 6A - Investment

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Investment carried at fair value through other comprehensive income		
Quoted		
- Equity Instruments	-	1.50
Unquoted		
- Equity Instruments	1.00	0.79
	1.00	2.29
Investment carried at amortized cost		
- Investments in Subsidiaries	14.10	14.10
	14.10	14.10
Total investment	15.10	16.39

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, 2019	March 31, 2018
Quoted Non-Trade Investments:		
Investment in Eq. sd/-		
- 2,080 Equity shares of I.D.B.I.Ltd of Rs 10 each fully paid up	-	1.50
sd/-	-	1.50
Unquoted Non-Trade Investments:		
Investment in Eq. sd/-		
<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

Investment In Others		
- Kerala Enviro Infrastructure Ltd (10,000 Equity Shares Of Rs 10 Each Fully Paid Up)	1.00	0.79
- Cochin Waste 2 Energy P Ltd (30,000 Equity Shares Of Rs 10 Each Fully Paid Up)	-	-
	<u>15.10</u>	<u>14.89</u>
NOTE 6B -Loans		
	(₹ in Lakh)	
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Unsecured considered good		
- Security Deposits	-	-
Unsecured Considered Doubtful		
- Security Deposits	<u>23.99</u>	<u>24.60</u>
	<u>23.99</u>	<u>24.60</u>
- Provision for doubtful deposits	<u>(23.99)</u>	<u>(24.54)</u>
	<u>-</u>	<u>0.06</u>
NOTE 7 : Other Non Current Assets		
	(₹ in Lakh)	
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Unsecured considered good		
- Advance to related parties	15.36	13.59
- Capital Advances	-	-
Unsecured considered doubtful		
- Capital Advances	83.12	83.12
Less: Provision for doubtful advances	<u>(83.12)</u>	<u>(83.12)</u>
	<u>15.36</u>	<u>13.59</u>
* Details of Advance to related parties		
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Jalashaayi Alamparathode Hydro Power Ltd.	0.00	-
Sree Kailas Palchuram Hydro Power Ltd	14.42	12.97
Sree Adisakthi Mukkuttathode Hydro Power Ltd	<u>0.94</u>	<u>0.62</u>
	<u>15.36</u>	<u>13.59</u>
NOTE 8: Current Financial Assets		
NOTE 8A :Trade Receivables		
	(₹ in Lakh)	
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Secured		
- More than six months from the date they became due	-	-
Unsecured		
- Considered Good		
(i) Exceeding Six Months From they become Due	40.71	179.15
(ii) Others	10.29	-
- Considered Doubtful	783.33	721.04
Provision for doubtful debts	<u>(783.33)</u>	<u>(721.04)</u>
	<u>51.00</u>	<u>179.15</u>
A. Details of debts due by related party		
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Directors	-	-
Officers	-	-
Firms in which any director is a partner	-	-
Private Companies in which any Director is a director or member	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
NOTE 8B :Cash and cash equivalents		
	(₹ in Lakh)	
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Balance with Banks		
- In Current Accounts	0.14	22.32
- In Deposit Accounts	0.69	1.05
Cash in Hand	<u>0.08</u>	<u>1.40</u>
	<u>0.91</u>	<u>24.77</u>

* Details of deposit account		(₹ in Lakh)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Federal Bank Ltd	0.69	1.05	
	<u>0.69</u>	<u>1.05</u>	

NOTE 8C : Loans

		(₹ in Lakh)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Security deposit			
- Unsecured considered good	27.60	27.60	
Less: Provision for doubtful deposits	(27.60)	(27.60)	
	<u>-</u>	<u>-</u>	

NOTE 9 : Other Current Assets

		(₹ in Lakh)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Income Tax Prepaid	20.65	20.64	
Earmarked deposits	4.92	6.85	
Other receivables	17.22	294.83	
	<u>42.79</u>	<u>322.32</u>	

NOTE 10 :Equity share capital

A. Authorised

		(₹ and Nos in Lakh)			
Particulars	Equity shares		Preference shares		
	Shares	Amount	Shares	Amount	
As at April 2018	250.00	2,500.00	250.00	2,500.00	
- Increase during the year	-	-	-	-	
As at 31 March 2019	250.00	2,500.00	250.00	2,500.00	
- Increase during the year	-	-	-	-	

B. Issued, Subscribed & fully Paid Up

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period	172.96	1,729.62	164.36	1,643.62
Issued during the period	9.05	90.50	8.60	86.00
Outstanding at the end of the	182.01	1,820.12	172.96	1,729.62

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 31-03-2019		As at 31-03-2018	
	No of Shares	% of holding	No of Shares	% of holding
S. Rajkumar	85.11	46.76%	55.40	32.03%
A. Padmanabhan	-	0.00%	12.95	7.49%
Gopinathan CK	-	0.00%	10.06	5.82%
S. Girdhar	-	0.00%	7.13	4.12%

NOTE 11 : Other equity

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Capital Reserve	36.68	36.68
General Reserve	533.00	533.00
Retained earnings	(6,711.14)	(6,901.85)
Securities premium	1,684.89	1,675.84
Money received against share warrants	135.85	235.40
Other comprehensive income		
- Actuarial gain/(loss) on defined benefit obligation	(7.24)	(8.67)
- Equity instrument through other comprehensive income	(1.85)	(2.08)
	(4,329.82)	(4,431.65)

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

(₹ in Lakh)

Particulars	Defined benefit plans	Equity instrument through OCI
	As at 1st april 2018	(8.67)
Remeasurements		
Remeasurements utilized during the year	1.43	0.21
As at 31st march 2019	(7.24)	(1.85)

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:

i. Profit (loss) attributable to equity shareholders (basic and diluted)

(₹ in Lakh)

Particulars	For period ended	For period ended
	March 31, 2019	March 31, 2018
Basic Earnings per Share (EPS)		
Profit / (loss) for the year, attributable to the equity holders	190.71	(902.83)
Weighted average number of equity shares outstanding at the end of the year	180.12	164.43
Basic Earnings per Share (EPS)	1.06	(5.49)
Diluted Earnings Per Share (EPS)		
Profit / (loss) for the year, attributable to the equity holders, adjusted for the effect of potential equity shares	190.71	(902.83)
Weighted average number of equity shares outstanding at the end of the year, including the potential equity shares	194.36	166.37
Diluted Earnings Per Share (EPS)	0.99	(5.43)

NOTE 14 : Financial Liabilities**NOTE 14A: Non Current Borrowings**

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Non-current Borrowings		
Preference share	1,055.64	1,090.82
	1,055.64	1,090.82

NOTE 14B: Current Borrowings

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Secured Loans from Banks		
Cash Credit	-	711.68
Term loan (*)	250.00	-
Sub-Total	250.00	711.68
Unsecured Loans		
Intercorporate Loan	-	712.00
Loan from Related Parties		
From Directors	1,315.28	656.94
From Companies in which directors are interested	36.27	178.90
Sub-Total	1,351.55	1,547.84
Total	1,601.55	2,259.52

(*) Secured by way of equitable mortgage on the company's land.

*** Secured Term Loans**

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Term Loan for Repairs & Maintenance	250.00	-
	250.00	-
Less: Current maturities of long term debts	-	-
	250.00	-

* Preference share

- (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.

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

Name	As at 31-03-2019		As at 31-03-2018	
	No of Shares	% of holding	No of Shares	(Nos in %)
Kerala State Industrial Development Corporation Limited	60.00	60.00%	60.00	60.00%
S.Rajkumar	40.00	40.00%	40.00	40.00%

* Current Borrowings - Secured

Particulars	As at	
	March 31, 2019	March 31, 2018
Cash Credit		
- Industrial Development Bank of India Ltd	-	209.20
- Federal Bank Ltd	-	502.48
		711.68

* Current Borrowings - Unsecured

Particulars	As at	
	March 31, 2019	March 31, 2018
Related parties		
- Loan from Directors	1,315.28	656.94
- Loan from Group Companies	36.27	178.90
	1,351.55	835.84

- 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

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-Current Provisions		
Provision for Employee benefits		
- Gratuity	8.56	8.43
	8.56	8.43
Current Provisions		
Provision for Income Tax	71.71	71.71
	71.71	71.71

- 1 The company has estimated the liability for Gratuity based on the report obtained from an independent consulting actuary as at 31.03.2019.
2 Acturial valuation of gratuity is presently based on the retirement age of 55 years. The Union has filed a case before Kerala High Court for increasing the retirement age to 58. Impact on provision for gratuity, if the case is decided against the Company, has not been ascertained.

Reconciliation of the net defined benefit liability

Particulars	TYPE OF PLAN	
	Gratuity	Leave plan
As at 1 April 2017	8.06	
Expected return on plan assets	-	
Interest Cost	0.61	
Current service cost	0.46	
Actuarial loss/(gain) on obligation	(0.69)	
Employer contribution to plan assets	-	
Net effect of benefit payments	-	-
As at 31 March 2018	8.44	
Expected return on plan assets	-	
Interest Cost	0.59	
Current service cost	0.96	
Actuarial loss/(gain) on obligation	(1.43)	
Employer contribution to plan assets	-	
Net effect of benefit payments	-	-
As at 31 March 2019	8.56	

Expense recognised in profit or loss

Particulars	TYPE OF PLAN	
	Gratuity	Leave plan
For the period ended 31 March 2018		
Expected return on plan assets	-	-
Interest Cost	0.61	-
Current service cost	0.46	-
Actuarial loss/(gain) on obligation, recognised in OCI at the end of the year	(0.69)	-
Claims received w.r.t previous years	-	-
Total amount recognised in profit or loss	0.38	-
For the period ended 31 March 2019		
Expected return on plan assets	-	-
Interest Cost	0.59	-
Current service cost	0.96	-
Actuarial loss/(gain) on obligation	(1.43)	-
Employer contribution to plan assets recognised in P/L	-	-
Total amount recognised in profit or loss	0.12	-

Remeasurements recognized in other comprehensive income

Particulars	TYPE OF PLAN			
	Gratuity		Leave plan	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Actuarial loss/(gain) on obligation	(1.43)	(0.69)	-	-
Balance as at the end of the year	(1.43)	(0.69)	-	-

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

Particulars	31-03-2019	31-03-2018
Mortality table	Indian Assured Lives Mortality (2006-	Indian Assured Lives Mortality (1994-96)
Discount Rate	6.94%	7.54%
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, 2019

a) Defined Benefit Obligation - Discount rate + 100 basis points	(6,783.00)
b) Defined Benefit Obligation - Discount rate - 100 basis points	7,361.00
c) Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	7,427.00
d) Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(6,967.00)

NOTE 16 :Deferred tax liabilities
(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities		
- Property, Plant & Equipment	60.66	152.65
Deferred Tax Asset		
- Provision for unrecognised expense	(75.65)	(32.43)
- Provision for Production Incentive	(2.22)	(19.70)
- Provision for Doubtful Debts/Claims	(203.67)	(72.74)
Net Deferred Tax Liabilities	(220.88)	27.78
Deferred Tax Asset on account of carried forward loss	(830.39)	-
Net Deferred Tax Liabilities / (Asset)	(1,051.27)	-
Less: Deferred Tax Liabilities / (Assets) unrecognised (Refer Note No.3.3B)	(1,051.27)	-
Net Deferred Tax Liabilities / (Assets) to Balance Sheet	-	27.78

*** Movement in deferred tax liabilities**

Particulars	Carried forward loss	Property, Plant & Equipment	Provision for unrecognised expense	Provision for Production Incentive	Provision for Doubtful Debts/Claims	Total
At 1st April 2018	-	152.65	(32.43)	(19.70)	(72.74)	27.78
(+)/(-) Deferred Tax Liability / (Asset) for the current year	(830.39)	(91.99)	(43.22)	17.48	(130.93)	
Deferred Tax Liability / (Asset) at the year end	(830.39)	60.66	(75.65)	(2.22)	(203.67)	
Less: Deferred Tax asset not recognised	830.39	-	43.22	-	130.93	
Charged to -						
Profit / Loss	-	(91.99)	-	17.48	46.73	(27.78)
Other Comprehensive Income	-	-	-	-	-	-
At 31 March 2019	-	60.66	(32.43)	(2.22)	(26.02)	-

NOTE 17 : Other non-current liabilities

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Security deposits	1.43	1.43
Rent Deposit	41.44	-
	42.87	1.43

NOTE 18 :Trade Payables

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Payable to Micro Small & Medium Enterprises	0.65	0.65
Other Trade Payables		
- Supplies	447.65	327.66
- Stores & Spares	48.50	52.04
	496.80	380.34

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 ended	For the year ended
	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end	0.65	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	-	-
The amount of interest due and payable for the period of delay in making payment	0.20	0.20
The amount of interest accrued and remaining unpaid at the end of the year	0.40	0.20
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.	-	-

NOTE 19 : Other current financial liabilities

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Current maturities of long term debts		
- Vehicle loan	-	0.33
Dividend payable	4.92	6.85
	4.92	7.18

NOTE 20 : Other Current Liabilities

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Interest Accrued and due		
- Advance from subsidiaries	-	0.34
Other liabilities		
- Salaries and Other Benefits	82.33	225.51
- Statutory Dues Payable	137.29	239.28
- Advance for scrap Asset	-	42.76
- Other Payables	72.46	47.30
	292.08	555.19

NOTE 21 :Revenue From Operations

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2019
(i) Sale of products:		
- own products	-	26.89
add: excise duty	-	0.36
(ii) Other operating income		
- Traded products	-	-
- Scrap product	-	35.88
- Process waste income	-	-
- Sales of renewable energy certificate	-	99.67
	-	162.79

NOTE 22 : Other Income

Particulars	(₹ in Lakh)	
	For the year ended	For the year ended
	March 31, 2019	March 31, 2019
(i) Interest income:		
- On deposits with banks [Tax Deducted at Source Rs 0.16 Lakhs (Previous year Rs 1.82 Lakhs)]	0.21	1.67
- On Advances	1.32	1.51
(ii) Sale Of Scrapped Fixed Assets	333.57	985.00
(iii) Other non-operating income	58.24	25.50
	393.34	993.68

Details of Other non-operating income		(₹ in Lakh)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2019	
Insurance income	0.83	4.95	
Miscellaneous income	57.41	20.55	
	58.24	25.50	
NOTE 23 : Changes in Inventory		(₹ in Lakh)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2019	
Stock as on 1st April			
Finished Goods	-	26.92	
Work in Process	-	-	
Total opening balance	-	26.92	
Stock as on 31st March			
Finished Goods	-	-	
Work in Process	-	-	
Total Closing Balance	-	-	
Changes in Inventory		26.92	
NOTE 24 : Employee Benefit Expenses		(₹ in Lakh)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2019	
Salaries, Wages & Allowances	47.56	59.03	
Gratuity	1.55	1.07	
Staff Welfare Expenses	3.35	8.02	
Employer's Contribution to PF	0.96	1.79	
Employer's Contribution to ESI	0.18	0.90	
Allowances and expenses to contract workers	13.13	-	
Others	3.16	8.13	
	69.89	78.94	
NOTE 25 : Finance Cost		(₹ in Lakh)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2019	
Interest Cost on Financial liabilities carried at amortised cost			
- Interest expense	43.14	189.54	
- Other borrowing cost	0.20	-	
- Cost on Preference Shares, adjusted for the fair value	(35.18)	24.43	
	8.16	213.97	
NOTE 26 : Depreciation and amortisation expenses		(₹ in Lakh)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2019	
Depreciation on Property, Plant & Equipment	57.49	73.07	
Amortisation of intangible assets	-	-	
	57.49	73.07	
NOTE 27 : Other Expenses		(₹ in Lakh)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2019	
Payment to auditor	1.15	2.09	
Power and fuel	5.83	6.09	
Rent	1.08	4.86	
Repairs and maintenance (other than buildings and machinery)	35.43	2.32	
Insurance charges	1.88	5.43	
Rates and Taxes	9.00	35.69	
Discount given	5.51	9.65	
Provision for doubtful debt	62.59	-	
Loss on sale of investments	0.38	-	
Freight outwards	0.09	0.39	
Miscellaneous expenses	136.94	64.01	
	259.88	130.53	

NOTE 27A : Payment to auditor

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2019
Statutory Audit Fee	0.75	0.75
Tax Audit Fee	0.25	0.25
Auditors Out of pocket Expense	-	0.30
Fee for other services	0.10	0.75
Audit fee for certification	0.05	0.04
	1.15	2.09

NOTE 28 : Exceptional Items expense / (income)

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2019
Retrenchment Compensation	31.01	98.82
Profit on sale of land	-	(915.25)
Loss on sale of asset held for sale	374.00	2,100.55
Mat Credit Expense	-	300.38
Credits no longer payable, forfeited	(728.99)	-
	(323.98)	1,584.50

NOTE 28A

Based on the reasonable assurance received from the creditor, the Board is of the opinion that the unsecured loan from M/s. Indospace Industrial Park Oragadam Walajabad Private Ltd amounting to Rs.728.99 lakhs is no longer payable and hence, the same has been written back as income under 'Exceptional items'.

NOTE 29 : Tax Expense

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2019
Tax adjustments for previous year	-	11.05
Deferred Tax	(27.78)	(283.44)
	(27.78)	(272.39)

Income tax recognized in other income

Particulars	For the year ended 31/03/2019			For the year ended 31/03/2018		
	Before tax	Tax (expense)	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurement of defined benefit	1.43	-	1.43	0.69	-	0.69
Remeasurement of Equity instruments through OCI	0.21	-	0.21	(0.06)	-	(0.06)

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 31/03/2019		For the year ended 31/03/2018	
	Before tax	Tax (expense)	Before tax	Tax (expense) benefit
Profit from continuing operations before income tax expense		162.93		(1,039.82)
Tax on accounting profit at 26% (P.Y 28.75%)		42.36		(298.76)
Less: Tax Credit on account of non-taxable incomes		(194.27)		-
(+)/(-): Tax effect on account of Deferred Tax				
Net tax credit (asset) for the year	(248.66)		(283.44)	
Less: Tax Credit not recognised during the year	174.15	(74.51)	-	(283.44)
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		298.76
Tax credit on account of unabsorbe losses relating to earlier years	(830.39)		(531.63)	
Less: Tax Credit relating to earlier years, not recognised	830.39	-	531.63	-
Total income tax expense/(credit)		(27.78)		(283.44)
(+)/(-) Tax adjustments for the earlier years		-		11.05
Income Tax expense / (credit) as per Profit and Loss		(27.78)		(272.39)

NOTE 30 : Other comprehensive income

(₹ in Lakh)

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2019
Actuarial gain/(loss) on defined benefit obligation	1.43	0.69
Equity instrument through other comprehensive income	0.21	(0.06)
Tax effect of the above	-	-
	1.64	0.63

NOTE 31 : 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 lending rate available in the market.

Particulars	31.03.2019		31.03.2018	
	Significant observable inputs		Significant observable inputs	
	Level 1	Level 3	Level 1	Level 3
Financial				
<i>Investment in Quoted instruments</i>				
I.D.B.I. Ltd	-	-	1.50	-
<i>Investment in Unquoted instruments</i>				
Kerala Enviro Infrastructure Limited		1.00		0.79
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
Financial Liabilities				
Preference		1,055.64		1,090.82

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 NAV.

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 32 : Contingent liabilities and Commitments

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Unexpired Contracts for Capital Expenditure		260.61
Amount of Income tax liabilities disputed in appeal	23.82	38.21
Guarantee given on behalf of the Company	-	-
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
Arrears of non - convertible cumulative preference dividend	673.10	537.70
	1,184.92	1,324.52

NOTE 33 : Additional Information**Details of Provisions Pursuant to Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets**

Particulars	Trade receivables	Income tax	Gratuity & Leave encashment	Capital Advances	Deposits
As at 31st march 2017	783.00	60.66	9.60	87.34	52.14
Provision made during the year	-	11.05	-	-	-
Provision utilized during the year	(61.96)	-	(1.17)	-	-
As at 31st march 2018	721.04	71.71	8.43	87.34	52.14
Provision made during the year	62.30	-	0.13	-	-
Provision utilized during the year	-	-	-	-	0.55
As at 31st march 2019	783.33	71.71	8.56	87.34	51.59

Additional Disclosures

a) As the Company had terminated its business operations, the management is in the process of ascertaining and reconciling, wherever necessary, the realizable value of entire receivables of the company.

As a matter of prudence, the company has already provided an amount of Rs783.33 lakhs as provision towards 'bad and doubtful debts / receivables'. In the opinion of the management, the above provision is sufficient to cover the entire doubtful debts of the company.

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 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.

b) 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

Sd/-

Deepa Praveen, FCA
Partner (M No. 232410)

Cochin - 11
28.05.2019

For and on behalf of the Board,

Sd/-

S Rajkumar
Vice Chairman &
Managing Director

Sd/-

V N Sridharan
Chief Financial Officer

Sd/-

N, Subramanian
Director

Sd/-

R Ponnambalam
Company Secretary

Chennai-17
28.05.2019

Details in respect of related parties in Pursuant to IND AS 24					
Nature of Relationship	S.No	Name of Related party	Details of Transactions		
			Nature of Transactions	Amount (Rs. In Lakhs)	
				2018-19	2017-18
Key Managerial Personnel (Managing Director)	1	Mr. S Rajkumar	Unsecured Loan	907.59	(246.37)
Key Managerial Personnel (Director)	2	Mrs. Rajee Rajkumar	Unsecured Loan	2.49	13.58
			Sitting Fees	0.30	0.10
Key Managerial Personnel (Director)	3	Mr. Visakh Rajkumar	No Transactions	-	-
Key Managerial Personnel (Director)	4	Mr. G Raghavan	Sitting Fees	0.70	0.50
Key Managerial Personnel (Director)	5	Mr. U G Bhat	Sitting Fees	0.50	0.50
Key Managerial Personnel (Director)	6	Mr. N Subramanian	Sitting Fees	0.60	0.60
Key Managerial Personnel (Non Executive Director)	7	Mr. Akhilesh Agarwal	Sitting Fees	0.20	0.50
Key Managerial Personnel (Company Secretary)	8	Mr.R Ponnambalam	Remuneration	0.14	-
Key Managerial Personnel (Director)	9	Mrs. Iasaki Kamalam	No Transactions	-	-
Key Managerial Personnel (Director)	10	Mr. S Subramaniam	No Transactions	-	-
Relatives of Key Managerial Personnels	11	Mr. Vignesh Rajkumar	No Transactions	-	-
	12	Mr. S Giridhar	Unsecured Loan	(208.75)	-
	13	Mr. A Ganesh	No Transactions	-	-
Enterprises over which any person mentioned in 1 to 14 above is able to exercise significant influence	14	Mr. A Padmanabhan	Unsecured Loan	(56.57)	(2.73)
	15	Shri Kailash Logistics Chennai LTD	Sale of Scrap	-	4.07
			Unsecured Loan	36.27	-
	16	Cartopacks	Sale of goods	-	0.38
			Purchase of Cartons	0.01	-
	17	Aditya Papers	Sale of goods	-	31.34
	18	Maharaj Continental Trades LTD	Unsecured Loan	(116.85)	(1.50)
			Debt Collection expense reimbursement	8.07	-
			Advance given	-	11.20
	19	Sree Giri Packagings LTD	Sale of Goods	-	6.99
			Advance given	0.01	-
	20	Very Same Industrial Aids LTD	Unsecured Loan	(62.05)	62.05
Advance for scrap received			(14.20)	14.20	
Contract expenses			344.10	-	
Commision for marketing warehouse			36.76	-	
No Transactions			-	-	
22	Sree Kashyap Surya Energy Equipments PVT LTD	No Transactions	-	-	
23	Sree Sakthi Ganapathy Charitable Trust	Donations	0.25	-	
24	Sree Sakthi Constructions and Infrastructure LTD	No Transactions	-	-	
Subsidiaries	25	Sree Adisakthi Mukkuttathode Hydro Power LTD	Interest on advance	0.08	0.24
			Advance given	0.25	9.87
	26	Jalashaayi Alamparathodu Hydro Power LTD	Interest on advance	0.00	0.11
			Advance given	(0.35)	(10.28)
	27	Sree Kailas Palchuram Hydro Power LTD	Interest on advance	1.24	1.15
Advance given			0.21	(7.29)	

* Figures in brackets denotes repayment of loan