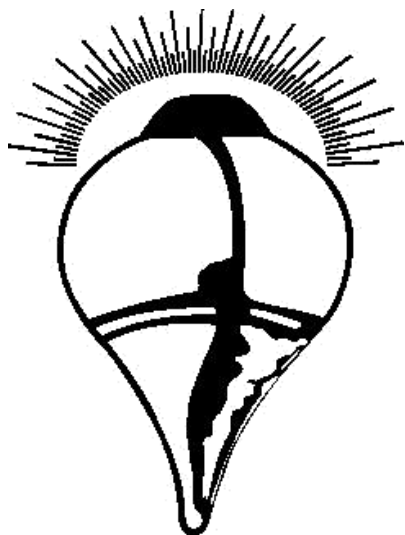




SREE SAKTHI PAPER MILLS LIMITED

27TH ANNUAL REPORT

2017-18



CONTENTS

Corporate Information	1
Financial Highlights	2
Notice	3-12
Directors' Report	13-53
Independent Auditor's Report	54-60
Balance Sheet	61
Statement of Profit & Loss	62
Notes on Financial Statements	63-91
Cash Flow Statement	92
Form AOC - 1	93-94
Independent Auditor's Report on Consolidated Financial Statements	95-98
Consolidated Financial Statements	99-129

BOARD OF DIRECTORS

Dr. S. Rajkumar, Vice Chairman & Managing Director
 Mrs. RajeeRajkumar, Non-Executive Director
 Mr. S. Subramoniam, Non- Executive Director
 Mrs. E. Kamalam, Women Director
 Mr. G. Raghavan, Independent Director
 Mr. N. Subramanian, Independent Director
 Mr. U. GururajaBhat, Independent Director
 Mr. AkhileshAgarwal – Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. V.N. Sridharan

COMPANY SECRETARY

Mr. R. Ponnambalam

AUDITORS

M/s. KPR& Co.
 31/181 D, Anantha, Mahakavi G. Road
 Karikkamuri, Cochin - 682 011

BANKERS

Federal Bank Limited
 IDBI Bank Limited
 State Bank of India

REGISTERED OFFICE

57/2993, "Sree Kailas" Paliam Road
 Ernakulam, Cochin - 682 016, Kerala
 Tel: 0484-3002000 Fax: 0484-2370395
 E-mail:secretary@sreekailas.com
 Web: www.sreekailas.com

FACTORIES

Kraft Paper Unit 1 and 2 (Closed in June 2016)
 Industrial Development Area
 Muppathadom, Edayar, Aluva - 683 102

FINANCIAL HIGHLIGHTS (8 YEARS)								Rs. In lakhs
Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Sales (Gross)	19,081.81	20,837.99	21,766.94	21,554.41	16,405.45	10,698.82	2,400.67	26.89
Sales (Net)	18,292.83	19,792.31	20,505.57	20,306.81	15,559.7	10,140.09	2,782.31	27.25
Total Income	18,356.74	19,837.31	20,565.49	20,443.01	15,660.39	10,212.02	2,894.05	1,156.48
Profit before tax	1,052.75	1,023.57	702.9	143.26	-1,528.71	-1,762.8	-4,244.94	-1,039.82
Profit after tax	701.333	660.33	469.12	116.08	-1,178.14	-1,694.95	-3,658.14	-767.43
Earnings per Share	4.27	4.02	2.85	0.071	-7.79	-11.14	-23.08	-5.43
Dividend Rate (%)	21	21	15	6	-	-	-	-
Reserves & Retained Earnings	2,309.61	2,568.79	2,749.47	2,750.18	1,509.61	-185.33	-3,843.47	-4,431.65
Share Capital	1,643.62	1,643.62	1,643.62	1,643.62	2,643.62	2,643.62	2,643.62	1,729.62
Shareholders' Funds	3,953.24	4,212.41	4,393.09	4,393.08	4,253.23	2,458.29	-1,199.85	-2,702.03
Fixed Assets(Gross Block)	7,748.46	10,357.61	10,838.2	10,985.32	11,182.37	9,192.51	1,638.70	1,069.51
Fixed Assets(Net Block)	5,287.67	7,472.88	7,451.11	7,145.04	5,835.68	5,502.81	965.80	770.11

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Company will be held on Saturday 29th September, 2018 at 2.00 p.m, at Hotel Abad Plaza M.G.Road, Ernakulam, Cochin - 35 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (both standalone and consolidated financial statements) for the financial year ended 31st March, 2018 and the Report of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Subramoniam Sivathanupillai (DIN-01790968), Director, who retires by rotation in accordance with section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Regularisation of Mrs. Rajee Rajkumar (DIN: 363280) as Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the company, Mrs. RajeeRajkumar (DIN: 363280) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 2nd February, 2018 and whose term expires at the ensuing Annual General Meeting of the company and be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation".."

4. Approval for related party transactions

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum for the financial year 2018-19 as mentioned herein below:

Particulars of Parties	Nature of Transaction	Nature of Relationship	Annual Amount
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			(Rs. Lacs)
Visakh Homes Limited	Repairs and Modification for Warehouse	Mr.S.Rajkumar holds the directorship	250.00
Visakh Homes Limited	Commission for marketing warehouse	Mr.S.Rajkumar holds the directorship	100.00

5. Change in name of the company

To consider & if thought fit, to pass, with or without modification(s), following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and Rule 29 of the Companies (Incorporation) Rules, 2014, subject to approval of the Central Government (power delegated to Registrar of Companies) and any other Regulatory Authorities as may be necessary, consent of the members be and are hereby accorded to change the name of the Company from "SREE SAKTHI PAPER MILLS LIMITED" to "CELLA SPACE LIMITED" as may be approved by the Central Government, Registrar of Companies, Kerala and other Regulatory Authorities, whether under the Companies Act, 2013 or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.

FURTHER RESOLVED THAT the Name Clause being Clause I in the Memorandum of Association of the Company be altered accordingly and substituted by the following clause:

I. The Name of the Company is **CELLA SPACE LIMITED**.

FURTHER RESOLVED THAT in terms of Section 14 of the Companies Act, 2013 the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company.

FURTHER RESOLVED THAT the Board of Directors or any Committee thereof be and is hereby authorized to accept any other name approved by the relevant Regulatory Authorities and seek approval for the change in the name of the Company accordingly without making any further reference to the members for their approval."

6. To re-appoint Dr. S. Rajkumar (DIN 01790870) as Managing Director.

To consider and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is here accorded for re-appointment Dr. S. Rajkumar (holding DIN 01790870), as the Managing Director of the Company, for a period of 1 (One) years with effect from 13th August, 2018, on such terms and conditions as set out in this resolution and the explanatory statement annexed hereto and payment of such remuneration, as may be determined by the Board or a duly constituted Committee thereof, from time to time, within the maximum limits of remuneration for Managing Director approved by the Members of the Company .

7.Appointment of Mr. UliarGururajaBhat (DIN 00353361) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an**Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. UliarGururajaBhat (holding DIN 00353361), who was appointed as an Independent Director and who holds office of Independent Director up to the date of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”

**By order of the Board of Directors
For SreeSakthi Paper Mills Limited
Sd/-**

**Chennai -17
August 13, 2018**

**R. Ponnambalam
Company Secretary**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The instrument appointing proxy (duly completed, stamped and signed) in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the 27th Annual General Meeting of the Company.

3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution on the letterhead of the Company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly notarized Power of Attorney, authorizing their representatives to attend and vote on their behalf at the Meeting.

4. With effect from 1st April 2014, inter alia, provisions of Section 149 of Companies Act, 2013 has been brought into force. In terms of the said section read with section 152 (6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Profile of directors seeking re-appointment as stipulated in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges is provided in the report on corporate governance, which forms an integral part of this annual report.

5. The Register of Members and Share Transfer books of the Company will remain closed from 20-09-2018 to 29-09-2018 (both days inclusive).

6. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 5.30pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

7. Shareholders are requested to bring their copy of the Annual Report to the meeting.

8. Members/Proxies should fill the attendance slip for attending the Meeting.

9. Members who hold shares in dematerialized form are required to write their client ID and DPID numbers, and those who hold shares in physical form are requested to write their Folio number in attendance slip for attending the meeting.

10. The information on the Directors appointment or reappointment is provided as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is given in the Corporate Governance Section of this Annual Report.

years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The details of Unclaimed dividend /Interest transferred to IEPF for the last 10 years are as follows.

11. Under the provisions of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven

Year	Dividend / interest(Rs.)	Date/Due date of transfer to IEPF a/c	Date of filing of form INV-1/IEPF-1
2007-08	1,34,835	04-12-2015	04-12-2015
2008-09	1,50,087	04-05-2017	11-05-2017
2009-10			
Interim	1,63,742	29.06.2017	21-07-2017
Final	91,098	09.10.2017	NA
2010-11			
Interim	1,02,524	01.01.2018	NA
Final	1,12,650.2	02.10.2018	NA
2011-12	2,15,111.7	02.09.2019	NA
2012-13	1,49,506.5	12.10.2020	NA
2013-14	1,05,349.2	31.10.2021	NA
2014-15	Not declared		NA
2015-16	Not declared		NA
2016-17	Not declared		NA

Those members who have not encashed their dividend warrants for the financial year 2010-11 onwards may lodge a claim with the Company immediately especially relating to the year 2010-11 as the unpaid dividend for the said year is due to be remitted into I.E.P Fund by 02nd October, 2018.

12. Copies of the Annual Report 2018 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2018 are being sent by the permitted mode.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members

holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company / M/s. Bigshare Services Pvt. Ltd

14. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / M/s. Bigshare Services Pvt. Ltd.

15. A Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed hereto.

16. Information and other instructions relating to e-voting are as under:

(i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

(ii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

(iii) The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility.

(iv) The Board of Directors of the Company has appointed Mr. Adv. Vijayaraghavan, as Scrutinizer to scrutinize the Venue Voting and remote e-voting process in a fair and transparent manner and they has communicated their willingness to be appointed and will be available for same purpose.

(v) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 20/09/2018

(vi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 20/09/2018 only shall be entitled to avail the facility of remote e-voting / Venue Voting.

(vii) The voting period begins on 26/09/2018 at 09.00 AM and ends on 28/09/2018 at 05.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20/09/2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(viii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(ix) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.sreekailas.com and on the website of CDSL

www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

(x) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29th September, 2018.

(xi) Instructions and other information relating to remote e-voting:

- a) The shareholders should log on to the e-voting website www.evotingindia.com.
- b) Click on Shareholders.
- c) Now Enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) On successful login, the system will prompt you to select the E-Voting Sequence Number for SreeSakthi Paper Mills Limited.
- k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- p) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xiii) Note for Non – Individual Shareholders and Custodians

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- f) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com / Toll Free No: 18002005533.

**By order of the Board of Directors
For Sree Sakthi Paper Mills Limited**

**Chennai -17
August 13, 2018**

**Sd/-
R. Ponnambalam
Company Secretary**

Information for reappointment / appointment of Directors as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Name of Director	Date of Birth	Date of Appointment	Share holding in the Co. (Nos.)
Mr. S Subramoniam	28.05.1957	03.08.1995	-
Qualification: Graduate			
Experience: Experience More than 27 years experience in cement and transport business. He is in the Board of the Company since 1995			
Details of Directorship in other companies – SreeSakthi Constructions & Infrastructure Ltd, Sree Kailash Palchuram Hydro Power Limited, SreeAdisakthiMukkuttathode Hydro Power Limited and Jalashaayi Alamparathode Hydro Power Limited			
Status in other Board Committees of the company – NIL			
Relationships between directors inter-se:- Son of Ms. E Kamalam& Brother of Dr. Rajkumar, Directors of the Company			
Name of Director	Date of Birth	Date of Appointment	Share holding in the Co. (Nos.)
Mrs. RajeeRajkumar	10.06.1969	02.02.2018	285544
Qualification: Graduate			
Experience: Has been involved in the activities of the Company for the past 10 years			
Details of Directorship in other companies – ShriKailash Logistics (Chennai) Limited			
Status in other Board Committees of the company – NIL			
Relationships between directors inter-se:- Wife of Mr. S.Rajkumar, Managing Director of the Company			

Name of Director	Date of Birth	Date of Appointment	Share holding in the Co. (Nos.)
Mr. S. Rajkumar	15.10.1958	11.07.2011	84,52,995
Qualification: Post Graduation			
Experience Dr. S. Rajkumar has been in the service of the Company as Managing Director since the incorporation of the Company in 1991. He has been instrumental in setting up of Kraft paper unit at Edayar which commenced the commercial production in the year 1993 and Duplex Board unit at Chalakudy which commenced the commercial production in the year 1995. Besides he has taken considerable strain and responsibility in setting up the 3rd unit at Edayar which commenced commercial production in the year 2007. For setting up this 3rd unit he has successfully mobilised Funds through public issue of shares and Company's shares were listed in BSE. Dr S. Rajkumar is 60 years old and has wide experience in marketing management and administration and has in depth knowledge of Paper Industry. Over the last 27 years he has steered the Company successfully and consistently made profits even when the Paper industry is facing depressed conditions by adopting cost control measures. Since the inception of the Company he has taken effective steps to increase the production capacity gradually and under his leadership Company has reached as one of the leading manufacturers of Kraft Paper in South India with installed capacity of 85000 MT per year.			
Details of Directorship in other companies –Sree Kailash Palchuram Hydro Power Limited, SreeAdisakthiMukkuttathode Hydro Power			

Limited and JalashaayiAlamparathode Hydro Power Limited, Shree Sakthi Industrial Park Limited, Visakh Homes Limited, ShriKailash Logistics (Chennai) Limited.

Status in other Board Committees of the company – Chairperson of the Stakeholders Relationship Committee, Chairperson of CSR Committee, Chairperson of Share Allotment Committee

Relationships between directors inter-se

Son of Mrs. E Kamalam, Brother of Mr. S Subramoniam, Directors and Husband of Mrs. RajeeRajkumar, Director of the Company

Name of Director	Date of Birth	Date of Appointment	Share holding in the Co. (Nos.)
Mr. U. GururajaBhat	15.04.1938	23.02.2017	50
Qualification - Graduate in Science & Mathematics and Degree in Mechanical Engineering			
Experience: Twenty Five (25) years experience in Paper Mill Maintenance, Projects covering Development Activities and Expansion of the mill involving Engineering, procurement and construction activities – Thirty Two (32) years experience in Managing large scale projects involving co-ordination of all phases of engineering, procurement, construction, start up and commencing activities of pulp & paper Mills in India.			
Details of Directorship in other companies - Emami Paper Mills Ltd., SPB Projects & Consultants Limited			
Status in other Board Committees of the company			
Member of the Audit Committee and Nomination, Shareholders relation Committee, Risk Management Committee and Remuneration Committee			
Relationships between directors inter-se- Not related to any other directors of the Company.			

ROUTE MAP TO REACH THE VENUE OF ANNUAL GENERAL MEETING
Venue: Hotel Abad Plaza, M.G. Road, Cochin - 35

