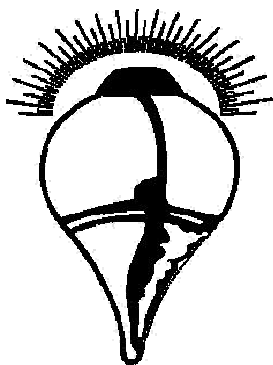


**CELLA SPACE LIMITED**

31<sup>st</sup> Annual Report

2021-22



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## BOARD OF DIRECTORS

Mr. N. Subramanian, Chairman & Non- Executive Independent Director

Mr.S. Rajkumar, Vice Chairman & Managing Director

Mr.Visakh Rajkumar, Whole Time Director

Mr. G. Raghavan, Non- Executive Independent Director (till 25/04/2022)

Mr. Kul Bhushan Jain, Non- Executive Independent Director (Since 16/05/2022)

Mr. Akhilesh Agarwal – Non- Executive Independent Director

Mrs. Rajee Rajkumar, Non-Executive Promoter Director

Mr. S. Subramoniam, Non- Executive Promoter Director

Mrs. E. Kamalam, Non- Executive Promoter Director

## CHIEF FINANCIAL OFFICER

Mr. V.N. Sridharan

## COMPANY SECRETARY

Ms. Jiju George

## AUDITORS

M/s. KPR & Co.,Chartered Accountants  
39/181 C, Anantha, Mahakavi G. Road  
Karikkamuri, Cochin - 682 011

## BANKERS

HDFC Bank  
Mahalingapuram Branch  
Chennai - 600034

## REGISTERED OFFICE

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

## WAREHOUSE

Industrial Development Area  
Muppathadom, Edayar, Aluva - 683 102

## REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited  
S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park  
Next to Ahura Centre, Mahakali Caves Road  
Andheri (East), Mumbai -400093

FINANCIAL HIGHLIGHTS (8 YEARS)					Rs. In lakhs			
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Sales (Gross)	16,405.45	10,698.82	2,400.67	26.89	-	-		-
Sales (Net)	15,559.7	10,140.09	2,782.31	27.25	-	-		-
Total Income	15,660.39	10,212.02	2,894.05	1,156.48	393.34	331.55	393.62	554.19
Profit before tax	-1,528.71	-1,762.8	-4,244.94	-1,039.82	162.93	85.91	38.07	103.41
Profit after tax	-1,178.14	-1,694.95	-3,658.14	-767.43	190.71	85.91	38.07	103.41
Earnings per Share	-7.79	-11.14	-23.08	-5.43	0.99	0.46	0.20	0.54
Dividend Rate (%)	-	-	-	-	-	-	-	-
Reserves & Retained Earnings	1,509.61	-185.33	-3,843.47	-4,431.65	4329.82	-4369.74	-4337.18	-4234.16
Equity Share Capital	1,643.62	1,643.62	1,643.62	1,729.62	1820.12	1915.12	1915.12	1915.12
Equity Shareholders' Funds	4,253.23	2,458.29	-1,199.85	-2,702.03	2,509.70	-2,454.62	-2422.06	-2319.04
Fixed Assets(Gross Block)	11,182.37	9,192.51	1,638.70	1,069.51	1,348.21	1373.87	3206.52	4591.28
Fixed Assets(Net Block)	5,835.68	5,502.81	965.80	770.11	930.74	916.28	2666.85	3933.32

## NOTICE

Notice is hereby given that the 31<sup>st</sup> (Thirtyfirst) Annual General Meeting of the shareholders of the Company will be held on Tuesday, September 20, 2022 at 11.00 a.m through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following businesses.

### ORDINARY BUSINESSES

To receive, consider and adopt the following:-

1. Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2022, together with the report of Auditors and Board of Directors thereon.
2. Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2022, together with the report of Auditors thereon.
3. To appoint a Director in place of Mrs. lasaki Kamalam (DIN:- 01791001), who retires by rotation and in accordance with Section 152 of the Companies Act, 2013 and Articles of Association of the company, being eligible offers herself for reappointment.
4. To reappoint M/s. KPR & Co, Chartered Accountants, Kochi (Firm Reg No.05326S) as Statutory Auditors for their 2<sup>nd</sup> (second) term of 5 years commencing from the conclusion of 31<sup>st</sup> Annual General Meeting till the conclusion of 36<sup>th</sup> Annual General Meeting of the Company at an annual remuneration of Rs.70,000 (Rupees Seventy Thousand only) excluding all out of pocket expenses incurred by them during the course of audit as recommended by the Audit Committee and Board of Directors.

***“RESOLVED THAT*** pursuant to Section 139, 141 and 142 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 and based on the recommendations of the Audit Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to re-appoint M/s. KPR & Co, Chartered Accountants, Kochi (Firm Reg No.05326S) as Statutory Auditors for a further period of 5 years from the conclusion of 31<sup>st</sup> Annual General Meeting of the company till the conclusion of 36<sup>th</sup> Annual General Meeting of the Company at an annual remuneration of Rs.70,000 (Rupees Seventy Thousand only) and that all out of pocket expenses incurred to them during the course of audit be reimbursed to them.”

## SPECIAL BUSINESSES

### 5. Reappointment of Mr. Rajkumar Sivathanu Pillai (DIN:- 01790870) as Managing Director

To consider and if thought fit to pass the following resolution as a Special Resolution:-

***“RESOLVED THAT** pursuant to Sections 196, 197, 198 , 203 and Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Managerial Personnel) Rules 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015, including any statutory modifications and/or re-enactments thereof for the time being in force and based on the recommendations of the Nomination and Remuneration Committee (NRC), and the Board of Directors, consent of the shareholders of the Company be and is hereby accorded to reappoint Mr. Rajkumar Sivathanu Pillai (DIN:- 01790870) as the Managing Director of the company for a period of 5 (Five) years with effect from August 13, 2022 at a remuneration as detailed in the explanatory statement annexed hereto with authority to the Board of Directors (on the recommendations of the NRC) to alter, enhance or widen the scope of remuneration (including the fixed pay, variable pay or other benefits) or the terms and conditions of the appointment including such periodical increase in his remuneration as may be permissible within the overall remuneration limits under Section 197 read with Schedule V of the Companies Act, 2013 and rules made thereunder and other applicable laws, regulations as amended from time to time.*

***RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the company shall pay Mr. Rajkumar Sivathanu Pillai, remuneration not exceeding limits specified under Section 197 read with Schedule V of the Act as may be decided by the Board of Directors on recommendations of the Nomination and Remuneration Committee subject to necessary approvals if any.*

***“RESOLVED FURTHER THAT** any of the Board of Directors of the Company be and is hereby severally authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-forms with Registrar of Companies.”*

**By the Order of the Board**

**For Cella Space Limited**

**Sd/-**

**Jiju George**

**Company Secretary**

**Place :- Chennai**

**Date:03/08/2022**

## Notes

1. An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of business to be transacted at the Annual General Meeting ("AGM") as set out under item no .5 and the relevant details of the Directors as mentioned under item nos. 3&5 as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("the Listing Regulations") and as required under Secretarial Standards-2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, is annexed hereto. Also, necessary disclosure on reappointment of Statutory Auditor as mandated under Regulation 36(5) of the Listing Regulations, forms part of the Explanatory statement
2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8<sup>th</sup> December 2021, 21/2021 dated 14th December, 2021 and 2/2022 dated 5th May, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with Circular No.SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through Video Conference ("VC") or Other Audio Visual Means ("OAVM") upto 31st December, 2022, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
3. In compliance with the Circulars , AGM Notice and Annual Report for the FY 2021-22 is being sent through electronic mode only to those members whose email addresses are registered with the Depositories. Members may note that the AGM Notice and Annual Report will be available in the Company website, [www.sreekailas.com](http://www.sreekailas.com) and in BSE website, [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e.[www.evotingindia.com](http://www.evotingindia.com).
4. As the AGM shall be conducted through VC/OAVM, there is no requirement of appointment of proxies, pursuant to the Circulars. Accordingly, the facility for appointment of proxy by the members is not available for this AGM and hence proxy form is not annexed to this Notice. Also, attendance slip including Route Map is not annexed to this Notice.
5. Authorised representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc. authorising them to attend the AGM, by way of email to [secretary@sreekailas.com](mailto:secretary@sreekailas.com) at least 7 days prior to AGM.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations and above mentioned circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's

agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

7. Voting rights shall be reckoned on the paid up value of the shares registered in the name of member/beneficial owner list maintained by the depositories as on the cut off date, ie September 13, 2022. A person whose name is recorded in the Register of members or in the Register of members or in the Register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e voting/venue voting. A person who is not a member as on cut off date should treat this notice for information purpose only.
8. The Register of Members and Share Transfer Books will remain closed from Wednesday, September 14, 2022 to Tuesday, September 20, 2022 (both days inclusive) for the purpose of AGM.
9. The detailed steps for e voting is given under e voting instructions.
10. The Company has appointed Mr.K Vijayaragavan, Advocate, as the scrutinizer for scrutinizing the e voting process, ie, remote e voting and venue voting during AGM to ensure that the process is carried out in a fair and transparent manner.
11. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Bigshare Services Private Limited, the Registrar & Share Transfer Agent of the Company.
12. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of these members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Bigshare Services Private Limited for assistance in this regard.

#### **Explanatory Statement as per Section 102(1) of the Act**

#### **Item No.4 – Reappointment of M/s. KPR & Co, Chartered Accountants, Kochi (Firm Reg No.05326S) as Statutory Auditors**

The Statutory Auditors of the Company, M/s. KPR & Co, Chartered Accountants, Kochi (Firm Reg No.05326S), was appointed at the 26<sup>th</sup> AGM held on December 29, 2017. As per the terms of appointment, they hold office for a period of 5 consecutive years from the conclusion of 26<sup>th</sup> AGM till the conclusion of 31<sup>st</sup> AGM.

In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than two (2) terms of five (5) consecutive years. Accordingly M/s. KPR & Co are eligible to be reappointed for a further period of 5 years.

They have also expressed their willingness to be reappointed and have further confirmed that they do not incur any disqualification to be reappointed at the Statutory auditors..

Based on the recommendations of the Audit Committee, the Board of Directors at their meeting held on August 3, 2022, proposed their reappointment for a further period of 5 consecutive years commencing from the conclusion of 31<sup>st</sup> AGM till the conclusion of 36<sup>th</sup> AGM at a remuneration of Rs. 70,000 /- (Rupees Seventy Thousand only).

M/s. KPR & Co have given consent for their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder.

The proposed remuneration to be paid to M/s. KPR & Co for statutory audit is Rs.70,000 (Seventy Thousand only) and re-imbursement of out-of pocket expenses. Besides, the Company may also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved/ ratified by the Board of Directors in consultation with the Audit Committee.

Considering the evaluation of the past performance, experience and expertise of M/s. KPR & Co and based on the recommendation of the Audit Committee, your Board recommends reappointment of KPR & Co, Statutory Auditors of the Company for a second term of five consecutive years till the conclusion of the 36<sup>th</sup> AGM of the Company .

None of the Directors or KMP or their relatives are concerned or interested in the proposed resolution.

#### **Item No.5 - Reappointment of Mr.Rajkumar Sivathanu Pillai (DIN:- 01790870) as Managing Director**

The shareholders of the Company, in their previous AGM held on September 27, 2021 have approved the reappointment of Mr. S Rajkumar for a period of 1 year with effect from August 13, 2021. As his tenure as Managing Director expired on August 12, 2021, the Board of Directors of the Company as recommended by the Nomination and Remuneration Committee (NRC) at their meeting held on August 3, 2022, has approved his reappointment for a period of 5 (five) years with effect from August 13, 2022 at a monthly remuneration of Rs. 1,00,000/- (Rupees One Lakh only) subject to applicable TDS with authority to the Board of Directors to alter, enhance or widen the scope of remuneration (including the fixed pay, variable pay or other benefits) or the terms and conditions of the appointment including such periodical increase in his remuneration as may be permissible within the overall remuneration limits under Section 197 read with Schedule V of the

Companies Act, 2013 and rules made thereunder and other applicable laws, regulations as amended from time to time.

In accordance with Section 196 and 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, approval of shareholders by way of Ordinary Resolution is needed if the overall managerial remuneration payable by the Company exceeds 11 % of net profits of the company for that financial year calculated as per Section 198 of the Act. Further, approval of shareholders of the company by way of Special Resolution is needed if the remuneration payable to Managing Director exceeds 5% of net profits of the company.

Pursuant to Regulation 17(2)(e) of Listing Regulations, consent of shareholders of the Company by way of Special Resolution is required in case if the Company is paying to its executive directors annual remuneration exceeding 5% of net profits of the Company

Mr. S Rajkumar has informed the Company his desire to be reappointed as the Managing Director of the Company. He has also intimated the Company that he does not incur any disqualifications mentioned under Section 164 of the Act and that he also satisfies the criteria mentioned under Section 196(3) and Part I of Schedule V of the Act. Pursuant to Section 197 and Schedule V of the Act, in case of occurrence of loss or inadequate profits during a financial year, the remuneration shall be paid to Managing Director only in accordance with Schedule V.

Based on the above, the Board of Directors recommends the shareholders of the company to approve item no.5 as a Special Resolution. Disclosures as required under Part II of Schedule V is provided as under:-

Nature of Industry	Construction and leasing of warehouses
Date or expected date of commencement of commercial production	Company was incorporated on October 3, 1991 and the certificate of commencement of business was obtained on March 26, 1992
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial Performance based on given indicators	Details of financial performance is given under Audited Financial Statements which accompanies the AGM notice
Foreign investments or collaborations, if any	NIL
Background details of appointee	The detailed profile of the appointee is given as per Regulation 36 of the Listing Regulations and SS-2
Past Remuneration	Rs.12 lakh per annum

Recognition or awards, if any, received by Mr.S Rajkumar	NIL
Job profile or suitability	The appointee has over 40 years of experience in the industry of paper manufacture, construction, warehousing and logistics
Remuneration Proposed	Rs.1,00,000/- (Rupees One lakh only) per month subject to applicable TDS with authority to the Board of Directors to revise the remuneration within the permissible limits of the Act on recommendations of the Nomination and Remuneration Committee
Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Proposed remuneration is comparable to the remuneration of MD in similar sized companies
Pecuniary relationship directly or indirectly with the Company or relationship with the management personnel if any	Save and except the proposed remuneration, shareholding (both equity and preference) and unsecured loans given by the appointee and his relatives to the company the details of which are given in financial statements, the appointee does not have any other pecuniary relationship directly or indirectly with the Company
Reasons of loss or inadequate profits	The Company has to close down its paper plant during FY 2016-17 and now is in the path of revival. However for the FY 2021-22, the company managed to earn profit
Steps taken or to be taken for improvement	As part of revamping its business operations, the Company has changed its business operations from paper manufacturing to logistics. In order to enable the same, the company during 2018, has altered its object clause and subsequently adopted the current name
Expected increase in productivity and profits in measurable terms	As the entire constructed area has been let out there will be improvement in the top line. Due to the rent escalation clause, there will be increase of rental income by 5% every year. As the company is repaying bank loan, there will be reduction in interest expense. All these factors will lead to increase in the profitability of the Company in the coming years.