

# STEL Holdings Limited

(CIN: L65993KL1990PLC005811)

Regd. Office: 24/1624 Bristow Road, Willingdon Island, Cochin 682 023

Tel No.0484 26680230, 6624335 Fax: 0484 2668024

Email: [secretarial@stelholdings.com](mailto:secretarial@stelholdings.com), Website: [www.stelholdings.com](http://www.stelholdings.com)

August 14, 2019

The Secretary BSE Ltd. Corporate Relationship Dept. 1st Floor, New Trading Ring Rotunda Building, PJ Towers Dalal Street, Fort Mumbai - 400 001, Maharashtra	The Secretary National Stock Exchange of India Ltd. "Exchange Plaza", Bandra - Kurla Complex Bandra (E) Mumbai - 400 051 Maharashtra
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Dear Sirs,


## **NOTICE OF 29<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

Pursuant to Regulation 30 and 34(1) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, please find attached copy of Annual Report for the year ended March 31, 2019 together with copy of the Notice dated July 26, 2019 of the Twenty Ninth Annual General Meeting of the Company to be held on Friday, September 06, 2019 at 2.00 P.M. at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Kochi - 682016.

Kindly take this on record.

Yours faithfully,

For **STEL Holdings Limited**

  
**Lakshmi P.S**  
Company Secretary



# **STEL Holdings Limited**

ANNUAL REPORT 2018-2019

**Board of Directors**

Shri. Anant Vardhan Goenka  
Shri. Umang Kanoria  
Shri. Sunil Bhandari  
Shri. Kaushik Roy  
Shri. H. C. Dalal  
Shri. Prem Kapil  
Smt. Kusum Dadoo

**Manager**

Shri. Abraham Itty Ipe

**Company Secretary**

Smt. Lakshmi P. S

**Chief Financial Officer**

Shri. Sivaram Neelakantan Krishnan

**Registered Office**

24/1624, Bristow Road,  
Willingdon Island,  
Cochin - 682003  
Ph: 0484 2668023, 6624335  
Email: [secretarial@stelholdings.com](mailto:secretarial@stelholdings.com)

**Statutory Auditors**

M/s. J Krishnan & Associates,  
Chartered Accountants  
I S Press Building,  
Banerji Road,  
Cochin - 682018

**Secretarial Auditors**

SVJS & Associates, Company Secretaries  
65/2364A, Ponoth Road  
Kaloore, Cochin - 682 017

**Internal Auditors**

CaesarPintoJohn & Associates LLP  
Puthussery House, Edanad, Chowara P.O ,  
Aluva , Cochin-683571

**Bankers**

HDFC Bank  
Kotak Mahindra Bank

**Registrar and Share Transfer Agent**

Link Intime India Private Limited  
Surya, 35, Mayflower Avenue  
Behind Senthil Nagar, Sowripalayam Road  
Coimbatore - 641 028, Tamil Nadu  
Ph: 0422-2314792, 2315792  
Email: [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)



### NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Company will be held on Friday, September 06, 2019 at 02.00 P.M. at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin-682016 to transact the following businesses:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Audited Consolidated Financial Statements for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Anant Vardhan Goenka (DIN: 02089850) who retires by rotation, and being eligible, offers himself for reappointment.

#### SPECIAL BUSINESS

##### 3. APPOINTMENT OF MS.KUSUM DADOO (DIN: 06967827) AS AN INDEPENDENT DIRECTOR

To consider, and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Ms. Kusum Dadoo (DIN: 06967827), who was appointed by the Board of Directors as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 11 of the Articles of Association of the Company with effect from February 08, 2019, and who holds office up to the date of this Annual General Meeting of the Company, who has submitted a declaration that she meets the criteria of independence under Section 149 of the Act and SEBI Listing Regulations, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director be and is hereby appointed as a Director of the Company with immediate effect and be also appointed as an Independent Director of the Company not liable to retire by rotation, and hold office for a term of 5 (five) consecutive years with effect from February 08, 2019 up to February 07, 2024.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary/or the Manager of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

##### 4. RE-APPOINTMENT OF MR. H.C DALAL AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR.

To consider, and if thought fit, to pass, the following Resolution as an *Special Resolution*:

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “SEBI (LODR) Regulations, 2015”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. H.C Dalal (DIN: 00206232) as the Non-Executive Independent Director of the Company whose current term is expiring on September 30, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149 (6) of the Companies Act, 2013 read with the SEBI (LODR) Regulations, 2015, as amended from time to time and who is eligible for re-appointment for the second term under the provisions of the Companies Act, 2013, Rules made thereunder and SEBI (LODR) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as a Non-Executive Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a second term of five (5) consecutive years on the Board of the Company with effect from October 01, 2019 up to September 30, 2024.

**RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (LODR) Regulations, 2015 as amended from time to time and other applicable provisions if any, of the Companies Act, 2013 and subject to such other approvals as may be necessary in this regard, the approval of the members be and is hereby accorded for Mr. H.C Dalal (DIN: 00206232) to hold the directorship as the Non-Executive Independent Director of the Company, who will attain age above 75 years, during his second term i.e. from October 01, 2019 up to September 30, 2024.”

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary/or the Manager of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**5. RE-APPOINTMENT OF MR. PREM KAPIL AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR.**

To consider, and if thought fit, to pass, the following Resolution as an *Special Resolution*:

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “SEBI (LODR) Regulations, 2015”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Prem Kapil (DIN: 06921601) as the Non-Executive Independent Director of the Company whose current term is expiring on September 30, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149 (6) of the Companies Act, 2013 read with the SEBI (LODR) Regulations, 2015, as amended from time to time and who is eligible for re-appointment for the second term under the provisions of the Companies Act, 2013, Rules made thereunder and SEBI (LODR) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as a Non-Executive Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a second term of five (5) consecutive years on the Board of the Company with effect from October 01, 2019 up to September 30, 2024.

**RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17 (1A) of SEBI (LODR) Regulations, 2015 as amended from time to time and other applicable provisions if any, of the Companies Act, 2013 and subject to such other approvals as may be necessary in this regard, the approval of the members be and is hereby accorded for Mr. Prem Kapil (DIN: 06921601) to hold the directorship as the Non-Executive Independent Director of the Company, who will attain age above 75 years, during his second term i.e. from October 01, 2019 up to September 30, 2024.”

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary/or the Manager of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**6. RE-APPOINTMENT OF MR. UMANG KANORIA AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR.**

To consider, and if thought fit, to pass, the following Resolution as an *Special Resolution*:

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “SEBI (LODR) Regulations, 2015”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Umang Kanoria (DIN: 00081108) as the Non-Executive Independent Director of the Company whose current term is expiring on September 30, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149 (6) of the Companies Act, 2013 read with the SEBI (LODR) Regulations, 2015, as amended

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from time to time and who is eligible for re-appointment for the second term under the provisions of the Companies Act, 2013, Rules made thereunder and SEBI (LODR) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as a Non-Executive Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a second term of five (5) consecutive years on the Board of the Company with effect from October 01, 2019 up to September 30, 2024.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary/or the Manager of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

By Order of the Board of Directors

For **STEL Holdings Limited**

**Lakshmi P.S**  
Company Secretary

Place : Mumbai  
Date : July 26, 2019

**Registered Office:**  
24/1624, Bristow Road,  
Willingdon Island,  
Cochin-682003

### Notes:

1. Statement setting out material facts (Explanatory Statement) pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/ HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER.**

Proxies in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

A person shall act as a proxy only for 50 members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.

Proxy holder shall prove his identity at the time of attending the Meeting. A Proxy Form which does not state the name of the Proxy shall be considered invalid.

2. The Register of Members and Share Transfer Books of the Company will remain closed from August 31, 2019 to September 06, 2019 (both days inclusive).
3. All documents referred to in the Notice and the Explanatory Statement will be available for inspection in physical or in electronic form by the members at the Registered Office of the Company between 11.00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting .
4. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be restricted by the Attendance Slip. Members are requested to write their Client ID and DP ID numbers/ Folio Number (as applicable) on the Attendance slip, affix their signature and hand it over at the entrance hall. Route Map and the prominent landmark of the AGM venue are printed at the last page of the Annual Report.

5. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
7. Members holding shares in electronic form are advised to send their request for the change of address, Bank particulars, Residential status or request for transmission of shares etc to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028. Phone: 0422-2314792. Email id: coimbatore@linkintime.co.in
8. Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), with effect from April 1, 2019, transfer of securities of the Company would be carried out in dematerialised form only, except in case of transmission or transposition of securities.
9. Members holding shares in more than one folio in the same name(s) are requested to send share certificates so as to enable the Company to consolidate all their holding into one folio.
10. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
11. Notice of the AGM along with Annual Report 2018-19 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.
12. Disclosure pursuant to Regulation 26(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment/appointment at the Meeting is attached hereto.

A Copy of this Notice has been placed on the website of the Company and the website of CDSL and also on the website of stock exchanges namely BSE Ltd. and National Stock Exchange of India Ltd.

13. Voting through electronic means:

In Compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to offer 'remote e-voting' (e-voting from a place other than venue of the AGM) facility to exercise their right to vote at the 29th Annual General Meeting (AGM). Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting.

The facility of voting through polling paper shall also be made available at the venue of the Twenty Ninth AGM. The shareholders attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The shareholders who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

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The process and instructions for remote e-voting are as under:

- (i) The voting period begins on September 03, 2019 (9.00 AM) and ends on September 05, 2019 (5.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 30, 2019 may cast their vote electronically. A person who is not a member as on the cut-off date should treat this notice for information purposes only. The e-voting module shall be disabled by CDSL for voting thereafter and shall be blocked.
- (ii) The shareholders should log on to the e-voting website ([www.evotingindia.com](http://www.evotingindia.com)).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For shareholders 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). <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li></ul>
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. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv)</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Shareholders holding shares in physical form will then directly reach the EVSN selection screen. However, shareholders 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.
- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <STEL HOLDINGS LIMITED> on which you choose to vote.
- (xii) 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.



- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If 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.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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. The scanned copy of the said Board Resolution and the Power of Attorney shall also be emailed to the Scrutinizer to his email id, namely, [mds@mdsassociates.in](mailto:mds@mdsassociates.in)
- (xx) In case you have any queries or issues or grievances regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
10. The Company has appointed Mr. M. D. Selvaraj, Practicing Company Secretary (CP. 411), Partner, MDS & Associates, Company Secretaries, Coimbatore, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
11. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 2 (two) days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman and/or Manager or a person authorized by him in writing who shall counter sign the same.
12. The results shall be declared forthwith upon receipt of the Scrutinizer’s Report. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.stelholdings.com](http://www.stelholdings.com) and on the website of CDSL immediately after their declaration within two (2) days of passing of resolutions at the Annual General Meeting. The Results shall also be communicated to the stock exchanges where shares of the Company are listed.

### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

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### Item No.3

The Board of Directors (“Board”), upon recommendation of the Nomination and Remuneration Committee, appointed Ms. Kusum Dadoo as an Additional (Independent) Director of the Company, not liable to retire by rotation, with effect from February 08, 2019. Pursuant to the provisions of Section 161 of the Act and Article 11 of the Articles of Association of the Company, Ms.Kusum Dadoo will hold office up to the date of the ensuing Annual General Meeting (“AGM”) and is eligible to be appointed a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member proposing the candidature of Ms.Kusum Dadoo for the office of Director. The Company has received from Ms.Kusum Dadoo (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies(Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act and(iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Ms. Kusum Dadoo as an Independent Director of the Company for a period commencing from with effect from February 08, 2019 to February 07, 2024. Ms.Kusum Dadoo, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Ms.Kusum Dadoo is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company.

Copy of documents relating to the appointment are available for inspection without any fee by the members at the Registered Office of the Company on any working day (excluding Saturdays) between 11.00 AM and 1.00 PM upto the date of AGM of the Company.

The profile and details regarding of Ms.Kusum Dadoo are provided as “Annexure 1”to this Notice pursuant to the provisions of (i) the SEBI (LODR) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Ms. Kusum Dadoo, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the Special Resolution set forth in Item No. 3 for the approval of the Members.

### Items 4, 5 & 6

Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria were appointed as Independent Non-Executive Directors on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges at the Annual General Meeting of the Company held on September 30, 2014 for a period of five consecutive years i.e. for a term up to September 30,2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria as Independent Directors for a second term of 5 (five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association would be immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, it is proposed to re-appoint Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria as Independent Directors 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.

The Company has received declarations from Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also given consent to continue to act as Director of the Company, if so appointed by the members. Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria for the office of Independent Directors of the Company.

Further, it may also be noted that Mr. H. C Dalal and Mr. Prem Kapil will exceed the age limit of 75 years as prescribed under SEBI (LODR) Regulations, 2015 during the tenure. Hence, the Board seeks enabling resolution in advance for approval of the Members through Special Resolution.

In the opinion of the Board, Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria fulfil the conditions for appointment as Independent Directors as specified in the Act and the SEBI (LODR) Regulations, 2015. Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria are independent of the management.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 4,5 and 6, are provided in the "Annexure 1" to this Notice pursuant to the provisions of (i) the SEBI (LODR) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of documents relating to the items 4,5& 6 are available for inspection without any fee by the members at the Registered Office of the Company on any working day (excluding Saturdays) between 11.00 AM and 1.00 PM upto the date of AGM of the Company.

Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria are interested in the resolutions set out respectively at Item Nos. 4,5 & 6 of the Notice with regard to their respective re-appointments. Save and except the above, none of the other Directors/Key Managerial Personnel and/or their relatives are interested in these resolutions.

The Board recommends the Special Resolutions set out in Item Nos. 4, 5 & 6 of this Notice for the approval of the Members.

By Order of the Board of Directors

For **STEL Holdings Limited**

**Lakshmi P.S**  
Company Secretary

Place : Mumbai  
Date : July 26, 2019

**Registered Office:**  
24/1624, Bristow Road,  
Willingdon Island,  
Cochin-682003

## ANNEXURE 1 TO THE NOTICE

Details of Directors' seeking Re-appointment/Appointment at the Annual General Meeting pursuant to Regulation 26(4) and 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India

Name of the Director	Mr. Anant Vardhan Goenka	Ms. Kusum Dadoo	Mr. H. C. Dalal	Mr. Prem Kapil	Mr. Umang Kanoria
DIN	02089850	06967827	00206232	06921601	00081108
Age	38 years	66 years	73 years	72 years	60 years
Date of Birth	19.10.1981	02.01.1953	11.04.1946	08.02.1947	02.11.1959
Nationality	Indian	Indian	Indian	Indian	Indian
Date of first appointment on the Board	30.12.2010	08.02.2019	30.05.2013	11.08.2014	17.09.2010
Inter-se relationship between Directors and other Key Managerial Personnel	He is not related to any director and Key Managerial Personnel of the Company	She is not related to any director and Key Managerial Personnel of the Company	He is not related to any director and Key Managerial Personnel of the Company	He is not related to any director and Key Managerial Personnel of the Company	He is not related to any director and Key Managerial Personnel of the Company
Qualification	Bachelor's Degree in Economics from the Wharton School and MBA from Kellogg School of Management	Science Graduate from Bethune College and a Law Graduate from Calcutta University.	Graduate in B.com	Graduate in Economics, English & Geography, Diploma Holder in Public Relations from XLRI-Jamshedpur, Leadership from TMTC & Corporate Communications & Media Relations from IIM- Lucknow	B.com (HONS), C.M.A, MBA (IMD Switzerland)
Expertise in specific functional areas	Shri Anant Goenka is the Managing Director of CEAT Ltd. Shri. Goenka joined KEC international Ltd (KEC) as Vice President (Corporate) was in charge of telecom business, business development in North America and Integrated Planning and Monitoring of Transmission and Distribution Business.	Rich professional experience in Law, Real Estate, Banking and Finance.	Vast experience in the field of Accounts, Finance and Corporate Governance.	Rich experience in the Industry.	Rich professional experience in the field of Business Administration, Accounts and Finance and Marketing.



## STEL HOLDINGS LIMITED

Name of the Director	Mr. Anant Vardhan Goenka	Ms. Kusum Dadoo	Mr. H. C. Dalal	Mr. Prem Kapil	Mr. Umang Kanoria
Number of shares held in the Company & % of holding	Nil	Nil	Nil	Nil	Nil
List of Directorships held in other Public Limited Companies	<ol style="list-style-type: none"> <li>1. CEAT Limited</li> <li>2. Zensar Technologies Limited</li> <li>3. CEAT Specialty Tyres Limited</li> <li>4. Spencer International Hotels Limited</li> <li>5. Spencer And Company Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. The Standard Batteries Limited.</li> <li>2. Dhariwal Infrastructure Limited</li> <li>3. Bhiwani Vanaspati Limited</li> <li>4. Phillips Carbon Black Limited</li> <li>5. GKW limited</li> <li>6. Harrisons Malayalam Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. F G P LIMITED</li> <li>2. SUMMIT SECURITIES LIMITED</li> </ol>	<ol style="list-style-type: none"> <li>1. F G P LIMITED</li> <li>2. SUMMIT SECURITIES LIMITED</li> </ol>	<ol style="list-style-type: none"> <li>1. KANCO TEA &amp; INDUSTRIES LIMITED</li> <li>2. SAREGAMA INDIA LIMITED</li> <li>3. KANCO ENTERPRISES LIMITED</li> <li>4. SPENCER AND COMPANY LIMITED</li> </ol>
Chairmanships /Memberships of Committees in other Public Limited Companies (Includes Audit Committee [AC] and Stakeholders Relationship Committee [SRC])	NIL	Member: <ol style="list-style-type: none"> <li>1. Phillips Carbon Black Ltd : Audit Committee &amp; Stakeholder's Relationship Committee</li> <li>2. The Standard Batteries Ltd- Audit Committee</li> <li>3. Harrisons Malayalam Ltd: Audit Committee &amp; Stakeholders Relationship Committee</li> </ol>	Chairman : <ol style="list-style-type: none"> <li>1. FGP Limited : Audit Committee</li> </ol> Member : <ol style="list-style-type: none"> <li>1. Summit Securities Ltd : Audit Committee</li> <li>2. FGP Limited : Stakeholders Relationship Committee</li> </ol>	Member: <ol style="list-style-type: none"> <li>1. FGP Limited : Audit Committee</li> </ol>	Chairman: <ol style="list-style-type: none"> <li>1. Saregama India Limited: Audit Committee.</li> <li>2. Kanco Tea &amp; Industries Ltd: Stakeholders Relationship Committee.</li> </ol> Member: <ol style="list-style-type: none"> <li>1. Kanco Enterprises Ltd : Stakeholders Relationship Committee</li> <li>2. Saregama India Ltd: Stakeholders Relationship Committee.</li> </ol>
Number of Board meetings attended during the FY 2018 - 2019	Held-5 Attended- 4	Held-5 Attended- 1	Held-5 Attended- 5	Held-5 Attended- 5	Held-5 Attended- 4

Note: For more details like remuneration drawn, etc. please refer to the Corporate Governance section of the Annual Report.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Ninth Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2019. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. Financial Highlights

The income of the Company mainly consisted of dividend income. The net profit after tax was Rs. 899.28 lakhs.

(In lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2019	For the year ended 31.03.2018
Total Income	980.72	692.04	980.72	692.04
Profit / Loss before Tax	919.72	593.74	919.04	592.76
Provision for Taxation	20.44	18.03	20.44	17.10
Profit/Loss after Tax	899.28	575.71	898.60	574.72

### 2. Operations of the Company

Investments are made in various companies and dividend constitutes the major source of income for the Company. Apart from dividend income, the company has interest income from fixed deposits maintained with banks. During the year total income of the company was Rs. 980.72 lakhs as against Rs. 692.04 lakhs in the previous year. The Company recorded the Net profit (after tax) of Rs. 899.28 lakhs as against Profit after tax of Rs. 575.71 in the previous year. During the year the consolidated profit after tax was Rs. 898.60 lakhs compared to profit of Rs. 574.72 lakhs in the previous year.

### 3. Material Changes and Commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate on the date of this report.

However the company continues to hold 6,76,81,206 number of equity shares in CFL Capital Financial Services Ltd ( CFL CFSL) amounting to an investment cost of Rs.12,73,44,645/-.The Hon'ble High Court of Calcutta has passed an order on October 06, 2015, for liquidation of CFL CFSL based on an application filed by a creditor of the company.The office of the official liquidator, Calcutta had took over possession of the Registered office of CFL CFSL on November 19,2015 along with books, records and assets.

### 4. Change in the Nature of Business

During the year under review, there was no change in the nature of the business. The Company is an Investment Holding Company which invests in the securities of group companies.

### 5. Dividend

Your Directors have not declared any dividend on equity shares for the year ended March 31, 2019, in order to conserve the resources for the future years. There are no amounts to be transferred to Investor Education and Protection Fund.

Total amount lying in the Unpaid Dividend Account of the company in respect of the last seven years - Nil

When such unpaid Dividend is due for transfer to the IEPF - NA.

The amount of Dividend, if any, transferred by the company to the Investor Education and Protection Fund during the year - NA

**6. Amount transferred to the Reserves:**

Your Directors does not propose transfer of any amount to the reserves.

**7. Extract of Annual Return**

The Extract of Annual Return in form MGT-9 pursuant to the provisions of Section 92 read with rule 12 of the Companies (Management and Administration) Rules,2014 is annexed to Annual Report and placed on the website of the Company and can be accessed at: <https://www.stelholdings.com/SFin.html>

**8. Listing**

The Equity Shares of the Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited.

**9. Deposits**

The Company has not accepted any deposit within the meaning of subsection 31 of Section 2 and Section 73 of the Companies Act, 2013 and the Rules framed there under. As on March 31, 2019, there were no deposits lying unpaid or unclaimed.

**10. Particulars of Loans, Guarantees or Investments**

Particulars of loans, guarantees or investments under section 186 made during the year if any, is detailed in the Notes to the Financial Statements.

**11. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo**

The Additional information required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Report is reproduced herewith:

**(a) Conservation of energy and technology absorption:**

As the Company holds investments in the other Companies, there are no particulars regarding conservation of energy and technology absorption, as required under provisions of the Act and rules made thereunder.

**(b) Foreign Exchange earnings and outgo:**

Total foreign exchange inflow: Nil

Total foreign exchange outflow: Nil

**12. Subsidiary & Associate Company**

As on March 31, 2019, the Company has a subsidiary, Doon Dooars Plantations Limited, accounts of which shall be made available to the shareholders of the Company seeking such information at any point of time. The Consolidated Financial Statements of the Company along with its subsidiary prepared for the year 2018-19 in accordance with relevant Indian Accounting Standard issued by Institute of Chartered Accountants of India forms part of the Annual Report. None of the companies has become or ceased to be a subsidiary or associate of the Company.

The Company holds 48.81% in the share capital of CFL Capital Financial Services Limited. As the Company does not have any significant influence over the affairs of the CFL Capital Financial Services Limited, it is not considered as an Associate Company for the purpose of Consolidation under the Companies Act, 2013. A Report on the performance and financial position of the Subsidiary and Associate Company pursuant to Rule 5 of Companies (Accounts) Rules, 2014 is annexed as Annexure - B and forms a part of this Report.

The Company has framed a policy for determining material subsidiaries and has uploaded the same on website and link for the same is as below:

[http://stelholdings.com/docs/POLICY\\_ON\\_MATERIAL\\_SUBSIDIARIES.pdf](http://stelholdings.com/docs/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf)

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company.

## 29<sup>th</sup> Annual Report 2018 - 2019

### 13. Corporate Governance Report and Management Discussion and Analysis Report

Your company has taken adequate steps to adhere to all the relevant stipulations laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance. A separate report on the Corporate Governance (Annexure-D), The Management Discussion and Analysis (Annexure- C) and the practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

### 14. Directors and Key Managerial Personnel

The Board of your Company consists of the following Seven Directors:

Category	Name of Directors
Non-Executive Non - Independent Director	Mr. Sunil Bhandari Mr. Anant Vardhan Goenka Mr. Kaushik Roy
Non- Executive Independent Director	Mr. H. C. Dalal Mr. Umang Kanoria Mr. Prem Kapil Ms. Kusum Dadoo*

\*Appointed as Additional Director w.e.f February 08, 2019

The composition of the Board is in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015. All the Directors are having vast knowledge and experience in their relevant fields and the Company had benefitted immensely by their presence in the Board. The key Board qualifications, expertise, attributes are given in details in the Report on Corporate Governance forming part of this Report.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

In term of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) (a) of the SEBI (LODR) Regulations, 2015, the Company shall have at least one Woman Director on the Board. Your Company has Ms. Kusum Dadoo as woman Director on the Board.

The Company has Mr. Abraham Ittype as its Manager, Mr.SivaramaKrishnan as its Chief Financial Officer and Ms. Lakshmi P.S as its Company Secretary who are designated as Key Managerial Personnel within the meaning of Section 203 of the Companies Act, 2013.

Mr. Abraham Ittype was re-appointed as Manager of the company at the annual general meeting of the company held on 03.08.2017 for a period of five years with effect from 30.05.2017.

#### 14.1 Changes in Directors and Key Managerial Personnel (KMP)

Mr. Anant Vardhan Goenka retires in the forthcoming Annual General Meeting and being eligible offers himself for reappointment. During the FY 2018-19, Ms Surbhi Singhi Independent Director has resigned from the Board with effect from December 05, 2018 due to other professional obligations and commitments. The Board places on record their sincere appreciation for the remarkable contribution made by Ms. Surbhi Singhi during her tenure in the Company. The Board took on record the confirmation from Ms. Surbhi Singhi that there are no material reasons for resignation other than those provided.

During the FY 2018-19, Ms. Kusum Dadoo (DIN:06967827) has been appointed as the Additional Independent Director on the Board with effect from February 08, 2019 owing to the resignation of Ms. Surbhi Singhi. The Board of your Company recommends the regularization of appointment of Ms. Kusum Dadoo in the ensuing Annual General Meeting for a period of 5 years.

Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria were appointed as Independent Non-Executive Directors on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges at the Annual General Meeting



of the Company held on September 30, 2014 for a period of five consecutive years i.e. for a term up to September 30,2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria as Independent Directors for a second term of 5 (five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association would be immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board of your Company recommends in the ensuing Annual General Meeting by way of Special Resolution, to re-appoint Mr. H. C Dalal, Mr. Prem Kapil & Mr. Umang Kanoria as Independent Directors 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.

The Detailed profile of Mr. Anant Vardhan Goenka, Ms.Kusum Dadoo, Mr.H.C Dalal, Mr. Umang Kanoria, and Mr. Prem Kapil recommended for re-appointment is enclosed with the Notice for the 29th AGM of the Company as per Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the year under review, 5 (Five) meetings of the Board of Directors were held, details of which are set out in the Corporate Governance Report which forms a part of this Report.

#### **14.2 Declaration by Independent Directors**

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 1 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, the Independent Directors of the Company viz. Mr. Umang Kanoria, Mr. H. C. Dalal, Mr. Prem Kapil and Ms. Kusum Dadoo, have given declaration to the Company that they qualify the criteria of independence as required under the Act and subsequently the same was placed on the Board Meeting held on May 24,2019.

#### **14.3 Board Evaluation**

The Board has carried out an annual evaluation of its own performance, the directors and also committees of the Board based on the guideline formulated by the Nomination & Remuneration Committee. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process.

Further, the Independent Directors of the Company met once during the year on February 08, 2019 to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

#### **14.4. Policy on Remuneration to Directors, KMP, Senior Management Personnel and Other employees**

The Board based on the recommendation of the Nomination and Remuneration Committee has formulated a policy on remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy covers the appointment, including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The Nomination and Remuneration Policy is annexed as Annexure – E to this report.

#### **14.5 Policy on Board Diversity**

The Policy on Company's diversity on the Board is provided on the website of the Company and can be assessed at <https://www.stelholdings.com/SInvestor.html>.

### 15. Board Committees

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, and Stakeholder's Relationship Committee number of meetings held during the year under review and other related details including attendance are set out in the Corporate Governance Report which forms a part of this Report.

There have been no situations where the Board has not accepted any recommendation of the Audit Committee.

### 16. Directors' Responsibility Statement as required under Section 134 of the Companies Act, 2013

Pursuant to the provisions of clause (c) of sub-section (3) and sub-section (5) of Section 134 of the Act, the Board of Directors of the Company hereby confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed and there were no material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as at March 31, 2019 and of the profit of the company for the period ending March 31, 2019;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts for the financial year ended on March 31, 2019 on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 17. Auditors:

#### 17.1. Statutory Auditors

M/s. J Krishnan & Associates, Chartered Accountants, (Registration No.: 001523S), were appointed as the Statutory Auditors of the Company for a term of five years, in the Annual General Meeting of the Company held on 03.08.2017, till the conclusion of the Annual General Meeting to be held for the financial year ended 31.03.2022.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to the Accounts section of the Annual Report.

There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in Auditors' Report.

#### Details in respect of frauds

Details in respect of frauds reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013 other than those which are reportable to the Central Government - Nil

#### 17.2. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of the Directors of the Company had appointed M/s. SVJS & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report is annexed as Annexure - F.

Further, there is no qualification, disclaimer, reservation or adverse remark made by the Company Secretary in practice in Secretarial Audit Report.

**17.3. Internal Auditor**

The Board had appointed Mr. Nikhil George Pinto, Partner, M/s.CaesarPintoJohn & Associates LLP as Internal Auditor.

The Company was not required to maintain Cost records as specified by the Central Government under Section 148 (1) of the Companies Act, 2013 and Rules made thereunder.

**18. Corporate Social Responsibility**

The Company does not come under the purview of Section 135 read with relevant rules of the Act. It is not mandatorily required to constitute Corporate Social Responsibility Committee. However the Board has voluntarily constituted a Corporate Social Responsibility Committee (CSR Committee) to oversee and monitor the CSR activities undertaken by the Company, if any. The CSR Committee of the Company has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The Company's CSR Policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The CSR Policy is available on the website of the Company at <https://www.stelholdings.com/SInvestor.html>.

During the year under review, the Company has not undertaken any CSR activity.

**19. Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has a mechanism for reporting unethical behavior, actual or suspected frauds or violation of the Company's Code of Conduct or ethics policy. Pursuant to Section 177 (9) & 177 (10) of the Companies Act, 2013 and as per Regulation 4 (2) (d) (iv) & 34 (3) read with Para 10 of Part C of Schedule V of the SEBI (LODR) Regulations, 2015, the Company has a Whistle Blower Policy or Vigil Mechanism in place. The mechanism provide for adequate safeguards against victimization of Director(s)/Employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any Integrity issue.

The said policy is available on the website of the Company which can be accessed by following the below link.  
<http://stelholdings.com/docs/Whistleblowerpolicy.pdf>

**20. Related Party Transactions**

There was no materially significant transaction with the related parties that could have had a potential conflict with the interests of the Company. There are no related party transactions which are not on an arm's length basis. There are also no material contracts or arrangements or transactions with related parties. Hence, Form AOC-2 is not applicable for the company.

The policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board is uploaded on the Company's website on the below link:

<http://stelholdings.com/docs/Relatedpartytrans.pdf>

**21. Risk Management**

The Company is exposed to inherent uncertainties owing to the sector in which it invests and operates. A detailed report on Risk Management is included in Management Discussion and Analysis which forms part of this Report. The report clearly states development and implementation of a risk management policy for the company including identification therein of elements of risks along with risk mitigation plan.

**22. Particulars of Employees**

During the year under review, none of the employees, throughout the year or part of the year were in receipt of remuneration in excess of the sums as prescribed pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014.

The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure – G and forms a part of this report.

### 23. Internal Financial Control

The Company has in place a stabilized and effective Internal Audit and Financial Control System calibrated to the size and scale of operations of the Company. Apart from statutory audit, in compliance with Section 138 of the Companies Act, 2013, had engaged Mr. Nikhil George Pinto, Partner, M/s. Caesar Pinto John & Associates LLP, the Internal Auditors of the Company for the FY 2018-19. Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report. During the year under review, there were no reportable material weaknesses in the systems or operation.

### 24. Significant and Material Orders Passed by the Regulators or Courts

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

### 25. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19

No. of complaints received: NIL

No. of complaints disposed off: N A

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### 26. Compliance of Secretarial Standards

The Company has in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India, during the financial year.

### 27. Acknowledgements

Your Directors wish to place on record, their appreciation for the contribution made and support provided to the Company by the bankers, employees and shareholders.

For and on behalf of the Board of Directors

**Mr. H. C. Dalal**  
(DIN : 00206232)  
Director

**Mr. Sunil Bhandari**  
(DIN: 00052161)  
Director

26.07.2019  
Mumbai



# STEL HOLDINGS LIMITED

## ANNEXURE - A TO THE BOARD'S REPORT

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i)	CIN	L65993KL1990PLC005811
ii)	Registration date	21.09.1990
iii)	Name of the Company	STEL Holdings Limited
iv)	Category/Sub category of the Company	Company Limited by Shares. Indian Non-Government Company
v)	Address of the Registered office and contact details	24/1624, Bristow Road, Willingdon Island, Cochin - 682003, Kerala Tel. No.: 0484 6624335 Fax No.: 0484 2668024 Email: secretarial@stelholdings.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, Tamil Nadu Phone: +91 422 2314792, 2315792, Fax: +91 422 2314792

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code* of the Product/ service	% to total turnover of the company
1	Activities of holding Companies	642	100

\* as per NIC -2008

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Doon Dooars Plantations Limited	U01132MH1994PLC273639	Subsidiary Company	100%	2(87)(ii)

## 29<sup>th</sup> Annual Report 2018 - 2019

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding as of March 31, 2019

Category of Shareholders	No. of shares at the beginning of the year				No of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	90000	0	90000	0.4877	90030	0	90030	0.4878	0.0001
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt(s).	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Banks/ FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Promoter Trust	262140	0	262140	1.4204	262140	0	262140	1.4204	0.0000
Bodies Corporate	8932016	0	8932016	48.3978	9533876	0	9533876	51.6590	3.2612
<b>Sub-total (A) (1) :-</b>	<b>92,84,156</b>	<b>-</b>	<b>92,84,156</b>	<b>50.3059</b>	<b>98,86,046</b>	<b>-</b>	<b>98,86,046</b>	<b>53.5672</b>	<b>3.2613</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Others - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Banks/ FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub- total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>92,84,156</b>	<b>-</b>	<b>92,84,156</b>	<b>50.3059</b>	<b>98,86,046</b>	<b>-</b>	<b>98,86,046</b>	<b>53.5672</b>	<b>3.2613</b>

Category of Shareholders	No. of shares at the beginning of the year				No of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	6500	530	7030	0.0381	6500	530	7030	0.0381	0.0000
b) Banks/ FI	2143	420	2563	0.0139	1875	410	2285	0.0124	-0.0015
c) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) State Govt(s).	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Insurance Companies	33570	0	33570	0.1819	33570	0	33570	0.1819	0.0000
g) FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
h) Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1) :-</b>	<b>42,213</b>	<b>950</b>	<b>43,163</b>	<b>0.2339</b>	<b>41,983</b>	<b>940</b>	<b>42,973</b>	<b>0.02326</b>	<b>-0.0013</b>

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Category of Shareholders	No. of shares at the beginning of the year				No of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									-
i) Indian	1136845	10400	1147245	6.2163	1045794	10100	1055894	5.7213	-0.4950
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto Rs. 1 lakh	3727399	930670	4658069	25.2396	3909492	835891	4745383	25.7127	0.4731
ii) Individual shareholders holding nominal share Capital in excess of Rs 1 lakh	2539762	0	2539762	13.7616	2109161	0	2109161	11.4284	-2.3332
c) NBFCs Registered with RBI	0	0	0	0.0000	25280	0	25280	0.1370	0.1370
d) Others (specify)									
Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
Clearing Member	137466	0	137466	0.7449	28210	0	28210	0.1529	-0.5920
Market Maker	604	0	604	0.0033	2768	0	2768	0.0150	0.0117
Unclaimed Shares	184975	0	184975	1.0023	184745	0	184745	1.0010	-0.0013
Office Bearers	-	-	-	-	-	-	-	-	-
Non Resident Indian (Repatriate)	91375	4080	95455	0.5172	89343	4280	93623	0.5073	-0.0099
Non Resident Indian (Non-Repatriate)	23804	0	23804	0.1290	29427	0	29427	0.1594	0.0304
HUF	338616	0	338616	1.8348	249555	0	249555	1.3522	-0.4826
Trusts	2090	0	2090	0.0113	2390	0	2390	0.0130	0.0017
<b>Sub -total (B) (2):-</b>	<b>81,82,936</b>	<b>9,45,150</b>	<b>91,28,086</b>	<b>49.4602</b>	<b>76,76,165</b>	<b>8,50,271</b>	<b>85,26,436</b>	<b>46.2002</b>	<b>-3.2600</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>82,25,149</b>	<b>9,46,100</b>	<b>91,71,249</b>	<b>49.6941</b>	<b>77,18,148</b>	<b>8,51,211</b>	<b>85,69,359</b>	<b>49.4328</b>	<b>-3.2613</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,75,09,305</b>	<b>9,46,100</b>	<b>1,84,55,405</b>	<b>100.0000</b>	<b>1,76,04,194</b>	<b>8,51,211</b>	<b>1,84,55,405</b>	<b>100.0000</b>	<b>-</b>

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### ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Rainbow Investments Limited	4471438	24.2283	0.0000	4471438	24.2283	0.0000	0.0000
2	Instant Holdings Limited	1605200	8.6977	0.0000	1605200	8.6977	0.0000	0.0000
3	Carnival Investments Ltd	1363580	7.3885	0.0000	1363580	7.3885	0.0000	0.0000
4	Summit Securities Limited	878501	4.7601	0.0000	878501	4.7601	0.0000	0.0000
5	Swallow Associates LLP	613197	3.3226	0.0000	914097	4.9530	0.0000	1.6304
6	Harsh Vardhan Goenka	45000	0.2438	0.0000	45000	0.2438	0.0000	0.0000
7	Pradip Kumar Khaitan (HML Trust No. I)	43680	0.2367	0.0000	43680	0.2367	0.0000	0.0000
8	Pradip Kumar Khaitan (HML Trust No. II)	43680	0.2367	0.0000	43680	0.2367	0.0000	0.0000
9	Pradip Kumar Khaitan (HML Trust No. III)	43680	0.2367	0.0000	43680	0.2367	0.0000	0.0000
10	Pradip Kumar Khaitan (HML Trust No. IV)	43680	0.2367	0.0000	43680	0.2367	0.0000	0.0000
11	Pradip Kumar Khaitan (HML Trust No. V)	43680	0.2367	0.0000	43680	0.2367	0.0000	0.0000
12	Pradip Kumar Khaitan (HML Trust No. VI)	43680	0.2367	0.0000	43680	0.2367	0.0000	0.0000
13	Sanjiv Goenka	35000	0.1896	0.0000	35000	0.1896	0.0000	0.0000
14	Rama Prasad Goenka	10000	0.0542	0.0000	10000	0.0542	0.0000	0.0000
15	Saregama India Limited	100	0.0005	0.0000	100	0.0005	0.0000	0.0000
16	Harsh Vardhan Goenka (Crystal India Tech Trust)	10	0.0001	0.0000	10	0.0001	0.0000	0.0000
17	Harsh Vardhan Goenka (Nucleus Life Trust)	10	0.0001	0.0000	10	0.0001	0.0000	0.0000
18	Harsh Vardhan Goenka (Monitor Portfolio Trust)	10	0.0001	0.0000	10	0.0001	0.0000	0.0000
19	Harsh Vardhan Goenka (Secura India Trust)	10	0.0001	0.0000	10	0.0001	0.0000	0.0000
20	Harsh Vardhan Goenka (Stellar Energy Trust)	10	0.0001	0.0000	10	0.0001	0.0000	0.0000
21	Harsh Vardhan Goenka (Prism Estates Trust)	10	0.0001	0.0000	10	0.0001	0.0000	0.0000
22	Castor Investments Limited	0	0.0000	0.0000	300900	1.6304	0.0000	1.6304
23	Atlantus Dwellings And Infrastructure LLP	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
24	Chattarpati Apartments LLP	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
25	Ektara Enterprises LLP	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
26	Malabar Coastal Holdings LLP	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
27	Sofreal Mercantrade Pvt Ltd	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
28	Vayu Udaan Aircraft LLP	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
29	Anant Vardhan Goenka	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
30	Mala Goenka	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
31	Radha Anant Goenka	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
	<b>Total</b>	<b>9284156</b>	<b>50.3059</b>	<b>0.0000</b>	<b>9886046</b>	<b>53.5672</b>	<b>0.0000</b>	<b>3.2613</b>

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### iii) Change in promoters' shareholding :

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	Increase/ Decrease In the Shareholding	No of Shares Held	% of Total Shares of the Company
1	Rainbow Investments Limited	4471438	24.2283			4471438	24.2283
	At the end of the Year					4471438	24.2283
2	Instant Holdings Limited	1605200	8.6977			1605200	8.6977
	At the end of the Year					1605200	8.6977
3	Carniwal Investments Ltd	1363580	7.3885			1363580	7.3885
	At the end of the Year					1363580	7.3885
4	Summit Securities Limited	878501	4.7601			878501	4.7601
	At the end of the Year					878501	4.7601
5	Swallow Associates Llp	613197	3.3226			613197	3.3226
	Transfer			16 Nov 2018	40782	653979	3.5436
	Transfer			23 Nov 2018	15978	669957	3.6301
	Transfer			30 Nov 2018	58549	728506	3.9474
	Transfer			07 Dec 2018	83971	812477	4.4024
	Transfer			14 Dec 2018	57163	869640	4.7121
	Transfer			01 Feb 2019	13186	882826	4.7836
	Transfer			08 Mar 2019	1185	884011	4.7900
	Transfer			15 Mar 2019	21566	905577	4.9068
	Transfer			22 Mar 2019	8520	914097	4.9530
	At the end of the Year					914097	4.9530
6	Harsh Vardhan Goenka	45000	0.2438			45000	0.2438
	At the end of the Year					45000	0.2438
7	Pradip Kumar Khaitan (HML Trust No. I)	43680	0.2367			43680	0.2367
	At the end of the Year					43680	0.2367
8	Pradip Kumar Khaitan (HML Trust No. II)	43680	0.2367			43680	0.2367
	At the end of the Year					43680	0.2367
9	Pradip Kumar Khaitan (HML Trust No. III)	43680	0.2367			43680	0.2367
	At the end of the Year					43680	0.2367
10	Pradip Kumar Khaitan (HML Trust No. IV)	43680	0.2367			43680	0.2367
	At the end of the Year					43680	0.2367
11	Pradip Kumar Khaitan (HML Trust No. V)	43680	0.2367			43680	0.2367
	At the end of the Year					43680	0.2367
12	Pradip Kumar Khaitan (HML Trust No. VI)	43680	0.2367			43680	0.2367
	At the end of the Year					43680	0.2367
13	Sanjiv Goenka	35000	0.1896			35000	0.1896
	At the end of the Year					35000	0.1896
14	Rama Prasad Goenka	10000	0.0542			10000	0.0542
	At the end of the Year					10000	0.0542
15	Saregama India Limited	100	0.0005			100	0.0005
	At the end of the Year					100	0.0005
16	Harsh Vardhan Goenka (Crystal India Tech Trust)	10	0.0001			10	0.0001
	At the end of the Year					10	0.0001
17	Harsh Vardhan Goenka (Nucleus Life Trust)	10	0.0001			10	0.0001
	At the end of the Year					10	0.0001



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Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	Increase/ Decrease In the Shareholding	No of Shares Held	% of Total Shares of the Company
18	Harsh Vardhan Goenka (Monitor Portfolio Trust)	10	0.0001			10	0.0001
	At the end of the Year					10	0.0001
19	Harsh Vardhan Goenka (Secura India Trust)	10	0.0001			10	0.0001
	At the end of the Year					10	0.0001
20	Harsh Vardhan Goenka (Stellar Energy Trust)	10	0.0001			10	0.0001
	At the end of the Year					10	0.0001
21	Harsh Vardhan Goenka (Prism Estates Trust)	10	0.0001			10	0.0001
	At the end of the Year					10	0.0001
22	Castor Investments Limited	0	0.0000			0	0.0000
	Transfer			14 Dec 2018	26842	26842	0.1454
	Transfer			21 Dec 2018	3552	30394	0.1647
	Transfer			28 Dec 2018	1610	32004	0.1734
	Transfer			31 Dec 2018	6099	38103	0.2065
	Transfer			04 Jan 2019	13899	52002	0.2818
	Transfer			11 Jan 2019	47603	99605	0.5397
	Transfer			18 Jan 2019	44176	143781	0.7791
	Transfer			25 Jan 2019	31469	175250	0.9496
	Transfer			01 Feb 2019	125650	300900	1.6304
23	At the end of the Year					300900	1.6304
	Radha Anant Goenka	0	0.0000			0	0.0000
	Transfer			27 Apr 2018	10	10	0.0001
24	At the end of the Year					10	0.0001
	Ektara Enterprises Llp	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	10	10	0.0001
25	At the end of the Year					10	0.0001
	Anant Vardhan Goenka	0	0.0000			0	0.0000
	Transfer			27 Apr 2018	10	10	0.0001
26	At the end of the Year					10	0.0001
	Mala Goenka	0	0.0000			0	0.0000
	Transfer			27 Apr 2018	10	10	0.0001
27	At the end of the Year					10	0.0001
	Chattarpati Apartments LLP	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	10	10	0.0001
28	At the end of the Year					10	0.0001
	Vayu Udaan Aircraft LLP	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	10	10	0.0001
29	At the end of the Year					10	0.0001
	Sofreal Mercantrade Pvt Ltd	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	10	10	0.0001
30	At the end of the Year					10	0.0001
	Malabar Coastal Holdings LLP	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	10	10	0.0001
31	At the end of the Year					10	0.0001
	Atlantus Dwellings and Infrastructure LLP	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	10	10	0.0001
	At the end of the Year					10	0.0001

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### iv) Share holding pattern of top ten shareholders (other than directors, Promoters & Holders of GDRs & ADRs)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	Hitesh Ramji Javeri	759601	4.1159			759601	4.1159
	At the end of the Year					759601	4.1159
2	Vineet Nahata	307143	1.6642			307143	1.6642
	Transfer			06 Apr 2018	(3575)	303568	1.6449
	Transfer			13 Apr 2018	1201	304769	1.6514
	Transfer			20 Apr 2018	(6500)	298269	1.6162
	Transfer			27 Apr 2018	436	298705	1.6185
	Transfer			04 May 2018	11919	310624	1.6831
	Transfer			11 May 2018	9671	320295	1.7355
	Transfer			18 May 2018	8536	328831	1.7818
	Transfer			25 May 2018	12023	340854	1.8469
	Transfer			01 Jun 2018	6135	346989	1.8801
	Transfer			08 Jun 2018	11587	358576	1.9429
	Transfer			15 Jun 2018	11600	370176	2.0058
	Transfer			22 Jun 2018	13725	383901	2.0802
	Transfer			30 Jun 2018	881	384782	2.0849
	Transfer			06 Jul 2018	1524	386306	2.0932
	Transfer			13 Jul 2018	4128	390434	2.1156
	Transfer			20 Jul 2018	2000	392434	2.1264
	Transfer			27 Jul 2018	1000	393434	2.1318
	Transfer			03 Aug 2018	8269	401703	2.1766
	Transfer			10 Aug 2018	9685	411388	2.2291
	Transfer			24 Aug 2018	(5349)	406039	2.2001
	Transfer			31 Aug 2018	(22077)	383962	2.0805
	Transfer			07 Sep 2018	(43511)	340451	1.8447
	Transfer			14 Sep 2018	(11958)	328493	1.7799
	Transfer			21 Sep 2018	22892	351385	1.9040
	Transfer			29 Sep 2018	(1001)	350384	1.8985
	Transfer			05 Oct 2018	5577	355961	1.9288
	Transfer			12 Oct 2018	1451	357412	1.9366
	Transfer			19 Oct 2018	2881	360293	1.9522
	Transfer			26 Oct 2018	(7275)	353018	1.9128
	Transfer			02 Nov 2018	(700)	352318	1.9090
	Transfer			09 Nov 2018	(4156)	348162	1.8865
	Transfer			16 Nov 2018	(7684)	340478	1.8449
Transfer			14 Dec 2018	(59)	340419	1.8445	
Transfer			08 Feb 2019	2269	342688	1.8568	
Transfer			15 Feb 2019	74	342762	1.8572	
Transfer			22 Feb 2019	9930	352692	1.9110	
Transfer			01 Mar 2019	890	353582	1.9159	
Transfer			22 Mar 2019	(6308)	347274	1.8817	
Transfer			29 Mar 2019	(2000)	345274	1.8709	
	At the end of the Year					345274	1.8709
3	VLS Finance Ltd	290259	1.5728			290259	1.5728
	Transfer			04 May 2018	(5582)	284677	1.5425
	Transfer			11 May 2018	(2000)	282677	1.5317
	Transfer			18 May 2018	2943	285620	1.5476
	Transfer			15 Jun 2018	(8500)	277120	1.5016
	Transfer			22 Jun 2018	(2500)	274620	1.4880

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Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			10 Aug 2018	(5400)	269220	1.4588
	Transfer			17 Aug 2018	(1500)	267720	1.4506
	Transfer			24 Aug 2018	(5000)	262720	1.4235
	Transfer			02 Nov 2018	(2400)	260320	1.4105
	Transfer			01 Feb 2019	(20000)	240320	1.3022
	Transfer			01 Mar 2019	(1737)	238583	1.2928
	Transfer			08 Mar 2019	(4000)	234583	1.2711
	At the end of the Year					234583	1.2711
4	Reliance Financial Limited	200000	1.0837			200000	1.0837
	At the end of the Year					200000	1.0837
5	Stel Holdings Limited Unclaimed Suspense Account	184975	1.0023			184975	1.0023
	Transfer			13 Jul 2018	(100)	184875	1.0017
	Transfer			08 Feb 2019	(50)	184825	1.0015
	Transfer			15 Feb 2019	(80)	184745	1.0010
	At the end of the Year					184745	1.0010
6	Harsha Hitesh Javeri	160000	0.8670			160000	0.8670
	Transfer			22 Feb 2019	(1000)	159000	0.8615
	Transfer			01 Mar 2019	1000	160000	0.8670
	At the end of the Year					160000	0.8670
7	Jaisukh Vinimoy Pvt. Ltd.	105000	0.5689			105000	0.5689
	Transfer			21 Sep 2018	12205	117205	0.6351
	At the end of the Year					117205	0.6351
8	Stanley Vyapaar Pvt Limited	98000	0.5310			98000	0.5310
	Transfer			01 Mar 2019	(7260)	90740	0.4917
	Transfer			08 Mar 2019	(4440)	86300	0.4676
	Transfer			15 Mar 2019	(2700)	83600	0.4530
	At the end of the Year					83600	0.4530
9	Bodepudi Jeevan Kishore	80051	0.4338			80051	0.4338
	At the end of the Year					80051	0.4338
10	Kondepudi Pallavi	71700	0.3885			71700	0.3885
	Transfer			22 Feb 2019	(500)	71200	0.3858
	Transfer			01 Mar 2019	500	71700	0.3885
	At the end of the Year					71700	0.3885
11	Chinappa Muckatira Bhemaiah	105245	0.5703			105245	0.5703
	Transfer			29 Sep 2018	(2106)	103139	0.5589
	Transfer			05 Oct 2018	(48529)	54610	0.2959
	Transfer			12 Oct 2018	(8365)	46245	0.2506
	At the end of the Year					46245	0.2506
12	Mahendra Girdharilal	108874	0.5899			108874	0.5899
	Transfer			07 Dec 2018	(10000)	98874	0.5357
	Transfer			14 Dec 2018	(20890)	77984	0.4226
	Transfer			21 Dec 2018	(15543)	62441	0.3383
	Transfer			28 Dec 2018	(4498)	57943	0.3140
	Transfer			31 Dec 2018	(3041)	54902	0.2975
	Transfer			04 Jan 2019	(4022)	50880	0.2757
	Transfer			11 Jan 2019	(20252)	30628	0.1660
	Transfer			18 Jan 2019	(25717)	4911	0.0266
	Transfer			25 Jan 2019	(2957)	1954	0.0106
	Transfer			01 Feb 2019	(496)	1458	0.0079
	At the end of the Year					1458	0.0079

**NOTES**

- 1) In case of joint holding, the name of first holder has been considered.
- 2) The Changes in shareholding (increase / decrease) are given based on weekly beneficiary position as datewise increase / decrease in shareholding is not ascertainable.
- 3) The shareholding details are given on the legal ownership and not beneficial ownership.

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at beginning 1.4.18 /end of the year 31.3.19	% of total shares of the Company				No. of shares	% of total shares of the Company
	<b>Shareholding of Director:</b> Nil							
	<b>Shareholding of Key Managerial Personnel:</b>							
1	Mr. Abraham Ittyipe, Manager	101	–	01.04.2018	–	–	101	–
		101	–	31.03.2019				
2	Mr. Shivrama Krishnan, Chief Financial Officer	–	–	01.04.2018	–	–	–	–
		–	–	31.03.2019				
3	Ms. Lakshmi P. S. Company Secretary	–	–	01.04.2018	–	–	–	–
		–	–	31.03.2019				

Note: Apart from above no other Director and Key Managerial Personnel holds any shares at the beginning and end of the Financial year 2018-19 in the Company.

Further apart from above there was no increase / decrease in shareholding of any other Director and Key Managerial Personnel.

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Amount in Rs.)

Indebtedness at the beginning of the financial year - 1.4.18	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Indebtedness at the end of the financial year 31.3.19				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## 29<sup>th</sup> Annual Report 2018 - 2019

### VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the Manager	Total Amount (Rs.)
		Mr. Abraham Ittyipe	
<b>1</b>	<b>Gross salary</b>	<b>(Amount in Rs.)</b>	
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,20,000	1,20,000
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-
	c. Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-
<b>2</b>	<b>Stock Option</b>	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-
<b>4</b>	<b>Commission:</b>	-	-
	- As a % of Profit	-	-
	- Others, specify	-	-
<b>5</b>	<b>Others, please specify</b>		
	Contribution to PF	-	-
	Contribution to Gratuity	-	-
	Contribution to Superannuation Fund	-	-
	Consolidated Allowances	-	-
	Car Perquisite	-	-
	<b>Total (A)</b>	<b>1,20,000</b>	<b>1,20,000</b>
	Ceiling as per the Act - (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)	45,12,787	45,12,787

#### Note :

\*Excludes the value of employee stock options exercised and provision for compensated absences/Gratuity in respect of separate actuarial valuation reports for key managerial personnel

#### B. Remuneration to other directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Mr. Anant Goenka	Mr. Sunil Bhandari	Mr. Umang Kanoria	Mr. H.C. Dalal	Mr. Prem Kapil	Mr. Kaushik Roy	Ms. Surbhi Singhi*	Ms. Kusum Dadoo**	Total
<b>1</b>	<b>Independent Directors</b>									
	- Fees for attending Board/ Committee Meetings	-	-	33,000	38,000	37,000	-	16,000	5,000	1,29,000
	- Commission	-	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	<b>33,000</b>	<b>38,000</b>	<b>37,000</b>	-	<b>16,000</b>	<b>5,000</b>	<b>1,29,000</b>
<b>2</b>	<b>Other Non- Executive Directors</b>									
	- Fees for attending Board/ Committee Meetings	20,000	38,000	-	-	-	20,000	-	-	-
	- Commission	-	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>20,000</b>	<b>38,000</b>	-	-	-	<b>20,000</b>	-	-	<b>74,000</b>
	<b>Total (B) = (1+2)</b>	<b>20,000</b>	<b>38,000</b>	<b>33,000</b>	<b>38,000</b>	<b>37,000</b>	<b>20,000</b>	<b>16,000</b>	<b>5,000</b>	<b>2,07,000</b>
	<b>Total Managerial Remuneration #</b>									<b>3,27,000</b>
	<b>Overall Ceiling as per the Act @</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	



# STEL HOLDINGS LIMITED

**Notes:**

#Total remuneration to Managing Director/Manager, Whole-Time Directors and other Directors (being the total of A and B).

@ Sitting fees paid have not been considered as a component for reckoning overall ceiling as per Companies Act, 2013

Overall ceiling as per the Act Rs.100000/-

\*Resigned with effect from December 05,2018

\*\*Appointed as Additional- Independent Director with effect from February 08,2019

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Siva Rama Krishnan, Chief Financial Officer	Ms. Lakshmi P.S Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,40,000	4,33,410	6,73,410
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	Nil	Nil	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, , specify	-	-	-
5	Others, , please specify	None	None	-
	<b>Total</b>	<b>2,40,000</b>	<b>4,33,410</b>	<b>6,73,410</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. Other Officers in Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

**Mr. H. C. Dalal**  
(DIN : 00206232)  
Director

**Mr. Sunil Bhandari**  
(DIN: 00052161)  
Director

26.07.2019  
Mumbai

## ANNEXURE B TO THE DIRECTORS' REPORT

## AOC-1

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in 'actuals)

SL. NO.	PARTICULARS	1
1	Name of the subsidiary	<b>Doon Dooars Plantations Limited</b> (CIN: U01132MH1994PLC273639)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2018 to March 31,2019
3	The date since when the subsidiary was acquired	July 28,2010
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees
5	Share capital	17,00,000
6	Reserves & surplus	-13,44,975
7	Total assets	6,57,182
8	Total Liabilities	6,57,182
9	Investments	-
10	Turnover	-
11	Profit/Loss before Taxation	(70,178)
12	Provision for taxation	-
13	Profit/Loss after taxation	(70,178)
14	Proposed Dividend	-
15	% of shareholding	100%
	Names of subsidiaries which are yet to commence operations	Nil
	Name of subsidiaries which have been liquidated or sold during the year	Nil

## STEL HOLDINGS LIMITED

### Part "B": Associates and Joint Ventures

#### Statement pursuant to Section 129(3) of the Companies Act,2013 related to Associate Companies

Sl.no	Name of Associates/Joint Venture	CFL Capital Financial Services Ltd CIN: L67120WB1983PLC036805
1	Latest Audited Balance sheet Date	March 31,2015
2	The date since when the Associate/Joint venture was associated	July 28,2010
3	Shares of Associate Company held by the Company on the year end	
	i. Number	67,681,2016
	ii. Amount of Investment in Associates/Joint Venture	127,344,645
	iii. Extent of Holding %	48.81%
4	Description of how there is significant influence	The Company has no significant influence over this Associate Company
5	Reason why the associate/ Joint venture is not consolidated	Please refer note as given below
6	Networth attributable to shareholding as per latest audited balance sheet	-6,881,830,569.82
7	Profit/ Loss for the year	
	i. Considered in consolidation	Nil
	ii. Not considered in consolidation	Nil
	Names of associates or joint ventures which are yet to commence operations.	Not applicable
	Names of associates or joint ventures which have been liquidated or sold during the year	Not applicable

**Note :**

In the opinion of the management, the investment in CFL Capital Financial Services Limited (CFL) does not fall under the definition of associate company within the meaning of Sec. 2(6) of the Companies Act,2013 as the Company does not have significant influence over CFL such as representation on the Board of Directors of CFL, participation in policy making processes, transactions between the Company and CFL, interchange of managerial personnel, provision of essential technical information, etc. As a result, the Company is not treating CFL as an associate for the purpose of consolidating its financial statements.

For and on behalf of the Board of Directors

**Mr. Sunil Bhandari**  
(DIN: 00052161)  
Director

**Mr. H. C. Dalal**  
(DIN : 00206232)  
Director

**Ms. Lakshmi P. S.**  
Company Secretary

**Mr. Sivaramakrishnan**  
Chief Financial Officer

26.07.2019  
Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

The Management Discussion and Analysis Report (MDA) is an integrated part of Company's annual financial statements. The purpose of the MDA is to provide a narrative explanation, through the eyes of management, of how the Company has performed in the past, its financial condition, and its future prospects. This report contains a description of the year gone by and some of the key factors that influenced the business of the Company during the year, as well as a fair and unbiased overview of the Company's past, present, and future.

STEL remains essentially a holding and investment company. Of the total income received by the Company ('STEL'), dividend income constitutes the main earnings. The performance of the Company is directly related to the performance of the Investee Companies. During the year company has received a dividend income of Rs. 829.13 lakhs from its Investments compared to the previous year which was Rs.626.86 lakhs. The Company has also earnings in the nature of interest from fixed deposits maintained with banks.

### Industry and Business Overview and Future Outlook

The growth recovery in global manufacturing, investment and trade activities that continued till 2017 are showing signs of moderation. The global economy grew by 3.0% in 2018 and is expected to grow by 2.6% in 2019 as per World Bank report.

Subdued international trade flow amid escalation of US-China trade tensions, lackluster investment in emerging economies, sluggish domestic demand in Europe and China, falling consumer spending and fading impact of fiscal stimulus in US, all have contributed to sluggish global economic growth.

Crude prices fluctuated markedly in the second half of 2018 with sharp falls towards the end of the year. Prices of most metals and to a lesser extent agricultural commodities also weakened, largely due to concerns about the effects of tariffs on global growth and trade.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. FY2019 was one of the most volatile years for Indian markets. Many factors reversed course during the year.

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.

Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.

Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US\$ 154.69 billion) as of February 2019.

Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.

India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.

India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).

Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.

Net employment generation in the country reached a 17-month high in January 2019.

The interim Union Budget for 2019-20 was announced by Mr Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India.

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

Stel Holdings Limited being an investment "Company" the predominant income is derived in the form of dividend.

The Company holds investments in Equity Shares viz., CEAT Limited, Phillips Carbon Black Limited, KEC International Limited, CESC Limited, RPG Life Sciences Limited etc., besides certain investments in other Companies. The Company continues to invest for the long term while availing opportunities to realize a better gaining position considering the macro economic conditions both globally & domestically.

### **Opportunities & Threats**

With a stable government at the centre, growth is expect to revive, and with stalled projects coming on line, easing of capital availability, in the process improving general business confidence.

The Company's investments are predominantly in Companies engaged in Power Generation and Transmission, Auto Tyres & Rubber Products, Electric Utilities, Carbon Black, Pharmaceuticals, Retail etc. Any adverse impact on these industries could possibly have direct bearing on the performance of the Company. Any slowdown in the growth of Indian economy or any volatility in global financial markets, could also affect the business. The Company is also prone to risks pertaining to change in government regulations, tax regimes, other statutes and capital market fluctuations in respect of investments held.

### **Risk and Concerns**

Risk Management is an important aspect of the corporate governance which aims to improvise the governance practices across the Company's activities. The Company is mainly exposed to market risks in the form of reduction in value of its investments and fall in returns due to dip in the Investee Company's performance.

Board has also adopted the risk management policy and processes which will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. It will help in business growth with financial stability.



## 29<sup>th</sup> Annual Report 2018 - 2019

### Internal Control System

Effective internal controls are necessary for building up an efficient organization. The Company has an adequate system of accounting and administrative control with adequate system of internal checks that ensures safe recording of all Company's assets and their proper and authorized utilization. Board has appointed the internal auditor to conduct a risk based audit with to review not only test adherence to laid down in policies and procedures but also to suggest improvements in process and systems. Any internal control weaknesses, non-compliance with statutes and suggestions on improvements in existing practices form part of internal audit report. Their audit program is agreed upon by the Audit Committee. Internal Audit observations and recommendations reported to the Audit Committee, which monitors the implementation of such recommendations. The Company has an Audit Committee which on a regular basis reviews the adequacy and effectiveness of internal control.

### Key Financial Ratios

Key Financial Ratios *	2018-19	2017-18	Change (%)
Debtors Turnover Ratio	NA. The Company does not have any receivables during the year and previous year.	NA	NA
Inventory Turnover Ratio	NA. The Company is into Investment operations and hence does not have inventory.	NA	NA
Interest Service Coverage Ratio	NA. The Company does not have any borrowings till date.		
Current Ratio	523.44	472.33	51.11
Debt Equity Ratio	NA	NA	NA
Operating Profit Margin %	94.29 %	85.79	8.5%
Net Profit Margin %	91.70%	83.19%	8.51%
Return on Net worth %	1.36%	0.76%	0.6%

\*Assessment of key ratios have been derived as follows:

Debtors Turnover = Revenue from Operations/Trade Receivables

Inventory Turnover = Revenue from Operations / Inventories

Interest Service Coverage Ratio = Profit before Depreciation and Amortisation, Interest and Tax / Interest or Finance Cost

Current Ratio = Current Assets/Current Liabilities

Debt Equity Ratio= Term loans and Debentures/Total Equity including all reserves

Operating Profit Margin % = Operating Profit /Revenue from Operations

Net Profit Margin % = Net Profit after Tax / Revenue from Operations

Return on Net worth % = Net Profit After Tax/ Net worth (Total Equity including all reserves)

### Human Resources

Every Company is depended on the quality of workforce. An Organization's vision is lived by and fructified by its people. The Board places on record its appreciation for the dedicated services rendered by the employees for the smooth functioning of the company. During the year under review, the company had only 3 (Three) employees and the company continued with its focus on training and development of its employees.

The Company believes in retaining the best talent, clearly defining their roles and responsibilities.

### Segment wise or product wise performance

The Company's income for the year consisted of dividend, interest and income from disposal of investments and accordingly there are no reportable segments.

**Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's outlook, projections, estimates, expectations or predictions are "Forward Looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. As "forward looking statements" are based on certain assumptions and expectations of future events over which the Company exercise no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realized by the Company. Important developments that could affect the Company's operations include a downtrend in the Investee Company performance, significant changes in political and economic environment in India and tax laws.

For and on behalf of the Board of Directors

**Mr. H. C. Dalal**  
(DIN : 00206232)  
Director

**Mr. Sunil Bhandari**  
(DIN: 00052161)  
Director

26.07.2019  
Mumbai

## CORPORATE GOVERNANCE REPORT

### The Company's Corporate Governance Philosophy

The Securities and Exchange Board of India (SEBI) has prescribed a set of standards on corporate governance for the listed companies. Corporate Governance is an ethically driven business process that is committed to values and conduct, aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Good Corporate Governance practices stem from the culture and mind-set of the organization and we are committed to meet the aspirations of all our stakeholders and believes in adopting best corporate practices for ethical conduct of business. Corporate Governance extends beyond corporate law. Its fundamental objective is not the mere fulfilment of the requirements of law but in ensuring commitment of the Board in managing the Company in a transparent manner for maximizing long term shareholder value. Corporate Governance ensures that the affairs of the Company are being conducted and managed in a way which ensures accountability, transparency and adherence to ethical standards and fairness.

The Company has adopted the policy of transparency in all its transactions. Accordingly, the standards of disclosures to the shareholders, employees, government and customers are of the highest standard.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

The Board of Directors of the Company are pleased to present the Corporate Governance Report for the year ended 31st March, 2019 :

### 1. Board of Directors:

#### 1.1. Size and Composition of Board:

On March 31, 2019, the STEL's Board of Directors consists of Seven Directors, of which four are Independent Directors. There are three non-executive non-independent directors. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As detailed in Board's Report, Ms. Surbhi Singhi, Independent Director has resigned with effect from December 05, 2018 due to other professional obligations. The Board took on record the confirmation from Ms. Surbhi Singhi that there are no material reasons for resignation other than those provided. Ms. Kusum Dadoo was appointed as an Women Independent Director with effect from February 08, 2019 subject to approval of shareholders in this annual general meeting.

#### 1.2. Board Meetings:

In 2018-19, the Board of the Company met Five times, on 21.05.2018, 03.08.2018, 26.09.2018, 31.10.2018 and 08.02.2019. The necessary quorum was present for all the meetings. The maximum gap between any two Board meetings was not more than one hundred and twenty days.

#### 1.3. Directors' Attendance Record and Directorships

Details of the Composition and the attendance record of the Board of Directors are given below. None of the Directors is a member of more than 10 Board level Committees of public companies in which they are Directors, nor is chairman of more than five such Committees.

Requisite information, according to the requirements of Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015 is provided below:

## STEL HOLDINGS LIMITED

Name of Director	Category of Director	No of Directorship and Committee membership/ Chairmanships in other Indian Public Companies			No of shares held	Attendance Particulars		
		Director	Member	Chairman		No. of Board Meetings held	No. of Board meetings attended	Whether attended last AGM held on September 26, 2018
<b>Mr. Anant Goenka</b>	Non Executive/ Non-Independent / Promoter	5	–	–	10	5	4	No
<b>Mr. Sunil Bhandari</b>	Non - Executive / Non - Independent / Promoter	11	–	–	–	5	5	Yes
<b>Mr. Umang Kanoria</b>	Non Executive/ Independent /Non-Promoter	5	3	3	–	5	4	No
<b>Mr.H.C. Dalal</b>	Non Executive/ Independent /Non-Promoter	2	2	1	–	5	5	Yes
<b>Mr. Prem Kapil</b>	Non Executive/ Independent /Non-Promoter	2	1	0	–	5	5	Yes
<b>Mr. Kaushik Roy</b>	Non - Executive / Non - Independent / Non - Promoter	3	–	–	–	5	4	No
<b>*Ms. Surbhi Singhi</b>	Non Executive/ Independent /Non-Promoter	3	4	–	–	5	2	No
<b>**Ms. Kusum Dadoo</b>	Non Executive/ Independent /Non-Promoter	6	4	–	–	5	1	No

\* Resigned from the board w.e.f December 05, 2018

\*\* Appointed as Additional-Independent Director w.e.f February 08, 2019

- (1) Directorship and Committee membership considered for the purpose are those prescribed under Regulation 26 of the SEBI (LODR) Regulations, 2015. The Directorship held by Directors do not include alternate directorships and directorships of Foreign Companies, Section 8 Company, One Person Companies and Private Limited Companies.
- (2) Only Audit Committee, Stakeholders' Relationship Committee in other public companies are reckoned for this purpose.
- (3) None of the directors are related to each other.

The names of the other listed entities in which the member of the Board of the Company is a director as on March 31, 2019 and their category of directorship are given below:

Name of Director	Name of other listed entities	Category of Directorship
<b>Mr. Anant Goenka</b>	CEAT Limited	Executive Director
	Zensar Technologies Limited	Additional Director
<b>Mr. Sunil Bhandari</b>	Nil	NA
<b>Mr. Umang Kanoria</b>	Kanco Tea & Industries Limited	Non-Executive Director
	Saregama India Limited	Independent Non-Executive Director
	Kanco Enterprises Limited	Executive Director

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Name of Director	Name of other listed entities	Category of Directorship
Mr. H.C. Dalal	F G P Limited	Independent Non-Executive Director
	Summit Securities Limited	
Mr. Prem Kapil	F G P Limited	Independent Non-Executive Director
	Summit Securities Limited	
Mr. Kaushik Roy	Harrisons Malayalam Ltd	Non-Executive Director
	Phillips Carbon Black Ltd	Executive Director
*Ms. Surbhi Singhi	Harrisons Malayalam Ltd	Independent Non-Executive Director
	Pilani Investment And Industries Corporation Limited	
	GKW LTD	
**Ms. Kusum Dadoo	Harrisons Malayalam Ltd	Independent Non-Executive Director
	Bhiwani Vanaspati Limited	
	Phillips Carbon Black Ltd	
	GKW Ltd	
	The Standard Batteries Limited	

\* Resigned from the board w.e.f December 05, 2018

\*\* Appointed as Additional-Independent Director w.e.f February 08, 2019

### 1.4. Code of Conduct

In compliance with the Regulation 17 (5) of SEBI (LODR) Regulations, 2015, the Company has put in place a Code of Conduct for Directors and Senior Management. This Code is intended to focus the Board and Senior Management on areas of ethical risk, provide guidance to Directors and Senior Management to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and to help foster a culture of honesty and accountability. All Board members and Senior Management Personnel have affirmed the compliance with the Code of Conduct. A declaration to this effect signed by the Manager of the Company, forms part of this Annual report.

The code of conduct for Directors and Senior Management Personnel is available on the website of the Company at : <https://www.stelholdings.com/Scorporate.html>

### 1.5. Code of Fair Disclosure, Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons

The Company has put in place a Code of Fair Disclosure, Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended upto date. This Code is formulated to regulate, monitor and report the trading in the Company's shares by the Designated Persons of the Company.

The above mentioned Code of Conduct is available on the website of the Company at <https://www.stelholdings.com/SInvestor.html>

### 1.6. Meeting of Independent Directors and Familiarisation Programme

In compliance with the Code for Independent Directors as stipulated under Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the SEBI (LODR) Regulations, 2015, the Independent Directors of the Company met without the presence of the Non - Independent Directors and members of the management on 08.02.2019 in order to, inter alia, review the performance of non independent directors and the board of directors including that of the Chairman taking into account the views of the executive and non executive directors; assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters.



Attendance details of the independent directors meeting held during the FY 2018 - 2019 is given below:

<b>Name of Director</b>	<b>Designation</b>	<b>No of Meetings held during the year</b>	<b>No of meetings attended</b>
Mr. Umang Kanoria	Independent Director	1	1
Mr. H. C Dalal	Independent Director	1	1
Mr. Prem Kapil	Independent Director	1	1
*Ms. Kusum Dadoo	Independent Director	1	1

\*Appointed as Additional Director on 08.02.2019 and Independent Directors meeting was held after appointment.

Pursuant to the Regulation 25 (7) of the SEBI (LODR) Regulations, 2015, the Company familiarizes its Independent Directors with their roles, rights, responsibilities, nature of the industry in which the company operates, business models of the Company and other important matters relating to the business of the Company at the time of appointment and on a continuous basis.

The details of the familiarization programme are disclosed on the Company's website at <https://www.stelholdings.com/SInvestor.html>

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

### **1.7 Board Qualifications, Expertise and Competence**

In Compliance with the Schedule V of SEBI (Listing Obligations and Disclosures Requirements)(Amendments) Regulations, 2018 the below table summarizes the key qualifications, skills, expertise and attributes considered while nominating a candidate to serve on the Board. The Board of the Company comprises qualified members who bring in the required skills, expertise and competence that allows them to make effective contribution to the Board and its Committees.

#### **Board Qualification Indicators**

<b>Accounts &amp; Finance</b>	The Director should have experience in Accounting and possess Financial Knowledge, proficiency in complex financial management, actively supervising a principal financial officer, principal accounting officer, accountant, auditor or person performing similar functions.
<b>Business Management</b>	Vast experience in driving business success across the country with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and have a broad perspective on market opportunities. Experience in all aspects of overseeing and supervising business operations.
<b>Board Diversity</b>	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of the Company's customers, employees, governments, regulators and other stakeholders.
<b>Leadership</b>	Leadership experience in a significant enterprise with a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, succession planning and driving change and long-term growth.
<b>Technology</b>	A background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.

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<b>Law</b>	Vast knowledge in all facets of Indian Civil, Corporate and Industrial Laws. Knowledge about the Legal consequences of non-compliance of laws applicable to the Company.
<b>Corporate Governance</b>	Experience by serving on the Board of the public company to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate corporate governance practices.
<b>Sales and Marketing</b>	General knowledge or experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance company reputation.

The specific areas of focus or expertise of individual Board members are given below:

Name of Director	Area of Expertise, skills and competencies							
	Accounts & Finance	Business Management	Board Diversity	Leadership	Technology	Law	Corporate Governance	Sales and Marketing
Mr. Anant Goenka	√	√	√	√	√	√	√	√
Mr. Sunil Bhandari	√	√	√	√		√	√	
Mr. Umang Kanoria	√	√	√	√		√		
Mr. H.C. Dalal	√	√	√	√			√	
Mr. Prem Kapil	√	√	√	√			√	√
Mr. Kaushik Roy	√	√	√	√	√	√	√	√
*Ms. Surbhi Singhi	√		√	√		√	√	√
**Ms. Kusum Dadoo	√		√	√		√	√	√

\* Resigned from the board w.e.f December 05, 2018

\*\* Appointed as Additional-Independent Director w.e.f February 08, 2019

### 1.8 Certificate Of Non-Disqualification Of Directors

A Certificate from M/s. CaesarPintoJohn & Associates LLP, Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any other statutory authority, is annexed to this Report.

## 2. Committees of the Board

### 2.1. Audit Committee:

The Audit Committee of the Board is constituted under Section 177 of the Companies Act, 2013 read with Rule 6 & 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

As on March 31, 2019, the Audit Committee consisted of five Directors viz., Mr. Umang Kanoria, Mr. Sunil Bhandari, Mr. H. C. Dalal, Mr. PremKapil, and Ms. Kusum Dadoo.

Due to the resignation of Ms. Surbhi Singhi, member of the Audit Committee, the Board reconstituted the Audit Committee at the meeting held on February 08, 2019, and inducted Ms. Kusum Dadoo as the member of the Committee. Mr. Umang Kanoria, Independent Director, is the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise. The Company Secretary Ms. Lakshmi P.S acts as the secretary to the audit committee.

The Audit Committee has met four times during the FY 2018 - 2019 on 21.05.2018, 03.08.2018, 31.10.2018, 08.02.2019. All the recommendations made by the Audit Committee were accepted by the Board unanimously.

The composition and attendance of the Members at the Audit Committee meetings held during the FY 2018 - 2019 are as follows:

## STEL HOLDINGS LIMITED

Name of the Member	Position	No. of Meetings	
		Held	Attended
Mr.Umang Kanoria	Chairman	4	4
Mr.Sunil Bhandari	Member	4	4
Mr.H.C Dalal	Member	4	4
Mr.Prem Kapil	Member	4	4
*Ms.Surbhi Singhi	Member	4	2
**Ms.Kusum Dadoo	Member	4	1

\* Resigned from the board w.e.f December 05, 2018

\*\* Appointed as Additional-Independent Director w.e.f February 08, 2019

The functions/terms of reference of the Audit Committee of the Company include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions; and
  - vii. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

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- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Scrutiny of inter-corporate loans and investments;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

The Audit Committee is empowered, pursuant to its terms of reference, to:

- a) Investigate any activity within its terms of reference and to seek any information it required from any employee.
- b) Obtain professional advice from external sources to carry on any investigation and have full access to information contained in the records of the Company.
- c) Discuss any related issues with the internal and statutory auditors and the management of the Company.
- d) Review and monitor the auditors' independence and performance and effectiveness of audit process.
- e) Approval or any subsequent modification of transactions of the Company with related parties.
- f) Scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- g) Oversee the vigil mechanism/ whistle blower policy of the Company.

The audit committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
  - annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice

### **Fees paid on consolidated basis to the Statutory Auditor:**

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity in which the statutory auditor is a part for the financial year 2018-19 is Rs 2,27,740/-.

### **2.2. Stakeholders' Relationship Committee:**

In compliance with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board has constituted a Stakeholders Relationship Committee to redress the grievances of shareholders, relating to share transfers/ transmission, non-receipt of Annual reports etc. The Company Secretary of the Company, Ms. Lakshmi P.S acts as the Secretary to the Committee.

As on March 31, 2019 the Stakeholder's Relationship Committee consists of three members. Mr. Sunil Bhandari, Mr. Umang Kanoria and Mr. Abraham Ittyipe. Mr. Sunil Bhandari is the Chairman of the Committee. The Company Secretary Ms. Lakshmi P.S is the Secretary and Compliance Officer of the Stakeholders' Relationship Committee.

During the year, the Committee met once on 08.02.2019. The composition and attendance of the Stakeholders Relationship Committee during the FY 2018-19 are as follows:

Name of the Member	Position	No. of Meetings	
		Held	Attended
Mr.Sunil Bhandari	Chairman	1	1
Mr.Umang Kanoria	Member	1	1
Mr.Abraham Ittyipe	Member	1	1

The Compliance Officer of the Company reviews the investor complaints on regularly basis to find out whether complaint has been resolved within the time specified in the Investor Grievance Redressal Policy of the Company.

Pursuant to SEBI (LODR) Regulations, 2015, the status of investor complaints received and redressed during FY 2018 - 2019 are as follows:

No. of Investor queries/ complaints received from April 01, 2018 to March 31, 2019	No. of Complaints not solved to the satisfaction of shareholders	No. of Investor queries/ complaints remaining unresolved/pending at the end of the financial year
14	Nil	0

As on March 31, 2019, there was no pending investor complaints.

### 2.3. Nomination and Remuneration Committee:

The Nomination & Remuneration Committee (NRC) is set up by the Board in compliance with the Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

The Committee is entrusted with combined advisory responsibilities concerning the nomination for appointment or removal of Directors and Senior Management including Key Managerial Personal and recommendation of remuneration policy. The Company Secretary of the Company acts as the Secretary to the Committee.

The terms of reference of the Nomination & Remuneration Committee in line with Section 178 of the Companies Act, 2013 and Regulation 19 read with Para A of Part D of Schedule II of the SEBI (LODR) Regulations, 2015, are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent directors and the Board of Directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent director, on the basis of the report of performance evaluation of Independent director; and
- Recommend to the Board, all remuneration, in whatever form, payable to the senior management.

As on 31st March, 2019, the Nomination & Remuneration Committee of the Company, consists of two Non-Executive Independent Director and one Non-Executive Non-Independent Director as members, i.e. Mr. Umang Kanoria, Mr. H. C. Dalal and Mr. Sunil Bhandari. Mr. Umang Kanoria is the Chairman of the Nomination and Remuneration Committee. Company Secretary Ms. Lakshmi P.S acts as the Secretary and Compliance Officer to the Committee.

The Committee met once during the FYR 2018-19 on February 08, 2019.

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The Composition and attendance of the Members at the NRC meetings held during the FY 2018 - 2019 are as follows:

Name of the Member	Position	No. of Meetings	
		Held	Attended
Mr.Umang Kanoria	Chairman	1	1
Mr.Sunil Bhandari	Member	1	1
Mr.H.C Dalal	Member	1	1

The Board has approved Nomination and Remuneration Policy as recommended by Nomination and Remuneration Committee which forms part of the Directors' Report.

### Acceptance of recommendations of committees of the board

All the recommendations made by any Committee of the Board during the financial year 2018-2019 have been duly accepted and taken on record by the Board of Directors of the Company.

### Directors/ Manager's Remuneration:

Non-Executive Directors are paid sitting fees for attending the meetings of the Board/ Committee within the limits as prescribed under the Companies Act, 2013. Apart from this, the Non- Executive Directors do not have any material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its senior management or its subsidiaries.

The Payment of remuneration to the Manager is governed by the agreements executed by the Company with him and is governed by the Nomination and Remuneration Committee, Board and shareholder's resolution.

The Board has carried out an annual evaluation of its own performance, the directors including independent directors and also committees of the Board based on the guideline formulated by the Nomination & Remuneration Committee. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters/criteria considered during the evaluation process.

### 3. Remuneration of Directors:

The Company confirms that the remuneration paid to the Directors is as per terms laid out in the Policy on Nomination & Remuneration of the Company. The Independent Directors of the Company has no pecuniary relationship with the Company, its promoters or Directors during the two immediately preceding financial years. Further, the Company has not paid any remuneration to the Non - Executive, Non – Independent Directors during the FY 2018 - 2019. The Independent Directors were paid sitting fee of Rs.5000/- per Board Meeting during the year 2018-19.

The details of the remuneration paid to the Directors during FY 2018 - 2019 are given below:

Name of Director	Gross salary	Perquisites	PF contribution	Sitting Fees	Stock Options	Bonus	Total
Non-Executive Directors							
Mr. Anant Vardhan Goenka	–	–	–	20,000	–	–	20,000
Mr. Sunil Bhandari	–	–	–	38,000	–	–	38,000
Mr. H.C. Dalal	–	–	–	38,000	–	–	38,000
Mr. Kaushik Roy	–	–	–	20,000	–	–	20,000
Mr. Umang Kanoria	–	–	–	33,000	–	–	33,000
*Ms. Surbhi Singhi	–	–	–	16,000	–	–	16,000
**Ms. Kusum Dadoo	–	–	–	5,000	–	–	5,000
Mr. Prem Kapil	–	–	–	37,000	–	–	37,000
<b>Total</b>	–	–	–	<b>2,07,000</b>	–	–	<b>2,07,000</b>

\* Resigned from the board w.e.f December 05,2018

\*\* Appointed as Additional Independent Director on the Board w.e.f February 08, 2019

#### 4. Annual General Meetings

The details of General Meetings held during the last three years are as follows:

Sl.No.	AGM	Year	Date	Time	Location
1	28th	2018	26.09.2018	2.00 PM	Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Kochi – 682016
2	27th	2017	03.08.2017	2.00 PM	
3	26th	2016	30.09.2016	2.30 PM	

Special Resolutions passed at the last three AGMs

SL.No	Date of AGM	Special Resolution
1	26.09.2018	NIL
2	03.08.2017	Re-Appointment of Mr. Abraham Ittyipe as Manager of the Company
3	30.09.2016	NIL

All resolutions as set out in the respective notices were duly passed by the shareholders in the meeting.

No Special resolution was passed last year through postal ballot.

No special resolution is proposed to be conducted through postal ballot.

#### 5. Disclosures:

##### 5.1. Related Party Transactions:

All Related Party Transactions are placed before the Audit Committee. The transactions with the related parties are disclosed in the Notes of the Annual Accounts in compliance with Accounting Standard relating to “Related Party Disclosures” and Companies Act, 2013 read with Rules thereunder and Listing Regulations. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions web link of which forms part of Directors’ Report.

The policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board is uploaded on the Company’s website on the below link:

<http://stelholdings.com/docs/Relatedpartytrans.pdf>

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

##### 5.2. Statutory Compliance, Penalties and Strictures:

There were no instances of non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

##### 5.3. Whistle Blower Policy

The Board of Directors has adopted Whistle Blower Policy. Whistle blower mechanism enable directors, employees, stakeholders, including individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices. No person has been denied access to the audit committee.

##### 5.4. Disclosure of Accounting Treatment

The Company has followed the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable, in the preparation of the financial statements.



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The financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015.

### 5.5. Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements laid down by Regulation 34 & 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

A detailed report on the status of compliance with all the applicable corporate laws, rules and regulations by the Company is placed before the Board on a quarterly basis for their information and review.

The Company is in compliance with all the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

### 5.6. Adoption of the discretionary requirements.

The discretionary requirements may be implemented as per the discretion of the Company. Details of compliance of discretionary requirements are listed below:

#### 5.6.1. Audit qualifications

During the current financial year, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

### 6. CEO/CFO Certification

The certificate required under Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, duly signed by Mr. Sivaramakrishnan, Chief Financial Officer of the Company has been submitted to the Board of Directors, in its meeting held on May 24, 2019 as required.

### 7. Means of Communication

The Unaudited Quarterly Results are announced within 45 days from the end of the quarter and the Annual Audited Results are announced within 60 days from the end of the financial year as per the Listing regulations. The Company provides the information to the stock exchange where shares of the Company are listed. The results are also published in one English newspaper having national circulation and one Malayalam Newspaper.

The Financial Results of the Company are normally published in the following newspapers:

- A. Financial Express (English Language)
- B. Deshabhimani (Malayalam Language)

The Financial Results of the Company are displayed on the Company's website [www.stelholdings.com](http://www.stelholdings.com).

The Company website also displays official news releases as and when applicable.

No presentations were made to institutional investors or to the analysts.

### 8. General Shareholder information:

#### 8.1. Annual General Meeting: Date, Time and Venue:

As indicated in the notice annexed to this Annual Report, the Twenty Ninth Annual General Meeting of the Company will be held on Friday, September 06, 2019 at 2.00 p.m at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin - 682 016.

**8.2. Financial Year:** the Company follows April 1 to March 31 as the financial year.

**8.3. Book Closure Dates:** The Company's Register of Members and Share Transfer Books will remain closed from August 31, 2019 to September 06, 2019 (both days inclusive).

**8.4. Dividend payment:** The Board has not recommended any dividend for the FY 2018-19.

**8.5. Details of Stock Exchanges where listed**

Stock Exchanges	Stock Code
BSE Ltd., Mumbai Corporate Relationship Dept, 1st Floor, New Trading Ring, Rotunda Building, PJ Towers, Dalal Street, Fort Mumbai –400001, Maharashtra	533316
National Stock Exchange of India Limited, Mumbai (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra	STEL

\*Annual listing fees for the FYR 2019-20 has been paid to BSE Ltd and NSE Ltd on time.

**8.6. Financial calendar**

For the year ending March 31, 2020, the results will be announced on:

Event	Due Date
quarter ending 30th June, 2019	On or before 14th August, 2019
quarter ending 30th September, 2019	On or before 14th November, 2019
quarter ending 31st December, 2019	On or before 14th February, 2020
quarter ending 31st March, 2020	On or before 30th May, 2020 (Audited)

**8.7. Market Price Data**

Market Price and Volume of the Company's Shares of face value of Rs. 10 each traded in the major stock exchanges where Company's shares are listed during the financial year 2018-19:

Year (2018-19)	BSE (Amount in Rs.)		NSE (Amount in Rs.)		Volume (nos.)	
	High	Low	High	Low	BSE	NSE
April	125.3	100.15	124	120.6	111147	19642
May	123.6	97.6	103	96.8	64772	2546
June	105.25	85	93.85	89.55	60429	1771
July	95	78.25	91.25	88.55	34747	6705
August	115	86.3	115	105.5	123287	25759
September	137.8	97	103.5	97.65	598390	–
October	107.05	81.75	103.75	96.55	91099	7690
November	106	93.25	105	102.05	63550	9381
December	113	101.6	105.95	103.5	114699	2522
January	114	102.55	107.85	104.10	53073	2230
February	105	78.25	86.95	84	27647	4409
March	119.7	88	102.85	97.1	67848	8634

**8.8. A performance chart showing Share Price of the Company in comparison with BSE SENSEX during the year 2018-19 is as below:**

Year 2017-18	STEL BSE High	STEL NSE High	Sensex	Nifty
April	125.3	124	35160.36	10705.75
May	123.6	103	35322.38	10670.1
June	105.25	93.85	35423.48	10612.85

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Year 2017-18	STEL BSE High	STEL NSE High	Sensex	Nifty
July	95	91.25	37606.58	11311.05
August	115	115	38645.07	11675.85
September	137.8	103.5	36227.14	11008.1
October	107.05	103.75	34442.05	10209.55
November	106	105	36194.3	10892.1
December	113	105.95	36068.33	10913.2
January	114	107.85	36256.69	10690.55
February	105	86.95	35867.44	10865.7
March	119.7	102.85	38672.91	11625.45

### 8.9. Share Transfer Process

Share Transfer in physical form is normally effected within a period of 15 days of receipt of documents complete in all respects. All share transfers are approved by the Share Transfer Committee which meets at least once in a week, thus ensuring smooth processing and completion of dispatch of the share certificates within 15 days from the lodgment of the share transfer documents. Request for de-materialisation of shares are processed and confirmed to the respective depositories within 15 days.

### 8.10. Distribution of Shareholding as on March 31, 2019

Range	No. of Shareholders	No. of Shares held	% of shareholding
1-500	22347	2606555	14.12
501-1000	946	750942	4.07
1001-2000	404	612600	3.32
2001-3000	129	331512	1.80
3001-4000	60	217007	1.18
4001-5000	50	229788	1.25
5001-10000	83	592956	3.21
10001- above	75	13114045	71.06
<b>Total</b>		<b>18455405</b>	<b>100.0000</b>

### 8.11. Dematerialisation of Shares

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to provide trading of shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE577L01016. As on March 31, 2019, 17604194 shares of the company, constituting 95.39% were in dematerialized form.

### 8.12. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments and commodity price risk or foreign exchange risk and hedging activities:

As of March 31, 2019, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company. The Company does not have any outstanding convertible.

Commodity price risk or foreign exchange risk and hedging activities – Nil

### 8.13. Plant Locations:

Being an Investment Holding Company, STEL Holdings Ltd has no plant locations.

**8.14. Equity shares of STEL Holdings Ltd –Unclaimed securities suspense Account**

The Securities and Exchange Board of India (SEBI) vide its circular no. CIR/CFD/DIL/10/2010 dated 16 December 2010, inserted new Clause 5A II containing uniform procedure for dealing with unclaimed shares. In compliance with the amendment to Clause 5A of the Listing Agreement issued by SEBI, the Company has opened a demat account in the name of “STEL Holdings Limited - Unclaimed Suspense Account” for the purpose of transferring the unclaimed shares. As per the said circular, the Company sent the 3 reminders to all those shareholders, whose shares remained unclaimed with the Company, requesting them to submit necessary documents and claim the shares; so as to avoid transfer of such unclaimed shares to the “Unclaimed Suspense Account”.

As per Regulation 39 (3) of the LODR and Schedule VI thereto, as and when any shareholder approaches the Company or the Registrar and Transfer Agent (RTA) to claim the above said shares, after proper verification, the shares lying in the Unclaimed suspense account shall either be credited to the demat account of the shareholder or the physical certificates shall be delivered after rematerialising the same, depending on what has been opted by the Shareholder.

As on March 31, 2019, the total unclaimed equity shares were 184745. The Voting rights on the equity shares lying in the Suspense Account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claim the shares.

Particulars	No. of Share holders	No.of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1995	184975
number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	3	230
number of shareholders to whom shares were transferred from suspense account during the year;	3	230
aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1992	184745

**8.15. The Company has framed a policy for determining material subsidiaries and has uploaded the same on website and link for the same is as below:**

[http://stelholdings.com/docs/POLICY\\_ON\\_MATERIAL\\_SUBSIDIARIES.pdf](http://stelholdings.com/docs/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf)

**8.16. Address for correspondence**

**Registered Office STEL Holdings Limited (CIN: L65993KL1990PLC005811)**

24/1624, Bristow Road, Willingdon Island, Cochin -682003

Ph: 0484 6624335, 2668023;

Fax: 0484 - 2668024

Email: [secretarial@stelholdings.com](mailto:secretarial@stelholdings.com)

Website: [www.stelholdings.com](http://www.stelholdings.com)

**Registrar and Share Transfer Agent Link Intime India Private Limited**

Surya, 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road Coimbatore – 641028

Phone No: 0422 2314792, 2315792

Fax: +91 422 2314792

Email: [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

For and on behalf of the Board of Directors

**Mr. H.C. Dalal**  
(DIN : 00206232)  
Director

**Mr. Sunil Bhandari**  
(DIN: 00052161)  
Director

26.07.2019  
Mumbai

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of **STEL HOLDINGS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by STEL HOLDINGS LIMITED for the year ended 31st March, 2019 as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we state that in accordance with Regulation 17 (1), the Board of Directors of the Company comprises of only non-executive directors. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 (2) to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SVJS & Associates**  
Company Secretaries

**P. D. Vincent**  
Managing Partner  
CP.No. 7940

Kochi  
26.07.2019

ANNEXURE – E TO THE DIRECTOR'S REPORT

**NOMINATION & REMUNERATION POLICY**

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on May 30, 2014 constituted the Nomination and Remuneration Committee of the Board of Directors to comprise of Mr. UmangKanoria (Chairman), Mr. H.C. Dalal and Mr. Sunil Bhandari (Members).

The Board has delegated the responsibility to the Committee to formulate the criteria for identification and selection of the suitable candidates for the various positions in senior management and also candidates who are qualified to be appointed as director on the Board of Directors of the Company. The Committee is also to recommend a policy, relating to the remuneration for the directors, key managerial personnel, senior management personnel and other employees and a process by which the performance of the directors could be evaluated.

The Committee shall be guided by the broad principles as laid down below in respect of nominating persons to hold office of director, senior management including key managerial personnel and recommending the remuneration payable.

**I. Criteria for selection of members on the Board of Directors and candidates for senior management.**

The Committee has adopted the following criteria for selection of member on the Board of Directors of the Company and also candidates eligible to be appointed in the senior management of the Company.

**A) Criteria for Selection of Directors**

Before making any recommendation to the Board for appointment of any director, the Committee shall ensure that:

- a) the candidate possesses positive attributes/ qualities such as Leadership, Industrialist, Business Advisor or such other attributes which in the opinion of the Committee the candidate possess, and are in the interest of the Company;
- b) the candidate shall be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- c) the candidate meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements)Regulation 2015, in case of appointment of an independent director;
- d) the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

**B) Criteria for Selection of Senior Management Personnel**

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment, should ensure that the candidate has the attributes set forth below:

- a) The candidate should have a minimum experience of 10 years in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- b) The candidate should possesses qualities that demonstrate leadership skills, decision making skills, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company

If the Committee thought fit and in its opinion finds that the candidate meets the above criteria for appointment (as director on the Board or in senior management), the Committee shall make its recommendation to the Board.

Any amendment to the above criteria for directors and senior management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.

### II. Remuneration policy for directors, Senior Management and Key Managerial Personnel

#### A) Remuneration of Managing Director, Whole Time Director and Manager:

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and Manager (wherein there is no Managing Director), may take into consideration the performance of the Company, the experience of the person, his background, job-profile and suitability, his past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered by the Managing Director / Whole Time Director etc., provided that any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Companies Act, 2013.

#### B) Remuneration of Non-Executive Director (NED)

- a) The remuneration to the NEDs may be restricted to the sitting fees for attending meetings of the Board of Directors and meetings of Audit Committee.
- b) The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees for attending meetings of the Board of the Directors and meeting of the Audit Committee and Nomination and Remuneration Committee, provided that any sitting fees paid to the Independent Director shall not be less the sitting fees paid to non-executive directors.
- c) Independent Directors shall not be eligible for stock options of the Company, if any.

Any incidental expense incurred by the directors with relation to the participation in the meetings of the Board and Committees shall be reimbursed.

#### C) Remuneration of Senior Management Personnel and KMPs

The Remuneration of the Senior Management Personnel and KMPs shall be in accordance with the Policy of the Company which is applicable to the employees. The Committee may consider the remuneration of a Senior Management Personnel keeping in view of the performance of the Business/ Function under his control and also the contribution of the Business/ Function under his control towards the overall performance of the Company.

### III. Evaluation of performance of directors

#### A) Evaluation of the performance of Managing Director / Whole Time Director

The performance of the Managing Director / Whole Time Director of the Company may be carried out taking into consideration the performance of the Company vis-à-vis the budgets as well as performance of its competitors. Emphasis on achieving top line and bottom line targets, with no adverse qualification by the auditors in the accounts, may be made.

#### B) Evaluation of the performance of Non-Executive Directors and Independent Directors (NEDs and IDs)

The Committee while evaluating the performance of the NEDs and IDs may take into consideration various factors as mentioned below:

- a) Attendance at Meetings - attendance at Board Meetings, AGMs, Committee meetings.
- b) Other Directorships held by the NED – in listed or unlisted companies
- c) Other companies in which NED is a Chairperson
- d) Participation at Board/Committee meetings
- e) Input in strategy decisions
- f) Review of Financial Statements, risks and business performance
- g) Time devoted towards discussion with Management
- h) Review of Minutes – Board Minutes, Committee meeting minutes and AGM Minutes



## STEL HOLDINGS LIMITED

Marks may be assigned for each of the above criteria and based on the score achieved, the Committee may evaluate the performance of each non-executive director and independent director.

This policy be and is hereby adopted on this day of August 8, 2014 by the Nomination and Remuneration Committee of the Board of Directors of STEL Holdings Limited.

Further provided that, any amendment to any of the clauses in the aforesaid policy shall be subject to the prior approval of the Committee and such amendment shall be informed to the Board of Directors of the Company.

For and on behalf of the Board of Directors

**Mr. H. C. Dalal**  
(DIN : 00206232)  
Director

**Mr. Sunil Bhandari**  
(DIN: 00052161)  
Director

26.07.2019  
Mumbai

ANNEXURE-F TO THE DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

**STEL Holdings Limited**

24/1624, Bristow Road, Willingdon Island

Ernakulam

Kerala-682003

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STEL Holdings Limited [CIN: L65993KL1990PLC005811]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. However, there is no new Foreign Direct Investment during the period under review. Moreover, there are no Overseas Direct Investments and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards relating to Board (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;

- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**We report that:**

The Board of directors of the Company is duly constituted. All the directors of the Company are Non-Executive Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same was captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no instances of:

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

This report is to be read with our letter of even date which is annexed as '**Annexure A**' and forms an integral part of this Report.

For **SVJS & Associates**  
Company Secretaries

**P. D. Vincent**  
Managing Partner  
CP.No. 7940

Kochi  
26.07.2019

To

The Members  
**STEL Holdings Limited**  
24/1624, Bristow Road, Willingdon Island  
Ernakulam  
Kerala-682003

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2019 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For **SVJS & Associates**  
Company Secretaries

**P. D. Vincent**  
Managing Partner  
CP.No. 7940

Kochi  
26.07.2019

**Annexure G to the Director's Report**

**Information pursuant to Section 197(12) of the Companies Act, 2013**

read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Anant Goenka	0.05
		Mr. Sunil Bhandari	0.09
		Mr. Umang Kanoria	0.08
		Mr. H.C. Dalal	0.09
		Mr. Prem Kapil	0.09
		Ms. Surbhi Singhi	0.04
		Mr. Kaushik Roy	0.05
		Ms. Kusum Dadoo	0.01
2	The percentage increase in remuneration of each director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary (CS) or Manager, if any in the financial year:	Mr. Anant Goenka	None of the Directors have received remuneration apart from sitting fees for attending the meetings of the Board.  Audit Committee, and Nomination and Remuneration Committee (NRC) where they are members.  There has been an increase of 66.66 % in the amount of sitting fee paid per Board meeting during the year under review as compared to the financial year 2017-18. Sitting fee was introduced for NRC meeting during the year under review.
		Mr. Sunil Bhandari	
		Mr. Umang Kanoria	
		Mr. H.C. Dalal	
		Mr. Prem Kapil	
		Ms. Surbhi Singhi	
	Mr. Kaushik Roy		
	Mr. Abraham Ittyipe, Manager	There has been no increase in the remuneration of Manager during the year under review as compared to the financial year 2017-18	
	Mr. Sivarama Krishnan, CFO	There has been no increase in the remuneration of CFO during the year under review as compared to the financial year 2017-18	
	Ms. Lakshmi P.S, Company Secretary	There has been an increase of 1.73% in the remuneration of CS during the year under review as compared to the financial year 2017-18	
3	The percentage Increase/ Decrease in the median remuneration of employees	There has been an increase of 1.73% in the median remuneration of employees	
4	The number of permanent employees on the rolls of company	3	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not applicable as there are no employees other than Key Managerial Personnel	
6	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year ended March 31, 2019 is as per the Remuneration policy of the Company	

For and on behalf of the Board of Directors

**Mr. H. C. Dalal**  
(DIN : 00206232)  
Director

**Mr. Sunil Bhandari**  
(DIN: 00052161)  
Director

26.07.2019  
Mumbai

ANNEXURE H TO THE DIRECTOR'S REPORT

**Information under Section 134, Section 197(12) of the Companies Act,2013 read with the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014**

Name	Age	Designation	Qualification and Experience	Gross remuneration for the FYR 2017-18	Date of Employment	Last employment
Mr.Abraham Ittyipe	54	Manager	Mr. Abraham Itty is an engineer by profession and has an experience in IT and administration for more than 15 years	1,20,000	30.05.2014	–
Mr. Sivaram Neelakantan Krishnan	71	Chief Financial Officer	Mr. Sivaram Neelakantan Krishnan is an chartered accountant having more than 20 years experience in accounts and finance	2,40,000	11.08.2014	–
Ms. Lakshmi P.S.	27	Company Secretary	Ms. Lakshmi P.S is an Associate Member of the Institute of Company Secretaries having experience of more than 4 years in secretarial and legal matters	4,33,410	14.02.2017	Indel Corporation Pvt Ltd

**Note:**

1. The remuneration includes salary,allowances and value of perquisites
2. None of the above personnel hold shares in the Company except Mr.Abraham Ittyipe who holds 101 shares.
3. None of the above mentioned personnel are related to any directors of the Company or to each other.

For and on behalf of the Board of Directors

**Mr. H. C. Dalal**  
(DIN : 00206232)  
Director

**Mr. Sunil Bhandari**  
(DIN: 00052161)  
Director

26.07.2019  
Mumbai

**DECLARATION – CODE OF CONDUCT**

I, Abraham Ittype, Manager, STEL Holdings Limited declare that all the members of the Board of Directors and Senior Management Personnel have, for the year ended March 31, 2019 affirmed compliance with the Code of Conduct of Board of Directors and Senior Management in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **STEL Holdings Limited**

**Abraham Ittype**  
Manager

26.07.2019  
Mumbai



### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of  
**STEL Holdings Limited**  
24/1624, Bristow Road  
Willingdon Island  
Ernakulam, Kerala - 682003

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **STEL Holdings Limited**, CIN: L65993KL1990PLC005811 and having its registered office at 24/1624, Bristow Road, Willingdon Island, Ernakulam, Kerala - 682003 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Sunil Bhandari	00052161	18/01/2011
2	Umang Kanoria	00081108	17/09/2010
3	Hemendra Chimanlal Dalal	00206232	30/05/2013
4	Anant Vardhan Goenka	02089850	17/09/2010
5	Kaushik Roy	06513489	16/02/2015
6	Prem Kapil	06921601	11/08/2014
7	Kusum Dadoo	06967827	08/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **CaesarPintoJohn & Associates LLP**  
**Company Secretaries**

**Nikhil George Pinto**  
Partner  
M. No. 39471  
CP. No. 16059  
  
Kochi  
26th July 2019

## INDEPENDENT AUDITORS' REPORT

To the Members of  
STEL Holdings Limited

### Report on the audit of the standalone financial statements

#### Opinion

We have audited the accompanying standalone financial statements of STEL Holdings Limited ('the Company'), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for opinion

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

#### Key audit matters

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

Valuation of investments in unquoted securities	
Key audit matter	Auditors' response
<p>The Company has investments in equity shares, preference shares and convertible debentures which are unquoted.</p> <p>These instruments are measured at fair value with the corresponding fair value change recognized in other comprehensive income. The valuation is performed by the company using a fair value hierarchy as applicable below:</p> <ul style="list-style-type: none"> <li>• Level 1: valuations based on quoted prices (unadjusted) in active markets.</li> <li>• Level 2: valuations based on other than quoted prices included within level 1 that are observable either directly or indirectly.</li> <li>• Level 3: valuations based on unobservable inputs for the asset. The valuation of investments is inherently subjective – most predominantly for the level 2 and level 3 investments since these are valued using inputs other than quoted prices in an active market.</li> </ul> <p>Key inputs used in the valuation of individual level 3 investments are inputs other than quoted prices in an active market. In addition, the company determines whether objective evidence of impairment exists for individual investments.</p>	<p>Our audit procedures included, among other things, an assessment of the methodology and the appropriateness of the valuation models and inputs used by management to value investments.</p> <p>Further, we assessed the valuation of all individual investments to determine whether the valuations performed by the Company were within a predefined tolerable differences threshold.</p> <p>As part of these audit procedures we assessed the accuracy of key inputs used in the valuation.</p> <p>We also evaluated the company's assessment whether objective evidence of impairment exists for</p>

Valuation of investments in unquoted securities	
Key audit matter	Auditors' response
Given the inherent subjectivity in the valuation of level 3 investments, we determined this to be a significant matter for our audit. This was an area of focus for our audit and an area where significant audit effort was directed.	individual investments. Based on these procedures we have not noted any material differences outside the predefined tolerable differences threshold.

### Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion & Analysis and Business Responsibility Report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of section 143 of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section 16 of section 197 of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under subsection 16 of section 197 which are required to be commented upon by us.

**For J. Krishnan & Associates**  
Chartered Accountants  
Firm Registration No. 001523S

**Nishanth Sebastian Jose**  
Partner  
Membership number: 218068  
Kolkata  
May 24, 2019

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT****OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STEL HOLDINGS LIMITED**

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c. As per the information and explanations provided to us, the records examined by us and based on the conveyance deeds provided to us, we report that the title deeds, comprising of the freehold immovable property of the Company are held in the name of the Company as at the balance sheet date.
- ii. The Company does not have any inventory. Therefore, the provisions of clauses 3(ii)(a), 3(ii)(b) and 3(ii)(c) of the said Order are not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained section 189 of the Act. Consequently, the provisions of clauses 3(iii)(a) to 3(iii)(c) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, investments, guarantees and securities provided.
- v. The Company has not accepted any deposit from public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
- vi. The provisions regarding maintenance of cost records under sub-section (1) of section 148 of the Act are not applicable to the Company.
- vii. a. According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no statutory dues on the last day of the financial year outstanding for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- viii. Based on our examination of documents and records, the Company has not taken any loan from a financial institution, a bank, the government or issued debentures and, hence, reporting under paragraph 3 (viii) of the Order is not applicable.
- ix. Based on our audit procedures and on the information given by the management, we report that the Company has not raised any moneys by way of initial or further public offer or any term loans during the year.
- x. According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported during the year.
- xi. The managerial remuneration paid is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of Act.
- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3 (xii) of the Order is not applicable to the Company.
- xiii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

## 29<sup>th</sup> Annual Report 2018 - 2019

- xiv. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **J. Krishnan & Associates**  
Chartered Accountants  
Firm Registration No. 001523S

**Nishanth Sebastian Jose**  
Partner  
Membership number: 218068  
Kolkata  
May 24, 2019



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT****OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STEL HOLDINGS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of STEL Holdings Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's responsibility for internal financial controls**

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

**Auditors' responsibility**

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

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

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

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

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

### **Inherent limitations of internal financial controls over financial reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

### **For J. Krishnan & Associates**

Chartered Accountants

Firm Registration No. 001523S

### **Nishanth Sebastian Jose**

Partner

Membership number: 218068

Kolkata

May 24, 2019

## STEL HOLDINGS LIMITED

### BALANCE SHEET AS AT MARCH 31, 2019

(In ₹)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>I. Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant & equipment	3	92,07,882	97,13,625
b. Financial assets			
i. Investments	4	6,35,57,46,724	7,27,51,93,502
c. Other non-current assets			
i. Income tax assets (net)	5	3,15,062	–
<b>2 Current assets</b>			
a. Financial assets			
i. Cash and cash equivalents	6	13,76,92,020	14,37,31,309
ii. Loans	7	6,27,49,204	6,23,02,103
iii. Other financial assets	8	4,57,26,533	4,57,26,533
		<u>6,61,14,37,425</u>	<u>7,53,66,67,072</u>
<b>II. Equity &amp; liabilities</b>			
<b>1 Equity</b>			
a. Equity share capital	9	18,45,54,050	18,45,54,050
b. Other equity	10	6,42,64,13,090	7,35,15,80,008
<b>2 Liabilities</b>			
<b>Current liabilities</b>			
a. Financial liabilities			
i. Trade payables	12	21,073	18,227
b. Other current liabilities	13	4,49,212	2,20,195
c. Provisions	14	–	2,94,592
		<u>6,61,14,37,425</u>	<u>7,53,66,67,072</u>
Significant accounting policies	2		

The notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants  
(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

Partner  
Membership No. 218068

Kolkata  
May 24, 2019

For and on behalf of the board of directors of

**STEL Holdings Ltd.**

**Sunil Bhandari**

Director  
DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**

Director  
DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer

## 29<sup>th</sup> Annual Report 2018 - 2019

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(In ₹)

Particulars	Note	For year ended	For year ended
		March 31, 2019	March 31, 2018
<b>Income</b>			
Revenue from operations		9,80,72,260	6,92,04,503
Other income	15	–	–
<b>Total income (I)</b>		<b>9,80,72,260</b>	<b>6,92,04,503</b>
<b>Expenses</b>			
Employee benefit expenses	16	7,93,410	7,86,000
Depreciation and amortisation expenses	17	5,05,743	5,45,975
Other expenses	18	48,00,128	41,72,680
Provisions & contingencies	19	–	43,25,000
<b>Total expenses (II)</b>		<b>60,99,281</b>	<b>98,29,655</b>
<b>Profit before tax (I - II)</b>		<b>9,19,72,979</b>	<b>5,93,74,848</b>
<b>Tax expense</b>			
Current income tax	20	20,44,245	17,10,986
Income tax relating to previous years		–	92,568
Deferred tax		–	–
		<b>20,44,245</b>	<b>18,03,554</b>
<b>Profit for the year (A)</b>		<b>8,99,28,734</b>	<b>5,75,71,294</b>
<b>Other comprehensive income</b>			
i. Items that will not be reclassified to Profit or Loss			
- Equity instruments through other comprehensive income		<b>(1,01,50,95,652)</b>	<b>1,46,49,49,616</b>
<b>Total other comprehensive income for the period (B)</b>		<b>(1,01,50,95,652)</b>	<b>1,46,49,49,616</b>
<b>Total comprehensive income (A + B)</b>		<b>(92,51,66,918)</b>	<b>1,52,25,20,910</b>
<b>Earnings per equity shares of nominal value of Rs. 10/- each</b>	11		
Basic		4.87	3.12
Diluted		4.87	3.12
Significant accounting policies	2		

The notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants

(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

Kolkata

May 24, 2019

For and on behalf of the board of directors of

**STEL Holdings Ltd.**

**Sunil Bhandari**

Director

DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**

Director

DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(In ₹)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
<b>A Cash flow from operating activities</b>		
Net profit before tax	9,19,72,979	5,93,74,848
Adjustments for :		
Depreciation and amortisation	5,05,743	5,45,975
Interest income	(88,58,402)	(65,17,646)
Dividend income	(8,92,13,859)	(6,26,86,857)
Operating profit before working capital changes	<b>(55,93,538)</b>	<b>(92,83,680)</b>
(Increase) / decrease in trade and other receivables	(34,600)	29,05,142
Increase / (decrease) in trade payables	2,846	5,02,473
Increase / (decrease) in other current liabilities	2,29,017	49,136
Cash from operations	<b>(53,96,275)</b>	<b>(58,26,929)</b>
Income tax paid	(26,53,900)	(1,40,73,366)
<b>Cash from operating before exceptional Items</b>	<b>(80,50,175)</b>	<b>(1,99,00,295)</b>
Exceptional Items	-	-
<b>Cash from operating activities</b>	<b>(80,50,175)</b>	<b>(1,99,00,295)</b>
<b>B Cash flow from investing activities</b>		
Interest income	84,45,901	59,04,605
Dividend income	8,92,13,859	6,26,86,857
Investment acquired	(9,56,48,873)	-
<b>Net cash from investing activities</b>	<b>20,10,886</b>	<b>6,85,91,462</b>
<b>C Cash flow from financing activities</b>		
Intercompany deposit given	-	-
<b>Net cash from financing activities</b>	-	-
<b>D Total increase (decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>(60,39,288)</b>	<b>4,86,91,167</b>
Cash and cash equivalents at the beginning of the year	14,37,31,309	9,50,40,142
<b>Cash and cash equivalents at the end of the year</b>	<b>13,76,92,021</b>	<b>14,37,31,309</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	58,14,698	3,82,45,222
In deposit accounts	13,18,77,322	10,54,86,087
<b>Total cash and cash equivalents</b>	<b>13,76,92,020</b>	<b>14,37,31,309</b>

Notes:

- The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS 7 - Cash Flow Statement.
- Figures of previous year have been regrouped / restated / reclassified wherever necessary to suit current year layout.

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants

(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

Kolkata

May 24, 2019

For and on behalf of the board of directors of

**STEL Holdings Ltd.**

**Sunil Bhandari**

Director

DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**

Director

DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(In ₹)						
<b>A. Equity share capital</b>						
As at March 31, 2018						18,45,54,050
Changes in equity share capital						—
<b>As at March 31, 2019</b>						<b>18,45,54,050</b>
<b>B. Other equity</b>						
Particulars	Reserves & surplus				Other comprehensive income	Total
	Capital reserve	General reserve	Securities premium	Retained earnings	Equity instruments	
As at March 31, 2018	5,00,000	43,00,000	88,73,79,926	16,43,92,656	6,29,50,07,426	7,35,15,80,008
Total comprehensive income	—	—	—	8,99,28,734	-1,01,50,95,652	-92,51,66,918
<b>As at March 31, 2019</b>	<b>5,00,000</b>	<b>43,00,000</b>	<b>88,73,79,926</b>	<b>25,43,21,390</b>	<b>5,27,99,11,774</b>	<b>6,42,64,13,090</b>

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note No: 1

#### Company overview

STEL Holdings Limited (the "Company") is a company registered under the Indian Companies Act, 1956 and is listed on the Bombay Stock Exchange. The Company is the business of investments. The Company on its application to the Reserve Bank of India ('RBI') for registering itself as a Core Investment Company ('CIC') has received a confirmation that the Company need not get itself registered as a CIC.

### Note No: 2

#### A statement of significant accounting policies:

##### i. Basis of preparation

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.

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all values are rounded off to the nearest Rupee, except when otherwise indicated.

The Ind AS financial statements have been prepared on a historical cost convention basis, except for certain financial assets and liabilities (including derivatives) that are measured at fair value.

##### ii. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

##### iii. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates. Estimates and judgments are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstance.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

###### a. 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.

###### b. 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.



*c. Current and deferred taxes*

Significant management judgment is required to determine the amount of current and deferred taxes that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**iv. Property, plant and equipment ('PPE')**

- a. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- b. The property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use/disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the sale proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss when the item is derecognised.
- c. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.
- d. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such tangible assets.

**v. Depreciation**

Depreciation on tangible asset is provided on the written down value method over the useful lives of the assets as prescribed under Part C of Schedule II of the Act.

Components of the main assets that are significant in value and have different useful lives as compared to the main assets are depreciated over their estimated useful lives.

Depreciation is charged on addition / deletion on pro- rata monthly basis including the month of addition / deletion.

**vi. Impairment of assets**

At each balance sheet date, an assessment is made of whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**vii. Provisions, contingent liabilities and capital commitments.**

- a. Provisions are recognised when the company has a present obligation as a result of a past event for which it is probable that a cash flow will be required and a reliable estimate can be made of the amount of the obligation.
- b. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

**viii. Fair value measurement**

- a. Considering the facts and circumstances existing on the reporting date, the financial assets and liabilities, in general, are measured to fair value and accounted the amortisation cost and comprehensive income as the case may be.
- b. The fair values of other financial assets and liabilities like cash, short term deposits/ receivables, payables and other liabilities are approximated to their carrying amounts mainly due to their short term maturities and easy liquidity.

- c. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
- i. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - ii. Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
  - iii. Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

**ix. 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.

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	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.

<b>Equity investments at FVOCI</b>	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.
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### *Financial liabilities*

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

### c. **De-recognition**

#### *Financial assets*

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

#### *Financial liabilities*

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

### d. **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### x. **Revenue recognition**

Dividends from companies are accounted as income in the year in which they are declared. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### xi. **Foreign currency transactions**

Foreign currency transactions are accounted at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the contracted / year end exchange rates. The exchange differences arising on payments / realizations and from the year end restatement referred to above are recognized as income or expense in the profit and loss account. In respect of forward contracts, the difference between the forward rate and exchange rate at the inception of the foreign exchange contract is recognized as income or expense over the period of the contract.

### xii. **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**xiii. Taxes on income**

- a. Provision for current tax is made based on the tax payable under the Income Tax Act, 1961.
- b. Deferred tax on account of temporary differences and carried forward of unused tax credits and unused tax losses is accounted for, using the tax rates and the tax laws enacted or substantively enacted by the balance sheet date.
- c. Deferred tax assets is recognised and carried forward only to the extent that it is probable that the taxable profit will be available against which the assets will be realised in future.
- d. The carrying amount of deferred tax assets and unrecognised deferred tax assets are reviewed at each balance sheet date.

**xiv. Cash and cash equivalents.**

Cash and cash equivalents include cash at bank and on hand. The deposits maintained by the company with banks comprise time deposit, which can be withdrawn by the company at any point of time.

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### 3 Property, plant & equipment

Particulars	Building	Plant & Equipment	Furniture and fittings	Computers & accessories	Total
<b>Year ended March 31, 2018</b>					
<b>Gross carrying amount</b>					
Deemed cost as at April 1, 2016	1,06,49,602	20,169	1,46,638	61,089	1,08,77,498
Additions / disposals	–	–	–	–	–
<b>Closing gross carrying amount</b>	<b>1,06,49,602</b>	<b>20,169</b>	<b>1,46,638</b>	<b>61,089</b>	<b>1,08,77,498</b>
<b>Accumulated depreciation</b>					
Depreciation charge during the year	10,38,336	–	70,621	54,916	11,63,873
Additions/ disposals	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>10,38,336</b>	<b>–</b>	<b>70,621</b>	<b>54,916</b>	<b>11,63,873</b>
<b>Net carrying amount</b>	<b>96,11,266</b>	<b>20,169</b>	<b>76,017</b>	<b>6,173</b>	<b>97,13,625</b>
<b>Year ended March 31, 2019</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount	1,06,49,602	20,169	1,46,638	61,089	1,08,77,498
Additions / disposals	–	–	–	–	–
<b>Closing gross carrying amount</b>	<b>1,06,49,602</b>	<b>20,169</b>	<b>1,46,638</b>	<b>61,089</b>	<b>1,08,77,498</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	10,38,336	–	70,621	54,916	11,63,873
Depreciation charge during the year	4,80,563	–	21,285	3,895	5,05,743
Additions / disposals	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>15,18,899</b>	<b>–</b>	<b>91,906</b>	<b>58,811</b>	<b>16,69,616</b>
<b>Net carrying amount</b>	<b>91,30,703</b>	<b>20,169</b>	<b>54,732</b>	<b>2,278</b>	<b>92,07,882</b>

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

### 4 Non current investments

Description	Face Value (Rs/-)	As at March 31, 2019		As at March 31, 2018	
		Holdings (Nos)	Amount (Rs.)	Holdings (Nos)	Amount (Rs.)
<b>Long term investments</b>					
<b>Quoted equity shares, fully paid-up</b>					
Ceat Ltd.	10	14,16,757	1,59,27,89,057	13,72,835	2,06,19,98,170
Phillips Carbon Black Ltd.	2	4,51,915	8,10,28,360	90,383	9,82,46,321
KEC International Ltd.	2	48,48,891	1,46,92,13,973	46,85,880	1,82,74,93,200
Spencer's Retail Limited	10	14,96,082	24,38,61,366	–	–
CESC Ltd.	10	24,93,470	1,79,87,89,258	24,93,470	2,41,36,78,960
CFL Capital Financial Services Limited	10	6,76,81,206	–	6,76,81,206	–
CESC Ventures Limited	10	4,98,694	30,33,05,691	–	–
RPG Life Sciences Ltd.	8	5,02,550	12,68,93,875	5,02,550	19,24,76,650
Summit Securities Ltd.	10	69,815	4,24,47,520	69,815	5,46,65,145
SAREGAMA (India) Ltd.	10	160	94,888	160	1,05,280
			<b>5,65,84,23,988</b>		<b>6,64,86,63,726</b>

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Description	Face Value (Rs/-)	As at March 31, 2019		As at March 31, 2018	
		Holdings (Nos)	Amount (Rs.)	Holdings (Nos)	Amount (Rs.)
<b>Unquoted equity shares, fully paid-up in subsidiaries</b>					
Doon Dooars Plantations Ltd.	10	1,70,000	8,63,000	1,70,000	8,63,000
			<b>8,63,000</b>		<b>8,63,000</b>
<b>Unquoted equity shares, fully paid-up</b>					
Spencer & Company Ltd.	9	10,57,135	8,65,63,476	10,57,135	8,45,28,515
Cochin International Airport Limited	10	625	21,717	625	21,063
Rainbow Investments Ltd.	10	271	37,195	271	32,943
Noida Power Company Ltd	10	30,00,000	42,57,25,000	30,00,000	38,46,60,000
Subhrashi Vinimay Private Ltd.	10	90,08,000	10,64,18,013	90,08,000	7,87,29,920
			<b>61,87,65,401</b>		<b>54,79,72,441</b>
<b>1% Redeemable cumulative preference shares, fully paid-up</b>					
Easy Fincorp Ltd.	100	4,75,000	4,75,00,000	4,75,000	4,75,00,000
			<b>4,75,00,000</b>		<b>4,75,00,000</b>
<b>Zero percent interest fully convertible debentures, fully paid-up</b>					
Kutub Properties Private Ltd.	100	2,93,500	2,94,23,375	2,93,500	2,94,23,375
			<b>2,94,23,375</b>		<b>2,94,23,375</b>
<b>Equity shares in Srilankan companies, fully paid-up (face value - LKR)</b>					
Creasy Plantation Management Ltd.	10	60,000	3,85,480	60,000	3,85,480
Lankem Plantations Services Ltd.	10	60,000	3,85,480	60,000	3,85,480
			<b>7,70,960</b>		<b>7,70,960</b>
<b>Total of investments</b>			<b>6,35,57,46,724</b>		<b>7,27,51,93,502</b>

### 5 Tax assets

Particulars	(In ₹)	
	As at	As at
	March 31, 2019	March 31, 2018
Income tax refund receivable	3,15,062	-
	<b>3,15,062</b>	<b>-</b>

### 6 Cash and cash equivalents

Particulars	(In ₹)	
	As at	As at
	March 31, 2019	March 31, 2018
Balance with banks		
- In current accounts	58,14,698	3,82,45,222
- In deposit accounts	13,18,77,322	10,54,86,087
	<b>13,76,92,020</b>	<b>14,37,31,309</b>

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### 7 Short term loans

Particulars	(In ₹)	
	As at March 31, 2019	As at March 31, 2018
<i>Unsecured considered good</i>		
Intercompany deposits to Fairluck Commercial Company Ltd.	75,00,000	75,00,000
Loans and advances	5,32,26,763	5,31,92,163
Interest accrued on deposits	20,22,441	16,09,940
<i>Unsecured considered doubtful</i>		
Loans and advances	43,25,000	99,35,756
	6,70,74,204	7,22,37,859
Less: Provision for doubtful advances	43,25,000	99,35,756
	<b>6,27,49,204</b>	<b>6,23,02,103</b>

### 8 Other financial assets

Particulars	(In ₹)	
	As at March 31, 2019	As at March 31, 2018
<i>Unsecured considered good</i>		
Receivable against sale of shares	82,81,533	82,81,533
Receivable against redemption of debentures	3,74,45,000	3,74,45,000
	<b>4,57,26,533</b>	<b>4,57,26,533</b>

### 9 Equity share capital

Particulars	(In ₹)	
	No. of shares	Amount
<b>Authorised equity share capital</b>		
As at March 31, 2018	1,85,00,000	18,50,00,000
Increase during the year	-	-
As at March 31, 2019	1,85,00,000	18,50,00,000
<b>Issued, subscribed &amp; paid up equity share capital</b>		
As at March 31, 2018	1,84,55,405	18,45,54,050
Increase during the year	-	-
As at March 31, 2019	1,84,55,405	18,45,54,050

#### Terms and rights 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors do not propose any dividend during the current year. No dividend was declared in the preceding year.



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- 3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 4 The following shareholders hold more than 5% of the share capital of the Company:

### List of shareholders holding more than 5 percent

Name	March 31, 2019		March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited	44,71,438	24.23%	44,71,438	24.23%
Instant Holdings Limited	16,05,200	8.70%	16,05,200	8.70%
Carniwal Investments Ltd	13,63,580	7.39%	13,63,580	7.39%
	<b>74,40,218</b>	<b>40.32%</b>	<b>74,40,218</b>	<b>40.32%</b>

### 10 Other equity

Particulars	As at	As at
	March 31, 2019	March 31, 2018
<b>Reserves &amp; surplus</b>		
Capital reserve		
At the beginning of the accounting period	5,00,000	5,00,000
Additions during the year	–	–
At the end of the accounting period	5,00,000	5,00,000
Securities premium		
At the beginning of the accounting period	88,73,79,926	88,73,79,926
Additions during the year	–	–
At the end of the accounting period	88,73,79,926	88,73,79,926
General reserve		
At the beginning of the accounting period	43,00,000	43,00,000
Additions during the year	–	–
At the end of the accounting period	43,00,000	43,00,000
Retained earnings		
At the beginning of the year	16,43,92,656	10,68,21,362
Additions during the year	8,99,28,734	5,75,71,294
Balance carried forward	<b>25,43,21,390</b>	<b>16,43,92,656</b>
<b>Other comprehensive income</b>		
Equity instruments through other comprehensive income		
At the beginning of the year	6,29,50,07,426	4,83,00,57,810
Additions during the year	(1,01,50,95,652)	1,46,49,49,616
At the end of the year	5,27,99,11,774	6,29,50,07,426
	<b>6,42,64,13,090</b>	<b>7,35,15,80,008</b>

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### Nature and purpose of reserve

- Securities premium is used to record premium received on issues of shares. It is utilised in accordance with provisions of the Act.
- General reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares.
- Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend. It is utilised in accordance with the provisions of the Act.
- Other comprehensive income represents fair value recognition and measurement of equity instruments through other comprehensive income.

### 11 Earnings per share

#### Basic and diluted earning per share

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

i. Earnings attributable to equity shareholders (basic and diluted)		(In ₹)	
Particulars	For year ended		
	March 31, 2019	March 31, 2018	
Profit for the year, attributable to the equity holders	8,99,28,734	5,75,71,294	
	<b>8,99,28,734</b>	<b>5,75,71,294</b>	
ii. Weighted average number of equity shares (basic and diluted)		For year ended	
Particulars	March 31, 2019	March 31, 2018	
Opening balance	1,84,55,405	1,84,55,405	
Effect of fresh issue of shares for cash	-	-	
Weighted average number of equity shares for the year	1,84,55,405	1,84,55,405	
Earning Per Share (EPS)	<b>4.87</b>	<b>3.12</b>	

### 12 Trade payables

		(In ₹)	
Particulars	As at	As at	
	March 31, 2019	March 31, 2018	
Payable to micro and small enterprises	-	-	
Other payables	21,073	18,227	
	<b>21,073</b>	<b>18,227</b>	

Note:

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED Act') which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. On the basis of information and records available with the management, there are no outstanding due to micro and small enterprises as defined in the MSMED Act.

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### 13 Other current liabilities

(In ₹)		
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Accrued expenses	3,85,560	2,01,500
Statutory dues payable	63,652	18,695
	<u>4,49,212</u>	<u>2,20,195</u>

### 14 Current provisions

(In ₹)		
	As at	As at
Particulars	March 31, 2019	March 31, 2018
<b>Current provisions</b>		
Provision for tax (net of prepaid taxes)	–	2,94,592
	<u>–</u>	<u>2,94,592</u>

### 15 Revenue from operations

(In ₹)		
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Interest on fixed deposits	88,58,402	65,17,646
Dividend income on long term investments	8,92,13,859	6,26,86,857
	<u>9,80,72,260</u>	<u>6,92,04,503</u>

The RBI vide its letter dated January 29, 2019 has confirmed that the Company is not required to obtain registration as a core investment company. Consequently, the Company has decided to treat its revenue streams, i.e., interest on fixed deposits and dividend as its primary activity and therefore as revenue from operations.

### 16 Employee benefit expenses

(In ₹)		
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Salaries, wages & allowances	7,93,410	7,86,000
	<u>7,93,410</u>	<u>7,86,000</u>

### 17 Depreciation and ammortisation expenses

(In ₹)		
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Depreciation on property, plant and equipment	5,05,743	5,45,975
	<u>5,05,743</u>	<u>5,45,975</u>

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### 18 Other expenses

Particulars	(In ₹)	
	As at	As at
	March 31, 2019	March 31, 2018
Professional & consultancy charges	24,02,934	15,54,231
Payments to auditors (Refer note below)	2,12,400	2,12,400
Directors' sitting fee	2,07,000	1,58,000
Travelling & conveyance	1,91,933	1,53,186
Communication expenses	13,981	1,23,893
Repairs & maintenance for building	6,52,349	13,73,100
Printing & stationery	3,63,549	2,27,384
Rates & taxes	47,399	47,160
Advertisement expenses	2,79,774	2,21,506
Miscellaneous expenses	4,28,808	1,01,820
	<b>48,00,128</b>	<b>41,72,680</b>
Note: Payments to auditors <i>In capacity of auditor</i>		
Statutory audit	1,77,000	1,77,000
Limited review	35,400	35,400
	<b>2,12,400</b>	<b>2,12,400</b>

### 19 Provisions & contingencies

Particulars	(In ₹)	
	As at	As at
	March 31, 2019	March 31, 2018
Provision for doubtful advances	–	43,25,000
	–	<b>43,25,000</b>

### 20 Tax expense

Particulars	(In ₹)	
	As at	As at
	March 31, 2019	March 31, 2018
Current income tax	20,44,245	17,10,986
Tax adjustments for previous year	–	92,568
Deferred tax (Refer note below)	–	–
	<b>20,44,245</b>	<b>18,03,554</b>

Note : Deferred tax asset on account of unabsorbed tax losses is not recognized during the year since there is no probable certainty of taxable profits in the foreseeable future which would offset the asset as the Company has mainly one source of income being dividend which is exempt under Income Tax Act, 1961.

**21 Disclosure as per Ind AS 24 – Related party disclosures**

**i. Name of related parties**

Enterprise under common control	Harrisons Malayalam Ltd. ('HML')
Subsidiary	Doon Dooars Plantations Ltd. ('DDPL')
Key managerial personnel	Abraham Itty Ipe, Manager
	Sivarama Neelakantan Krishnan, CFO
	Anant Goenka, Director
	Umang Kanoria, Director
	Sunil Bhandari, Director
	H. C. Dalal, Director
	Prem Kapil, Director
	Kaushik Roy, Director
	Surbhi Singhi, Director (Till December 5, 2018)
	Kusum Dadoo (From February 8, 2019)
	Lakshmi P S, Company Secretary

**ii. Transactions with related parties**

Particulars	March 31, 2019	March 31, 2018
<b>Remuneration to key managerial persons</b>		
– Abraham Itty Ipe	1,20,000	1,20,000
– Sivarama Neelakantan Krishnan, Chief Financial Officer	2,40,000	2,40,000
– Lakshmi P S, Company Secretary	4,33,410	4,26,000
<b>Sitting fees of Directors</b>		
– Anant Goenka	20,000	16,000
– Umang Kanoria	33,000	22,000
– Sunil Bhandari	38,000	28,000
– H. C. Dalal	38,000	28,000
– Prem Kapil	37,000	28,000
– Kaushik Roy	20,000	16,000
– Surbhi Singhi	16,000	20,000
– Kusum Dadoo	5,000	–
<b>Balance Due from / (to) as at the year end</b>		
– HML	-32,997	-41,221
– DDPL	2,86,817	2,52,217

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### 22. Financial instruments

#### A. Accounting classifications and fair value

As at March 31, 2018

Particulars	Carrying amount			Fair value				
	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Investments								
Quoted shares	6,64,86,63,726	-	-	6,64,86,63,726	6,64,86,63,726	-	-	6,64,86,63,726
Unquoted equity shares in subsidiary	-	8,63,000	-	8,63,000	-	-	8,63,000	8,63,000
Unquoted equity shares	54,87,43,401	-	-	54,87,43,401	-	-	54,87,43,401	54,87,43,401
Preference shares	-	4,75,00,000	-	4,75,00,000	-	-	4,75,00,000	4,75,00,000
Debentures	-	2,94,23,375	-	2,94,23,375	-	-	2,94,23,375	2,94,23,375
	<u>7,19,74,07,127</u>	<u>7,77,86,375</u>	<u>-</u>	<u>7,27,51,93,502</u>	<u>6,64,86,63,726</u>	<u>-</u>	<u>62,65,29,776</u>	<u>7,27,51,93,502</u>
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	14,37,31,309	-	14,37,31,309	-	-	14,37,31,309	14,37,31,309
Loans	-	6,23,02,103	-	6,23,02,103	-	-	6,23,02,103	6,23,02,103
Other financial assets	-	4,57,26,533	-	4,57,26,533	-	-	4,57,26,533	4,57,26,533
	-	<u>25,17,59,945</u>	<u>-</u>	<u>25,17,59,945</u>	<u>-</u>	<u>-</u>	<u>25,17,59,945</u>	<u>25,17,59,945</u>
<b>Financial Liabilities</b>								
Trade payables	-	-	18,227	18,227	-	-	18,227	18,227
	-	-	<u>18,227</u>	<u>18,227</u>	<u>-</u>	<u>-</u>	<u>18,227</u>	<u>18,227</u>

## STEL HOLDINGS LIMITED

As at March 31, 2019

Particulars	Carrying amount				Fair value			Total
	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>								
Investments								
Quoted shares	5,65,84,23,988	-	-	5,65,84,23,988	5,65,84,23,988	-	-	5,65,84,23,988
Unquoted equity shares in subsidiary	-	8,63,000	-	8,63,000	-	-	8,63,000	8,63,000
Unquoted equity shares	61,95,36,361	-	-	61,95,36,361	-	-	61,95,36,361	61,95,36,361
Preference shares	-	4,75,00,000	-	4,75,00,000	-	-	4,75,00,000	4,75,00,000
Debentures	-	2,94,23,375	-	2,94,23,375	-	-	2,94,23,375	2,94,23,375
	6,27,79,60,349	7,77,86,375	-	6,35,57,46,724	5,65,84,23,988	-	69,73,22,736	6,35,57,46,724
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	13,76,92,020	-	13,76,92,020	-	-	13,76,92,020	13,76,92,020
Loans	-	6,27,49,204	-	6,27,49,204	-	-	6,27,49,204	6,27,49,204
Other financial assets	-	4,57,26,533	-	4,57,26,533	-	-	4,57,26,533	4,57,26,533
	-	24,61,67,757	-	24,61,67,757	-	-	24,61,67,757	24,61,67,757
<b>Financial Liabilities</b>								
Trade payables	-	-	21,073	21,073	-	-	21,073	21,073
	-	-	21,073	21,073	-	-	21,073	21,073

### Fair value measurement

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:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) 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).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables are considered to be the same as their fair values, due to their short-term nature



## 29<sup>th</sup> Annual Report 2018 - 2019

### 23 Segment reporting

The business of the Company mainly comprises of investments, which has been identified as a single reportable segment for the purpose of Ind AS 108 on 'Operating Segments'.

### 24 Other disclosures

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Remuneration to key managerial persons</b>		
Contingent liabilities	Nil	Nil
Derivative instruments and unhedged foreign currency exposure	Nil	Nil
Value of imports calculated on CIF basis	Nil	Nil
Expenditure in foreign currency (accrual basis)	Nil	Nil
Net dividend remitted in foreign exchange	Nil	Nil
Earnings in foreign currency (accrual basis)	Nil	Nil

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants

(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

Kolkata

May 24, 2019

For and on behalf of the board of directors of

**STEL Holdings Ltd.**

**Sunil Bhandari**

Director

DIN : 00052161

**Lakshmi P.S.**

Company Secretary

**H.C Dalal**

Director

DIN: 00206232

**Sivarama Krishnan**

Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT

To the Members of  
STEL Holdings Limited

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the accompanying consolidated financial statements of STEL Holdings Limited (hereinafter referred to as 'the Holding Company') and its subsidiary, Doon Dooars Plantations Limited ('the Subsidiary'), which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements'). In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of the Subsidiary as was audited by other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company as at March 31, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

#### Basis for opinion

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

#### Key audit matters

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

Valuation of investments in unquoted securities	
Key audit matter	Auditors' response
<p>The Holding Company has investments in equity shares, preference shares and convertible debentures which are unquoted.</p> <p>These instruments are measured at fair value with the corresponding fair value change recognized in other comprehensive income. The valuation is performed by the Holding Company using a fair value hierarchy as applicable below:</p> <ul style="list-style-type: none"> <li>Level 1: valuations based on quoted prices (unadjusted) in active markets.</li> <li>Level 2: valuations based on other than quoted prices included within level 1 that are observable either directly or indirectly.</li> <li>Level 3: valuations based on unobservable inputs for the asset. The valuation of investments is inherently subjective – most predominantly for the level 2 and level 3 investments since these are valued using inputs other than quoted prices in an active market.</li> </ul>	<p>Our audit procedures included, among other things, an assessment of the methodology and the appropriateness of the valuation models and inputs used by management to value investments.</p> <p>Further, we assessed the valuation of all individual investments to determine whether the valuations performed by the Holding Company were within a predefined tolerable differences threshold.</p> <p>As part of these audit procedures we assessed the accuracy of key inputs used in the valuation.</p>

<b>Valuation of investments in unquoted securities</b>	
<b>Key audit matter</b>	<b>Auditors' response</b>
<p>Key inputs used in the valuation of individual level 3 investments are inputs other than quoted prices in an active market. In addition, the Holding Company determines whether objective evidence of impairment exists for individual investments.</p> <p>Given the inherent subjectivity in the valuation of level 3 investments, we determined this to be a significant matter for our audit. This was an area of focus for our audit and an area where significant audit effort was directed.</p>	<p>We also evaluated the Holding Company's assessment whether objective evidence of impairment exists for individual investments. Based on these procedures we have not noted any material differences outside the predefined tolerable differences threshold.</p>

### **Information other than the consolidated financial statements and auditor's report thereon**

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion & Analysis and Business Responsibility Report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on work done / audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the consolidated financial statements**

The Holding Company's Board of Directors is responsible for the matters stated in sub-section 5 of section 143 of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Holding Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities for the Holding Company and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matters" in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other matters**

We did not audit the financial statements of the Subsidiary in which the share of loss of the Holding Company is Rs. 70,178 for the year ended March 31, 2019, which are considered in preparation of the consolidated financial statements. The consolidated financial statements of the Subsidiary has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books and the report of the other auditor.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of sub-section 2 of section 164 of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There are no pending litigations which would impact the financial position of the Holding Company and the Subsidiary;
    - ii. The Holding Company and the Subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or the Subsidiary during the year ended March 31, 2019.
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section 16 of section 197 of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under subsection 16 of section 197 which are required to be commented upon by us.

**For J. Krishnan & Associates**  
Chartered Accountants  
Firm Registration No. 001523S

**Nishanth Sebastian Jose**  
Partner  
Membership number: 218068  
Kolkata  
May 24, 2019

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT  
OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEL HOLDINGS LIMITED**

**Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of STEL Holdings Limited ('the Holding Company') as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

**Management's responsibility for internal financial controls**

The Holding Company's management is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section sub-section 10 of section 143 of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting with reference to consolidated financial statements.

**Meaning of internal financial controls over financial reporting with reference to consolidated financial statements**

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

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Inherent limitations of internal financial controls over financial reporting with reference to consolidated financial statements

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

### **Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J. Krishnan & Associates**  
Chartered Accountants  
Firm Registration No. 001523S

**Nishanth Sebastian Jose**  
Partner  
Membership number: 218068  
Kolkata  
May 24, 2019



# STEL HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note	(In ₹)	
		As at March 31, 2019	As at March 31, 2018
<b>I. Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant & equipment	3	97,84,559	1,03,20,654
b. Financial assets			
i. Investments	4	6,35,48,83,724	7,27,43,30,502
c. Other non-current assets			
i. Income tax assets (net)	5	3,15,062	–
<b>2 Current assets</b>			
a. Financial assets			
i. Cash and cash equivalents	6	13,77,40,488	14,37,79,777
ii. Loans	7	6,24,62,387	6,20,49,886
iii. Other financial assets	8	4,57,26,533	4,57,26,533
		<b>6,61,09,12,754</b>	<b>7,53,62,07,352</b>
<b>II. Equity &amp; liabilities</b>			
<b>1 Equity</b>			
a. Equity share capital	9	18,45,54,050	18,45,54,050
b. Other equity	10	6,42,58,73,079	7,35,11,08,488
<b>2 Liabilities</b>			
<b>Current liabilities</b>			
a. Financial liabilities			
i. Trade payables	12	21,073	18,227
b. Other current liabilities	13	4,64,552	2,31,995
c. Provisions	14	–	2,94,592
		<b>6,61,09,12,754</b>	<b>7,53,62,07,352</b>
Significant accounting policies	2		
The notes referred to above form an integral part of the Ind AS financial statements			

As per our report of even date attached  
**For J. Krishnan & Associates**  
Chartered Accountants  
(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**  
Partner  
Membership No. 218068

Kolkata  
May 24, 2019

For and on behalf of the board of directors of  
**STEL Holdings Ltd.**

**Sunil Bhandari**  
Director  
DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**  
Director  
DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer

## 29<sup>th</sup> Annual Report 2018 - 2019

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note	(In ₹)	
		For year ended March 31, 2019	For year ended March 31, 2018
<b>Income</b>			
Revenue from operations	15	9,80,72,260	6,92,04,503
Other income		-	-
<b>Total income (I)</b>		<b>9,80,72,260</b>	<b>6,92,04,503</b>
<b>Expenses</b>			
Employee benefit expenses	16	7,93,410	7,86,000
Depreciation and amortisation expenses	17	5,36,095	6,13,423
Other expenses	18	48,38,268	42,03,720
Provisions & contingencies	19	-	43,25,000
<b>Total expenses (II)</b>		<b>61,67,773</b>	<b>99,28,143</b>
<b>Profit before tax (I - II)</b>		<b>9,19,04,488</b>	<b>5,92,76,360</b>
<b>Tax expense</b>			
	20		
Current income tax		20,44,245	17,10,986
Income tax relating to previous years		-	92,568
Deferred tax		-	-
		20,44,245	18,03,554
<b>Profit for the year (A)</b>		<b>8,98,60,242</b>	<b>5,74,72,806</b>
<b>Other comprehensive income</b>			
i. Items that will not be reclassified to Profit or Loss			
- Equity instruments through other comprehensive income		(1,01,50,95,652)	1,46,49,49,616
<b>Total other comprehensive income for the period (B)</b>		<b>(1,01,50,95,652)</b>	<b>1,46,49,49,616</b>
<b>Total comprehensive income (A + B)</b>		<b>(92,52,35,409)</b>	<b>1,52,24,22,422</b>
<b>Earnings per equity shares of nominal value of Rs. 10/- each</b>			
	11		
Basic		4.87	3.11
Diluted		4.87	3.11

Significant accounting policies

2

The notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date attached

For and on behalf of the board of directors of

**For J. Krishnan & Associates**

**STEL Holdings Ltd.**

Chartered Accountants

(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

**Sunil Bhandari**

Director

DIN : 00052161

**H.C Dalal**

Director

DIN: 00206232

Kolkata

May 24, 2019

**Lakshmi P.S.**  
Company Secretary

**Sivarama Krishnan**  
Chief Financial Officer

## STEL HOLDINGS LIMITED

### CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(In ₹)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
<b>A Cash flow from operating activities</b>		
Net profit before tax	9,19,04,488	5,93,74,848
Adjustments for :		
Depreciation and amortisation	5,36,095	5,45,975
Interest income	(88,58,402)	(65,17,646)
Dividend income	(8,92,13,859)	(6,26,86,857)
Operating profit before working capital changes	<b>(56,31,678)</b>	<b>(92,83,680)</b>
(Increase) / decrease in trade and other receivables	0	29,05,142
Increase / (decrease) in trade payables	2,846	5,02,473
Increase / (decrease) in other current liabilities	2,32,557	49,136
Cash from operations	<b>(53,96,275)</b>	<b>(58,26,929)</b>
Income tax paid	(26,53,900)	(1,40,73,366)
<b>Cash from operating before exceptional Items</b>	<b>(80,50,175)</b>	<b>(1,99,00,295)</b>
Exceptional Items	-	-
<b>Cash from operating activities</b>	<b>(80,50,175)</b>	<b>(1,99,00,295)</b>
<b>B Cash flow from investing activities</b>		
Interest income	84,45,901	59,04,605
Dividend income	8,92,13,859	6,26,86,857
Investment acquired	(9,56,48,873)	-
<b>Net cash from investing activities</b>	<b>20,10,886</b>	<b>6,85,91,462</b>
<b>C Cash flow from financing activities</b>		
Intercompany deposit given	-	-
<b>Net cash from financing activities</b>	-	-
<b>D Total increase (decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>(60,39,288)</b>	<b>4,86,91,167</b>
Cash and cash equivalents at the beginning of the year	14,37,79,777	9,50,40,142
<b>Cash and cash equivalents at the end of the year</b>	<b>13,77,40,489</b>	<b>14,37,31,309</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	58,63,166	3,82,45,222
In deposit accounts	13,18,77,322	10,54,86,087
<b>Total cash and cash equivalents</b>	<b>13,77,40,488</b>	<b>14,37,31,309</b>

Notes:

- a. The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS 7 - Cash Flow Statement.
- b. Figures of previous year have been regrouped / restated / reclassified wherever necessary to suit current year layout.

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants

(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

Kolkata

May 24, 2019

For and on behalf of the board of directors of

**STEL Holdings Ltd.**

**Sunil Bhandari**

Director

DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**

Director

DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED  
MARCH 31, 2019**

								(In ₹)
<b>A. Equity share capital</b>								
As at March 31, 2018							18,45,54,050	
Changes in equity share capital							—	
<b>As at March 31, 2019</b>							<b>18,45,54,050</b>	
<b>B. Other equity</b>								
Particulars	Reserves & surplus				Other comprehensive income		Total	
	Capital reserve	General reserve	Securities premium	Retained earnings	Capital reserve on consolidation	Equity instruments		
As at March 31, 2018	5,00,000	43,00,000	88,73,79,926	16,38,25,901	95,235	6,29,50,07,426	7,35,11,08,488	
Total comprehensive income	—	—	—	8,98,60,242	—	-1,01,50,95,652	-92,52,35,409	
<b>As as March 31, 2019</b>	<b>5,00,000</b>	<b>43,00,000</b>	<b>88,73,79,926</b>	<b>25,36,86,143</b>	<b>95,235</b>	<b>5,27,99,11,774</b>	<b>6,42,58,73,079</b>	

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Note No: 1**

**Company overview**

STEL Holdings Limited (the “Company”) is a company registered under the Indian Companies Act, 1956 and is listed on the Bombay Stock Exchange. The Company is the business of investments. On it’s application to RBI for registering itself as a core investment company has received a confirmation that the company need not get itself registered.

**Note No: 2**

**A statement of significant accounting policies:**

**i. Basis of preparation**

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.

The financial statements are presented in Indian Rupees, which is the Company’s functional currency and all values are rounded off to the nearest Rupee, except when otherwise indicated.

The Ind AS financial statements have been prepared on a historical cost convention basis, except for certain financial assets and liabilities (including derivatives) that are measured at fair value.

**ii. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- a) has power over the investee;
- b) has the ability to use its power to affect its return;
- c) is exposed, or has rights, to variable returns from its involvement with the investee.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Ownership held by	% of Holding and voting power held directly
Doon Dooars Plantations Ltd.	Subsidiary	STEL Holdings Ltd	100%

In the opinion of the management, the investment in CFL Capital Financial Services Ltd. (‘CFL’) does not fall under the definition of associate company within the meaning of Sec. 2(6) of the Companies Act, 2013 as the Company does not have significant influence over CFL such as representation on the Board of Directors of CFL, participation in policy making processes, transactions between the Company and CFL, interchange of managerial personnel, provision of essential technical information, etc. As a result, the Company is not treating CFL as an associate for the purpose of consolidating its financial statements.

### iii. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

### iv. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates. Estimates and judgments are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstance.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### a. *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.

#### b. *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.

#### c. *Current and deferred taxes*

Significant management judgment is required to determine the amount of current and deferred taxes that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### v. Property, plant and equipment ('PPE')

- a. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- b. The property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use/disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the sale proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss when the item is derecognised.
- c. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.
- d. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such tangible assets.

### vi. Depreciation

Depreciation on tangible asset is provided on the written down value method over the useful lives of the assets as prescribed under Part C of Schedule II of the Act.

Components of the main assets that are significant in value and have different useful lives as compared to the main assets are depreciated over their estimated useful lives.

Depreciation is charged on addition / deletion on pro- rata monthly basis including the month of addition / deletion.

**vii. Impairment of assets**

At each balance sheet date, an assessment is made of whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**viii. Provisions, contingent liabilities and capital commitments.**

- a. Provisions are recognised when the company has a present obligation as a result of a past event for which it is probable that a cash flow will be required and a reliable estimate can be made of the amount of the obligation.
- b. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

**ix. Fair value measurement**

- a. Considering the facts and circumstances existing on the reporting date, the financial assets and liabilities, in general, are measured to fair value and accounted the amortisation cost and comprehensive income as the case may be.
- b. The fair values of other financial assets and liabilities like cash, short term deposits/ receivables, payables and other liabilities are approximated to their carrying amounts mainly due to their short term maturities and easy liquidity.
- c. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
  - i. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - ii. Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
  - iii. Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

**x. 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)

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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.

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	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.
<b>Equity investments at FVOCI</b>	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.

### c. **De-recognition**

#### *Financial assets*

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

#### *Financial liabilities*

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability



based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**d. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**xi. Revenue recognition**

Dividends from companies are accounted as income in the year in which they are declared. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**xii. Foreign currency transactions**

Foreign currency transactions are accounted at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the contracted / year end exchange rates. The exchange differences arising on payments / realizations and from the year end restatement referred to above are recognized as income or expense in the profit and loss account. In respect of forward contracts, the difference between the forward rate and exchange rate at the inception of the foreign exchange contract is recognized as income or expense over the period of the contract.

**xiii. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**xiv. Taxes on income**

- a. Provision for current tax is made based on the tax payable under the Income Tax Act, 1961.
- b. Deferred tax on account of temporary differences and carried forward of unused tax credits and unused tax losses is accounted for, using the tax rates and the tax laws enacted or substantively enacted by the balance sheet date.
- c. Deferred tax assets is recognised and carried forward only to the extent that it is probable that the taxable profit will be available against which the assets will be realised in future.
- d. The carrying amount of deferred tax assets and unrecognised deferred tax assets are reviewed at each balance sheet date.

**xv. Cash and cash equivalents.**

Cash and cash equivalents include cash at bank and on hand. The deposits maintained by the company with banks comprise time deposit, which can be withdrawn by the company at any point of time.

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### Notes to consolidated financial statements for the year ended March 31, 2019

#### 3 Property, plant & equipment

Particulars	Building	Plant & Equipment	Furniture and fittings	Computers & accessories	Total
<b>Year ended March 31, 2018</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount	1,13,59,578	20,169	1,46,638	61,089	1,15,87,474
Additions / disposals	–	–	–	–	–
<b>Closing gross carrying amount</b>	<b>1,13,59,578</b>	<b>20,169</b>	<b>1,46,638</b>	<b>61,089</b>	<b>1,15,87,474</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	5,67,979	–	41,059	44,359	6,53,397
Depreciation charge during the year	5,73,304	–	29,562	10,557	6,13,423
Additions/ disposals	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>11,41,283</b>	<b>–</b>	<b>70,621</b>	<b>54,916</b>	<b>12,66,820</b>
<b>Net carrying amount</b>	<b>1,02,18,295</b>	<b>20,169</b>	<b>76,017</b>	<b>6,173</b>	<b>1,03,20,654</b>
<b>Year ended March 31, 2019</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount	1,13,59,578	20,169	1,46,638	61,089	1,15,87,474
Additions / disposals	–	–	–	–	–
<b>Closing gross carrying amount</b>	<b>1,13,59,578</b>	<b>20,169</b>	<b>1,46,638</b>	<b>61,089</b>	<b>1,15,87,474</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	11,41,283	–	70,621	54,916	12,66,820
Depreciation charge during the year	5,10,915	–	21,285	3,895	5,36,095
Additions / disposals	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>16,52,198</b>	<b>–</b>	<b>91,906</b>	<b>58,811</b>	<b>18,02,915</b>
<b>Net carrying amount</b>	<b>97,07,380</b>	<b>20,169</b>	<b>54,732</b>	<b>2,278</b>	<b>97,84,559</b>

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

## STEL HOLDINGS LIMITED

### 4 Non current investments

Description	Face Value (Rs/-)	As at March 31, 2019		As at March 31, 2018	
		Holdings (Nos)	Amount (Rs.)	Holdings (Nos)	Amount (Rs.)
<b>Long term investments</b>					
<b>Quoted equity shares, fully paid-up</b>					
Ceat Ltd.	10	14,16,757	1,59,27,89,057	13,72,835	2,06,19,98,170
Phillips Carbon Black Ltd.	2	4,51,915	8,10,28,360	90,383	9,82,46,321
KEC International Ltd.	2	48,48,891	1,46,92,13,973	46,85,880	1,82,74,93,200
Spencer's Retail Limited	10	14,96,082	24,38,61,366	-	-
CESC Ltd.	10	24,93,470	1,79,87,89,258	24,93,470	2,41,36,78,960
CFL Capital Financial Services Limited	10	6,76,81,206	-	6,76,81,206	-
CESC Ventures Limited	10	4,98,694	30,33,05,691	-	-
RPG Life Sciences Ltd.	8	5,02,550	12,68,93,875	5,02,550	19,24,76,650
Summit Securities Ltd.	10	69,815	4,24,47,520	69,815	5,46,65,145
SAREGAMA (India) Ltd.	10	160	94,888	160	1,05,280
Sub-total : Quoted investments			<b>5,65,84,23,988</b>		<b>6,64,86,63,726</b>
<b>Unquoted equity shares, fully paid-up in subsidiaries</b>					
Doon Dooars Plantations Ltd.	10	1,70,000	8,63,000	1,70,000	8,63,000
			<b>8,63,000</b>		<b>8,63,000</b>
<b>Unquoted equity shares, fully paid-up</b>					
Spencer & Company Ltd.	9	10,57,135	8,65,63,476	10,57,135	8,45,28,515
Cochin International Airport Limited	10	625	21,717	625	21,063
Rainbow Investments Ltd.	10	271	37,195	271	32,943
Noida Power Company Ltd	10	30,00,000	42,57,25,000	30,00,000	38,46,60,000
Subhrashi Vinimay Private Ltd.	10	90,08,000	10,64,18,013	90,08,000	7,87,29,920
			<b>61,87,65,401</b>		<b>54,79,72,441</b>
<b>1% Redeemable cumulative preference shares, fully paid-up</b>					
Easy Fincorp Ltd.	100	4,75,000	4,75,00,000	4,75,000	4,75,00,000
			<b>4,75,00,000</b>		<b>4,75,00,000</b>
<b>Zero percent interest fully convertible debentures, fully paid-up</b>					
Kutub Properties Private Ltd.	100	2,93,500	2,94,23,375	2,93,500	2,94,23,375
			<b>2,94,23,375</b>		<b>2,94,23,375</b>
<b>Equity shares in Srilankan companies, fully paid-up (face value - LKR)</b>					
Creasy Plantation Management Ltd.	10	60,000	3,85,480	60,000	3,85,480
Lankem Plantations Services Ltd.	10	60,000	3,85,480	60,000	3,85,480
			<b>7,70,960</b>		<b>7,70,960</b>
<b>Total of investments</b>			<b>6,35,48,83,724</b>		<b>7,27,43,30,502</b>

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### 5 Tax assets

Particulars	(In ₹)	
	As at	As at
	March 31, 2019	March 31, 2018
Income tax refund receivable	3,15,062	–
	<b>3,15,062</b>	<b>–</b>

### 6 Cash and cash equivalents

Particulars	(In ₹)	
	As at	As at
	March 31, 2019	March 31, 2018
Balance with banks		
– In current accounts	58,63,166	3,82,93,690
– In deposit accounts	13,18,77,322	10,54,86,087
	<b>13,77,40,488</b>	<b>14,37,79,777</b>

### 7 Short term loans

Particulars	(In ₹)	
	As at	As at
	March 31, 2019	March 31, 2018
<i>Unsecured considered good</i>		
Intercorporate deposits to Fairluck Commercial Company Ltd.	75,00,000	75,00,000
Loans and advances	5,29,39,946	5,29,39,946
Interest accrued on deposits	20,22,441	16,09,940
<i>Unsecured considered doubtful</i>		
Loans and advances	43,25,000	99,35,756
	6,67,87,387	7,19,85,642
Less: Provision for doubtful advances	43,25,000	99,35,756
	<b>6,24,62,387</b>	<b>6,20,49,886</b>

### 8 Other financial assets

Particulars	(In ₹)	
	As at	As at
	March 31, 2019	March 31, 2018
<i>(Unsecured, considered good)</i>		
Receivable against sale of shares	82,81,533	82,81,533
Receivable against redemption of debentures	3,74,45,000	3,74,45,000
	<b>4,57,26,533</b>	<b>4,57,26,533</b>

9 Equity share capital

Particulars	No. of shares	(In ₹)
		Amount
<b>Authorised equity share capital</b>		
As at March 31, 2018	1,85,00,000	18,50,00,000
Increase during the year	–	–
As at March 31, 2019	1,85,00,000	18,50,00,000
<b>Issued, subscribed &amp; paid up equity share capital</b>		
As at March 31, 2018	1,84,55,405	18,45,54,050
Increase during the year	–	–
As at March 31, 2019	1,84,55,405	18,45,54,050

**Terms and rights attached to equity shares**

- 1 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.
- 2 The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors do not propose any dividend during the current year. No dividend was declared in the preceding year.
- 3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 4 The following shareholders hold more than 5% of the share capital of the Company:

**List of shareholders holding more than 5 percent**

Name	March 31, 2019		March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited	44,71,438	24.23%	44,71,438	24.23%
Instant Holdings Limited	16,05,200	8.70%	16,05,200	8.70%
Carnival Investments Ltd	13,63,580	7.39%	13,63,580	7.39%
	<b>74,40,218</b>	<b>40.32%</b>	<b>74,40,218</b>	<b>40.32%</b>

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### 10 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Reserve &amp; surplus</b>		
Capital reserve		
At the beginning of the accounting period	5,00,000	5,00,000
Additions during the year	—	—
At the end of the accounting period	5,00,000	5,00,000
Capital reserve on consolidation		
At the beginning of the year	95,235	95,235
Additions during the year	—	—
At the end of the year	95,235	95,235
Securities premium		
At the beginning of the accounting period	88,73,79,926	88,73,79,926
Additions during the year	—	—
At the end of the accounting period	88,73,79,926	88,73,79,926
General reserve		
At the beginning of the accounting period	43,00,000	43,00,000
Additions during the year	—	—
At the end of the accounting period	<b>43,00,000</b>	<b>43,00,000</b>
Retained earnings		
At the beginning of the year	16,38,25,901	10,63,53,095
Additions during the year	8,98,60,242	5,74,72,806
Balance carried forward	<b>25,36,86,143</b>	<b>16,38,25,901</b>
<b>Other comprehensive income</b>		
Equity instruments through other comprehensive income		
At the beginning of the year	6,29,50,07,426	4,83,00,57,810
Additions during the year	(1,01,50,95,652)	1,46,49,49,616
At the end of the year	5,27,99,11,774	6,29,50,07,426
	<b>6,42,58,73,079</b>	<b>7,35,11,08,488</b>

#### Nature and purpose of reserve

- a. Securities premium is used to record premium received on issues of shares. It is utilised in accordance with provisions of the Act.
- b. General reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares.
- c. Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend. It is utilised in accordance with the provisions of the Act.
- d. Other comprehensive income represents fair value recognition and measurement of equity instruments through other comprehensive income.

11 Earnings per share

Basic and diluted earning per share

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

i. Earnings attributable to equity shareholders (basic and diluted)			(In ₹)
Particulars	For year ended		
	March 31, 2019	March 31, 2018	
Profit for the year, attributable to the equity holders	8,98,60,242	5,74,72,806	
	<b>8,98,60,242</b>	<b>5,74,72,806</b>	
ii. Weighted average number of equity shares (basic and diluted)			
Particulars	For year ended		
	March 31, 2019	March 31, 2018	
Opening balance	1,84,55,405	1,84,55,405	
Effect of fresh issue of shares for cash	-	-	
Weighted average number of equity shares for the year	1,84,55,405	1,84,55,405	
Earning Per Share (EPS)	<b>4.87</b>	<b>3.11</b>	

12 Trade payables

			(In ₹)
Particulars	As at	As at	
	March 31, 2019	March 31, 2018	
Payable to micro and small enterprises	-	-	
Other payables	21,073	18,227	
	<b>21,073</b>	<b>18,227</b>	

Note:

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED Act') which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. On the basis of information and records available with the management, there are no outstanding due to micro and small enterprises as defined in the MSMED Act.

13 Other current liabilities

			(In ₹)
Particulars	As at	As at	
	March 31, 2019	March 31, 2018	
Accrued expenses	3,99,366	2,13,300	
Statutory dues payable	65,186	18,695	
	<b>4,64,552</b>	<b>2,31,995</b>	

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### 14 Current provisions

Particulars	(In ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>Current provisions</b>		
Provision for tax (net of prepaid taxes)	–	2,94,592
	<u>–</u>	<u>2,94,592</u>

### 15 Revenue from operations

Particulars	(In ₹)	
	As at March 31, 2019	As at March 31, 2018
Interest on fixed deposit	88,58,402	65,17,646
Dividend income on long term investments	8,92,13,859	6,26,86,857
	<u>9,80,72,260</u>	<u>6,92,04,503</u>

The RBI vide its letter dated January 29, 2019 has confirmed that the Company is not required to obtain registration as a core investment company. Consequently, the Company has decided to treat its revenue streams, i.e., interest on fixed deposits and dividend as its primary activity and therefore as revenue from operations.

### 16 Employee benefit expenses

Particulars	(In ₹)	
	As at March 31, 2019	As at March 31, 2018
Salaries, wages & allowances	7,93,410	7,86,000
	<u>7,93,410</u>	<u>7,86,000</u>

### 17 Depreciation and ammortisation expenses

Particulars	(In ₹)	
	As at March 31, 2019	As at March 31, 2018
Depreciation on property, plant and equipment	5,36,095	6,13,423
	<u>5,36,095</u>	<u>6,13,423</u>



## STEL HOLDINGS LIMITED

### 18 Other expenses

	(In ₹)	
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Professional & consultancy charges	24,08,834	15,60,130
Payments to auditors (Refer note below)	2,27,740	2,27,740
Directors' sitting fee	2,07,000	1,58,000
Travelling & conveyance	1,91,933	1,53,186
Communication expenses	13,981	1,23,893
Repairs & maintenance for building	6,52,349	13,73,100
Printing & stationery	3,63,549	2,27,384
Rates & taxes	64,299	56,961
Advertisement expenses	2,79,774	2,21,506
Miscellaneous expenses	4,28,808	1,01,820
	<b>48,38,268</b>	<b>42,03,720</b>
Note: Payments to auditors		
<i>In capacity of auditor</i>		
Statutory audit	1,88,800	1,88,800
Limited review	35,400	35,400
<i>In other capacity</i>		
Taxation services	3,540	3,540
	<b>2,27,740</b>	<b>2,27,740</b>

### 19 Provisions & contingencies

	(In ₹)	
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Provision for doubtful advances	–	43,25,000
	<b>–</b>	<b>43,25,000</b>

### 20 Tax expense

	(In ₹)	
	As at	As at
Particulars	March 31, 2019	March 31, 2018
Current income tax	20,44,245	17,10,986
Tax adjustments for previous year	–	92,568
Deferred tax (Refer note below)	–	–
	<b>20,44,245</b>	<b>18,03,554</b>

Note : Deferred tax asset on account of unabsorbed tax losses is not recognized during the year since there is no probable certainty of taxable profits in the foreseeable future which would offset the asset as the Company has mainly one source of income being dividend which is exempt under Income Tax Act, 1961.

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### 21 Disclosure as per Ind AS 24 – Related party disclosures

#### i. Name of related parties

Enterprise under common control	Harrisons Malayalam Ltd. ('HML')
Key managerial personnel	Abraham Itty Ipe, Manager
	Sivarama Neelakantan Krishnan, CFO
	Anant Goenka, Director
	Umang Kanoria, Director
	Sunil Bhandari, Director
	H. C. Dalal, Director
	Prem Kapil, Director
	Kaushik Roy, Director
	Surbhi Singhi, Director (Till December 5, 2018)
	Kusum Dadoo (From February 8, 2019)
	Lakshmi P S, Company Secretary

#### ii. Transactions with related parties

Particulars	March 31, 2019	March 31, 2018
<b>Remuneration to key managerial persons</b>		
– Abraham Itty Ipe	1,20,000	1,20,000
– Sivarama Neelakantan Krishnan, Chief Financial Officer	2,40,000	2,40,000
– Lakshmi P S, Company Secretary	4,33,410	4,26,000
<b>Sitting fees of Directors</b>		
– Anant Goenka	20,000	16,000
– Umang Kanoria	33,000	22,000
– Sunil Bhandari	38,000	28,000
– H. C. Dalal	38,000	28,000
– Prem Kapil	37,000	28,000
– Kaushik Roy	20,000	16,000
– Surbhi Singhi	16,000	20,000
– Kusum Dadoo	5,000	–
<b>Balance Due from / (to) as at the year end</b>		
– HML	-32,997	-41,221

22. Financial instruments

A. Accounting classifications and fair value

As at March 31, 2018

Particulars	Carrying amount			Fair value				
	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Investments								
Quoted shares	6,64,86,63,726	-	-	6,64,86,63,726	6,64,86,63,726	-	-	6,64,86,63,726
Unquoted equity shares	54,87,43,401	-	-	54,87,43,401	-	-	54,87,43,401	54,87,43,401
Preference shares	-	4,75,00,000	-	4,75,00,000	-	-	4,75,00,000	4,75,00,000
Debentures	-	2,94,23,375	-	2,94,23,375	-	-	2,94,23,375	2,94,23,375
	<u>7,19,74,07,127</u>	<u>7,69,23,375</u>	<u>-</u>	<u>7,27,43,30,502</u>	<u>6,64,86,63,726</u>	<u>-</u>	<u>62,56,66,776</u>	<u>7,27,43,30,502</u>
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	14,37,31,309	-	14,37,31,309	-	-	14,37,31,309	14,37,31,309
Loans	-	6,23,02,103	-	6,23,02,103	-	-	6,23,02,103	6,23,02,103
Other financial assets	-	4,57,26,533	-	4,57,26,533	-	-	4,57,26,533	4,57,26,533
	-	<u>25,17,59,945</u>	-	<u>25,17,59,945</u>	-	-	<u>25,17,59,945</u>	<u>25,17,59,945</u>
<b>Financial Liabilities</b>								
Trade payables	-	-	18,227	18,227	-	-	18,227	18,227
	-	-	<u>18,227</u>	<u>18,227</u>	-	-	<u>18,227</u>	<u>18,227</u>

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As at March 31, 2019

Particulars	Carrying amount				Fair value			
	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Investments								
Quoted shares	5,65,84,23,988	-	-	5,65,84,23,988	5,65,84,23,988	-	-	5,65,84,23,988
Unquoted equity shares	61,95,36,361	-	-	61,95,36,361	-	-	61,95,36,361	61,95,36,361
Preference shares	-	4,75,00,000	-	4,75,00,000	-	-	4,75,00,000	4,75,00,000
Debentures	-	2,94,23,375	-	2,94,23,375	-	-	2,94,23,375	2,94,23,375
	6,27,79,60,349	7,69,23,375	-	6,35,48,83,724	5,65,84,23,988	-	69,64,59,736	6,35,48,83,724
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	13,77,40,488	-	13,77,40,488	-	-	13,77,40,488	13,77,40,488
Loans	-	6,24,62,387	-	6,24,62,387	-	-	6,24,62,387	6,24,62,387
Other financial assets	-	4,57,26,533	-	4,57,26,533	-	-	4,57,26,533	4,57,26,533
	-	24,59,29,408	-	24,59,29,408	-	-	24,59,29,408	24,59,29,408
<b>Financial Liabilities</b>								
Trade payables	-	-	21,073	21,073	-	-	21,073	21,073
	-	-	21,073	21,073	-	-	21,073	21,073

### Fair value measurement

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).

The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables are considered to be the same as their fair values, due to their short-term nature

### 23 Segment reporting

The business of the Company mainly comprises of investments, which has been identified as a single reportable segment for the purpose of Ind AS 108 on 'Operating Segments'.

## STEL HOLDINGS LIMITED

### 24 Other disclosures

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Remuneration to key managerial persons</b>		
Contingent liabilities	Nil	Nil
Derivative instruments and unhedged foreign currency exposure	Nil	Nil
Value of imports calculated on CIF basis	Nil	Nil
Expenditure in foreign currency (accrual basis)	Nil	Nil
Net dividend remitted in foreign exchange	Nil	Nil
Earnings in foreign currency (accrual basis)	Nil	Nil

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants  
(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

Partner  
Membership No. 218068

Kolkata  
May 24, 2019

For and on behalf of the board of directors of  
**STEL Holdings Ltd.**

**Sunil Bhandari**

Director  
DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**

Director  
DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer

**STEL Holdings Limited**

CIN: L65993KL1990PLC005811

Regd Office: 24/1624, Bristow Road, Willingdon Island, Cochin – 682003

Email: secretarial@stelholdings.com Website: www.stelholdings.com

Phone: 0484 6624335 Fax: 0484 - 2668024

**(Form No. MGT – 11)**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

E-mail ID :

Folio No./DP ID and Client ID :

Name and Address of the Shareholder(s) :

I/We, being the member(s) holding ..... shares of the above named company, hereby appoint

(1) Name ..... Address.....

Email-id..... Signature..... or failing him/her

(2) Name ..... Address.....

Email-id..... Signature..... or failing him/her

(3) Name ..... Address.....

Email-id..... Signature..... or failing him/her

as my / our Proxy to attend and vote (on a Poll) for me / us on my /our behalf at the 29th Annual General Meeting of the Company to be held on Friday, September 06, 2019 at 02.00 P.M. at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin-682016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS
<b>Ordinary Business</b>	
1	Adoption of Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2019 and Reports of the Board of Directors and Auditors' thereon.
2	Appointment of a Director in place of Mr. Anant Vardhan Goenka (DIN: 02089850) who retires by rotation and being eligible offers himself for re-appointment
<b>Special Business</b>	
3	Appointment of Ms. Kusum Dadoo ( DIN : 06967827) as an Independent Director
4	Re-Appointment of Mr. H.C Dalal (DIN: 00206232) as an Independent Non-Executive Director.
5	Re-Appointment of Mr. Prem Kapil (DIN : 06921601) as an Independent Non-Executive Director.
6	Re-Appointment of Mr. Umang Kanoria (DIN : 00081108) as an Independent Non-Executive Director.

Signed this ..... day of ..... 2019

Signature of Shareholder(s).....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

Notes:

1. This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the various items of business, please refer to the Notice of the 29th Annual General Meeting.
3. A member may vote either **for** or **against** each resolution

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