

# **STEL Holdings Limited**

**ANNUAL REPORT 2012-2013**

**Board of Directors**

Sanjiv Goenka  
Anant Vardhan Goenka  
P. K. Chowdhary (resigned on 03.05.2013)  
Umang Kanoria  
Sunil Bhandari  
H. C. Dalal (w.e.f. 30.05.2013)  
T. Elavia (appointed on 30.05.2013)  
(expired on 18.08.2013)

**Manager**

Abraham Itty Ipe

**Company Secretary**

Mithun B. Shenoy

**Registered Office**

24/1624, Bristow Road,  
Willingdon Island, Cochin – 682003  
**Ph:** 0484 2668023, 6624335  
**Email:** secretarial@stelholdings.com

**Auditors**

G. Joseph & Associates  
Chartered Accountants  
37/2036 –A2, Muttathil Lane,  
Kadavanthra,  
Cochin - 682020

**Bankers**

ICICI Bank  
HDFC Bank

**Registrar and Share Transfer Agent**

Link Intime India Private Limited  
Surya, 35, Mayflower Avenue,  
Behind Senthil Nagar,  
Sowripalayam Road,  
Coimbatore – 641 028  
**Ph:** 0422-2314792, 2315792  
**Email:** coimbatore@linkintime.co.in

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## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held at 10.30 A.M. on Monday, September 30, 2013 at Merchant Navy Officers' and Seamen's Association (MNC), No. 336, Bristow Road, Willingdon Island, Cochin – 682003, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors.
2. To appoint a Director in place of Mr. Umang Kanoria who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. Sunil Bhandari who retires by rotation and is eligible for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Section 31 and all other applicable provisions, if any of the Companies Act, 1956 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to alter the Articles of Association of the Company by substituting the existing Article 15 of the Articles of Association of the Company with the following:

“Article 15

Each Director of the Company other than a Managing Director or Whole Time Director shall be entitled to receive out of the funds of the Company for his services in attending each meeting of the Board or a Committee of the Board such fee as may be from time to time be determined by the Board subject to such provisions as may from time to time be prescribed by the Central Government under the Act and applicable to the Company. Directors shall be entitled to be paid all fees for filing documents which they may be required to file under the Act and shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending at Board and Committee Meetings or otherwise incurred in the execution of their duties as Directors.”

By Order of the Board of Directors

**Mithun B. Shenoy**  
Company Secretary

August 14, 2013

#### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 14, 2013 to September 30, 2013 (both days inclusive).
4. Members holding shares in electronic form are hereby informed that the Company or its Registrar and Share Transfer Agent cannot act on any request received directly from them in respect of change of address or bank mandate. Such request for change is to be communicated to their Depository Participant who shall make the necessary change.

## STEL Holdings Limited

5. Members holding shares in physical form are requested to notify the change, if any, in their address or bank mandate to the Company's Registrar and Share Transfer Agent M/s. Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028. Phone: 0422-2314792. Email id: coimbatore@linkintime.co.in
6. 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, which is annexed to the Proxy Form. Members are requested to affix their signature at the place provided on the Attendance Slip and hand it over at the entrance.
7. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
8. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip to facilitate identification of membership at the meeting.

### EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

#### Item No. 5:

The sitting fee of Rs. 250 as provided in the Article 15 of the Articles of Association of the Company is extremely inadequate considering the amount of work carried out by the directors and the responsibility attached to them. Board of Directors at its meeting held on August 14, 2013 decided to seek the approval of the members in the ensuing Annual General Meeting to amend the Articles of Association.

Accordingly your Directors recommend the resolution set out in Item No. 5 of the Notice for your approval.

All the Non-Executive Directors of the Company are concerned or interested in this resolution, to the extent of their sitting fee.

#### Important Communication - Support Green Initiative

The Ministry of Corporate Affairs, New Delhi ('MCA') has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by companies vide its Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011 and clarified that the service of documents by a Company can be made through electronic mode instead of sending the physical copy of the document(s) to its shareholders.

Keeping in view the underlying theme and the circulars issued by MCA, we have been sending all communications/ documents including the Notice calling the Annual General Meeting, audited financial statements, directors' report, auditors' report etc. via electronic mode to the shareholders who have shared their e-mail id with Company. Share holders who have not yet registered their email id, we request them to register their e-mail id with

- i. the concerned Depository Participant (DP) (In case, the shares are held in Demat form)
- ii. the Registrar and Transfer Agent (RTA) viz., Link Intime India Private Limited, Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028 (In case, the shares are held in physical form) by sending a request letter duly signed by the First/ Sole shareholder.

We are sure you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives.

## Directors' Report

Your Directors have pleasure in presenting the 23rd Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2013.

### 1. Financial Highlights

The income of the Company consisted of dividend income. The net profit after tax was Rs. 187.22 lakhs.

	(Rs.Lacs)	
Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Total Income	258.85	211.27
Profit before Tax	186.61	166.72
Provision for Taxation	(0.61)	0.61
Profit after Tax	187.22	166.11
Surplus brought forward from the previous year	516.38	350.27
Surplus carried to the Balance Sheet	703.60	516.38

### 2. Dividend

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended March 31, 2013, in order to conserve the resources for the future years.

### 3. Operations of the Company

All investments are in Companies and dividends are the main source of income for the Company. During the financial year ended March 31, 2013, your Company earned a total income of Rs. 258.85 lakhs (Previous Year: Rs. 211.27 lakhs) and earned profit of Rs. 187.22 lakhs (Previous Year: Rs. 166.11 lakhs)

### 4. Subsidiary Company

As on March 31, 2013, the Company has one 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 for the year 2012-13 forms part of this Annual Report.

### 5. Fixed Deposit

The Company has not accepted any deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.

### 6. Directors

Mr. P. K. Chowdhary, Director resigned from the Board of Directors of the Company with effect from May 3, 2013. The Board places on record its appreciation of valuable contribution by Mr. Chowdhary. In the casual vacancy caused by the resignation of Mr. Chowdhary, Mr. H. C. Dalal was appointed as Director of the Company with effect from May 30, 2013, in terms of the provisions of Section 262 of the Companies Act, 1956 and Article 16 of Articles of Association of the Company. Mr. Dalal would hold office till September 2014.

Mr. T. Elavia was appointed as an Additional Director with effect from May 30, 2013 by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 11 of Articles of Association of the Company. He holds office up to the date of this Annual General Meeting. Mr. Elavia is not seeking re-appointment.

Mr. Umang Kanoria and Mr. Sunil Bhandari retire by rotation in the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

## 7. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo

The Additional information required under provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Report is reproduced herewith:

(a) Conservation of energy and technology absorption:

As the Company's main business is holding shares 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 used : Nil

Total foreign exchange earned : Nil

## 8. Particulars of Employees

During the year under report, none of the employees, throughout the year or part of the year were in receipt of remuneration upto or in excess of the sums as prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## 9. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors report that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there was no material departure from the accounting standards.
- Accounting policies have been selected and applied consistently and that the judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profits of the Company for such period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- The annual accounts have been prepared on a going concern basis.

## 10. Corporate Governance

The Company has complied with the mandatory provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is given in Annexure to the Annual Report.

## 11. Auditors

Messrs G. Joseph & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The requisite certificate as per Section 224(1B) of the Companies Act, 1956 has been received by the Company.

## 12. 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, during the year under the report.

For and on behalf of the Board of Directors

**Sunil Bhandari**  
Director

**Umang Kanoria**  
Director

Kolkata  
August 14, 2013

## Corporate Governance Report

### 1. Philosophy on Code of Governance

The Securities and Exchange Board of India (SEBI) has prescribed a set of standards on corporate governance for the listed companies. Corporate Governance is the best business practices to ensure 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.

### 2. Board of Directors

The Board is composed of Non-executive and Independent Directors which is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges, in which the Company's shares are listed.

#### a. Composition of Board of Directors as on March 31, 2013

Name of the Director	Executive / Non-Executive	No. of Outside Directorships*	Total No. of Committee memberships in other Companies	Total No. of Committee Chairmanships in other Companies**	No. of shares held
Mr. Sanjiv Goenka	Non- Executive	12	3	2	35000
Mr. Anant Goenka	Non- Executive	6	1	-	-
Mr. P. K. Chowdhary	Non- Executive & Independent	5	2	-	-
Mr. Umang Kanoria	Non- Executive & Independent	7	2	-	-
Mr. Sunil Bhandari	Non- Executive	12	-	-	-

\* Excludes Directorships in Indian Private Limited Companies, Foreign Companies and Alternate Directorships

\*\* Represents Memberships/ Chairmanships of Audit Committee and Investor Grievance Committee.

# Mr. P. K. Chowdhary resigned from the Board with effect from May 3, 2013. Mr. H. C. Dalal was appointed as Director of the Company with effect from May 30, 2013 in the casual vacancy caused by the resignation of Mr. Chowdhary. Mr. Elavia was appointed as an Additional Director on the Board w.e.f. May 30, 2013.

#### b. Board Procedure

The Board of Directors meets at least once in a quarter to consider among other business, the quarterly performance of the Company and financial results. Four (4) Board Meetings were held during the financial year 2012 - 13 on May 23, 2012, August 14, 2012, November 9, 2012 and February 8, 2013.

The attendance of each Director at the Board Meeting and the last AGM is as given below:

Name of the Director	Number of Board Meetings attended	Attendance at last AGM
Mr. Sanjiv Goenka	-	-
Mr. Anant Goenka	-	-
Mr. P. K. Chowdhary	-	-
Mr. Umang Kanoria	4	-
Mr. Sunil Bhandari	4	Yes



**c. Code of Conduct**

The Board has laid down a Code of Conduct for all Board members of the Company which is posted on the website of the Company.

All Board members have affirmed compliance with the Code of Conduct. A declaration to this effect signed by one of the Directors, forms part of this Annual Report.

**3. Committees of the Board**

**a. Audit Committee**

Audit Committee comprises of Three Directors. The terms of reference of the Audit Committee cover all applicable matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

Audit Committee Meetings were held on May 23, 2012, August 14, 2012, November 9, 2012 and February 8, 2013. The Company Secretary acts as the Secretary to the Audit Committee.

The Composition of Audit Committee and attendance of each of the members are as below:

Composition	Umang Kanoria	Sunil Bhandari	P K Chowdhary
No. of Meeting attended	4	4	-

Consequent to the resignation of Mr. P. K. Chowdhary, Mr. H. C. Dalal has been inducted into the Committee w.e.f. May 30, 2013.

**b. Investors' Grievance Committee**

The Investor Grievance Committee oversees the redressal of Investors' complaints relating to share transfers/ transmission, non-receipt of Annual reports etc. This Committee consists of 2 Directors and the Manager.

The Company Secretary is the Compliance Officer of the Investors' Grievance Committee.

Investor Grievance Committee meeting was held on February 8, 2013. The attendance of each of the members is as below:

Composition	Umang Kanoria	Sunil Bhandari	P K Chowdhary
No. of Meetings attended	1	1	-

Consequent to resignation of Mr. P. K. Chowdhary, Mr. Abraham Itty Ipe, Manager has been inducted to the Committee w.e.f. May 30, 2013

Status of investor complaints is as below:

No. of investor queries/ complaints received from April 01, 2012 to March 31, 2013	No. of complaints pending at the end of the financial year
2	Nil

There was no pending investor complaint pertaining to the financial year March 31, 2013.

**c. Share Transfer Committee**

The Board has delegated the powers relating to the approval of share transfers to a committee which includes the Manager, the Company Secretary and an Authorised Signatory. The Committee generally meets at least once in a fortnight. To ensure compliance with SEBI Circular No.CIR/MIRSD/8/2012 dated 8th July, 2012, which is effective from October 1, 2012, the members of the share transfer committee meets on a weekly basis for approval of the share transfers by the Company thus ensuring smooth processing and completion of dispatch of the share certificates within 15 days from the lodgment of the share transfer documents. During the financial year 2012-13, Thirty Four (34) meetings were held.

## 4. Remuneration of Directors

None of the Directors of the Company are paid any sitting fees or any salary.

## 5. Annual General Meetings

Location, date and time of the Annual General Meetings held in the last 3 years.

Sl.No.	AGM	Year	Date	Time	Location
1	22nd	2012	24.09.2012	10.30 AM	Merchant Navy Officers' and Seamen's Association (MNC), No.336, Bristow Road, Willingdon Island, Cochin -682003
2	21st	2011	26.09.2011	10.30 AM	Merchant Navy Officers' and Seamen's Association (MNC), No.336, Bristow Road, Willingdon Island, Cochin -682003
3	20th	2010	30.12.2010	10.00 AM	Durbar Hall, Casino Hotel Willingdon Island Cochin – 682003

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

No Special Resolution was passed in the past 3 Annual General Meetings.

### Postal Ballot

During the financial year 2012-13, no Resolution was passed through the Postal Ballot. However during the year 2013-14, the approval of shareholders was obtained through Postal Ballot for one Special Resolution pertaining to the shifting of Registered Office of the Company from the State of Kerala to the State of Maharashtra.

The Company complied with the procedure for the postal ballot in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and the amendments thereto. Mr. Jayan K., Partner, SVJS & Associates, Companies Secretaries, Padmam Apartments, Manikkath Road, Ravipuram, Cochin 682 016 was the scrutinizer for the conduct of the Postal Ballot. The details of the resolution passed is as under.

Sl. No.	Last date for despatch of Postal Ballot Forms to the shareholders	Date of passing of resolution	Type of resolution
1	June 10, 2013	July 16, 2013	Special

## 6. Disclosures

There were no materially significant related party transactions during 2012-13 having conflict with the interest of the Company.

The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges and the regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authority on matters relating to capital markets during the last three years.

### Risk Management

The Company has laid down procedures to inform the Board members about risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through the means of a properly defined framework.

### Certificate from CEO/CFO

Certificate from Mr. Abraham Itty Ipe, Manager in terms of Clause 49 (V) of the Listing Agreement with the Stock Exchanges for the financial year ended March 31, 2013 has been submitted to the Board of Directors in its meeting held on May 30, 2013.

### Whistle Blower Policy

The Company has not established any formal Whistle Blower Policy.

### Disclosure under Clause 5A II of the Listing Agreement in respect of unclaimed shares:

The Securities and Exchange Board of India (SEBI) vide its circular no. CIR/CFD/DIL/10/2010 dated December 16, 2010, inserted new Clause 5A II containing uniform procedure for dealing with unclaimed shares. As on March 31, 2013, the total unclaimed equity shares were 200156.

## STEL Holdings Limited

Pursuant to the said Clause, the Company sent the first reminder on March 23, 2013 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 into one folio in the name of “Unclaimed Suspense Account” in demat mode. The second reminder was sent on July 18, 2013 and third reminder would be sent in due course.

### 7. Means of Communication

#### I. Quarterly Results:

The Quarterly, Half-yearly and Yearly financial results of the Company are sent to stock exchanges on which the Company’s shares are listed and also posted on the Company’s website. The results are also published in one English newspaper having national circulation and one Malayalam Newspaper.

#### II. Newspapers wherein results are normally published:

- A. Business Standard (English)
- B. Deshabhimani (Malayalam)

#### III. The company’s website: [www.stelholdings.com](http://www.stelholdings.com)

### 8. Management Discussion & Analysis Report:

The Management Discussion and Analysis Report forms part of the Annual Report.

### 9. General Shareholders’ Information

#### i. Annual General meeting

- Date and time : September 30, 2013 at 10.30 A.M.
- Venue : Merchant Navy Officers’ and Seamen’s Association (MNC),  
No. 336, Bristow Road, Willingdon Island, Kochi – 682003

#### ii. Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting of the Company

Name of Director	<b>Mr. Umang Kanoria</b>
Date of Birth	02.11.1959
Qualification	B.Com (Hons.) ACMA, MBA (Switzerland)
Expertise in specific functional areas	Mr. Kanoria is the Chairman and Managing Director of Kanco Enterprises Ltd., Kolkata. He is an Executive Committee Member of the Tea Association of India and a former President of the Indian Chamber of Commerce, Kolkata.
Directorship held in other Companies	<ul style="list-style-type: none"> <li>• Kanco Tea &amp; Industries Limited</li> <li>• Kanco Entreprises Limited</li> <li>• Harrisons Malayalam Limited</li> <li>• Spencer &amp; Company Limited</li> </ul>
Committee Membership in other Companies	<ul style="list-style-type: none"> <li>• Chairman and Member of the share transfer committee of Kanco Enterprises Limited.</li> <li>• Member of Shareholders/Investors Grievance Committee of Kanco Entreprises Limited &amp; Harrisons Malayalam Limited.</li> <li>• Member of Audit Committee of Harrisons Malayalam Limited.</li> <li>• Member of Remuneration Committee of Harrisons Malayalam Limited</li> </ul>
Shareholding in the Company	Nil

Name of Director	<b>Mr. Sunil Bhandari</b>
Date of Birth	22.08.1960
Qualification	B. Com, ACA
Expertise in Specific Functional Areas	Finance Management
Directorship held in other Companies	<ul style="list-style-type: none"> <li>• Crescent Power Limited</li> <li>• Duncan Brothers &amp; Company Limited</li> <li>• Grand Royale Enterprises Limited</li> <li>• Kolkata Metro Networks Limited</li> <li>• Music World Retail Limited</li> <li>• Organised Investments Limited</li> <li>• Rainbow Investments Limited</li> <li>• Sarala Real Estate Limited</li> <li>• Spencer International Hotels Limited</li> <li>• Stylefile Events Limited</li> <li>• Trade Apartments Limited</li> <li>• Universal Industrial Fund Limited</li> </ul>
Committee Membership in other Companies	Nil
Shareholding in the Company	Nil

**iii. Financial Calendar (Tentative)**

Quarter ending June 30, 2013	Second week of August 2013
Quarter ending September 30, 2013	Second week of November 2013
Quarter ending December 31, 2013	Second week of February 2014
Year ending March 31, 2014 (Audited)	Fourth week of May 2014

**iv. Date of Book Closure:** September 14, 2013 – September 30, 2013 (both days inclusive)

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

- Bombay Stock Exchange Ltd., Mumbai (BSE)
- National Stock Exchange of India Ltd., Mumbai (NSE)

Annual Listing Fees as prescribed has been paid to the Stock Exchanges for the financial year 2013-14.

## STEL Holdings Limited

### vi. Market Price Data

Market Price and Volume of the Company's Shares traded in the major stock exchanges where Company's shares are listed during the financial year 2012-13

Year 2012-13	BSE		NSE		Volume (Nos)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	BSE	NSE
April	14.20	11.00	14.25	11.00	89,893	14,99,188
May	14.55	10.18	14.75	10.70	92,059	73,627
June	14.93	11.75	14.55	12.00	50,450	1,18,583
July	15.60	12.25	16.45	11.50	68,268	90,535
August	16.00	13.01	16.05	12.20	94,176	1,51,462
September	15.88	10.62	16.25	12.25	1,02,744	1,17,759
October	16.65	12.20	16.65	12.40	54,628	1,22,678
November	15.00	12.00	14.50	12.00	35,998	64,422
December	14.00	12.01	13.90	12.00	65,125	1,59,654
January	14.98	11.60	15.00	11.50	1,77,070	3,44,666
February	13.40	10.78	12.90	11.00	9,17,145	99,816
March	12.44	9.56	12.45	9.70	30,064	51,011

### vii. Shareholding Pattern as on March 31, 2013

Category	Shares Held (Nos)	% of Holding
Promoter's Holding (Indian and Foreign)	9284056	50.31
Mutual Funds	7160	0.04
Banks, financial Institutions, Insurance Companies and others	36378	0.19
Foreign Institutional Investors	-	-
Non Resident Indian's	120342	0.65
Corporate Bodies, Indian public and NRI's	9007469	48.81
<b>Total</b>	<b>18455405</b>	<b>100.00</b>

### viii. Distribution of Shareholding as on March 31, 2013

Range	No. of Shareholders	No. of Shares held	% of shareholding
1-500	28507	3272546	17.73
501-1000	957	741611	4.02
1001-2000	406	597682	3.24
2001-3000	119	304222	1.65
3001-4000	49	176392	0.96
4001-5000	45	209953	1.14
5001-10000	77	541630	2.93
10001- above	83	12611369	68.33
<b>Totals</b>	<b>30243</b>	<b>18455405</b>	<b>100.00</b>

### **ix. Share Transfer Process**

Share transfers in physical form can be lodged with the Registrar and Transfer Agent of the Company. The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects. The Share Transfer Committee is empowered to approve the share transfers.

### **x. Dematerialisation of Shares**

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services 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, 2013, 13523155 shares of the company, constituting 73.27% were in dematerialized form.

### **xi. Share Transfer Agent**

Link Intime India Private Limited, Coimbatore is the Registrar and Transfer Agent of the Company for physical and electronic segment. The Company records share transfers through Registrar and Transfer Agent. Their address is as given below.

Link Intime India Private Limited  
Surya, 35, Mayflower Avenue, Behind Senthil Nagar,  
Sowripalayam Road, Coimbatore – 641028  
Phone No: 0422 2314792, 2315792 Fax: 0422 2314792  
Email: coimbatore@linkintime.co.in  
Website: www.linkintime.co.in

### **xii. Outstanding GDRs/ADRs/Warrants or any convertible instruments**

There are no GDRs / ADRs or Warrants or any other convertible instruments which are pending for conversion into equity shares.

### **xiii. Address for correspondence**

STEL Holdings Limited  
24/1624, Bristow Road, Willingdon Island,  
Cochin -682003  
Ph: 0484 2668023, 6624335 Fax: 0484 - 2668024  
Email: secretarial@stelholdings.com  
Website: www.stelholdings.com

**DECLARATION - CODE OF CONDUCT**

I, Sunil Bhandari, Director, STEL Holdings Limited declare that all the members of the Board of Directors have, for the year ended March 31, 2013 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchanges.

For **STEL HOLDINGS LIMITED**

**Sunil Bhandari**  
Director

August 14, 2013

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
**The Members**  
**STEL Holdings Limited**

We have examined the compliance of the conditions of Corporate Governance by STEL Holdings Limited (“the Company”), for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to 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

**CS Sivakumar. P**  
Managing Partner  
CP No: 2210

Kochi  
August 12, 2013

## Management Discussion and Analysis Report

### Overview – Financial Performance

Of the total income received by the Company, dividend constitutes the main earnings. The performance of the Company is directly related to the performance of the Investee Companies. The profit after tax at Rs.187.22 lakhs as against Rs.166.11 lakhs in the previous year is 13% higher.

### Industry and Business Overview and Future Outlook

Economic growth in the current financial year decelerated to 5%, it's lowest in a decade. High interest rates, slackening economic activity slowing business and consumer demand combined to decelerate credit growth. The cost of fund has become a major hurdle to availment of credit by the Companies. This may affect the investment and capital expenditure in several sectors.

The Company continues to hold 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 will continue to focus on making long-term strategic investments in various new ventures promoted.

### Opportunities & Threats

The Indian economy is expected to witness steady economic recovery in the medium term on the back of reforms, industrialization and growing urbanization. The Company can also explore other opportunities in the capital market.

The Company's significant investments are in Auto Tyres & Rubber Products, Electric Utilities, Carbon Black, Pharmaceuticals etc. Any adverse impact on the industries in which the Company has made investments will have direct bearing on the performance of the Company. Any slowdown in the growth of Indian economy or any volatility in global financial market, could also adversely affect the business. Moreover, 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

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.

### Internal Control Systems and their Adequacy

Your Company has an effective 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. The Audit Committee appointed by the Board reviews the adequacy and effectiveness of internal controls on regular basis. The audit and Control are as per prevailing Laws and Company Policies.

### Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's outlook, projections, estimates, expectations or predictions may be "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.



## INDEPENDENT AUDITORS' REPORT

To,  
The Members  
STEL Holdings Limited, Cochin

We have audited the accompanying financial statements of M/s.STEL Holdings Limited ("the Company") which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit & Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2013;
- b. in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
  - b. in our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - c. the Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;.
  - e. On the basis of written representation received from directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For G. Joseph & Associates**, Chartered Accountants  
Firm Regn No. 006310S

**Reuben Joseph**, Partner  
Membership No. 216884

Kolkata  
May 30, 2013

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of STEL Holdings Limited on the accounts of the Company for the year ended March 31, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (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. The Company has not disposed off substantial part of its fixed assets during the year.
- (ii) The Company does not have any inventories. Therefore, the provisions of clauses (ii)(a) to (ii)(c) of paragraph 4 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, or other parties listed in the register maintained Section 301 of the Companies Act 1956. Consequently, the provisions of clauses (iii)(b), (iii)(c) & (iii)(d) of the Order are not applicable to the Company.

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 taken any loans, secured or unsecured from companies, firms, or other parties, listed in the register maintained under Section 301 of the Companies Act, 1956. Thus clauses (iii)(f) & (iii)(g) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and nature of its business, for the purchase of inventories and fixed assets and payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls have been noticed.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts and arrangements referred to in section 301 of the Companies Act, 1956 during the year that need to be entered in the register maintained under that section. Accordingly, Clause (v) (b) of the paragraph 4 of the Order is not applicable to the Company for the current year.
- (vi) The Company has not accepted any deposit from the public covered under section 58A and 58AA of the Companies Act, 1956.
- (vii) As per information and explanations given by the management, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The provisions regarding maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company.
- (ix) a. According to the information and explanations provided to us, the Company was regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Service tax, Customs duty, Excise duty, cess and other material statutory dues, applicable to it, except for delays in remittance tax deducted at source. According to the information and explanations given to us there were no outstanding statutory dues as on March 31, 2013 for a period of more than six months from the date they became payable except for fringe benefit tax aggregating to Rs. 28,560
  - b. According to the information & explanations given to us, there is no amounts payable in respect of income tax, wealth tax, Service tax, Sales tax, Customs duty & Excise duty which have not been deposited on account of any disputes.
- (x) The Company has no accumulated losses. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

## STEL Holdings Limited

- (xi) As per the information and explanations given to us, the Company has not availed any loans from banks or financial institutions or through debentures.
- (xii) According to the information and explanation given to us, the Company has not granted loans and advance on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) The Company is not a Chit Fund or Nidhi / Mutual Benefit Fund/Society. Therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (xiv) In our opinion and according to the explanations given to us, the Company is not a dealer or trader in securities.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by a company from banks by pledging investments costing Rs. 353,811,639/- and we are of the opinion that the guarantee given is not prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, the Company has not obtained any term loans.
- (xvii) Based on the information & explanations given to us and on an overall examination of the balance sheet of the Company as at March 31, 2013, we report that no funds raised on short term basis have been used for long term investment by the Company.
- (xviii) 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 of shares during the year.
- (xix) The Company has no outstanding debentures during the period under audit.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based on the audit procedures performed and the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For G. Joseph & Associates**

Chartered Accountants  
Firm Regn. No. 006310S

**Reuben Joseph**

Partner  
Membership No. 216884

Kolkata  
May 30, 2013

## Balance Sheet as at March 31, 2013

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	As at March 31, 2013	As at March 31, 2012
<b>I. Equity &amp; liabilities</b>			
<b>1 Shareholders' funds</b>			
a. Share capital	3	184554050	184554050
b. Reserves & surplus	4	962540508	943818253
<b>2 Non-current liabilities</b>			
a. Long term borrowings	5	40000	40000
<b>3 Current liabilities</b>			
a. Trade payables	7	446259	5260460
b. Other current liabilities	8	20423	48927
c. Short term provisions	6	28560	5944401
		1147629800	1139666091
<b>II. Assets</b>			
<b>1 Non-current assets</b>			
a. Fixed assets - tangible assets	9	12507198	13174844
b. Non-current investments	10	972216190	950495744
c. Long-term loans & advances	12	42900	42900
<b>2 Current assets</b>			
a. Cash & bank balances	13	27394480	19676689
b. Short-term loans & advances	12	24452078	54291789
c. Other current assets	14	111016954	101984125
		1147629800	1139666091
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

**For G. Joseph & Associates**  
Chartered Accountants  
(Firm Regn. No. 006310S)

**Reuben Joseph**  
Partner  
Membership No. 216884

Place : Kolkata  
Date : May 30, 2013

For and on behalf of the Board of Directors of  
**STEL Holdings Limited**

**Umang Kanoria**  
Director

**Sunil Bhandari**  
Director

**Abraham Itty Ipe**  
Manager

**Mithun B. Shenoy**  
Company Secretary

## STEL Holdings Limited

### Statement of profit and loss for the year ended March 31, 2013

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	For year ended March 31, 2013	For year ended March 31, 2012
<b>I. Income</b>			
1 Revenue from operations	15	4189770	0
2 Other income	16	21695674	21127091
		<b>25885444</b>	21127091
<b>II. Expenses</b>			
1 Purchases of stock-in-trade	17	3974750	0
2 Employee benefits expense	18	388746	272096
3 Depreciation	9	667646	997049
4 Other expenses	19	2192887	3185736
		<b>7224029</b>	4454881
<b>III. Profit before tax and exceptional items</b>		<b>18661415</b>	16672211
<b>IV. Tax expense</b>	20		
1 Income tax		-60841	60841
<b>V. Profit for the year</b>		<b>18722256</b>	16611370
<b>VI. Earnings per equity share</b>	21		
[Equity shares of par value of Rs. 10/- each (2012 - Rs. 10/-)]			
1 Basic		1.01	0.90
2 Diluted		1.01	0.90
Number of shares used in computing earnings per share			
1 Basic		18455405	18455405
2 Diluted		18455405	18455405
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

**For G. Joseph & Associates**  
Chartered Accountants  
(Firm Regn. No. 006310S)

For and on behalf of the Board of Directors of  
**STEL Holdings Limited**

**Reuben Joseph**  
Partner  
Membership No. 216884

**Umang Kanoria**  
Director

**Abraham Itty Ipe**  
Manager

**Sunil Bhandari**  
Director

**Mithun B. Shenoy**  
Company Secretary

Place : Kolkata  
Date : May 30, 2013

## Cash Flow Statement for the Year Ended March 31, 2013

(Amount in Rs.)

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
<b>Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>18,661,415</b>	16,672,211
Adjustments for:		
Depreciation	<b>667,646</b>	997,049
Income from investments	<b>(20,234,685)</b>	(21,094,543)
Interest on fixed deposits	<b>(1,460,989)</b>	(32,549)
<b>Operating profit before working capital changes</b>	<b>(2,366,613)</b>	(3,457,832)
Movement in working capital:		
(Increase) / decrease in trade and other receivables	-	(6,649)
Increase / (decrease) in trade payables	<b>(4,842,704)</b>	1,821,024
Increase / (decrease) in provisions	-	89,401
<b>Cash generated from operations</b>	<b>(7,209,317)</b>	(1,554,055)
Income tax paid	-	-
<b>Net cash from operating activities</b>	<b>(7,209,317)</b>	(1,554,055)
<b>Cash flow from investing activities</b>		
Proceeds from sale of investments	<b>29,088,416</b>	470,000
Purchase of fixed assets (payments against capital commitments)	<b>(5,855,003)</b>	-
Interest received	<b>1,460,989</b>	32,549
Purchase of investments	<b>(30,000,000)</b>	-
Dividend received	<b>20,232,705</b>	19,607,751
<b>Net cash from investing activities</b>	<b>14,927,107</b>	20,110,300
<b>Cash flow from financing activities</b>		
<b>Net cash from financing activities</b>	-	-
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>7,717,789</b>	18,556,244
Cash & cash equivalents at the beginning of the year	<b>19,676,690</b>	1,120,446
Cash & cash equivalents at the close of the year	<b>27,394,480</b>	19,676,690
<b>Components of cash &amp; cash equivalents as at</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Balance with banks: as per Note No. 13		
- in current accounts	<b>1,844,480</b>	19,626,689
- in deposit accounts	<b>25,550,000</b>	50,000
	<b>27,394,480</b>	19,676,689

As per our report of even date

**For G. Joseph & Associates**  
Chartered Accountants  
(Firm Regn. No. 006310S)

For and on behalf of the Board of Directors of  
**STEL Holdings Limited**

**Reuben Joseph**  
Partner  
Membership No. 216884

**Umang Kanoria**  
Director

**Abraham Itty Ipe**  
Manager

**Sunil Bhandari**  
Director

**Mithun B. Shenoy**  
Company Secretary

Place : Kolkata  
Date : May 30, 2013

Notes to financial statements for the year ended March 31, 2013

**1 Corporate Information**

**STEL Holdings Limited** (the “Company”) is a company registered under the Indian Companies Act, 1956 and is listed on the Bombay Stock Exchange and National Stock Exchange. The Company is the business of investments. The Company is in the process of applying to the Reserve Bank of India for registration as a Core Investment Company.

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been applied by the Company are consistent with those used in the previous period.

**2.2 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

**2.3 Tangible fixed assets**

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.

**2.4 Depreciation on tangible fixed assets**

Depreciation is provided on Written Down Value method at the rate specified in Schedule XIV of the Companies Act, 1956.

**2.5 Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**2.6 Investments**

Long Term investments are stated at cost and provision for diminution is made, if the decline in value is other than temporary in nature as required under AS 13. Pre-acquisition dividends received are reduced from the cost of investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

**2.7 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.

## 2.8 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.

## 2.9 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.

## 2.10 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## 2.11 Taxes on Income

Provision for current tax is made based on the liabilities computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for the timing differences arising between the taxable income and accounting income computed at the rates enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only if there is a reasonable / virtual certainty that they will be realized in the foreseeable future and are reviewed for appropriateness of their respective carrying values at each balance sheet date.

## 3 Share capital

Particulars	(Amount in Rs.)			
	As at March 31, 2013	As at March 31, 2012		
<b>Authorised Capital</b>				
18,500,000 (2012 - 18,500,000) Equity shares of Rs 10/- each	<b>185,000,000</b>	185,000,000		
<b>Issued, Subscribed and Paid up</b>				
18,455,405 (2012 - 18,455,405) Equity shares of Rs. 10/- Each	<b>184,554,050</b>	184,554,050		
<b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period	<b>18,455,405</b>	<b>184,554,050</b>	18,455,405	184,554,050
Issued during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the period	<b>18,455,405</b>	<b>184,554,050</b>	18,455,405	184,554,050



## STEL Holdings Limited

### 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 Company declares and pays dividends in Indian rupees. 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.

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.

### Aggregate number of shares issued for consideration other than cash during the five years immediately preceding the reporting date

Particulars	As at March 31, 2013	As at March 31, 2012
Shares are allotted as fully paid-up pursuant to a scheme of amalgamation without payments being received in cash	18,455,405	18,455,405

### List of shareholders holding more than 5% shares in the Company

Names	March 31, 2013		March 31, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Malayalam Plantations (Holdings) Ltd	3,640,000	19.72%	3,640,000	19.72%
Instant Holdings Limited	1,605,200	8.70%	1,605,200	8.70%
Carnival Investments Ltd	1,319,800	7.15%	-	-
Universal Industrial Fund Ltd	508,558	2.75%	1,221,713	6.62%

## 4 Reserves & surplus

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Capital reserve</b>		
At the beginning of the accounting period	500,000	500,000
Additions during the year	-	-
At the end of the accounting period	500,000	500,000

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Securities premium</b>		
At the beginning of the accounting period	887,379,926	887,379,926
Additions during the year	-	-
At the end of the accounting period	887,379,926	887,379,926

<b>General reserve</b>		
At the beginning of the accounting period	4,300,000	4,300,000
Additions during the year	-	-
At the end of the accounting period	4,300,000	4,300,000

<b>Surplus in the statement of profit &amp; loss</b>		
At the beginning of the accounting period	51,638,327	35,026,958
Profit for the year	18,722,256	16,611,369
Balance carried forward	70,360,582	51,638,327
<b>Total reserves &amp; surplus</b>	<b>962,540,508</b>	<b>943,818,253</b>

5 Long term borrowings	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<b>Particulars</b>				
<b>Unsecured borrowings</b>				
Loan from Offshore India Ltd.	40,000	40,000	-	-
	<b>40,000</b>	<b>40,000</b>	<b>-</b>	<b>-</b>

Note:

The Company has availed interest free unsecured loans from Offshore India Ltd. The terms of repayment have not been prescribed and the loans are said to be repayable on demand. However, the Company does not expect to repay the loans within the next 12 months.

6 Provisions	Long term		Short term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<b>Particulars</b>				
Provision for income tax and fringe benefit tax	-	-	28,560	89,401
Provision for building tax	-	-	-	5,855,000
	<b>-</b>	<b>-</b>	<b>28,560</b>	<b>5,944,401</b>

7 Trade payables	As at	As at
	March 31, 2013	March 31, 2012
<b>Particulars</b>		
Trade payables (Refer Note No. 25 for details of dues to micro, small and medium enterprises)	446,259	5,260,460
	<b>446,259</b>	<b>5,260,460</b>

8 Other current liabilities	As at	As at
	March 31, 2013	March 31, 2012
<b>Particulars</b>		
Statutory dues	20,423	48,928
	<b>20,423</b>	<b>48,928</b>

## 9 Fixed assets & depreciation

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount		
	As at April 1, 2012	Additions	Deletions	As at March 31, 2013	As at April 1, 2012	For the Period	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>A. Tangible Assets</b>									
Buildings	14,872,669	-	-	14,872,669	1,797,752	653,746	2,451,497	12,421,172	13,074,917
Plant & equipment	403,390	-	-	403,390	303,464	13,900	317,364	86,026	99,927
Total	15,276,059	-	-	15,276,059	2,101,215	667,646	2,768,861	12,507,198	13,174,844
Previous Year	9,421,059	5,855,000	-	15,276,059	1,104,166	997,049	2,101,215	13,174,844	8,316,893

## STEL Holdings Limited

### 10. Non Current Investments

Description	Face Value (Rs/-)	As at March 31, 2013		As at March 31, 2012	
		Holdings (Nos)	Amount	Holdings (Nos)	Amount
<b>Long Term Investments</b>					
<b>Quoted Equity Shares, fully paid-up</b>					
Ceat Ltd.	10	1,372,835	51,004,610	1,372,835	51,004,610
Phillips Carbon Black Ltd.	10	90,383	3,253,788	90,383	3,253,788
KEC International Ltd.	2	4,685,880	147,340,257	4,685,880	147,340,257
CESC Ltd. *	10	2,493,470	543,332,561	2,493,470	543,332,561
Capital Financial Services Ltd.	10	47,664,340	81,506,021	47,664,340	81,506,021
RPG Life Sciences Ltd.	8	502,550	12,287,348	502,550	12,287,348
Summit Securities Ltd.	10	69,815	6,393,315	69,815	6,393,315
SAREGAMA (India) Ltd.	10	160	8,184	160	8,184
<b>Sub-Total : Quoted Investments</b>			<b>845,126,083</b>		<b>845,126,083</b>
<b>Unquoted Equity Shares, fully paid-up in subsidiaries</b>					
Doon Dooars Plantations Ltd.	10	170,000	863,000	170,000	863,000
			<b>863,000</b>		<b>863,000</b>
<b>Unquoted Equity Shares, fully paid-up</b>					
Spencer & Company Ltd.	10	1,199,764	51,708,647	1,199,764	59,988,200
Cochin International Airport Limited	10	500	2,500	500	2,500
Noida Power Company Ltd	10	3,000,000	30,000,000	-	-
			<b>81,711,147</b>		<b>59,990,700</b>
<b>Redeemable Non-Cumulative Preference Shares, fully paid-up</b>					
Universal Industrial Fund Ltd. (12.50%)	100	63,000	6,300,000	63,000	6,300,000
			<b>6,300,000</b>		<b>6,300,000</b>
<b>Zero percent interest Fully Convertible Debentures, fully paid-up</b>					
Off -Shore India Ltd	100	374,450	37,445,000	374,450	37,445,000
			<b>37,445,000</b>		<b>37,445,000</b>
<b>Equity Shares in Srilankan Companies, fully paid-up (face value - LKR)</b>					
Creasy Plantations Management Ltd.	10	60,000	385,480	60,000	385,480
Lankem Plantations Services Ltd.	10	60,000	385,480	60,000	385,480
			<b>770,960</b>		<b>770,960</b>
<b>Total of Investments</b>			<b>972,216,190</b>		<b>950,495,743</b>

Notes:

1. Market value of quoted investments	<b>1,259,450,818</b>	1,248,080,305
2. Book value of quoted investments	<b>845,126,083</b>	845,126,083
3. Book value of unquoted investments	<b>127,090,107</b>	105,369,660

\* Of the above shares 1,623,734 (2012 - 1,623,734) shares are pledged with IDBI Trusteeship Services Limited & for 841,784 (2012 - 841,784) shares, undertaking for non-disposal has been given to ICICI Bank Ltd. (Lender of CESC Ltd.)

**11 Deferred tax**

Deferred tax asset on account of unabsorbed tax losses is not recognized during the year since there is no virtual 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.

**12 Loans & advances**

(Unsecured, considered good)

Particulars	Long term		Short term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Security deposits	42,900	42,900	-	-
Advances recoverable in cash or kind	-	-	4,342,824	12,011,650
Other loans and advances	-	-	19,790,756	42,110,756
Prepaid taxes (net of provision)			318,498	169,383
	<b>42,900</b>	<b>42,900</b>	<b>24,452,078</b>	<b>54,291,789</b>

**13 Cash & bank balances**

Particulars	As at March 31, 2013	As at March 31, 2012
Balances with banks:		
- In current accounts	1,844,480	19,626,689
- In deposit accounts	25,550,000	50,000
	<b>27,394,480</b>	<b>19,676,689</b>

Cash and cash equivalents as on March 31, 2013 include restricted cash and bank balance of Rs. 50,000 (2012 -Rs. 50,000). The restriction is on account of lien being marked on the deposit as the same was given as a security deposit.

**14 Other current assets**

(Unsecured, considered good)

Particulars	As at March 31, 2013	As at March 31, 2012
Receivable against sale of shares	110,265,659	101,984,125
Interest accrued on fixed deposits	751,295	-
	<b>111,016,954</b>	<b>101,984,125</b>

**15 Revenue from operations**

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Sale of rubber sheets	4,189,770	-
	<b>4,189,770</b>	<b>-</b>

**16 Other income**

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Net gain on sale of long term investments	1,980	1,486,792
Dividend income on long term investments	20,232,705	19,607,751
Interest on bank deposits	1,460,989	32,549
	<b>21,695,674</b>	<b>21,127,091</b>

## STEL Holdings Limited

### 17 Purchases of stock-in-trade

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Purchase of rubber sheets	3,974,750	-
	<b>3,974,750</b>	-

### 18 Employee benefits expenses

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Salaries & allowances	388,746	272,097
	<b>388,746</b>	272,097

### 19 Other expenses

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Legal & professional charges	602,960	801,325
Auditors' remuneration (Refer note below)	258,428	249,516
Travelling & conveyance	50,186	37,362
Bank charges	140	3,695
Miscellaneous expenses	62,795	166,805
Communication expenses	203,236	336,943
Repairs & maintenance - building	64,424	-
Printing & stationery	296,579	222,550
Rates & taxes	394,499	306,662
Advertisement expenses	259,640	1,060,878
	<b>2,192,887</b>	3,185,736

#### Notes:

i Payments to the auditors comprises:

a. As auditors		
Statutory audit	150,000	150,000
Limited review	40,000	40,000
Tax audit	10,000	10,000
b. In other capacity		
Taxation services	33,708	5,515
Other services (including service tax)	24,720	44,001
	<b>258,428</b>	249,516

### 20 Taxes on income

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
<b>Current tax</b>		
Current tax expense for current year	-	60,841
Tax expense relating to prior years	(60,841)	-
	<b>(60,841)</b>	60,841

**21 Earnings per equity share**

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
<b>Basic Earnings per Share</b>		
Net profit / (loss) for the year	18,722,256	16,611,370
Weighted average number of equity shares	18,455,405	18,455,405
Par value per share	10	10
Earnings per share - Basic	1.01	0.90
<b>Diluted Earnings per share</b>		
Net profit / (loss) for the year	18,722,256	16,611,370
Weighted average number of equity shares for Basic EPS	18,455,405	18,455,405
Add: Effect of dilutive instruments	-	-
Weighted average number of equity shares - for diluted EPS	18,455,405	18,455,405
Par value per share	10	10
Earnings per share - Diluted	1.01	0.90

**22 Segment Information**

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

**23 Related party transactions**

1 Details of Related Parties:

Description of relationship	Names of related parties
Enterprise under common control	Harrisons Malayalam Ltd. ('HML')
Subsidiary	Doon Dooars Plantations Ltd. ('DDPL')
Key Managerial Personnel	Abraham Itty Ipe

2 Details of related party transactions during the financial year 2012-13 and balances outstanding as at March 31, 2013:

Transactions	March 31, 2013	March 31, 2012
<b>Transactions during the year</b>		
Remuneration to key managerial personnel		
- Abraham Itty Ipe - Manager	60,000	72,097
Balance Due from / (to) as at the year end		
- HML	(74,328)	(4,917,061)
- DDPL	11,174	-

**24 Loans and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested.**

Advance to Universal Industrial Fund Ltd. for purchase of shares	19,790,756	42,110,756
Maximum amount outstanding during the year	19,790,756	42,110,756

## STEL Holdings Limited

### 25 Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.

#### Other disclosures

Particulars	As at	As at
	March 31, 2013	March 31, 2012
26 Contingent liabilities	Nil	Nil
27 Derivative instruments and unhedged foreign currency exposure	Nil	Nil
28 Loans and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested.	Nil	Nil
29 Value of imports calculated on CIF basis	Nil	Nil
30 Expenditure in foreign currency (accrual basis)	Nil	Nil
31 Net dividend remitted in foreign exchange	Nil	Nil
32 Earnings in foreign currency (accrual basis)	Nil	Nil
33 Previous year figures have been regrouped / reclassified wherever necessary to suit current year layout.		

As per our report of even date attached

For **G. Joseph & Associates**

Chartered Accountants

(Firm Regn. No. 006310S)

For and on behalf of the Board of Directors of

**STEL Holdings Limited**

**Reuben Joseph**

Partner

Membership No. 216884

**Umang Kanoria**

Director

**Sunil Bhandari**

Director

**Abraham Itty Ipe**

Manager

**Mithun B. Shenoy**

Company Secretary

Place: Kolkata

Date : May 30, 2013

## Independent Auditors' Report

To  
The Board of Directors  
STEL Holdings Ltd.

We have audited the accompanying consolidated balance sheet of STEL Holdings Ltd ('the Company') and its subsidiary, Doon Doors Plantations Ltd as at March 31, 2013, the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Auditors' opinion

In our opinion and to the best of our information and according to the explanation given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

### For G. Joseph & Associates

Chartered Accountants  
Firm Regn No. 006310S

### Reuben Joseph

Partner  
Membership No. 216884

Kolkata  
May 30, 2013



# STEL Holdings Limited

## Consolidated Balance Sheet as at March 31, 2013

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	As at March 31, 2013	As at March 31, 2012
<b>I. Equity &amp; liabilities</b>			
<b>1 Shareholders' funds</b>			
a. Share capital	3	184,554,050	184,554,050
b. Reserves & surplus	4	962,472,430	943,805,562
<b>2 Non-current liabilities</b>			
a. Long term borrowings	5	40,000	40,000
<b>3 Current liabilities</b>			
a. Trade payables	7	502,959	5,316,541
b. Other current liabilities	8	20,423	48,928
c. Short term provisions	6	28,560	5,944,401
		<b>1,147,618,422</b>	<b>1,139,709,482</b>
<b>II. Assets</b>			
<b>1 Non-current assets</b>			
a. Fixed assets - tangible assets	9	13,335,278	14,046,507
b. Non-current investments	10	971,353,190	949,632,743
c. Long term loans & advances	12	42,900	42,900
<b>2 Current assets</b>			
a. Cash & bank balances	13	27,429,196	19,711,418
b. Short term loans & advances	12	24,440,904	54,291,789
c. Other current assets	14	111,016,954	101,984,125
		<b>1,147,618,422</b>	<b>1,139,709,482</b>
Summary of significant accounting policies	1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

**For G. Joseph & Associates**  
Chartered Accountants  
(Firm Regn. No. 006310S)

**Reuben Joseph**  
Partner  
Membership No. 216884

Place : Kolkata  
Date : May 30, 2013

For and on behalf of the Board of Directors of  
**STEL Holdings Limited**

**Umang Kanoria**  
Director

**Sunil Bhandari**  
Director

**Abraham Itty Ipe**  
Manager

**Mithun B. Shenoy**  
Company Secretary

## Consolidated Statement of profit and loss for the year ended March 31, 2013

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	For year ended March 31, 2013	For year ended March 31, 2012
<b>I. Income</b>			
1 Revenue from operations	15	4,189,770	-
2 Other income	16	21,695,674	21,127,091
		<b>25,885,444</b>	21,127,091
<b>II. Expenses</b>			
1 Purchases of stock-in-trade	17	3,974,750	-
2 Employee benefits expenses	18	388,746	272,097
3 Depreciation	9	711,229	1,042,926
4 Other expenses	19	2,204,692	3,198,785
		<b>7,279,417</b>	4,513,808
<b>III. Profit before tax and exceptional items</b>		<b>18,606,027</b>	16,613,283
<b>IV. Tax expense</b>	20		
1 Income tax		(60,841)	60,841
<b>V. Profit for the year</b>		<b>18,666,868</b>	16,552,442
<b>VI. Earnings per equity share</b>	21		
[Equity shares of par value of Rs. 10/- each (2012 - Rs. 10/-)]			
1 Basic		1.01	0.90
2 Diluted		1.01	0.90
Number of shares used in computing earnings per share			
1 Basic		18,455,405	18,455,405
2 Diluted		18,455,405	18,455,405
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

**For G. Joseph & Associates**  
Chartered Accountants  
(Firm Regn. No. 006310S)

**Reuben Joseph**  
Partner  
Membership No. 216884

Place : Kolkata  
Date : May 30, 2013

For and on behalf of the Board of Directors of  
**STEL Holdings Limited**

**Umang Kanoria**  
Director

**Sunil Bhandari**  
Director

**Abraham Itty Ipe**  
Manager

**Mithun B. Shenoy**  
Company Secretary

# STEL Holdings Limited

## Consolidated Cash Flow Statement for the Year Ended March 31, 2013

(Amount in Rs.)

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
<b>Cash flow from operating activities</b>		
<b>Net profit before tax</b>	18,606,027	16,613,283
Adjustments for:		
Depreciation	711,229	1,042,926
Income from investments	(20,234,685)	(21,094,543)
Interest on fixed deposits	(1,460,989)	(32,549)
<b>Operating profit before working capital changes</b>	<b>(2,378,418)</b>	<b>(3,470,882)</b>
Movement in working capital:		
(Increase) / decrease in trade and other receivables	-	(6,649)
Increase / (decrease) in trade payables	(4,842,087)	1,819,075
Increase / (decrease) in provisions		89,401
<b>Cash generated from operations</b>	<b>(7,220,505)</b>	<b>(1,569,054)</b>
Income tax paid	-	-
<b>Net cash from operating activities</b>	<b>(7,220,505)</b>	<b>(1,569,054)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of investments	29,099,590	470,000
Purchase of fixed assets (payments against capital commitments)	(5,855,001)	
Interest received	1,460,989	32,549
Purchase of investments	(30,000,000)	-
Dividend received	20,232,705	19,607,751
<b>Net cash from investing activities</b>	<b>14,938,283</b>	<b>20,110,300</b>
<b>Cash flow from financing activities</b>		
<b>Net cash from financing activities</b>	-	-
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>7,717,778</b>	<b>18,541,245</b>
Cash & cash equivalents at the beginning of the year	19,711,418	1,170,173
Cash & cash equivalents at the close of the year	<b>27,429,196</b>	<b>19,711,418</b>
<b>Components of cash &amp; cash equivalents as at</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Balance with banks as per Note No. 13		
- in current accounts	1,879,196	19,661,418
- in deposit accounts	25,550,000	50,000
	<b>27,429,196</b>	<b>19,711,418</b>

As per our report of even date

**For G. Joseph & Associates**

Chartered Accountants  
(Firm Regn. No. 006310S)

**Reuben Joseph**

Partner

Membership No. 216884

For and on behalf of the Board of Directors of  
**STEL Holdings Limited**

**Umang Kanoria**

Director

**Abraham Itty Ipe**

Manager

**Sunil Bhandari**

Director

**Mithun B. Shenoy**

Company Secretary

Place : Kolkata

Date : May 30, 2012

## Notes to Consolidated financial statements for the year ended March 31, 2013

### 1 Corporate Information

**STEL Holdings Limited** (the “Company”) is a company registered under the Indian Companies Act, 1956 and is listed on the Bombay Stock Exchange and National Stock Exchange. The Company is the business of investments. The Company is in the process of applying to the Reserve Bank of India for registration as a Core Investment Company.

### 2 Summary of significant accounting policies

#### 2.1 Basis of preparation

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been applied by the Company are consistent with those used in the previous period.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

#### 2.3 Principles of consolidation

Consolidated Financial Statements of STEL Holdings Limited and its subsidiary company are prepared based on line by line consolidation by adding together the book values of the like items of assets, liabilities, income, and expenditure as per audited financial statements of the subsidiary. The consolidated financial statements are drawn up by using accounting policies as disclosed in the notes below and are prepared to the extent possible in the same manner as the Company’s individual financial statements. Inter-company receivables and payables, income and expenses are eliminated. Separate disclosure is made of minority interest. Minority interest represents the minority shareholder’s proportionate share of net assets and income of Company’s subsidiary. The financial statements have been considered for consolidation along with its interest in other Subsidiaries / Associates.

Name of the subsidiary	Country of incorporation	Shareholding	
		2012 - 13	2011 - 12
Doon Dooars Plantations Ltd.	India	100%	100%

The difference between the costs of investments in subsidiary over the book value of the subsidiary’s net assets on the date of acquisition is recognized in the consolidated financial statements as goodwill where there is positive difference and as capital reserve where there the difference is negative.

#### 2.4 Tangible fixed assets

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.

#### 2.5 Depreciation on tangible fixed assets

Depreciation is provided on Written Down Value method at the rate specified in Schedule XIV of the Companies Act, 1956.

## 2.6 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

## 2.7 Investments

Long Term investments are stated at cost and provision for diminution is made, if the decline in value is other than temporary in nature as required under AS 13. Pre-acquisition dividends received are reduced from the cost of investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

## 2.8 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.

## 2.9 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.

## 2.10 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.

## 2.11 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## 2.12 Taxes on Income

Provision for current tax is made based on the liabilities computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for the timing differences arising between the taxable income and accounting income computed at the rates enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only if there is a reasonable / virtual certainty that they will be realized in the foreseeable future and are reviewed for appropriateness of their respective carrying values at each balance sheet date.

**3 Share capital**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Authorised Capital</b>		
18,500,000 (2012 - 18,500,000) Equity shares of Rs 10/- each	<b>185,000,000</b>	185,000,000
<b>Issued, Subscribed and Paid up</b>		
18,455,405 (2012 - 18,455,405) Equity shares of Rs. 10/- Each	<b>184,554,050</b>	184,554,050

**Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period	<b>18,455,405</b>	<b>184,554,050</b>	18,455,405	184,554,050
Issued during the year	<b>Nil</b>	<b>Nil</b>	Nil	Nil
Outstanding at the end of the period	<b>18,455,405</b>	<b>184,554,050</b>	18,455,405	184,554,050

**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 Company declares and pays dividends in Indian rupees. 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.

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.

**Aggregate number of shares issued for consideration other than cash during the five years immediately preceding the reporting date**

Particulars	As at March 31, 2013	As at March 31, 2012
Shares are allotted as fully paid-up pursuant to a scheme of amalgamation without payments being received in cash	<b>18,455,405</b>	18,455,405

**List of shareholders holding more than 5% shares in the Company**

Names	March 31, 2013		March 31, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Malayalam Plantations (Holdings) Ltd	<b>3,640,000</b>	<b>19.72%</b>	3,640,000	19.72%
Instant Holdings Limited	<b>1,605,200</b>	<b>8.70%</b>	1,605,200	8.70%
Carnival Investments Ltd	<b>1,319,800</b>	<b>7.15%</b>	-	-
Universal Industrial Fund Ltd	<b>508,558</b>	<b>2.75%</b>	1,221,713	6.62%

## STEL Holdings Limited

### 4 Reserves & surplus

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Capital reserve</b>		
At the beginning of the accounting period	500,000	500,000
Additions during the year	-	-
At the end of the accounting period	<u>500,000</u>	<u>500,000</u>
<b>Capital reserve on consolidation</b>		
At the beginning of the accounting period	95,235	95,235
Additions during the year	-	-
At the end of the accounting period	<u>95,235</u>	<u>95,235</u>
<b>Securities premium</b>		
At the beginning of the accounting period	887,379,926	887,379,926
Additions during the year	-	-
At the end of the accounting period	<u>887,379,926</u>	<u>887,379,926</u>
<b>General reserve</b>		
At the beginning of the accounting period	4,300,000	4,300,000
Additions during the year	-	-
At the end of the accounting period	<u>4,300,000</u>	<u>4,300,000</u>
<b>Surplus in the statement of profit &amp; loss</b>		
At the beginning of the accounting period	51,530,401	34,977,959
Profit for the year	18,666,868	16,552,442
Balance carried forward	<u>70,197,269</u>	<u>51,530,401</u>
<b>Total reserves &amp; surplus</b>	<u><u>962,472,430</u></u>	<u><u>943,805,562</u></u>

### 5 Long term borrowings

Particulars	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<b>Unsecured borrowings</b>				
Term loan from Offshore India Ltd.	40,000	40,000	-	-
	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>

**Note:**

The Company has availed interest free unsecured loans from Offshore India Ltd. The terms of repayment have not been prescribed and the loans are said to be repayable on demand. However, the Company does not expect to repay the loans within the next 12 months.

6 Provisions	Long term		Short term	
	Particulars	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013
Provision for income tax and fringe benefit tax	-	-	28,560	89,401
Provision for building tax	-	-	-	5,855,000
			<b>28,560</b>	<b>5,944,401</b>

7 Trade payables	Particulars	As at March 31, 2013	As at March 31, 2012
	Trade payables (Refer Note No. 25 for details of dues to micro, small and medium enterprises)	502,959	5,316,542
		<b>502,959</b>	<b>5,316,542</b>

8 Other current liabilities	Particulars	As at March 31, 2013	As at March 31, 2012
	Statutory dues	20,423	48,928
		<b>20,423</b>	<b>48,928</b>

### 9 Fixed assets & depreciation

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount		
	As at April 1, 2012	Additions	Deletions	As at March 31, 2013	As at April 1, 2012	For the Period	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>A. Tangible Assets</b>									
Buildings	16,444,423	-	-	16,444,423	2,497,843	697,329	3,195,172	13,249,251	13,946,580
Plant & equipment	403,390	-	-	403,390	303,464	13,900	317,363	86,027	99,926
Total	16,847,813	-	-	16,847,813	2,801,306	711,229	3,512,535	13,335,278	14,046,507
Previous Year	10,992,813	5,855,000	-	16,847,813	1,758,380	1,042,926	2,801,306	14,046,507	9,234,433



## STEL Holdings Limited

### 10. Non Current Investments

Description	Face Value (Rs/-)	As at March 31, 2013		As at March 31, 2012	
		Holdings (Nos)	Amount	Holdings (Nos)	Amount
<b>Long Term Investments</b>					
<b>Quoted Equity Shares, fully paid-up</b>					
Ceat Ltd.	10	1,372,835	51,004,610	1,372,835	51,004,610
Phillips Carbon Black Ltd.	10	90,383	3,253,788	90,383	3,253,788
KEC International Ltd.	2	4,685,880	147,340,257	4,685,880	147,340,257
CESC Ltd. *	10	2,493,470	543,332,561	2,493,470	543,332,561
Capital Financial Services Ltd.	10	47,664,340	81,506,021	47,664,340	81,506,021
RPG Life Sciences Ltd.	8	502,550	12,287,348	502,550	12,287,348
Summit Securities Ltd.	10	69,815	6,393,315	69,815	6,393,315
SAREGAMA (India) Ltd.	10	160	8,184	160	8,184
<b>Sub-Total : Quoted Investments</b>			<b>845,126,083</b>		<b>845,126,083</b>
<b>Unquoted Equity Shares, fully paid-up</b>					
Spencer & Company Ltd.	10	1,199,764	51,708,647	1,199,764	59,988,200
Cochin International Airport Limited	10	500	2,500	500	2,500
Noida Power Company Ltd	10	3,000,000	30,000,000	-	-
			<b>81,711,147</b>		<b>59,990,700</b>
<b>Redeemable Non-Cumulative Preference Shares, fully paid-up</b>					
Universal Industrial Fund Ltd. (12.50%)	100	63,000	6,300,000	63,000	6,300,000
			<b>6,300,000</b>		<b>6,300,000</b>
<b>Zero percent interest Fully Convertible Debentures, fully paid-up</b>					
Off -Shore India Ltd	100	374,450	37,445,000	374,450	37,445,000
			<b>37,445,000</b>		<b>37,445,000</b>
<b>Equity Shares in Srilankan Companies, fully paid-up (face value - LKR)</b>					
Creasy Plantations Management Ltd.	10	60,000	385,480	60,000	385,480
Lankem Plantations Services Ltd.	10	60,000	385,480	60,000	385,480
			<b>770,960</b>		<b>770,960</b>
<b>Total of Investments</b>			<b>971,353,190</b>		<b>949,632,743</b>

#### Notes:

1. Market value of quoted investments	<b>1,259,450,818</b>	1,248,080,305
2. Book value of quoted investments	<b>845,126,083</b>	845,126,083
3. Book value of unquoted investments	<b>126,227,107</b>	105,369,660

\* Of the above shares 1,623,734 (2012 - 1,623,734) shares are pledged with IDBI Trusteeship Services Limited & for 841,784 (2012 - 841,784) shares, undertaking for non-disposal has been given to ICICI Bank Ltd. (Lender of CESC Ltd.)

**11 Deferred tax**

Deferred tax asset on account of unabsorbed tax losses is not recognized during the year since there is no virtual 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.

**12 Loans & advances**

(Unsecured, considered good)

Particulars	Long term		Short term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Security deposits	42,900	42,900	-	-
Advances recoverable in cash or kind	-	-	4,331,650	12,011,650
Other loans & advances	-	-	19,790,756	42,110,756
Prepaid taxes (net of provision)			318,498	169,383
	<b>42,900</b>	<b>42,900</b>	<b>24,440,904</b>	<b>54,291,789</b>

**13 Cash & bank balances**

Particulars	As at March 31, 2013	As at March 31, 2012
Balances with banks:		
- In current accounts	1,879,196	19,661,418
- In deposit accounts	25,550,000	50,000
	<b>27,429,196</b>	<b>19,711,418</b>

Cash and cash equivalents as on March 31,2013 include restricted cash and bank balance of Rs. 50,000 ( 2012 - Rs. 50,000). The restriction is on account of lien being marked on the deposit as the same was given as a security deposit.

**14 Other current assets**

(Unsecured, considered good)

Particulars	As at March 31, 2013	As at March 31, 2012
Receivable against sale of shares	110,265,659	101,984,125
Interest accrued on fixed deposits	751,295	-
	<b>111,016,954</b>	<b>101,984,125</b>

**15 Revenue from operations**

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Sale of rubber sheets	4,189,770	-
	<b>4,189,770</b>	<b>-</b>

**16 Other income**

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Net gain on sale of long term investments	1,980	1,486,792
Dividend income on long term investments	20,232,705	19,607,751
Interest on bank deposits	1,460,989	32,549
	<b>21,695,674</b>	<b>21,127,091</b>

## STEL Holdings Limited

### 17 Purchases of stock in trade

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Purchases of rubber sheets	3,974,750	-
	<b>3,974,750</b>	-

### 18 Employee benefits expense

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Salaries & allowances	388,746	272,097
	<b>388,746</b>	272,097

### 19 Other expenses

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Legal & professional charges	602,960	801,325
Auditors' remuneration (Refer note below)	264,664	254,516
Travelling and conveyance	50,186	37,362
Bank charges	153	3,783
Miscellaneous expenses	62,795	166,805
Communication expenses	203,236	336,943
Repairs & maintenance - building	64,424	-
Printing & stationery	296,579	222,550
Rates & taxes	400,055	314,623
Advertisement expenses	259,640	1,060,878
	<b>2,204,692</b>	3,198,785

#### Notes:

i Payments to the auditors comprises:

a. As auditors

Statutory audit	155,000	155,000
Limited review	40,000	40,000
Tax audit	10,000	10,000

b. In other capacity

Taxation services	33,708	5,515
Other services (including service tax)	25,956	44,001
	<b>264,664</b>	254,516

### 20 Taxes on income

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
<b>Current tax</b>		
Current tax expense for current year	-	60,841
Tax expense relating to prior years	(60,841)	-
	<b>(60,841)</b>	60,841

**21 Earnings per equity share**

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
<b>Basic earnings per Share</b>		
Net profit / (loss) for the year	18,666,868	16,552,442
Weighted average number of equity shares	18,455,405	18,455,405
Par value per share	10	10
Earnings per share - basic	1.01	0.90
<b>Diluted earnings per share</b>		
Net profit / (loss) for the year	18,666,868	16,552,442
Weighted average number of equity shares for basic EPS	18,455,405	18,455,405
Add: Effect of dilutive instruments	-	-
Weighted average number of equity shares - for diluted EPS	18,455,405	18,455,405
Par value per share	10	10
Earnings per share - diluted	1.01	0.90

**22 Segement Information**

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

**23 Related party transactions**

**1 Details of Related Parties:**

Description of relationship	Names of related parties
Enterprise under common control	Harrisons Malayalam Ltd. ('HML')
Subsidiary	Doon Dooars Plantations Ltd. ('DDPL')
Key Managerial Personnel	Abraham Itty Ipe

**2 Details of related party transactions during the financial year 2012-13 and balances outstanding as at March 31, 2013:**

Transactions	March 31, 2013	March 31, 2012
<b>Transactions during the year</b>		
Remuneration to key managerial personnel		
- Abraham Itty Ipe - Manager	60,000	72,097
Balance Due from / (to) as at the year end		
- HML	(74,328)	(4,917,061)
- DDPL	-	-

**24 Loans and advances in the nature of loans given to subsidiaries and associates and firms / companies in which directors are interested.**

Advance to Universal Industrial Fund Ltd. for purchase of shares	19,790,756	42,110,756
Maximum amount outstanding during the year	19,790,756	42,110,756

## STEL Holdings Limited

### 25 Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.

#### Other disclosures

Particulars	As at March 31, 2013	As at March 31, 2012
26 Contingent liabilities	Nil	Nil
27 Derivative instruments and unhedged foreign currency exposure	Nil	Nil
28 Loans and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested.	Nil	Nil
29 Value of imports calculated on CIF basis	Nil	Nil
30 Expenditure in foreign currency (accrual basis)	Nil	Nil
31 Net dividend remitted in foreign exchange	Nil	Nil
32 Earnings in foreign currency (accrual basis)	Nil	Nil
33 Previous year figures have been regrouped / reclassified wherever necessary to suit current year layout.		

As per our report of even date attached  
For **G. Joseph & Associates**  
Chartered Accountants  
(Firm Regn. No. 006310S)

For and on behalf of the Board of Directors of  
**STEL Holdings Limited**

**Reuben Joseph**  
Partner  
Membership No. 216884

**Umang Kanoria**  
Director

**Abraham Itty Ipe**  
Manager

**Sunil Bhandari**  
Director

**Mithun B. Shenoy**  
Company Secretary

Place: Kolkata  
Date : May 30, 2013

**Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies**

Name of the Subsidiary	Doon Dooars Plantations Limited
1 Finanacial year of the subsidiary ended on	March 31, 2013
2 Share of the subsidiary held by the Company on above dates	
a) Number & face value	1,70,000 Equity shares of Rs. 10 each
b) Extent of holding	100 %
3 Net aggregate amount of Profit / (Losses) of the subsidiary for the above financial period so far as they concern members of the Holding Company:	
a) Dealt with in the accounts of Holding Company for the year ended March 31, 2013	Rs. (55,388)
b) Not dealt with the accounts of Holding Company for the year ended March 31, 2013	Nil
4 Net aggregate amount of profit/ (Losses) for the previous financial years of the subsidiary since it became a subsidiary so far as they concern the members of the Holding Company:	
a) Dealt with in the accounts of Holding Company for the year ended March 31, 2013	Rs. (58,926)
b) Not dealt with the accounts of Holding Company for the year ended March 31, 2013	Nil
5 The provisions of Section 212(5) of the Companies Act, 1956 are not applicable as the financial year of the subsidiary Companies coincides with that of the Company	

For and on behalf of the Board of Directors of  
**STEL Holdings Limited**

**Umang Kanoria**  
Director

**Abraham Itty Ipe**  
Manager

Kolkata  
May 30, 2013

**Sunil Bhandari**  
Director

**Mithun B. Shenoy**  
Company Secretary

**Subsidiary Company**

**Financial Highlights 2012-13**

(Rs. Lacs)

Particulars	Doon Dooars Plantations Limited
Capital	17
Reserves & Surplus	(9.05)
Trade payable	0.68
Total Liabilities	8.63
Total Assets	8.63
Investments	-
Turn over	-
Profit before Tax	(0.55)
Provision for Tax/Deferred Tax	-
Profit after tax	(0.55)
Proposed Dividend	-

# STEL Holdings Limited

## STEL HOLDINGS LIMITED

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

### ATTENDANCE SLIP

I hereby record my presence at the Twenty Third Annual General Meeting of the Company at Merchant Navy Officers' and Seamen's Association (MNC), No. 336, Bristow Road, Willingdon Island, Cochin – 682003, at 10.30 A.M. on Monday, September 30, 2013.

.....  
Full name of the shareholder (IN BLOCK CAPITALS) Signature

DP ID No. \* ..... Folio No. ....

Client ID No.\* ..... No. of Shares held.....

\* Applicable for members holding shares in electronic form

.....  
Full name of the Proxy (IN BLOCK CAPITALS) Signature

- Note:
- Shareholder/Proxyholder desiring to attend the Meeting should bring his copy of the Annual Report for reference at the Meeting.
  - Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.

## STEL HOLDINGS LIMITED

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

### PROXY FORM

DP ID No. .... Folio No. ....

Client ID No. .... No. of Shares held .....

I/We ..... of ..... in the district of ..... being a Member(s) of STEL Holdings Limited hereby appoint ..... of ..... in the district of ..... or failing him/her ..... of ..... in the district of ..... as my/our proxy to attend and vote for me/us on my/our behalf, at the 23rd Annual General Meeting of the Company to be held at 10.30 A.M. on Monday, September 30, 2013 and any adjournment thereof.

Revenue  
Stamp  
Rs.1/-

Signed this ..... day of ....., 2013

Signature

Note: The proxy to be valid must be deposited at the registered office of the Company at 24/1624, Bristow Road, Willingdon Island, Cochin 682003 not less than 48 hours before the commencement of the meeting.

## BOOK POST

*If undelivered please return to:*

**STEL Holdings Limited**

Regd. Office: 24/1624, Bristow Road  
Willingdon Island, Cochin - 682 003

**Ph:** 0484 2668023, 6624335