

STEL Holdings Limited

ANNUAL REPORT 2013-2014

Board of Directors

Mr. Sanjiv Goenka
Mr. Anant Goenka
Mr. Umang Kanoria
Mr. Sunil Bhandari
Mr. H. C. Dalal
Mr. Prem Kapil *
Ms. Sucharita Basu *
(* w.e.f. August 11, 2014)

Manager

Mr. Abraham Itty Ipe

Company Secretary

Mr. 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, Kerala

Bankers

ICICI Bank
HDFC Bank
Kotak Mahindra Bank

Registrar and Share Transfer Agent

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

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held at 10.30 A.M. on Tuesday, September 30, 2014 at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Kochi – 682016, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2014, 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 Shri. Anant Goenka who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the retiring Auditors, Messrs. G. Joseph & Associates, Chartered Accountants (Firm Registration No. 006310S) be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Seventh AGM of the Company at such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company and the said reappointment be placed for ratification by the members at the Twenty Fifth and Twenty Sixth AGM of the Company.”

SPECIAL BUSINESS

4. **Appointment of Shri. Prem Kapil, as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, as amended from time to time, Shri. Prem Kapil (DIN: 06921601), who was appointed as an Additional Director pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Associates of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company with immediate effect and be also appointed as an Independent Director of the Company, not liable to retire by rotation and hold office for a period of 5 (five) consecutive years from October 1, 2014 to September 30, 2019.”

5. **Appointment of Smt. Sucharita Basu as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, as amended from time to time, Smt. Sucharita Basu (DIN: 06921540), who was appointed as an Additional Director pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Associates of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company with immediate effect and be also appointed as an Independent Director of the Company, not liable to retire by rotation and hold office for a period of 5 (five) consecutive years from October 1, 2014 to September 30, 2019.”

6. **Appointment of Shri. H. C. Dalal as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, as amended from time to time, Shri. H. C. Dalal (DIN: 00206232), who was appointed as a Director of the Company with effect from May 30, 2013 in the casual vacancy caused by the resignation of Shri. P. K. Chowdhary and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company with immediate effect and be also appointed as an Independent Director of the Company, not liable to retire by rotation and hold office for a period of 5 (five) consecutive years from October 1, 2014 to September 30, 2019.”

7. **Appointment of Shri. Umang Kanoria as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any

statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, as amended from time to time, Shri. Umang Kanoria (DIN: 00081108), a Non-Executive Independent director of the Company, whose period of office, was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and hold office for a period of 5 (five) consecutive years from October 1, 2014 to September 30, 2019.”

8. Appointment of Shri. Abraham Ittyype as Manager of the Company

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

“**RESOLVED THAT** subject to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions if any, of the Act, the Company hereby approves and confirms the appointment of Shri. Abraham Itty Ipe as Manager of the Company for a period of 3 years with effect from May 30, 2014 to May 29, 2017 and subject to the terms and conditions in the agreement proposed to be entered into between the Company and Shri. Abraham Itty Ipe which is as set out in the Explanatory Statement.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Mumbai
August 11, 2014

Mithun B. Shenoy
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/ HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER.

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

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the items of special businesses under Item Nos. 4 to 8 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from August 23, 2014 to August 30, 2014 (both days inclusive).
4. All documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company between 11. 00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.
5. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be restricted by the Attendance Slip. Members are requested to write their Client ID and DP ID numbers/Folio Number (as applicable) on the Attendance slip, affix their signature and hand it over at the entrance hall.
6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
8. Members holding shares in electronic form are advised to send their request for the change of address, Bank particulars, Residential status or request for transmission of shares etc to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028. Phone: 0422-2314792. Email id: coimbatore@linkintime.co.in
9. Notice of the AGM along with Annual Report 2013-14 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository

STEL Holdings Limited

Participants. Members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.

10. Voting through electronic means:

The Company is pleased to provide to its members the facility to exercise their rights to vote at the Twenty Fourth Annual General Meeting by electronic means through the e-voting facilities provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

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

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN to choose <STEL HOLDINGS LIMITED> to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot

Password & enter the details as prompted by the system.

(xvii) Note for Non-Individual Shareholders & Custodians.

- (a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates and custodians respectively.
- (b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- (c) After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/ folio numbers on which they wish to vote.
- (d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy :

Please follow all the steps from Sl. No. : (i to xvii) above to cast vote.

General Information

- (A) The voting period begins on Monday, September 22, 2014, 10:00 AM and ends on Wednesday, September 24, 2014, 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (B) Members have an option to vote either electronically (availing the services provided by CDSL) OR by using the poll slips to be distributed at the meeting. If members have cast their vote electronically, then they should not cast their vote at the meeting. However if a member has voted electronically and has again voted at the meeting, then the voting done through e-voting shall prevail and voting done at the meeting shall be treated as invalid.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
11. The Company has appointed Shri. Arun Kamalobhavan, Practicing Company Secretary (CP. 11657), Partner, AKJP & Associates, Company Secretaries, Kochi as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
 12. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of e-voting period unblock the votes in the presence of atleast two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. In respect of the votes cast by members using the poll slips distributed at the meeting, the scrutinizer shall submit a report of the votes cast in favour or against, if any, to the Chairman. The results along with Scrutinizer's Report shall be placed on the website of the Company and also on the website of CDSL within two (2) days of passing of resolutions at the Annual General Meeting. The Results shall also be communicated to the stock exchanges where shares of the Company are listed.

STEL Holdings Limited

PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED/ APPOINTED AT THE MEETING ARE GIVEN BELOW.

A. Shri. Anant Goenka

Date of Birth	19.10.1981
Qualification	Bachelor's Degree in Economics from the Wharton School and MBA from Kellogg School of Management
Expertise in specific functional areas	Shri Anant Goenka is the Managing Director of CEAT Ltd. Shri. Goenka joined KEC international Ltd (KEC) as Vice President (Corporate) was in charge of telecom business, business development in North America and Integrated Planning and Monitoring of Transmission and Distribution Business.
Directorship held in other Companies	<ul style="list-style-type: none"> • Raychem - RPG Private Limited • CEAT Ltd. • Instant Holdings Limited, • Spencer and Company Limited, • Spencer Travel Services Limited, • Spencer International Hotels Limited, • Automotive Tyre Manufactures Association, • Rubber Skill Development Council, • Associated CEAT Holdings Company (Private) Limited, • CEAT Kelani Holdings (Private) Limited, • CEAT Bangladesh Limited
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil

B. Shri. Prem Kapil

Date of Birth	08.02.1947
Qualification	Shri Prem Kapil is a graduate in Economics, English and Geography and Diploma holder in Public Relations from XLRI – Jamshedpur, Leadership from TMTC – Pune and Corporate Communications and Media Relations from IIM- Lucknow.
Expertise in specific functional areas	Consultant
Directorship held in other Companies	Nil
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil

C. Smt. Sucharita Basu

Date of Birth	28.10.1975
Qualification	Smt. Sucharita is holding LLB Degree.
Expertise in specific functional areas	<p>Smt. Sucharita Basu is an Associate Partner in Khaitan & Co, Advocates having office at Kolkata. She has extensive work experience in commercial and corporate agreements, joint venture and financing transactions, real estate, trust laws and litigation and has led and been involved in numerous transactions involving the above.</p> <p>Ms. Sucharita is specialized in the area of Corporate, Real Estate, and Trust Laws. She is having professional affiliations with Bar Council of West Bengal, Incorporated Law Society, Kolkata, FICCI Ladies Organisation.</p> <p>Apart from the above, she has participated as a speaker on Capital Raising in IPO & Private Equity Conclave in Kolkata organized by Achronomic Point.</p>
Directorship held in other Companies	Nil
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil

D. Shri. Hemendra Chimanlal Dalal

Date of Birth	11.04.1946
Qualification	Shri. H. C. Dalal is a Commerce Graduate
Expertise in specific functional areas	Shri. Dalal is having more than 40 years of experience in various capacities in the areas of Auditing, Accounts, Taxation, Banking, Finance, Budgeting, Projects, MIS Analysis, Mergers etc. He has also completed various certificate courses at Indian Institute of Management at Bangalore and ASCI, Hyderabad.
Directorship held in other Companies	<ul style="list-style-type: none"> • Summit Securities Limited • F G P Limited
Committee Membership in other Companies	Member of Audit Committee of Summit Securities Limited and F G P Limited.
Shareholdings in the Company	Nil

E. Shri. Umang Kanoria

Date of Birth	02.11.1959
Qualification	B.Com (Hons.) ACMA, MBA (Switzerland)
Expertise in specific functional areas	Shri. 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"> • Spencer and Company Limited, • Kanco Tea & Industries Limited • Kanco Entreprises Limited • Harrisons Malayalam Limited • ET Resources Private Limited • Facitcon Investment Private Limited • Cosmos Resources Private Limited
Committee Membership in other Companies	<ul style="list-style-type: none"> • Chairman and Member of the share transfer committee of Kanco Enterprises Limited. • Member of Shareholders/Investors Grievance Committee of Kanco Entreprises Limited & Harrisons Malayalam Limited. • Member of Audit Committee of Harrisons Malayalam Limited. • Member of Remuneration Committee of Harrisons Malayalam Limited
Shareholdings in the Company	Nil

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON SEPTEMBER 30, 2014

Item No. 4 & 5

Pursuant to Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company, the Board of Directors of the Company appointed, Shri Prem Kapil and Smt Sucharita Basu as Additional Directors of the Company with effect from August 11, 2014.

In terms of Section 161(1) of the Companies Act, 2013, Shri Prem Kapil and Smt. Sucharita Basu hold office upto the date of the ensuing Annual General Meeting.

The Company has received separate notices in writing from two members along with deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing candidature of Shri Prem Kapil and Smt Sucharita Basu for the office of Director of the Company.

Shri Prem Kapil and Smt. Sucharita Basu are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013 and their consent to act as directors has been received by the Company.

The Company has received declarations from Shri Prem Kapil and Smt. Sucharita Basu respectively, that they meet the criteria of Independence as prescribed both under Section 149(6) of the Companies Act, 2013 and also under Clause 49 of the Listing Agreement. In the opinion of the Board Shri. Prem Kapil and Smt. Sucharita Basu fulfill the conditions for their appointment as Independent Director as specified in the Companies Act, 2013 and listing agreement. Shri. Prem Kapil and Smt. Sucharita Basu are independent of Management.

The copy of the draft letter for appointment of Shri Prem Kapil and Smt. Sucharita Basu as Independent Directors of the Company would be made available for inspection by the members without payment of any fee, at the Registered Office of Company between 11.00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Shri Prem Kapil and Smt. Sucharita Basu, no other Director of the Company is interested in the resolution as set out in Item No. 4 and Item No. 5 of the Notice respectively.

STEL Holdings Limited

Board recommends the Ordinary Resolutions set out at Item No. 4 and Item No. 5 of the Notice for the approval by the shareholders.

Item No. 6

Shri H. C. Dalal was appointed as a Director of the Company with effect from May 30, 2013 in the casual vacancy caused by the resignation of Shri. P. K. Chowdhary. He holds office up to the conclusion of forthcoming Annual General Meeting of the Company.

Shri H. C. Dalal is not disqualified from being appointed as Director in terms of Section 167 of the Companies Act, 2013 and has given his consent to act as director. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.

Pursuant to the Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, it is proposed to appoint him as an Independent Director of the Company for a period of 5 (five) consecutive years, not liable to retire by rotation, from October 1, 2014 to September 30, 2019.

The Company has received a declaration from Shri H. C. Dalal that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and also under Clause 49 of the Listing Agreement. In the opinion of the Board, Shri H. C. Dalal fulfill the conditions for his appointment as Independent Director as specified in the Companies Act, 2013 and the listing agreement. Shri H. C. Dalal is Independent of Management.

The copy of the draft letter for appointment of Shri H. C. Dalal as Independent Director of the Company would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company between 11.00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Shri H. C. Dalal, no other Director of the Company is interested in the resolution as set out in Item No. 6 of the Notice.

Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for the approval by the shareholders.

Item No. 7

Shri Umang Kanoria is a Non Executive Independent Director on the Board of the Company since September, 2010. His period of office is liable to determination by retirement of directors by rotation.

Pursuant to the Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, it is proposed to appoint him as an Independent Director of the Company for a period of 5 (five) consecutive years, not liable to retire by rotation, from October 1, 2014 to September 30, 2019. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.

The Company has received a declaration from Shri Umang Kanoria that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and also under Clause 49 of the Listing Agreement. In the opinion of the Board, Shri Umang Kanoria fulfill the conditions for his appointment as Independent Director as specified in the Companies Act, 2013 and the listing agreement. Shri Umang Kanoria is Independent of Management.

The copy of the draft letter for appointment of Shri Umang Kanoria as Independent Director of the Company would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company between 11.00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Shri Umang Kanoria, no other Director of the Company is interested in the resolution as set out in Item No. 7 of the Notice.

Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for the approval by the shareholders.

Item No. 8.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Shri. Abraham Itty Ipe an Engineer by profession, as Manager of the Company for a period of 3 years from May 30, 2014 to May 29, 2017 on a consolidated remuneration of Rs. 10,000 per month.

The appointment is within the meaning of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the shareholders in the general meeting.

Except Shri. Abraham Itty Ipe, no Director is interested in the resolution as set out at Item No. 8 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for the approval by the shareholders.

By Order of the Board of Directors

Mumbai
August 11, 2014

Mithun B. Shenoy
Company Secretary

Directors' Report

Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2014.

Financial Highlights

Income of the Company mainly consisted of dividend income. Net profit after tax was Rs. 254.82 lakhs.

In terms of the General Circular 08/2014 dated April 4, 2014, the financial statements and the documents thereto, and the Board's report for the year under review have been prepared in accordance with the relevant provisions, schedules and rules of the Companies Act, 1956.

Particulars	(Rs. in Lakhs)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Total Income	320.98	258.85
Profit before Tax	254.82	186.61
Provision for Taxation	-	(0.61)
Profit after Tax	254.82	187.22
Surplus brought forward from the previous year	703.61	516.38
Surplus carried to the Balance Sheet	958.43	703.61

Dividend

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended March 31, 2014, in order to conserve the resources for the future years.

Operations of the Company

Investments are made in various companies and dividend constitutes the main source of income for the Company. During the year under review, total income of the Company was Rs. 320.98 lakhs as against Rs. 258.85 lakhs in the previous year. Profit after tax was Rs. 254.82 lakhs as against Rs. 187.22 lakhs in the previous year.

Subsidiary Company

As on March 31, 2014, 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 2013-14 forms part of this Annual Report.

Fixed Deposit

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

Directors

Shri. Anant Goenka retires in the forthcoming Annual General Meeting of the Company and being eligible offers himself for reappointment.

Shri. Prem Kapil and Smt. Sucharita Basu were appointed as Additional Directors of the Company with effect from August 11, 2014 and hold office upto the date of forthcoming Annual General Meeting.

Shri. H. C. Dalal was appointed as Director of the Company with effect from May 30, 2013 in the casual vacancy caused by resignation of Shri. P. K. Chowdhary. Shri. H.C. Dalal holds office till the conclusion of forthcoming Annual General Meeting. Shri. Umang Kanoria, Non Executive Independent Director has been in the Board of the Company since 2010.

With the enactment of Companies Act, 2013, it is now incumbent upon every listed company to have the requisite number of Independent Directors on the Board. Shri. Prem Kapil, Smt. Sucharita Basu, Shri. H.C. Dalal and Shri. Umang Kanoria are being appointed as Independent Directors of the Company, not liable to retire by rotation for a term of 5 years.

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 is as under :

STEL Holdings Limited

(a) Conservation of energy and technology absorption:

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

(b) Foreign Exchange earnings and outgo:

Total foreign exchange used	:	Nil
Total foreign exchange earned	:	Nil

Particulars of Employees

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

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, 2014 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.

Report on 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 attached and forms part of this Annual Report.

Auditors

Statutory Auditors of the Company, Messrs G. Joseph & Associates hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 141 (3) (g) of the Companies Act, 2013 and that they are not disqualified for reappointment.

Acknowledgements

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

For and on behalf of the Board of Directors

Mumbai
August 11, 2014

Sunil Bhandari
Director

H. C. Dalal
Director

Report on Corporate Governance

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 ensures that the affairs of the Company are being conducted and managed in a way which ensures accountability, transparency and adherence to ethical standards and fairness.

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

2. Board of Directors

The Board comprises 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, 2014

Name of the Director	Category	No. of Outside Directorships*	Total No. of Committee Memberships in other Companies**	Total No. of Committee Chairmanships in other Companies**	No. of shares held
Shri. Sanjiv Goenka	Non Executive	12	2	2	35000
Shri. Anant Goenka	Non Executive	5	-	-	-
Shri. Umang Kanoria	Non Executive & Independent	7	3	-	-
Shri. Sunil Bhandari	Non Executive	11	-	-	-
Shri. H. C. Dalal	Non Executive & Independent	2	2	-	-

* Excludes Directorships in Private Limited Companies, Foreign Companies, Alternate Directorships and Section 25 Companies.

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

Shri. Prem Kapil and Smt. Sucharita Basu were appointed as Additional Directors of the Company with effect from August 11, 2014.

b. Board Procedure

The Board of Directors meets once in a quarter to consider among other business, the quarterly performance of the Company and financial results. Five (5) Board Meetings were held during the financial year 2013 - 2014 on May 30, 2013 (twice), August 14, 2013, November 11, 2013 and February 12, 2014.

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
Shri. Sanjiv Goenka	1	-
Shri. Anant Goenka	1	-
Shri. Umang Kanoria	3	-
Shri. Sunil Bhandari	5	Yes
Shri. H. C. Dalal	3	-

c. Code of Conduct

The Board has laid down a Code of Conduct for all Board members which is posted on the website of the Company. All Board members have affirmed the 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 30, 2013, August 14, 2013, November 11, 2013 and February 12, 2014. The Company Secretary acts as the Secretary to the Audit Committee.

STEL Holdings Limited

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

Composition	Umang Kanoria (Chairman)	Sunil Bhandari	H. C. Dalal
No. of Meeting attended	3	4	3

The Audit Committee was reconstituted to include Shri. H. C. Dalal consequent to the resignation of Shri P. K. Chowdhary.

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.

During the year, the Committee met once on February 14, 2014. The Composition of the Committee and the attendance of each of the members is as below:

Composition	Sunil Bhandari (Chairman)	Umang Kanoria	Abraham Itty Ipe
No. of Meetings attended	1	1	1

The Investor Grievance Committee was reconstituted to include Shri. Abraham Itty Ipe, Manager of the Company consequent to the resignation of Shri. P. K. Chowdhary.

Investor's Grievance Committee was renamed as Stakeholder's Relationship Committee at the Board Meeting held on May 30, 2014.

Status of investor complaints is as below:

No. of investor queries/ complaints received from April 01, 2013 to March 31, 2014	No. of complaints pending at the end of the financial year
5	Nil

As on March 31, 2014, there was no pending investor complaint.

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 once in a week. Forty (40) meetings were held during the financial year under review. There were no pending share transfers pertaining to the financial year ended March 31, 2014.

d. Remuneration Committee

To ensure compliance with the provisions of Companies Act, 2013, the Board of Directors at its meeting held on May 30, 2014 has constituted the Nomination and Remuneration Committee. The Committee comprises of 3 Directors, Shri. Umang Kanoria (Chairman), Shri. H. C. Dalal and Shri. Sunil Bhandari (Members). Company Secretary acts as the Secretary and Compliance Officer to the Committee.

No meeting was held during the financial year 2013-14 as the Committee was constituted only on May 30, 2014.

4. Remuneration of Directors/ Manager

None of the Directors of the Company are in receipt of either sitting fees or salary.

The Payment of remuneration to the Manager is governed by the agreement executed between him and the Company and is governed by the Board and shareholders resolutions. The Manager is being paid consolidated salary every month and the amount paid to him during the financial year 2013-14 is Rs. 47,742.

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	23rd	2013	30.09.2013	10.30 AM	Merchant Navy Officers' and Seamen's Association (MNC), No.336, Bristow Road, Willingdon Island, Cochin -682003, Kerala
2	22nd	2012	24.09.2012	10.30 AM	
3	21st	2011	26.09.2011	10.30 AM	

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

Details of Special Resolutions passed in the immediately preceding three AGMs:

AGM	Particulars of Special Resolutions passed thereat
23rd	Alteration of Articles of Association pertaining to payment of sitting fees.

Postal Ballot

During the financial year 2013-14, one Special Resolution was passed through postal Ballot, pertaining to the shifting of the Registered Office of the Company from the State of Kerala to the State of Maharashtra. The Results of the poll was published on the website of the Company.

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. Shri. Jayan K, Partner, SVJS & Associates, Companies Secretaries, Kochi 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 2013-14 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

As required under Clause 49 (V) of the Listing Agreement, Certification from Shri. Abraham Itty Ipe, Manager of the Company was placed before the Board of Directors at its Meeting held on May 30, 2014.

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 16 December 2010, inserted new Clause 5A II containing uniform procedure for dealing with unclaimed shares. As on March 31, 2014, the total unclaimed equity shares were 186830.

Pursuant to the said Clause, the Company sent 3 reminders to all shareholders, whose shares remained unclaimed with the Company, requesting them to submit necessary documents and claim the shares; so as to avoid transfer of such unclaimed shares to the "Unclaimed Suspense Account".

The Company has opened a demat account '**Stel Holdings Limited-Unclaimed Suspense Account**' with Stock Holding Corporation of India Limited, (SHCIL) Ernakulam, during March, 2014 and the unclaimed shares have been transferred to this Demat Account.

The members, who have not yet claimed their share certificates, are requested to immediately approach the Company's Registrar and Share Transfer Agent and claim the same.

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 Language)
- B. Deshabhimani (Malayalam Language)

III. **Company's website:** www.stelholdings.com.

8. Management Discussion & Analysis:

The Management Discussion and Analysis (MDA) Report forms part of this Annual Report.

9. General Shareholders Information

i. Annual General meeting

- Date and time: Tuesday, September 30, 2014 at 10.30 A.M.
- Venue: Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Kochi – 682016

ii. PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED/ APPOINTED AT THE MEETING ARE GIVEN BELOW.

A. Shri. Anant Goenka

Date of Birth	19.10.1981
Qualification	Bachelor's Degree in Economics from the Wharton School and MBA from Kellogg School of Management
Expertise in specific functional areas	Shri Anant Goenka is the Managing Director of CEAT Ltd. Shri. Goenka joined KEC international Ltd (KEC) as Vice President (Corporate) was in charge of telecom business, business development in North America and Integrated Planning and Monitoring of Transmission and Distribution Business.
Directorship held in other Companies	<ul style="list-style-type: none"> • Raychem - RPG Private Limited • CEAT Ltd. • Instant Holdings Limited, • Spencer and Company Limited, • Spencer Travel Services Limited, • Spencer International Hotels Limited, • Automotive Tyre Manufactures Association, • Rubber Skill Development Council, • Associated CEAT Holdings Company (Private) Limited, • CEAT Kelani Holdings (Private) Limited, • CEAT Bangladesh Limited
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil

B. Shri. Prem Kapil

Date of Birth	08.02.1947
Qualification	Shri Prem Kapil is a graduate in Economics, English and Geography and Diploma holder in Public Relations from XLRI – Jamshedpur, Leadership from TMTC – Pune and Corporate Communications and Media Relations from IIM- Lucknow.
Expertise in specific functional areas	Consultant
Directorship held in other Companies	Nil
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil

C. Smt. Sucharita Basu

Date of Birth	28.10.1975
Qualification	Smt. Sucharita is holding LLB Degree.
Expertise in specific functional areas	<p>Smt. Sucharita Basu is an Associate Partner in Khaitan & Co, Advocates having office at Kolkata. She has extensive work experience in commercial and corporate agreements, joint venture and financing transactions, real estate, trust laws and litigation and has led and been involved in numerous transactions involving the above.</p> <p>Ms. Sucharita is specialized in the area of Corporate, Real Estate, and Trust Laws. She is having professional affiliations with Bar Council of West Bengal, Incorporated Law Society, Kolkata, FICCI Ladies Organisation.</p> <p>Apart from the above, she has participated as a speaker on Capital Raising in IPO & Private Equity Conclave in Kolkata organized by Achronomic Point.</p>
Directorship held in other Companies	Nil
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil

D. Shri. Hemendra Chimanlal Dalal

Date of Birth	11.04.1946
Qualification	Shri. H. C. Dalal is a Commerce Graduate
Expertise in specific functional areas	Shri. Dalal is having more than 40 years of experience in various capacities in the areas of Auditing, Accounts, Taxation, Banking, Finance, Budgeting, Projects, MIS Analysis, Mergers etc. He has also completed various certificate courses at Indian Institute of Management at Bangalore and ASCI, Hyderabad.
Directorship held in other Companies	<ul style="list-style-type: none"> • Summit Securities Limited • F G P Limited
Committee Membership in other Companies	Member of Audit Committee of Summit Securities Limited and F G P Limited.
Shareholdings in the Company	Nil

E. Shri. Umang Kanoria

Date of Birth	02.11.1959
Qualification	B.Com (Hons.) ACMA, MBA (Switzerland)
Expertise in specific functional areas	Shri. 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"> • Spencer and Company Limited, • Kanco Tea & Industries Limited • Kanco Enterprises Limited • Harrisons Malayalam Limited • ET Resources Private Limited • Facitcon Investment Private Limited • Cosmos Resources Private Limited
Committee Membership in other Companies	<ul style="list-style-type: none"> • Chairman and Member of the share transfer committee of Kanco Enterprises Limited. • Member of Shareholders/Investors Grievance Committee of Kanco Enterprises Limited & Harrisons Malayalam Limited. • Member of Audit Committee of Harrisons Malayalam Limited. • Member of Remuneration Committee of Harrisons Malayalam Limited
Shareholdings in the Company	Nil

iii. Financial Calendar (Tentative)

Quarter ending June 30, 2014	Second week of August 2014
Quarter ending September 30, 2014	Second week of November 2014
Quarter ending December 31, 2014	Second week of February 2015
Year ending March 31, 2015 (Audited)	Fourth week of May 2015

STEL Holdings Limited

- iv. **Date of Book Closure:** August 23, 2014 to August 30, 2014 (both days inclusive)
- v. **Dividend Payment Date:** No dividend is recommended for the financial year ended on March 31, 2014.
- vi. **Details of Stock Exchanges where listed**

Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd., Mumbai (BSE)	533316
National Stock Exchange of India Limited, Mumbai (NSE)	STEL

Annual Listing Fees as prescribed has been paid to the Stock Exchanges for the financial year 2014-15.

vii. **Market Price Data**

Market Price and Volume of the Company's Shares traded in the stock exchanges where Company's shares are listed :

Year 2013-14	BSE (Amount in Rs.)		NSE (Amount in Rs.)		Volume (No. of Shares)	
	High	Low	High	Low	BSE	NSE
April	12.90	8.30	10.90	9.70	33,730	16,600
May	12.49	11.00	-	-	85,280	-
June	12.49	10.01	-	-	12,049	-
July	11.44	8.50	-	-	38,518	-
August	9.98	7.26	-	-	10,587	-
September	9.50	7.02	-	-	36,148	-
October	9.74	8.00	-	-	27,227	-
November	13.35	9.00	-	-	56,523	-
December	12.69	10.45	-	-	23,746	-
January	11.99	9.17	11.05	9.80	38,581	4115
February	10.45	9.05	10.60	9.05	36,481	3747
March	15.12	9.27	14.50	9.00	67,877	53676

viii. **Shareholding Pattern as on March 31, 2014**

Category	Number of Shares (Nos.)	% of Holding
Promoter's Holding (Indian and Foreign)	9284196	50.31
Mutual Funds	7030	0.04
Banks, financial Institutions, Insurance Companies and others	36218	0.19
Foreign Institutional Investors	-	-
Non Resident Indian's	109225	0.60
Corporate Bodies, Indian public and NRI's	9018736	48.86
Total	18455405	100.00

ix. **Distribution of Shareholding as on March 31, 2014**

Range	No. of Shareholders	No. of Shares held	% of shareholding
1-500	25665	2999751	16.26
501-1000	916	713913	3.87
1001-2000	377	555379	3.01
2001-3000	115	295258	1.60
3001-4000	42	152340	0.83
4001-5000	39	181511	0.98
5001-10000	74	524999	2.84
10001- above	87	13032254	70.61
Total	27315	18455405	100.00

x. Share Transfer Process

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

xi. Dematerialisation of Shares

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to provide trading of shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE577L01016. As on 31st March, 2014, 13565738 shares of the company, constituting 73.51% were in dematerialized form.

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

Registered Office	Registrar and Share Transfer Agent
<p>STEL Holdings Limited 24/1624, Bristow Road, Willingdon Island, Cochin -682003 Ph: 0484 6624335, 2668023; Fax: 0484 - 2668024 Email: secretarial@stelholdings.com Website: www.stelholdings.com</p>	<p>Link Intime India Private Limited Surya, 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road Coimbatore – 641028 Phone No: 0422 2314792, 2315792 Fax: +91 422 2314792 Email: coimbatore@linkintime.co.in Website: www.linkintime.co.in</p>

DECLARATION BY A DIRECTOR UNDER CLAUSE 49 (I) (D) (ii) OF THE LISTING AGREEMENT

I, Sunil Bhandari, Director, STEL Holdings Limited declare that all the members of the Board of Directors have, for the year ended March 31, 2014 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 11, 2014

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 31st March 2014, 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

Kochi
 09.08.2014

FCS 3050, CP No. 2210

Management Discussion and Analysis

Overview – Financial Performance

Of the total income received by the Company, dividend income constitutes the main earnings. The performance of the Company is directly related to the performance of the Investee Companies. Profit after tax at Rs. 254.82 lakhs is 36.11% higher than Rs.187.22 lakhs in the previous year.

Industry and Business Overview and Future Outlook

Indian Economy registered a growth of 4.96% in the fiscal year 2013, lowest ever recorded during the last 5 years. This combined with high inflation kept interest rate high hurting corporate profitability. Though food prices moderated sharply, inflation continues to hover around 9%.

While Global financial market remained volatile, carrying significant risks, Indian economy was better placed by virtue of its affective forex management policy.

The Company holds investments in equity shares viz., CEAT Limited, Phillips Carbon Black Limited, KEC International Limited, CESC Limited, RPG Life Sciences Limited etc., besides certain investments in other Companies. The Company continues to focus on making long-term strategic investments.

Opportunities & Threats

Post elections, with a stable government at the centre, growth is expect to revive. With stalled projects coming on line and easing of capital availability, the general business confidence is likely to improve. Growth at 6% plus over medium term is likely. Improvement in the investment cycle would ease inflationary pressure, paving the way for overall quality growth.

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

Risk and Concerns

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 System

The 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 Company has an Audit Committee which on a regular basis, reviews the adequacy and effectiveness of internal control.

Human Resource

Success of every Company is depended on the quality of workforce. The Company believes in retaining the best talent, clearly defining their roles and responsibilities.

Cautionary Statement

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

INDEPENDENT AUDITORS' REPORT

To
The Members
STEL Holdings Ltd,
Cochin

Report on the financial statements

We have audited the accompanying financial statements of M/s. STEL Holdings Ltd ('the Company') which comprise the Balance Sheet as at March 31, 2014 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 to 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') read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 auditor's 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 March 31, 2014;
- 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 other 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 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 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - 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 are disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For G. Joseph & Associates,

Chartered Accountants
Firm Reg. No. 006310S,

Reuben Joseph,

Partner
Membership No. 216884

Kolkata,
May 30, 2014

The Annexure referred to in paragraph 1 of our report of even date to the members of STEL Holdings Ltd on the accounts of the Company for the year ended March 31, 2014

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) and (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 Act. Thus sub Clauses (f) and (g) of the Order 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 Act during the year that need to be entered in the register maintained under that section. Accordingly, Clause (v) (b) of 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 sections 58A and 58AA of the Act.
- (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) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the informations and explanations given to us there were no outstanding statutory dues as on 31st March, 2014 for a period of more than six months from the date they became payable.
- (x) The Company does not have any accumulated loss and have not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (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 explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures 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 Order 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, not given any guarantee for loans taken by others from a bank or financial institution.
- (xvi) Based on our audit procedures and on the information given by the management, we report that the Company has not raised any term loans during the year.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company as at March 31, 2014, 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 Reg. No. 006310S,

Reuben Joseph

Partner

Membership No. 216884

Kolkata

May 30, 2014

STEL Holdings Limited

Balance sheet as at March 31, 2014

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	As at March 31, 2014	As at March 31, 2013
I. Equity & liabilities			
1 Shareholders' funds			
a. Share capital	3	184,554,050	184,554,050
b. Reserves & surplus	4	988,022,754	962,540,508
2 Non-current liabilities			
a. Long term borrowings	5	-	40,000
3 Current liabilities			
a. Trade payables	6	52,070	284,461
b. Other current liabilities	7	189,409	182,220
c. Short term provisions	8	-	28,560
		1,172,818,283	1,147,629,800
II. Assets			
1 Non-current assets			
a. Fixed assets - tangible assets	9	11,874,173	12,507,198
b. Non-current investments	10	966,069,021	972,216,190
c. Long-term loans & advances	12	-	42,900
2 Current assets			
a. Cash & bank balances	13	33,955,489	27,394,480
b. Short-term loans & advances	12	39,671,103	24,452,078
c. Other current assets	14	121,248,497	111,016,954
		1,172,818,283	1,147,629,800
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

Kolkata

May 30, 2014

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

Anant Goenka
Director

Sunil Bhandari
Director

Mithun B. Shenoy
Company Secretary

Statement of profit and loss for the year ended March 31, 2014

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	For year ended March 31, 2014	For year ended March 31, 2013
I. Income			
1 Revenue from operations	15	-	4,189,770
2 Other income	16	32,097,833	21,695,674
		32,097,833	25,885,444
II. Expenses			
1 Purchases of stock-in-trade	17	-	3,974,750
2 Employee benefits expense	18	354,595	388,746
3 Depreciation	9	633,025	667,646
4 Other expenses	19	5,627,967	2,192,887
		6,615,587	7,224,029
III. Profit before tax and exceptional items		25,482,246	18,661,415
IV. Tax expense	20		
1 Income tax		-	(60,841)
V. Profit for the year		25,482,246	18,722,256
VI. Earnings per equity share	21		
[Equity shares of par value of Rs. 10/- each (2013 - Rs. 10/-)]			
1 Basic		1.38	1.01
2 Diluted		1.38	1.01
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 & AssociatesChartered Accountants
(Firm Regn. No. 006310S)**Reuben Joseph**Partner
Membership No. 216884

Kolkata

May 30, 2014

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

Director

Sunil Bhandari

Director

Mithun B. Shenoy

Company Secretary

Cash Flow Statement for the year ended March 31, 2014

(Amount in Rs.)

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
<u>Cash flow from operating activities</u>		
Net profit before tax	25,482,246	18,661,415
Adjustments for:		
Depreciation	633,025	667,646
Income from investments	(30,138,897)	(20,234,685)
Interest on fixed deposits	(1,907,043)	(1,460,989)
Operating profit before working capital changes	(5,930,668)	(2,366,613)
Movement in working capital:		
(Increase) / decrease in trade and other receivables	(15,176,124)	-
Increase / (decrease) in trade payables	(225,204)	(4,842,704)
Increase / (decrease) in provisions	(28,560)	-
Cash generated from operations	(21,360,557)	(7,209,317)
Income tax paid	-	-
Net cash from operating activities	(21,360,557)	(7,209,317)
<u>Cash flow from investing activities</u>		
Proceeds from sale of investments	-	29,088,416
Purchase of fixed assets (payments against capital commitments)	-	(5,855,003)
Interest received	2,016,102	1,460,989
Purchase of investments	-	(30,000,000)
Dividend received	25,945,464	20,232,705
Net cash from investing activities	27,961,566	14,927,107
<u>Cash flow from financing activities</u>		
Repayment of unsecured loan	(40,000)	-
Net cash from financing activities	(40,000)	-
Net increase / (decrease) in cash & cash equivalents	6,561,009	7,717,789
Cash & cash equivalents at the beginning of the year	27,394,480	19,676,690
Cash & cash equivalents at the close of the year	33,955,489	27,394,480
Components of cash & cash equivalents as at	March 31, 2014	March 31, 2013
Balance with banks: as per Note No. 13		
- in current accounts	1,201,093	1,844,480
- in deposit accounts	32,754,396	25,550,000
	33,955,489	27,394,480

As per our report of even date attached

For G. Joseph & Associates

Chartered Accountants

(Firm Regn. No. 006310S)

Reuben Joseph

Partner

Membership No. 216884

Kolkata

May 30, 2014

For and on behalf of the Board of Directors of

STEL Holdings Limited

Anant Goenka

Director

Sunil Bhandari

Director

Mithun B. Shenoy

Company Secretary

Notes to financial statements for the period ended March 31, 2014

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

(Amount in Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised capital	185,000,000	185,000,000
18,500,000 (2013 - 18,500,000) equity shares of Rs. 10/- each		
Issued, subscribed and paid up	184,554,050	184,554,050
18,455,405 (2013 - 18,455,405) equity shares of Rs. 10/- each		

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
At the beginning of the period	18,455,405	184,554,050	18,455,405	184,554,050
Issued during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the period	18,455,405	184,554,050	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

Issued and subscribed share capital includes an aggregate of 18,455,405 (2013 - 18,455,405) equity shares of Rs. 10 each allotted as fully paid up pursuant to a scheme of amalgamation without payment having been received in cash, for a period of five years immediately preceding March 31, 2014.

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

Names	March 31, 2014		March 31, 2013	
	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%	1,319,800	7.15%

4 Reserves & surplus

Particulars	(Amount in Rs.)	
	As at March 31, 2014	As at March 31, 2013
Capital reserve		
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
Securities premium		
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
General reserve		
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
Surplus in the statement of profit & loss		
At the beginning of the accounting period	70,360,582	51,638,327
Profit for the year	25,482,246	18,722,256
Balance carried forward	95,842,828	70,360,582
Total Reserves & Surplus	988,022,754	962,540,508

5 Long term borrowings

Particulars	Non-current portion		Current maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Unsecured borrowings				
Loan from Offshore India Ltd.	-	40,000	-	-
	-	40,000	-	-

STEL Holdings Limited

6 Trade payables

	(Amount in Rs.)	
Particulars	As at March 31, 2014	As at March 31, 2013
Trade payables (Refer Note No. 25 for details of dues to micro, small and medium enterprises)	52,070	284,461
	52,070	284,461

7 Other current liabilities

Accrued expenses	161,919	161,797
Statutory dues	27,489	20,424
	189,409	182,221

8 Provisions

	Long term		Short term	
Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Provision for income tax and fringe benefit tax	-	-	-	28,560
	-	-	-	28,560

9 Fixed assets & depreciation

(Amount in Rs.)									
Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount	
	As at April 1, 2013	Additions	Deletions	As at March 31, 2014	As at April 1, 2013	For the period	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
A. Tangible Assets									
Buildings	14,872,669	-	-	14,872,669	2,451,497	621,059	3,072,556	11,800,113	12,421,172
Plant & Equipment	403,390	-	-	403,390	317,364	11,966	329,330	74,060	86,027
Total	15,276,059	-	-	15,276,059	2,768,861	633,025	3,401,886	11,874,173	12,507,198
Previous Year	15,276,059	-	-	15,276,059	2,101,215	667,646	2,768,861	12,507,198	13,174,844

10 Non current investments

Description	Face Value (Rs/-)	As at March 31, 2014		As at March 31, 2013	
		Holdings (Nos.)	Amount (Rs.)	Holdings (Nos.)	Amount (Rs.)
Long term investments					
Quoted equity shares, fully paid-up					
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
Sub-total : Quoted investments			845,126,083		845,126,083
Unquoted equity shares, fully paid-up in subsidiaries					
Doon Dooars Plantations Ltd.	10	170,000	863,000	170,000	863,000
			863,000		863,000
Unquoted equity shares, fully paid-up					
Spencer & Company Ltd.	10	1,057,135	45,561,478	1,199,764	51,708,647
Cochin International Airport Limited	10	500	2,500	500	2,500
Noida Power Company Ltd	10	3,000,000	30,000,000	3,000,000	30,000,000
			75,563,978		81,711,147
Redeemable non-cumulative preference shares, fully paid-up					
Universal Industrial Fund Ltd. (12.50%)	100	63,000	6,300,000	63,000	6,300,000
			6,300,000		6,300,000
Zero percent interest fully convertible debentures, fully paid-up					
Off -Shore India Ltd	100	374,450	37,445,000	374,450	37,445,000
			37,445,000		37,445,000
Equity shares in Srilankan companies, fully paid-up (face value - LKR)					
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
			770,960		770,960
Total of investments			966,069,021		972,216,190
Notes:					
1. Market value of quoted investments			2,326,106,345		1,259,450,818
2. Book value of quoted investments			845,126,083		845,126,083
3. Book value of unquoted investments			120,942,938		127,090,107

* Of the above shares Nil (2013 - 1,623,734) shares are pledged with IDBI Trusteeship Services Limited and for Nil (2013 - 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

(Amount in Rs.)

(Unsecured, considered good) Particulars	Long term		Short term	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Security deposits	-	42,900	-	-
Advances recoverable in cash or kind	-	-	4,360,498	4,342,824
Other loans and advances	-	-	34,790,756	19,790,756
Prepaid taxes (net of provision)			519,849	318,498
	-	42,900	39,671,103	24,452,078

13 Cash & bank balances

(Amount in Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Balances with banks:		
- In current accounts	1,201,093	1,844,480
- In deposit accounts	32,754,396	25,550,000
	33,955,489	27,394,480

Cash and cash equivalents as on March 31, 2014 include restricted cash and bank balance of Rs. 50,000 (2013 - 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)

Receivable against sale of shares	120,606,262	110,265,659
Interest accrued on fixed deposits	642,235	751,295
	121,248,497	111,016,954

15 Revenue from operations

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
Sale of rubber sheets	-	4,189,770
	-	4,189,770

16 Other income

Net gain on sale of long term investments	4,193,433	1,980
Dividend income on long term investments	25,945,464	20,232,705
Provision no longer required written back	51,893	-
Interest on bank deposits	1,907,043	1,460,989
	32,097,833	21,695,674

17 Purchases of stock-in-trade

Particulars	(Amount in Rs.)	
	For the year ended	
	March 31, 2014	March 31, 2013
Purchase of rubber sheets	-	3,974,750
	-	3,974,750

18 Employee benefits expenses

Salaries & allowances	354,595	388,746
	354,595	388,746

19 Other expenses

Legal & professional charges	1,336,868	602,960
Auditors' remuneration (Refer note below)	213,484	258,428
Travelling & conveyance	152,979	50,186
Communication expenses	329,531	203,236
Repairs & maintenance - building	2,432,625	64,424
Printing & stationery	439,978	296,579
Rates & taxes	100,370	394,499
Advertisement expenses	456,536	259,640
Miscellaneous expenses	165,596	62,935
	5,627,967	2,192,887

Notes:

i Payments to the auditors comprises:

a. As auditors

Statutory audit fee	150,000	150,000
Limited review	30,000	40,000
Tax audit fee	10,000	10,000

b. In other capacity

Taxation services	-	33,708
Other services (including service tax)	23,484	24,720

213,484 **258,428**

20 Taxes on income

Current tax

Current tax expense for current year	-	-
Tax expense relating to prior years	-	(60,841)
	-	(60,841)

21 Earnings per equity share

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
Basic earnings per share		
Net profit / (loss) for the year (Rs.)	25,482,246	18,722,256
Weighted average number of equity shares (Nos.)	18,455,405	18,455,405
Par value per share (Rs.)	10	10
Earnings per share - basic (Rs.)	1.38	1.01
Diluted earnings per share		
Net profit / (loss) for the year (Rs.)	25,482,246	18,722,256
Weighted average number of equity shares for basic EPS (Nos.)	18,455,405	18,455,405
Add: Effect of dilutive instruments (Nos.)	-	-
Weighted average number of equity shares - for diluted EPS (Nos.)	18,455,405	18,455,405
Par value per share (Rs.)	10	10
Earnings per share - diluted (Rs.)	1.38	1.01

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 (Upto January 17, 2014)

2 Details of related party transactions during the year ended March 31, 2014 and balances outstanding as at March 31, 2014:

Transactions	March 31, 2014	March 31, 2013
Transactions during the year		
Remuneration to key managerial personnel		
- Abraham Itty Ipe	47,742	60,000
Balance Due from / (to) as at the year end		
- HML	-	(74,328)
- DDPL	28,848	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	34,790,756	19,790,756
Amount receivable on sale of shares	10,340,603	-
Maximum amount outstanding during the year	45,131,359	19,790,756

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, 2014	As at March 31, 2013
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 and on behalf of the Board of Directors of

For G. Joseph & Associates

Chartered Accountants
(Firm Regn. No. 006310S)

STEL Holdings Limited

Reuben Joseph

Partner
Membership No. 216884

Anant Goenka
Director

Sunil Bhandari
Director

Mithun B. Shenoy
Company Secretary

Kolkata

May 30, 2014

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 Dooars Plantations Ltd as at March 31, 2014, which comprises 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.

Auditor's 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 auditor's 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.

Auditor's 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, 2014;
- (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 Reg. No. 006310S,

Reuben Joseph,

Partner
Membership No. 216884

Kolkata,
May 30, 2014

Consolidated Balance Sheet as at March 31, 2014

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	As at March 31, 2014	As at March 31, 2013
I. Equity & liabilities			
1 Shareholders' funds			
a. Share capital	3	184,554,050	184,554,050
b. Reserves & surplus	4	987,908,850	962,472,430
2 Non-current liabilities			
a. Long term borrowings	5	-	40,000
3 Current liabilities			
a. Trade payables	6	103,652	335,543
b. Other current liabilities	7	195,027	187,839
c. Short term provisions	8	-	28,560
		1,172,761,579	1,147,618,422
II. Assets			
1 Non-current assets			
a. Fixed assets - tangible assets	9	12,660,848	13,335,278
b. Non-current investments	10	965,206,021	971,353,190
c. Long-term loans & advances	12	-	42,900
2 Current assets			
a. Cash & bank balances	13	34,003,957	27,429,196
b. Short-term loans & advances	12	39,642,256	24,440,904
c. Other current assets	14	121,248,497	111,016,954
		1,172,761,579	1,147,618,422
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 & AssociatesChartered Accountants
(Firm Regn. No. 006310S)**Reuben Joseph**Partner
Membership No. 216884

Kolkata

May 30, 2014

For and on behalf of the Board of Directors of
STEL Holdings Limited**Anant Goenka**
Director**Sunil Bhandari**
Director**Mithun B. Shenoy**
Company Secretary

Consolidated Statement of profit and loss for the year ended March 31, 2014

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	For year ended March 31, 2014	For year ended March 31, 2013
I. Income			
1 Revenue from operations	15	-	4,189,770
2 Other income	16	32,111,585	21,695,674
		32,111,585	25,885,444
II. Expenses			
1 Purchases of stock-in-trade	17	-	3,974,750
2 Employee benefits expense	18	354,595	388,746
3 Depreciation	9	674,429	711,229
4 Other expenses	19	5,646,140	2,204,692
		6,675,164	7,279,417
III. Profit before tax and exceptional items		25,436,421	18,606,027
IV. Tax expense			
1 Income tax	20	-	(60,841)
V. Profit for the year		25,436,421	18,666,868
VI. Earnings per equity share	21		
[Equity shares of par value of Rs. 10/- each (2013 - Rs. 10/-)]			
1 Basic		1.38	1.01
2 Diluted		1.38	1.01
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

Kolkata

May 30, 2014

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

Anant Goenka
Director

Sunil Bhandari
Director

Mithun B. Shenoy
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2014

(Amount in Rs.)

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
<u>Cash flow from operating activities</u>		
Net profit before tax	25,436,421	18,606,027
Adjustments for:		
Depreciation	674,429	711,229
Income from investments	(30,138,897)	(20,234,685)
Interest on fixed deposits	(1,907,043)	(1,460,989)
Operating profit before working capital changes	(5,935,090)	(2,378,418)
Movement in working capital:		
(Increase) / decrease in trade and other receivables	(15,158,453)	-
Increase / (decrease) in trade payables	(224,703)	(4,842,087)
Increase / (decrease) in provisions	(28,561)	-
Cash generated from operations	(21,346,807)	(7,220,505)
Income tax paid	-	-
Net cash from operating activities	(21,346,807)	(7,220,505)
<u>Cash flow from investing activities</u>		
Proceeds from sale of investments	-	29,099,590
Purchase of fixed assets (payments against capital commitments)	-	(5,855,001)
Interest received	2,016,104	1,460,989
Purchase of investments	-	(30,000,000)
Dividend received	25,945,464	20,232,705
Net cash from investing activities	27,961,568	14,938,283
<u>Cash flow from financing activities</u>		
Net cash from financing activities	(40,000)	-
Net increase / (decrease) in cash & cash equivalents	6,574,761	7,717,778
Cash & cash equivalents at the beginning of the year	27,429,196	19,711,418
Cash & cash equivalents at the close of the year	34,003,957	27,429,196
Components of cash & cash equivalents as at	March 31, 2014	March 31, 2013
Balance with banks as per Note No. 13		
- in current accounts	1,249,561	1,879,196
- in deposit accounts	32,754,396	25,550,000
	34,003,957	27,429,196

As per our report of even date attached

For G. Joseph & AssociatesChartered Accountants
(Firm Regn. No. 006310S)**Reuben Joseph**Partner
Membership No. 216884

Kolkata

May 30, 2014

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

Director

Sunil Bhandari

Director

Mithun B. Shenoy
Company Secretary

Notes to Consolidated financial statements for the year ended March 31, 2014

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	
		2013 - 14	2012 - 13
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	(Amount in Rs.)	
	As at March 31, 2014	As at March 31, 2013
Authorised capital	185,000,000	185,000,000
18,500,000 (2013 - 18,500,000) equity shares of Rs 10/- each		
Issued, subscribed and paid up	184,554,050	184,554,050
18,455,405 (2013 - 18,455,405) equity shares of Rs. 10/- Each		

STEL Holdings Limited

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
At the beginning of the period	18,455,405	184,554,050	18,455,405	184,554,050
Issued during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the period	18,455,405	184,554,050	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, 2014	As at March 31, 2013
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, 2014		March 31, 2013	
	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%	1,319,800	7.15%

4 Reserves & surplus

Particulars	(Amount in Rs.)	
	As at March 31, 2014	As at March 31, 2013
Capital reserve		
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
Capital reserve on consolidation		
At the beginning of the accounting period	95,235	95,235
Additions during the year	-	-
At the end of the accounting period	95,235	95,235

(Amount in Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Securities premium		
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>
General reserve		
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>
Surplus in the statement of profit & loss		
At the beginning of the accounting period	70,197,269	51,530,401
Profit for the year	25,436,421	18,666,868
Balance carried forward	<u>95,633,690</u>	<u>70,197,269</u>
Total Reserves & Surplus	<u>987,908,850</u>	<u>962,472,430</u>

5 Long term borrowings	Non-current portion		Current maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Unsecured borrowings				
Term Loan from Offshore India Ltd.	-	40,000	-	-
	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>

6 Trade payables	As at March 31, 2014	As at March 31, 2013
Particulars		
Trade payables (Refer Note No. 25 for details of dues to micro, small and medium enterprises)	103,652	335,544
	<u>103,652</u>	<u>335,544</u>

7 Other current liabilities	As at March 31, 2014	As at March 31, 2013
Particulars		
Accrued expenses	167,537	167,415
Statutory dues	27,489	20,423
	<u>195,027</u>	<u>187,839</u>

8 Provisions	Long term		Short term	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Particulars				
Provision for income tax and fringe benefit tax	-	-	-	28,560
	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,560</u>

STEL Holdings Limited

9 Fixed assets & depreciation

(Amount in Rs.)

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount		
	As at April 1, 2013	Additions	Deletions	As at March 31, 2014	As at April 1, 2013	For the period	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
A. Tangible Assets									
Buildings	16,444,423	-	-	16,444,423	3,195,172	662,463	3,857,635	12,586,788	13,249,251
Plant & Equipment	403,390	-	-	403,390	317,363	11,966	329,330	74,060	86,027
Total	16,847,813	-	-	16,847,813	3,512,535	674,429	4,186,965	12,660,848	13,335,278
Previous Year	16,847,813	-	-	16,847,813	2,801,306	711,229	3,512,535	13,335,278	14,046,507

10 Non current investments

Description	Face Value (Rs. /-)	As at March 31, 2014		As at March 31, 2013	
		Holdings (Nos)	Amount (Rs.)	Holdings (Nos)	Amount (Rs.)
Long term investments					
Quoted equity shares, fully paid-up					
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
Sub-total : Quoted investments			845,126,083		845,126,083
Unquoted equity shares, fully paid-up					
Spencer & Company Ltd.	10	1,057,135	45,561,478	1,199,764	51,708,647
Cochin International Airport Limited	10	500	2,500	500	2,500
Noida Power Company Ltd	10	3,000,000	30,000,000	3,000,000	30,000,000
			75,563,978		81,711,147
Redeemable non-cumulative preference shares, fully paid-up					
Universal Industrial Fund Ltd. (12.50%)	100	63,000	6,300,000	63,000	6,300,000
			6,300,000		6,300,000
Zero percent interest fully convertible debentures, fully paid-up					
Off -Shore India Ltd	100	374,450	37,445,000	374,450	37,445,000
			37,445,000		37,445,000
Equity shares in Srilankan companies, fully paid-up (face value - LKR)					
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
			770,960		770,960
Total of investments			965,206,021		971,353,190
Notes:					
1. Market value of quoted investments			2,326,106,345		1,259,450,818
2. Book value of quoted investments			845,126,083		845,126,083
3. Book value of unquoted investments			120,079,938		126,227,107

* Of the above shares Nil (2013 - 1,623,734) shares are pledged with IDBI Trusteeship Services Limited and for Nil (2013 - 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

(Amount in Rs.)

Particulars	Long term		Short term	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Security deposits	-	42,900	-	-
Advances recoverable in cash or kind	-	-	4,331,650	4,331,650
Other loans and advances	-	-	34,790,757	19,790,756
Prepaid taxes (net of provision)	-	-	519,849	318,498
	-	42,900	39,642,256	24,440,904

13 Cash & bank balances

(Amount in Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Balances with banks:		
- In current accounts	1,249,561	1,879,196
- In deposit accounts	32,754,396	25,550,000
	34,003,957	27,429,196

Cash and cash equivalents as on March 31, 2014 include restricted cash and bank balance of Rs. 50,000 (2013 - 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)

Receivable against sale of shares	120,606,262	110,265,659
Interest accrued on fixed deposits	642,235	751,295
	121,248,497	111,016,954

15 Revenue from operations

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
Sale of rubber sheets	-	4,189,770
	-	4,189,770

16 Other income

Particulars	(Amount in Rs.)	
	For the year ended	
	March 31, 2014	March 31, 2013
Net gain on sale of long term investments	4,193,433	1,980
Dividend income on long term investments	25,945,464	20,232,705
Provision no longer required written back	51,893	-
Interest on bank deposits	1,907,043	1,460,989
Miscellaneous income	13,752	-
	32,111,585	21,695,674

17 Purchases of stock-in-trade

Purchase of rubber sheets	-	3,974,750
	-	3,974,750

18 Employee benefits expenses

Salaries & allowances	354,595	388,746
	354,595	388,746

19 Other expenses

Legal & professional charges	1,344,424	602,960
Auditors' remuneration (Refer note below)	219,102	264,664
Travelling & conveyance	152,979	50,186
Communication expenses	329,531	203,236
Repairs & maintenance - building	2,432,625	64,424
Printing & stationery	439,978	296,579
Rates & taxes	105,370	400,055
Advertisement expenses	456,536	259,640
Miscellaneous expenses	165,595	62,948
	5,646,140	2,204,692

Notes:

i Payments to the auditors comprises:

a. As auditors

Statutory audit fee	155,000	155,000
Limited review	30,000	40,000
Tax audit fee	10,000	10,000

b. In other capacity

Taxation services	-	33,708
Other services (including service tax)	24,102	25,956
	219,102	264,664

20 Taxes on income

(Amount in Rs.)

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
Current tax		
Current tax expense for current year	-	-
Tax expense relating to prior years	-	(60,841)
	-	(60,841)

21 Earnings per equity share

Basic earnings per share

Net profit / (loss) for the year (Rs.)	25,436,421	18,666,868
Weighted average number of equity shares (Nos.)	18,455,405	18,455,405
Par value per share (Rs.)	10	10
Earnings per share - basic (Rs.)	1.38	1.01

Diluted earnings per share

Net profit / (loss) for the year (Rs.)	25,436,421	18,666,868
Weighted average number of equity shares for basic EPS (Nos.)	18,455,405	18,455,405
Add: Effect of dilutive instruments (Nos.)	-	-
Weighted average number of equity shares - for diluted EPS (Nos.)	18,455,405	18,455,405
Par value per share (Rs.)	10	10
Earnings per share - diluted (Rs.)	1.38	1.01

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 (Upto January 17, 2014)

2 Details of related party transactions during the year ended March 31, 2014 and balances outstanding as at March 31, 2014:

Transactions	March 31, 2014	March 31, 2013
Transactions during the year		
Remuneration to key managerial personnel		
- Abraham Itty Ipe	47,742	60,000
Balance Due from / (to) as at the year end		
- HML	-	(74,328)
- 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	34,790,757	19,790,756
Amount receivable on sale of shares	10,340,603	-
Maximum amount outstanding during the year	45,131,359	19,790,756

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, 2014	As at March 31, 2013
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

Anant Goenka
Director

Sunil Bhandari
Director

Mithun B. Shenoy
Company Secretary

Kolkata
May 30, 2014

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

Name of Subsidiary	Doon Dooars Plantations Limited
1 Financial year of the Subsidiary ended on	March 31, 2014
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, 2014	Rs. (45,826)
b) Not dealt with the accounts of Holding Company for the year ended March 31, 2014	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, 2014	Rs. (55, 388)
b) Not dealt with the accounts of Holding Company for the year ended March 31, 2014	Nil
5 The provisions of Section 212(5) of the Companies Act, 1956 are not applicable as the financial year of the subsidiary Company coincides with that of the Company	

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

Sunil Bhandari
Director

H. C. Dalal
Director

Mumbai
August 11, 2014

Subsidiary Company
Financial Highlights 2013-14

(Rs. in Lacs)

Particulars	Doon Dooars Plantations Limited
Capital	17
Reserves & Surplus	(9.51)
Trade payable	0.80
Total Liabilities	8.35
Total Assets	8.35
Investments	-
Turnover	0.14
Profit before Tax	(0.46)
Provision for Tax/Deferred Tax	-
Profit after tax	(0.46)
Proposed Dividend	-

STEL Holdings Limited

(CIN: L65993KL1990PLC005811)
 Regd. Office: 24/1624, Bristow Road, Willingdon Island, Cochin – 682003
 Ph: 0484 6624335 Fax: 0484 - 2668024
 Website: www.stelholdings.com Email: secretarial@stelholdings.com

PROXY FORM

(Form No.MGT – 11)

Name of the Member(s):

Registered address:

E-mail Id:

Folio No./Client Id& DP Id:

I/We, being the Member(s) of _____ shares of the above named Company, hereby appoint

(1) Name: Address

Email-Id Signature(or failing him)

(2) Name: Address

Email-Id Signature(or failing him)

(3) Name: Address

Email-Id Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Kochi – 682016 on Tuesday the 30th day of September, 2014 at 10.30 A.M and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	RESOLUTIONS
Ordinary Business	
1	Adoption of the Audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors
2	Appointment of a Director in place of Shri. Anant Goenka who retires by rotation and being eligible, offers himself for re-appointment.
3	Appointment of Messrs. G. Joseph & Associates, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.
Special Business	
4	Appointment of Shri. Prem Kapil as an Independent Director of the Company.
5	Appointment of Smt. Sucharita Basu as an Independent Director of the Company.
6	Appointment of Shri. H. C. Dalal as an Independent Director of the Company.
7	Appointment of Shri. Umang Kanoria as an Independent Director of the Company.
8	Appointment of Shri. Abraham Itty Ipe as an Manager of the Company.

Signed this _____ day of September 2014.

Signature of shareholder(s).....

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

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory statement and Notes, please refer to the Notice of the Twenty Fourth Annual General Meeting.

STEL Holdings Limited

(CIN: L65993KL1990PLC005811)
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Website: www.stelholdings.com Email: secretarial@stelholdings.com

ATTENDANCE SLIP

24 TH ANNUAL GENERAL MEETING	
Folio.No./DP ID and Client ID	Number of Shares :
Name and Address of the Shareholder(s)	

I/We hereby record my/our presence at the Twenty Fourth Annual General Meeting of the Company at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Kochi – 682016, on Tuesday the 30th day of September, 2014 at 10.30 A.M.

Member's Folio/DPID-Client ID No.

Member's /Proxy's name in Block Letters

Member's/Proxy's Signature

Instructions to members attending the 37th Annual General Meeting:

- 1) Members/Proxy holders are requested to bring this slip with them when they come to the Meeting and hand it over at the entrance of the Meeting Hall duly signed.
- 2) Members are requested to be in their seats at the meeting well before the scheduled time for the commencement of the Annual General Meeting to avoid interruptions in the proceedings.
- 3) Members holding shares in more than one Folio in identical order of names are requested to write to Registrar & Share Transfer Agent enclosing the Share Certificates to enable the Company to consolidate the holding in one Folio to facilitate better service.
- 4) The Company's shares are compulsorily traded in dematerialized form and therefore shareholders are advised to de-materialize their shares which will offer better liquidity and market rates. Transfer of shares in the demat form does not attract stamp duty besides avoiding bad delivery, issue of duplicate share certificates etc.

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