

STEL Holdings Limited

ANNUAL REPORT 2015-2016

Board of Directors

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

Manager

Shri. Abraham Itty Ipe

Registered Office

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

Statutory Auditors

G. Joseph & Associates,
Chartered Accountants
37/2038, Muttathil Lane,
Kadavanthra
Cochin – 682020, Kerala

Secretarial Auditors

SVJS & Associates, Company Secretaries
Padmam Apartments
Manikkath Road, Ravipuram
Kochi – 682 016

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 Sixth Annual General Meeting of the Company will be held at 2.30 P.M. on Friday, September 30, 2016 at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin-682016, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the year ended March 31, 2016, and the audited consolidated financial statements for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anant Vardhan Goenka (DIN: 02089850) who retires by rotation and, being eligible, offers himself for reappointment.
3. To ratify the appointment of 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 re-appointment of the Auditors Messrs. G. Joseph & Associates, Chartered Accountants (Firm Registration No. 006310S), to hold office from the conclusion of Twenty Sixth Annual General Meeting (AGM) till the conclusion of the Twenty Seventh AGM of the Company be and is hereby ratified and the said Auditors be paid such remuneration as may be recommended by the Audit Committee and decided by the Board of Directors of the Company.”

By Order of the Board of Directors

Kolkata
August 1, 2016

Abraham Ittyipe
Manager

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 Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2016, to September 30, 2016 (both days inclusive).
3. All documents referred to in the Notice will be available for inspection by the members at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.
4. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be restricted by the Attendance Slip. Members are requested to write their Client ID and DP ID numbers/ Folio Number (as applicable) on the Attendance slip, affix their signature and hand it over at the entrance hall. Route Map and the prominent landmark of the AGM venue are printed at last page of the Annual Report.
5. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
7. Members holding shares in electronic form are advised to send their request for the change of address, Bank particulars, Residential status or request for transmission of shares etc to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028. Phone: 0422-2314792. Email id: coimbatore@linkintime.co.in

8. Notice of the AGM along with Annual Report 2015-16 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.

9. Voting through electronic means:

In Compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to offer 'remote e-voting' (e-voting from a place other than venue of the AGM) facility to exercise their right to vote at the 26th Annual General Meeting (AGM). Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting.

The facility of voting through polling paper shall also be made available at the venue of the Twenty Sixth AGM. The shareholders attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The shareholders who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM. A person who is not a Member as on the cut-off date i.e., September 23, 2016, shall treat this Notice for information purpose only.

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

- (i) The voting period begins on Tuesday, September 27, 2016 (9.00 A.M.) and ends on Thursday, September 29, 2016 (5.00 P.M.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website (www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on the attendance slip.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Shareholders holding shares in physical form will then directly reach the EVSN selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <STEL HOLDINGS LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. The scanned copy of the said Board Resolution and the Power of Attorney shall also be emailed to the Scrutinizer to his email id, namely, ashish@artismc.com
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Rakesh Dalvi, Deputy Manager, CDSL, 16th Floor, P J Towers, Dalal Street, Fort, Mumbai - 400 001, Contact No. 1800 200 5533.
10. The Company has appointed Mr. Pradeep P C (FCS. 5170 and CP. 3905), Partner, ABP & Associates, Company Secretaries, Kochi, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
11. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 2 (two) days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman and/or Manager or a person authorized by him in writing who shall counter sign the same.

12. The results shall be declared forthwith upon receipt of the Scrutinizer's Report. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.stelholdings.com and on the website of CDSL immediately after their declaration within two (2) days of passing of resolutions at the Annual General Meeting. The Results shall also be communicated to the stock exchanges where shares of the Company are listed.

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

A. Mr. Anant Vardhan Goenka

Date of Birth	January 19, 1981
Qualification	B.Sc in Economics from the Wharton School and M.B.A from the Kellogg School of Management.
Expertise in Specific Functional Areas	Mr. Anant Vardhan Goenka aged 35 years was appointed as the Non-Executive Director of the Company on September 17, 2010. Mr. Anant is the Managing Director of Ceat Ltd. Mr. Goenka joined KEC International Limited (KEC) as Vice-President (Corporate) and was in charge of the telecom business, business development in North America and Integrated planning and monitoring of Transmission and Distribution Business. In recognition of his contribution in the said business vertical, KEC elevated him to the position of Executive Director, Supply Chain in-charge of manufacturing, procurement, planning, logistics and quality. During the Financial year 2015-16, Mr. Anant has appointed 2 meetings of the Board of Directors. Mr. Anant is not related to any Managerial Personnel of the Company. Mr. Anant does not hold any equity shares in the Company in his own name or on a financial basis for any other Person.
Directorship held in other Companies	<ul style="list-style-type: none"> ◆ RAYCHEM-RPG Pvt Limited ◆ CEAT Limited ◆ Spencer and Company Limited ◆ Spencer International Hotels Limited ◆ Rubber Skill Development Council ◆ CEAT Speciality Tyres Limited ◆ Associated CEAT Holdings Company Pvt Limited, Srilanka ◆ CEAT Kelani Holdings Pvt Limited, Srilanka. ◆ CEAT Akkhan Limited (Bangladesh). ◆ Associated CEAT Pvt Limited, Srilanka ◆ CEAT Kelani International Tyres Pvt Limited, Srilanka ◆ CEAT Kelani Radials Pvt Limited, Srilanka ◆ Asian Tyres Pvt Limited
Committee Membership in other Companies	CEAT Limited
Shareholding in the Company	Nil

By Order of the Board of Directors

Kolkata
August 1, 2016

Abraham Ittyipe
Manager

STEL Holdings Limited
24/1624, Bristow Road, Willingdon Island,
Cochin - 682003, Kerala
Tel No. 0484 6624335 | Fax: 0484 2668024
Email: secretarial@stelholdings.com
Website: www.stelholdings.com
CIN: L65993KL1990PLC005811

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2016.

1. Financial Highlights

The income of the Company mainly consisted of dividend income. The net loss after tax was ₹ 402.18 lakhs.
₹ in Lakhs

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015
Total Income	956.87	419.05	956.87	419.57
Profit before Tax	(379.78)	379.41	(381.27)	364.65
Provision for Taxation	22.40	2.88	22.40	2.88
Profit after Tax	(402.18)	376.54	(403.67)	361.77
Surplus brought forward from the previous year	1334.5	958.43	1331.97	956.33
Surplus carried to the Balance Sheet	932.32	1334.50	928.30	1331.97

2. Operations of the Company

Investments are made in various companies and dividend constitutes the main source of income for the Company. During the financial year ended March 31, 2016, total income of the Company was ₹ 956.87 lakh as against ₹ 419.05 lakh in the Previous Year. Loss after tax and provision for diminution in investments was ₹ 402.18 lakhs as against a profit of ₹ 376.54 lakhs in the Previous Year.

3. Material Changes and Commitments

The Company holds 67,681,206 number of equity shares in CFL Capital Financial Services Ltd. (CFL CFSL), amounting to an investment cost of ₹ 127,344,645/-. The Hon'ble High Court at Calcutta has passed an Order on October 06, 2015, for liquidation of CFL CFSL based on an application filed by a creditor of the Company. The office of the Official Liquidator, Calcutta had took over possession of the Registered Office of CFL CFSL on November 19, 2015 along with books and records and assets. The Board of Directors of your Company has provided for the diminution of the entire value of investment by the Company in CFL CFSL.

4. Change in the Nature of Business

During the year under review, there was no change in the nature of the business.

5. Dividend

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended March 31, 2016, in view of the losses during the financial year.

5. Amount transferred to the Reserves

Your Board has not proposed the transfer of any amount to the reserve.

7. Extract of Annual Return

An extract of the Annual Return as required in form MGT 9 is annexed is as "Annexure A".

8. Listing

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

9. Fixed Deposit

The Company has not accepted any deposit within the meaning of Chapter V of the Companies Act, 2013 and the Rules framed there under.

10. Particulars of Loans, Guarantees or Investments

In terms of the provisions of Section 186(11) of the Companies Act, 2013 the provisions of Section 186(4) requiring disclosure in the financial statements of the full particulars of loans given, investments made or guarantees given or securities provided and purpose thereof, is not applicable to the Company.

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

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

(a) Conservation of energy and technology absorption:

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

(b) Foreign Exchange earnings and outgo:

Total foreign exchange used: Nil

Total foreign exchange earned: Nil

12. Subsidiary & Associate Company

As on March 31, 2016, the Company has a subsidiary, Doon Dooars Plantations Limited, accounts of which shall be made available to the shareholders of the Company seeking such information at any point of time. The Consolidated Financial Statements of the Company along with its subsidiary prepared for the year 2015-16 in accordance with relevant Accounting Standard issued by Institute of Chartered Accountants of India forms part of this Annual Report. None of the Companies has become or ceased to be a subsidiary or associate of the Company.

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

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

http://stelholdings.com/docs/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf

13. Corporate Governance

A report on Management Discussion and Analysis is attached here with (Annexure - C). A separate Report on Corporate Governance (Annexure - D) as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, is annexed as a part of this Report along with the practicing Company Secretary's Certificate.

14. Directors and Key Managerial Personnel

Mr. Anant Goenka (DIN: 02089850) retires in the forthcoming Annual General Meeting and being eligible offers himself for reappointment. Brief particulars of Mr. Anant Goenka, his expertise in various functional areas is given in the Notice convening the Annual General Meeting. Mr. Anant does not hold any share in his own name or on beneficial basis for any other person in the Company.

During the year under review, Ms. Sucharita Basu has resigned from the Board on September 28, 2015 and Ms. Surbhi Singhi has been appointed as an Additional Director on November 6, 2015 and has been confirmed as an Independent Director by the Shareholders through Postal Ballot on February 9, 2016. Mr. Jose George was appointed as the Company Secretary and Compliance Officer of the Company with effect from December 4, 2015, in place of Mr. Mithun B. Shenoy who has resigned from the office with effect from October 9, 2015.

In compliance with Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, brief resume of the Director proposed to be re-appointed is attached along with the Notice to the ensuing Annual General Meeting.

During the year under review, 6 (Six) meetings of the Board of Directors were held, details of which are set out in the Corporate Governance Report which forms a part of this Report.

14.1. Declaration by Independent Directors

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Independent Directors of the Company viz. Mr. Umang Kanoria (DIN- 00081108), Mr. H. C. Dalal (DIN- 00206232), Mr. Prem Kapil (DIN- 06921601) and Smt. Surbhi Singhi (DIN- 03275338), have given declaration to the Company that they qualify the criteria of independence as required under the Act.

14.2. Board Evaluation

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

Further, the Independent Directors of the Company met once during the year to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

14.3. Policy on Remuneration to Directors, KMP and Senior Management Personnel

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

15. Board Committees

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

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

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

The Directors confirm that –

- a) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards had been followed and there were no material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year in the Balance Sheet as at March 31, 2016 and the Profit and Loss Account of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. Auditors:

17.1. Statutory Auditors

Messrs G. Joseph & Associates, Chartered Accountants, Statutory Auditors of the Company were re-appointed auditors to hold office from the conclusion of the Twenty Fourth Annual General Meeting held on September 30, 2014 till the conclusion of the Twenty Seventh Annual General Meeting to be held in 2017, subject to ratification by the Members at the Twenty Fifth and Twenty Sixth AGM of the Company. The same was ratified by the members at the Twenty Fifth Annual General Meeting. Accordingly, the Notice convening the Twenty Sixth AGM includes a resolution seeking such ratification by the members of the said re-appointment of the Auditors.

There was no frauds reported by auditors under sub-section (12) of section 143 during the financial year.

The Company has received a letter from the Statutory Auditors to the effect that the ratification of their re-appointment, if made at the forthcoming Annual General Meeting, would be in accordance with the limits prescribed under 141(3) (g) of the Act. The Company has taken necessary steps to avoid delays in remittance of income tax deducted at source.

17.2. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of the Directors of the Company had appointed M/s. SVJS & Associates, Company Secretaries to undertake the Secretarial Auditors of the Company for the year ended March 31, 2016. The Secretarial Audit Report is annexed as Annexure - F.

The qualification, disclaimer, reservation or adverse remark made by the Company Secretary in practice in Secretarial Audit Report are self explanatory as per Section 134(3)(f) of the Act.

17.3. Internal Auditor

The Board had appointed Ms. Jyothi Mary Jacob, Cost Accountant as Internal Auditors for the financial year 2015-16.

18. Corporate Social Responsibility

The Company does not come under the purview of Section 135 of the Act. Hence it is not required to constitute Corporate Social Responsibility Committee.

19. Whistle Blower Policy

Pursuant to Section 177 of the Companies Act, 2013 the rules made thereunder and the Listing Agreement with the Stock Exchanges, the Company has established a Whistle Blower Policy (Vigil Mechanism) for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. The policy has been uploaded in the Company's website <http://stelholdings.com/docs/Whistleblowerpolicy.pdf>

20. Related Party Transactions

There was no materially significant transaction with the Company's Promoters, Directors, Management, Related Parties or their relatives that could have had a potential conflict with the interests of the Company. All the Contracts or arrangements with related parties are on arms length basis and that the Company does not have any material contracts or arrangements that are not on arms length. This policy as approved by the Board is uploaded on the Company's website on the below link:

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

21. Risk Management

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

22. Particulars of Employees

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

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

23. Internal Financial Control

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report.

24. Significant and Material Order

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

25. Anti Sexual Harassment Policy

As the Company does not have women employees in its pay roll, the Company has not placed Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

26. 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

On behalf of the Board of Directors

Kolkata
August 1, 2016

Anant Goenka (DIN- 02089850)
Director

Sunil Bhandari (DIN- 00052161)
Director

ANNEXURE A TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code* of the Product/ service	% to total turnover of the company
1	Activities of holding Companies	642	419.05

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Doon Dooars Plantation Limited	U01132WB1994PLC062034	Subsidiary Company	100%	2(87)(ii)
2	CFL Capital Financial Services Limited	L67120WB1983PLC036805	Associate Company	48.81%	2(6)

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

i) Category-wise Share Holding as of March 31, 2015

Category of Shareholders	No. of shares at the beginning of the year				No of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	90,000	-	90,000	0.49	90,000	-	90,000	0.49	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	592,116	-	592,116	3.21	8,932,116	-	8,932,116	48.40	45.19
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other									
Trusts	262,080	-	262,080	1.42	262,080	-	262,080	1.42	-
Sub-total (A) (1) :-	944,196	-	944,196	5.12	9,284,196	-	9,284,196	50.31	45.19
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Others - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub- total (A) (2):-	-	-	-	0.00	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	944,196	-	944,196	5.12	9,284,196	-	9,284,196	50.31	45.19
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	6,500	530	7,030	0.04	6,500	530	7,030	0.04	-
b) Banks/ FI	1,903	420	2,323	0.01	1,903	420	2,323	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	33,570	-	33,570	0.18	33,570	-	33,570	0.18	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1) :-	41,973	950	42,923	0.23	41,973	950	42,923	0.23	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,394,028	10,290	1,404,318	7.61	1,295,652	10,100	1,305,752	7.08	-0.53
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto ₹ 1 lakh	3,816,297	1,012,423	4,828,720	26.16	3,696,673	987,637	4,684,310	25.38	-0.78
ii) Individual shareholders holding nominal share Capital in excess of ₹1 lakh	2,525,169	-	2,525,169	13.68	2,617,138	-	2,617,138	14.18	0.50

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Category of Shareholders	No. of shares at the beginning of the year				No of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Clearing Member	12,630	-	12,630	0.07	20,175	-	20,175	0.11	0.04
Market Maker	9,526	-	9,526	0.05	1,730	-	1,730	0.01	-0.04
Unclaimed Shares	186,030	-	186,830	1.01	185,120	-	185,120	1.00	-0.01
Office Bearers	-	-	-	-	-	-	-	-	-
Non Resident Indian (Repatriate)	69,569	4,105	73,674	0.40	88,013	4,080	92,093	0.50	0.10
Non Resident Indian (Non-Repatriate)	26,655	-	26,655	0.14	26,628	-	26,628	0.14	-0.00
HUF	59,474	-	59,474	0.32	268,302	-	268,302	1.45	1.13
TRUSTS	2,090	-	2,090	0.01	2,090	-	2,090	0.01	-
Sub -total (B) (2):-	8,101,468	1,026,818	9,129,086	49.47	8,201,521	1,001,817	9,203,338	49.87	0.40
Total Public Shareholding (B) = (B) (1) + (B)(2)	8,143,441	1,027,768	9,172,009	49.70	8,243,494	1,002,767	9,246,261	50.10	0.40
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9,087,637	1,027,768	10,116,205	54.81	17,527,690	1,002,767	18,530,457	100.41	45.59

ii) Shareholding of Promoters:

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
Malayalam Plantations Holdings	3,640,000	19.72	-		0.00	-	-
Instant Holdings Limited	1,605,200	8.70	-	1,605,200	8.70	-	-
Carnival Investments Limited	1,363,580	7.39	-	1,363,580	7.39	-	-
Summit Securities Limited	878,501	4.76	-	878,501	4.76	-	-
Rainbow Investments Limited	831,438	5	-	4,471,438	24.23	-	-
Swallow Associates LLP	613,197	3.32	-	613,197	3.32	-	-
Harsh Vardhan Goenka	45,000	0.24	-	45,000	0.24	-	-
Pradip Kumar Khaitan, Trustee of HML Trust No. I	43,680	0.24	-	43,680	0.24	-	-
Pradip Kumar Khaitan, Trustee of HML Trust No. II	43,680	0.24	-	43,680	0.24	-	-
Pradip Kumar Khaitan, Trustee of HML Trust No. III	43,680	0.24	-	43,680	0.24	-	-
Pradip Kumar Khaitan, Trustee of HML Trust No. IV	43,680	0.24	-	43,680	0.24	-	-
Pradip Kumar Khaitan, Trustee of HML Trust No. V	43,680	0.24	-	43,680	0.24	-	-
Pradip Kumar Khaitan, Trustee of HML Trust No. VI	43,680	0.24	-	43,680	0.24	-	-
Sanjiv Goenka	35,000	0.19	-	35,000	0.19	-	-
Rama Prasad Goenka	10,000	0.05	-	10,000	0.05	-	-
Saregama India Limited	100	0.00	-	100	0.00	-	-
Zensar Technologies Limited	100	0.00	-	100	0.00	-	-
Total	9,284,196	50.31	-	9,284,196	50.31	-	-

iii) Change in Promoters' Shareholding:

	Shareholding at the beginning of the year 1.4.15 / end of the year 31.3.16		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
Rainbow Investments Limited	831,438	4.51				4,471,438	24.23
Inter promoter purchase	3,640,000		27/11/2015	Increase			
Malayalam Plantations Holdings	3,640,000	19.72				-	-
Inter promoter sales	3,640,000		27/11/2015	decrease			

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	HITESH RAMJI JAVERI	759000	4.1126			759000	4.1126
	Transfer			05 Jun 2015	601	759601	4.1159
	AT THE END OF THE YEAR					759601	4.1159
2	VLS FINANCE LTD	558665	3.0271			558665	3.0271
	Transfer			03 Apr 2015	(550000)	8665	0.0470
	Transfer			30 Jun 2015	550000	558665	3.0271
	Transfer			03 Jul 2015	(558000)	665	0.0036
	Transfer			07 Aug 2015	20000	20665	0.1120
	Transfer			14 Aug 2015	18610	39275	0.2128
	Transfer			21 Aug 2015	(4900)	34375	0.1863
	Transfer			16 Oct 2015	394400	428775	2.3233
	AT THE END OF THE YEAR					428775	2.3233
3	CHINAPPA M B	270387	1.4651			270387	1.4651
	Transfer			05 Jun 2015	7	270394	1.4651
	AT THE END OF THE YEAR					270394	1.4651
4	R N RUBESH	250924	1.3596			250924	1.3596
	Transfer			10 Jul 2015	(20)	250904	1.3595
	AT THE END OF THE YEAR					250904	1.3595
5	JAISUKH VINIMOY PVT. LTD.	294000	1.5930			294000	1.5930
	Transfer			17 Apr 2015	(50)	293950	1.5928
	Transfer			22 May 2015	(4670)	289280	1.5675
	Transfer			29 May 2015	(50)	289230	1.5672
	Transfer			12 Jun 2015	(13930)	275300	1.4917
	Transfer			19 Jun 2015	(1016)	274284	1.4862
	Transfer			24 Jul 2015	(1214)	273070	1.4796
	Transfer			07 Aug 2015	(1240)	271830	1.4729
	Transfer			14 Aug 2015	(441)	271389	1.4705
	Transfer			16 Oct 2015	(11389)	260000	1.4088
	Transfer			20 Nov 2015	(860)	259140	1.4041
	Transfer			04 Dec 2015	(8261)	250879	1.3594
	AT THE END OF THE YEAR					250879	1.3594
6	HARSHA HITESH JAVERI	159000	0.8615			159000	0.8615
	Transfer			05 Jun 2015	1000	160000	0.8670
	AT THE END OF THE YEAR					160000	0.8670
7	MAHENDRA GIRDHARILAL	108874	0.5899			108874	0.5899
	AT THE END OF THE YEAR					108874	0.5899

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Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
8	STANLEY VYAPAAR PVT LIMITED	98000	0.5310			98000	0.5310
	AT THE END OF THE YEAR					98000	0.5310
9	N LALITHA	86220	0.4672			86220	0.4672
	AT THE END OF THE YEAR					86220	0.4672
10	KRUPA SAMEER THACKER	65700	0.3560			65700	0.3560
	Transfer			27 Nov 2015	3600	69300	0.3755
	AT THE END OF THE YEAR					69300	0.3755

Notes:

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

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
Malayalam Plantations Holdings	3,640,000	19.72	-		0.00	-	-
Instant Holdings Limited	1,605,200	8.70	-	1,605,200	8.70	-	-
Carnival Investments Limited	1,363,580	7.39	-	1,363,580	7.39	-	-
Summit Securities Limited	878,501	4.76	-	878,501	4.76	-	-

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars of Remuneration	Name of the Manager	Total Amount (₹)
		Mr. Abraham Ittype	
1	Gross salary	(Amount in ₹)	
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,20,000	1,20,000
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-
	c. Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission:	-	-
	- As a % of Profit	-	-
	- Others, specify	-	-
5	Others, please specify		
	Contribution to PF	-	-
	Contribution to Gratuity	-	-
	Contribution to Superannuation Fund	-	-
	Consolidated Allowances	-	-
	Car Perquisite	-	-
	Total (A)	1,20,000	1,20,000
	Ceiling as per the Act - ₹ 12,78,91,206 (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)	-20,18,341	-20,18,341

V INDEBTEDNESS

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

Indebtedness at the beginning of the financial year - 1.4.15	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year 31.3.16				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the Manager	Total Amount (₹)
		Mr. Abraham Ittype	
1	Gross salary	(Amount in ₹)	
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,20,000	1,20,000
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-
	c. Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission:	-	-
	- As a % of Profit	-	-
	- Others, specify	-	-
5	Others, please specify		
	Contribution to PF	-	-
	Contribution to Gratuity	-	-
	Contribution to Superannuation Fund	-	-
	Consolidated Allowances	-	-
	Car Perquisite	-	-
	Total (A)	1,20,000	1,20,000
	Ceiling as per the Act - ₹ 12,78,91,206 (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)	-19,98,098	-19,98,098

Note :

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

B. Remuneration to other directors:

S I . No.	Particulars of Remuneration	Mr. Anant Goenka	Mr. Sunil Bhandari	Mr. Umang Kanoria	Mr. H.C. Dalal	Mr. Prem Kapil	Mr. Kaushik Roy	Ms. Surbhi Singhi	Ms. Sucharita Basu	Total
1	Independent Directors									
	- Fees for attending Board/ Committee Meetings	-	-	23,175	32,175	26,175		-	13,305.00	94,830
	- Commission	-	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	23,175	32,175	26,175	-	-	13,305	94,830
2	Other Non- Executive Directors									
	- Fees for attending Board/ Committee Meetings	6,435	25,305	-	-	-	9,000	-	-	
	- Commission	-	-	-	-	-	-	-	-	
	- Others	-	-	-	-	-	-	-	-	
	Total (2)	6,435	25,305	-	-	-	9,000	-	-	40,740
	Total (B) = (1+2)	6,435	25,305	23,175	32,175	26,175	9,000	-	13,305	1,35,570
	Total Managerial Remuneration #									1,20,000
	Overall Ceiling as per the Act @	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	

Notes:

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

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Siva Rama Krishnan, Chief Financial Officer	Mr. Mithun B. Shenoy, Company Secretary*	Mr. Jose George Company Secretary**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,40,000	2,91,251	2,20,709	7,51,960
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	Nil	Nil	Nil	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- As % of profit	-	-	-	-
	- Others, , specify	-	-	-	-
5	Others, , please specify	None	None		-
	Total	2,40,000	2,91,251	2,20,709	7,51,960

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

On behalf of the Board of Directors

Kolkata
August 1, 2016

Anant Goenka (DIN- 02089850)
Director

Sunil Bhandari (DIN- 00052161)
Director

ANNEXURE B TO THE DIRECTORS' REPORT

AOC - 1

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

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

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

Sl. No.	Particulars	1
1	Name of the subsidiary	Doon Dooars Plantations Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2015 to March 31, 2016
3	The date since when the subsidiary was acquired	July 28, 2010
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries	Rupees
5	Share capital	1,700,000
6	Reserves & surplus	-11,43,784
7	Total assets	758,443
8	Total Liabilities	758,443
9	Investments	-
10	Turnover	-
11	Profit before taxation	-149,286
12	Provision for taxation	-
13	Profit after taxation	-149,286
14	Proposed Dividend	-
15	% of shareholding	100%
1.	Names of subsidiaries which are yet to commence operations	Nil
2.	Name of subsidiaries which have been liquidated or sold during the year	Nil

Part "B": Associates and Joint Ventures

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

Name of of Associates/ Joint Venture	1
	CFL Capital Financial Services Ltd.
1. Latest Audited Balance sheet Date	March 31, 2015
2. The date since when the Associate / Jont Venture was associated	July 28, 2010
3. shares of Associate Company held by the Company on the year end	
i. No.	67,681,206
ii. Amount of Investment in Associates/ Joint Venture	127,344,645
iii. Extend of Holding %	48.81%
4. Description of how there is significant influence	The Company has no significant influence over this Associate Company.
5. Reason why the associate/ Joint venture is not consolidated	Please refer note as given below
6. Networth attributable to shareholding as per latest audited balance sheet	-5,616,995,909
7. Profit/ Loss for the year	
i. Considered in consolidation	Nil
ii. Not considered in consolidation	-654,237,728

Note

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

ANNEXURE – C TO THE DIRECTOR’S REPORT

Management Discussion and Analysis Report

Overview – Financial Performance

Of the total income received by the Company ('STEL'), dividend income constitutes the main earnings. The performance of the Company is directly related to the performance of the Investee Companies. The Company has suffered a loss of Rs.402.18 lakhs during the year 2015-16 as compared to a profit of Rs.376.54 lakhs in the previous year. STEL is an investment company.

Industry and Business Overview and Future Outlook

India's gross domestic product (GDP) grew 7.9 per cent in the fourth quarter of 2015-16, increasing overall growth for the entire year to 7.6 per cent and help maintain its position as the fastest-growing major economy.

India's gross value added (GVA) for the year grew by 7.2 per cent in what economists termed a consumption-led recovery.

Indian economy is likely to achieve 7.7 percent growth in the current financial year, spurred by strong consumer spending amid low inflation, infrastructure projects and government's reform measures. Investment is also expected to rebound, although unevenly, given the still low capacity-utilisation rate at about 70 percent.

Growth is forecasted at 7.7 percent in 2016, benefiting from the acceleration of infrastructure projects, strong consumer spending due to lower inflation and monetary easing and gradual improvements in market sentiments

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

India is expected to be the third largest economy of the world by 2020. The evolvement of the Indian economy to adapt global competitiveness will make the country a formidable global competitor.

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

Risk and Concerns

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

Further Board has constituted risk management committee to look into all the current and future material risk exposures of the Company and it should be appropriately mitigated, minimized and managed. Board has also adopted the risk management policy and processes which will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. It will help in business growth with financial stability.

Internal Financial Control System

The Company has an adequate system of accounting, administrative and financial control with adequate system of internal checks that ensures safe recording of all Company's assets and their proper and authorized utilization. Board has appointed the internal auditor to conduct a risk based audit with to review not only test adherence to laid down in policies and procedures but also to suggest improvements in process and systems. Their audit program is agreed upon by the Audit Committee. Internal Audit observations and recommendations reported to the Audit Committee, which monitors the implementation of such recommendations. The Company has an Audit Committee which on a regular basis reviews the adequacy and effectiveness of internal control.

Human Resources

The Company recognizes that the manpower is the key to the success of the organisation and in meeting its aspirations. Every Company is depended on the quality of workforce. During the year under review, the company had only 1 (one) employee and the company continued with its focus on training and development of its employee. The Company believes in retaining the best talent, clearly defining their roles and responsibilities.

Segment wise or product wise performance

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

Cautionary Statement

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

For and on behalf of the Board of Directors

On behalf of the Board of Directors

Kolkata
August 1, 2016

Anant Goenka (DIN- 02089850)
Director

Sunil Bhandari (DIN- 00052161)
Director

ANNEXURE D TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

The Company's Corporate Governance Philosophy

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

A report, in line with the requirements of the Listing Agreement executed with Stock Exchanges for the year ended March 31, 2016 is given below:

1. Board of Directors:

1.1. Size and Composition of Board:

On March 31, 2016, the STEL's Board of Directors consists of Seven Directors, of which four are Independent Directors. There are three non-executive non-independent directors. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Ms. Surbhi Singhi is the Women Director in the Board.

1.2. Number of Board Meetings:

In 2015-16, the Board of the Company met six times, on 29.05.2015, 11.08.2015, 28.09.2015, 06.11.2015, 04.12.2015 and 11.02.2016. The maximum gap between any two Board meetings was less than one hundred and twenty days.

1.3. Directors' Attendance Record and Directorships

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

Composition of Board of Directors as on March 31, 2016

Name of Director	Category of Director	No of Directorship and Committee membership/ Chairmanships in other Indian Public Companies			No of shares held	Attendance Particulars		
		Director ¹	Member ²	Chairman ²		No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at previous AGM
Mr. Anant Goenka	Non - Executive / Non - Independent / Promoter	4	1	2	-	6	2	No
Mr. Sunil Bhandari	Non - Executive / Non - Independent / Non - Promoter	6	1	1	-	6	6	Yes
Mr. Umang Kanoria	Non - Executive / Independent / Non - Promoter	5	4	1	-	6	4	No
Mr. H.C.Dalal	Non - Executive / Independent / Non - Promoter	2	2	1	-	6	6	Yes
Mr. Prem Kapil	Non - Executive / Independent / Non - Promoter	2	1	0	-	6	5	Yes
Mr. Kaushik Roy	Non - Executive / Non - Independent / Non - Promoter	2	0	0	-	6	4	Yes
Ms. Surbhi Singhi ³	Non - Executive / Independent / Non - Promoter	1	1	0	-	6	-	No
Ms. Sucharita Basu ⁴	Non - Executive / Independent / Non - Promoter	-	-	-	-	6	1	No

Notes:

1. The Directorships held by Directors in Table 1 do not include alternate directorships and directorships of foreign companies, Section 8 and One Person Companies and Private Limited Companies.
2. In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Memberships/ Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies have been considered.
3. Ms. Surbhi Singhi was appointed as an Additional Director of the Company with effect from 06.11.2015 and was appointed as Independent Director on 09.02.2016 through Postal Ballot.
4. Ms. Sucharita Basu resigned from the Board on 28.09.2015.

1.4. Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel which is posted on the website of the Company. All Board members and Senior Management Personnel have affirmed the compliance with the Code of Conduct. A declaration to this effect signed by the Manager of the Company, forms part of this Annual report.

1.5. Independent Director

During 2015-16, the Independent Directors met on 02.03.2016 in order to, inter alia, review the performance of non-independent directors including that of the Chairman taking into account the views of the executive and non-executive directors; assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the independent directors attended the said meeting. The performance evaluation criteria for the Independent Director is detailed in Nomination & Remuneration Policy.

The details of the familiarization programme are disclosed on the Company's website at <http://stelholdings.com/docs/familiarizingpgm.pdf>.

2. Committees of the Board

2.1. Audit Committee:

The Audit Committee comprises of five Directors viz., Mr. Umang Kanoria, Mr. Sunil Bhandari, Mr. H. C. Dalal, Mr. Prem Kapil, and Ms. Surbhi Singhi. Mr. Umang Kanoria, Independent Director, is the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise. Attendance at Audit Committee Meetings are as given below:

Composition	Umang Kanoria	Sunil Bhandari	H. C. Dalal	Prem Kapil	Surbhi Singhi
No. of Meeting attended	3	4	4	3	-

Four Audit Committee Meetings were held during the Financial year on May 29, 2015, August 11, 2015, November 06, 2015 and February 11, 2015. The Company Secretary acts as the Secretary to the Audit Committee.

A. The role of the audit committee shall include the following:

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;

- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. The audit committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

C. Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,—

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;

- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

2.2. Stakeholders Grievance / Relationship Committee:

The Stakeholders Relationship Committee oversees the redressal of Investors’ complaints relating to share transfers/ transmission, non-receipt of Annual reports etc. This Committee consists of 3 members, Mr. Sunil Bhandari, Mr. Umang Kanoria and Mr. Abraham Ittyipe. Mr. Sunil Bhandari is the Chairman of the Committee.

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

During the year, the Committee met once on February 11, 2016. Attendance at Stakeholders’ Relationship Committee meetings is as below:

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

Status of investor complaints is as below:

No. of investor queries/ complaints received from April 01, 2015 to March 31, 2016	No. of complaints pending at the end of the financial year
11	Nil

As on March 31, 2016, there was no pending investor complaint and all the complaints are resolved to the satisfaction of the shareholders.

2.3. Nomination and Remuneration Committee:

To ensure compliance with the provisions of Companies Act, 2013, the Company has constituted the Nomination and Remuneration Committee. The terms of reference of the Nomination and Remuneration Committee cover all applicable matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and Section 178 of the Companies Act, 2013.

The Committee comprises of 3 members, Mr. Umang Kanoria, Mr. H. C. Dalal and Mr. Sunil Bhandari. Mr. Umang Kanoria is the Chairman of the Nomination and Remuneration Committee. Company Secretary acts as the Secretary and Compliance Officer to the Committee. The Committee has met twice during the financial year on November 6, 2015 and December 4, 2015

Composition	Umang Kanoria	H. C. Dalal	Sunil Bhandari
No. of Meeting attended	2	2	2

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

Role of committee shall, inter-alia, include the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Directors/ Manager’s Remuneration:

Non-Executive Directors are paid sitting fees for attending the meetings of the Board/ Committee within the limits as prescribed under the Companies Act, 2013. There is no other pecuniary relationship or transaction between the Non-Executive Directors and the Company. The Policy on the criteria for making payment to Non-Executive Directors can be accessed at the Website link <http://stelholdings.com/docs/Criteria%20for%20making%20payment%20to%20non%20executive%20directors.pdf>

Details of remuneration paid to the Directors/ Manager are given in MGT-9 forming part of this Report (Annexure A).

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

2.4. Risk Management Committee

Risk Management Committee of the Board consists of Mr. Sunil Bhandari, Mr. Prem Kapil and Mr. Shivarama Krishnan as its members. Mr. Sunil Bhandari is appointed as the Chairman of the Committee. The roles and responsibilities of the Committee are as prescribed under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time and includes monitoring and review of the risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board, from time to time. However the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is not applicable to the Company and hence the Committee has not met during the financial year.

3. 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	25th	2015	28.09.2015	2.30 PM	Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Kochi – 682016
2	24th	2014	30.09.2014	10:30 AM	
3	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

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: Nil

Postal Ballot

During the year 2015-16 the approval of the shareholders was obtained through Postal Ballot for one Ordinary Resolution under Section 149 of the Companies Act, 2013, for appointment of Ms. Surbhi Singhi (DIN 03275338) as an Independent Director.

The Company complied with the procedure for the postal ballot pursuant to Section 110 and all other applicable provisions of the Companies Act,2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Secretarial Standards issued by the Institute of Companies India. Mr. Jayan K, Partner of SVJS Associates, Company Secretaries, Padmam Apartments, Manikkath Road, Ravipuram, Cochin – 682 016 was the scrutinizer for the conduct of the Postal Ballot. The details of the resolution passed is as under:

Last date for dispatch of Postal Ballot Forms to the shareholders	Date of passing of resolution	Type of Resolution
11.01.2016	9th February,2016	Ordinary

4. Disclosures:

4.1. Related Party Transactions:

All Related Party Transactions are placed before the Audit Committee. The transactions with the related parties are disclosed in the Note No. 21 of the Annual Accounts in compliance with Accounting Standard 18 relating to "Related Party Disclosures" and Companies Act, 2013 read with Rules thereunder and Listing Agreement. There was no materially significant transaction with the Company's Promoters, Directors, Management, Related Parties or their relatives that could have had a potential conflict with the interests of the Company. All the Contracts or arrangements with related parties are on arms length basis and that the Company does not have any material contracts or arrangements that are not on arms length. This policy as approved by the Board is uploaded on the Company's website on the below link:

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

4.2. Statutory Compliance, Penalties and Strictures:

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

4.3. Whistle Blower Policy

The Board of Directors has adopted Whistle Blower Policy. It provides for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Governance and Ethics and also provide for direct access to the chairman of Audit Committee in exceptional cases. The Policy enables stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

4.4. Disclosure of Accounting Treatment

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

4.5. Details of compliance with mandatory requirements

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

4.6. Adoption of the non-mandatory requirements.

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

4.6.1. Shareholders Rights – Furnishing of quarterly results

Details of the shareholders' rights in this regard are given in the section 'General Shareholder information'.

4.6.2. Audit qualifications

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

5. Certificate from CEO/CFO

The CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on May 30, 2016 as required under listing agreement.

6. Means of Communication

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

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

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

The Financial Results of the Company are displayed on the Company's website www.stelholdings.com.

7. General Shareholder information:

7.1. Annual General Meeting: Date, Time and Venue:

As indicated in the notice accompany this Annual Report, the Twenty Sixth Annual General Meeting of the Company will be held on September 30, 2016 at 2.30 P.M. at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin-682016. The Company does not proposed to pass any Special Resolution through Postal Ballot. There will be no display of official news releases or presentations made to institutional investors or to the analysts

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

7.3. Book Closure Dates: The Company's Register of Members and Share Transfer Books will remain closed for the purpose of Annual General Meeting from September 24, 2016, to September 30, 2016 dividend from

7.4. Dividend payment: The Board has not recommended any dividend for the FY 2015-16.

7.5. Details of Stock Exchanges where listed

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

The Listing fees to the Stock exchanges for the Financial year has been paid

7.6. Financial calendar

For the year ended March 31, 2016, results were announced on:

First quarter: August 11, 2015,

Second quarter: November 06, 2015

Third Quarter: February 11, 2015

Fourth Quarter: May 30, 2016

For the year ended March 31, 2016, Corporate Governance Report were submitted to Stock Exchanges on:

Event	Due Date
quarter ending June 30, 2015	July 7, 2015
quarter ending September 30, 2015	October 12, 2015
quarter ending December 31, 2015	January 15, 2016
quarter ending March 31, 2016	April 15, 2016

For the year ending March 31, 2017, the results will be announced on:

Event	Due Date
quarter ending June 30, 2016	August 14, 2016
quarter ending September 30, 2016	November 15, 2016
quarter ending December 31, 2016	February 15, 2017
quarter ending March 31, 2017 (Audited)	May 30, 2017

7.7. Market Price Data

Market Price and Volume of the Company's Shares of face value of ₹ 10 each traded in the major stock exchanges where Company's shares are listed during the financial year 2015-16:

Year (2015-16)	BSE (Amount in ₹)		NSE (Amount in ₹)		Volume (nos.)	
	High	Low	High	Low	BSE	NSE
Months						
April	27.75	21.55	27.00	21.70	52,276	35,787
May	25.05	21.05	24.60	21.10	15,202	21,243
June	25.05	20.9	24.15	20.50	57,246	45,223
July	26.7	20.65	26.70	21.00	76,967	59,985
August	32.15	24.25	31.85	24.30	2,11,942	1,29,495
September	27.35	22.4	27.40	22.75	57,462	35,477
October	31.85	25.65	32.40	25.15	1,23,927	94,044
November	34.7	25.2	34.35	25.15	1,81,608	1,57,331
December	40.45	33.1	40.15	33.10	2,61,258	2,56,761
January	35.4	26.3	36.70	26.00	83,789	1,27,438
February	30.6	21.9	32.00	21.00	60,789	82,030
March	28	23.25	27.00	20.85	41,673	1,31,368

7.8. A performance chart showing Share Price of the Company in comparison with BSE SENSEX during the year 2014-15 is as below:

Year 2014-15	STEL	Sensex
April	23.7	26897.54
May	22.3	26423.99
June	21	26307.07
July	26.7	27416.39
August	25.8	25289.42
September	27	24833.54
October	28.15	26168.71
November	34.7	25451.42
December	35	24867.73
January	28.9	23839.76
February	23.15	22494.61
March	25.5	23133.18

7.9. Share Transfer Process

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

7.10. Distribution of Shareholding as on March 31, 2016

Range	No. of Shareholders	No. of Shares held	% of shareholding
1-500	23172	2700809	14.63
501-1000	905	714305	3.87
1001-2000	350	527107	2.86
2001-3000	100	261136	1.42
3001-4000	56	198940	1.1
4001-5000	43	199336	1.1
5001-10000	84	619925	3.4
10001- above	88	13233847	71.71
Total	24798	18455405	100.00

7.11. Dematerialisation of Shares

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) to provide trading of shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE577L01016. As on March 31, 2015, 13787637 shares of the company, constituting 74.71% were in dematerialized form.

7.12. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments:

As of March 31, 2016, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company. The Non- Executive Directors does not hold any shares or convertible instruments in the Company.

7.13. Commodity Price risk or foreign exchange risk and hedging activities:

The Company's operations were not exposed to any commodity or foreign exchange risk nor has it indulged in any hedging activities during the year under review.

7.14. Directors Relationship Inter-se

There is no relationship between the Directors of the Company inter-se.

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

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

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

As on March 31, 2016, the total unclaimed equity shares were 186030. The Voting rights on the equity shares lying in the Suspense Account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claim the shares.

The details of shares in Unclaimed Suspense Account and transferred to shareholders those who have claimed the shares during the period April 1, 2015 to March 31, 2016 are as follows

Unclaimed Shares as on 31.03.2015		Shares claimed during the year		Unclaimed Shares as on 31.03.2016	
No. of shareholders	No. of shares	No. of shareholders	No. of shares	Shares claimed during the year	No. of shares
2005	186030	6	910	1999	185120
Unclaimed Shares as on 31.03.2014		Shares claimed during the year		Unclaimed Shares as on 31.03.2015	
No. of shareholders	No. of shares	No. of shareholders	No. of shares	Shares claimed during the year	No. of shares
2012	186830	7	800	2005	186030

7.16. Address for correspondence

Registered Office STEL Holdings Limited (CIN: L65993KL1990PLC005811)

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

Ph: 0484 6624335, 2668023;

Fax: 0484 - 2668024

Email: secretarial@stelholdings.com

Website: www.stelholdings.com

Registrar and Share Transfer Agent Link Intime India Private Limited

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

Phone No: 0422 2314792, 2315792

Fax: +91 422 2314792

Email: coimbatore@linkintime.co.in

Website: www.linkintime.co.in

For and on behalf of the Board of Directors

On behalf of the Board of Directors

Kolkata
August 1, 2016

Anant Goenka (DIN- 02089850)
Director

Sunil Bhandari (DIN- 00052161)
Director

DECLARATION – CODE OF CONDUCT

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

For STEL Holdings Limited

Abraham Ittyipe
Manager

August 1, 2016

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of **STEL HOLDINGS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by M/s. **STEL HOLDINGS LIMITED** for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreements entered with stock exchange and Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we state that in accordance with clause 49 (II) A (1) of the Listing Agreements and Regulation 17 (1) the Board of Directors of the Company comprises of only non-executive directors. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and Regulation 17 (2) to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Kochi
August 1, 2016

For **SVJS & Associates**
Company Secretaries

CS. sivakumar p.
Managing Partner
CP No: 2210, FCS: 3050

ANNEXURE – E TO THE DIRECTOR’S REPORT NOMINATION & REMUNERATION POLICY

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

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

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

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

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

A) Criteria for Selection of Directors

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

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

B) Criteria for Selection of Senior Management Personnel

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

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

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

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

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

II. Remuneration policy for directors, senior management and key managerial personnel

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

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and Manager

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

B) Remuneration of Non-Executive Director (NED)

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

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

C) Remuneration of Senior Management Personnel and KMPs

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

III. Evaluation of performance of directors

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

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

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

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

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

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

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

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

ANNEXURE – F TO THE DIRECTOR’S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

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

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

- (a) Secretarial Standards relating to Board (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;
- (b) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

We have noted certain deficiencies with regard to disclosures in the Directors' Report for the Financial Year 2014-15. The management represented that the same were rectified during the year 2015-16.

We report that:

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

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

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

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

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

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

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

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

Kochi
01.08.2016

For **SVJS & Associates**
Company Secretaries

CS. sivakumar p.
Managing Partner
CP No: 2210, FCS: 3050

ANNEXURE A

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

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.

6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2016 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

Kochi
01.08.2016

For **SVJS & Associates**
Company Secretaries

CS. sivakumar p.
Managing Partner
CP No: 2210, FCS: 3050

ANNEXURE – G TO THE DIRECTOR’S REPORT

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

Name	Age	Designation	Qualification & Experience (in years)	Gross remuneration (₹ Lacs)	Date of employment	Last employment
Mr. Midhun B. Shenoy	26	Company Secretary	B.COM., ACS, 4 Years	₹ 2.91	October 1, 2012	-
Mr. Jose George	30	Company Secretary	B.COM., LL.B., ACS, 8 Years	₹ 2.21	December 4, 2015	Accentia Technologies Limited

Note:

- 1 The remuneration includes salary, allowances and value of perquisites
- 2 Mr. Jose George or Mr. Midhun B. Shenoy are not related to any Director of the Company and does not hold any shares in the Company

INDEPENDENT AUDITOR'S REPORT

To the Members of
STEL Holdings Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **STEL Holdings Limited** ('the Company'), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There are no pending litigations which will have an impact of the financial position of the Company;
 - ii. There are no provisions required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Reuben Joseph
Partner
Membership number: 216884

Cochin
May 30, 2016

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2016, we report that:

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - b. The Company has a regular programme of physical verification of its fixed assets and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company does not have any inventories and accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted loans to persons covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to investments made.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii.
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, except for certain delays in the remittance of income tax deducted at source. As explained to us, the Company did not have any dues on account of provident fund, employees' state insurance, sales tax, value added tax, duty of customs, cess and duty of excise.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no material dues of income tax, sales tax, duty of excise, service tax, value added tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act .

- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Reuben Joseph
Partner
Membership number: 216884

Cochin
May 30, 2016

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of STEL Holdings Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely

detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Reuben Joseph
Partner
Membership number: 216884

Cochin
May 30, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
I. Equity & liabilities			
1 Shareholders' funds			
a. Share capital	3	184,554,050	184,554,050
b. Reserves & surplus	4	985,412,686	1,025,630,219
2 Current liabilities			
a. Trade payables	5	110,117	123,317
b. Other current liabilities	6	394,860	196,206
		1,170,471,713	1,210,503,792
II. Assets			
1 Non-current assets			
a. Fixed assets - tangible assets	9	10,877,498	11,433,940
b. Non-current investments	10	980,186,076	1,107,524,471
2 Current assets			
a. Cash & bank balances	12	92,348,132	39,093,516
b. Short-term loans & advances	11	40,889,475	5,970,369
c. Other current assets	13	46,170,532	46,481,496
		1,170,471,713	1,210,503,792

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, 2016

For and on behalf of the Board of Directors of

STEL Holdings Limited**Kaushik Roy**

Director

DIN: 06513489

H.C.Dalal

Director

DIN: 00206232

Sripriya M. Shenoy

Company Secretary

Sivarama Krishnan

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
I. Income			
1 Revenue from operations		0	0
2 Other income	14	95,687,347	41,905,387
		<u>95,687,347</u>	<u>41,905,387</u>
II. Expenses			
1 Employee benefits expense	15	845,026	641,628
2 Depreciation	9	626,742	622,453
3 Provisions & contingencies	16	127,344,645	0
4 Other expenses	17	4,848,566	2,699,853
		<u>133,664,979</u>	<u>3,963,934</u>
III. Profit before tax and exceptional items		(37,977,632)	37,941,453
IV. Tax expense	18	2,239,901	287,648
V. Profit for the year		(40,217,533)	37,653,805
VI. Earnings per equity share	19		
[Equity shares of par value of Rs. 10/- each (2015 - Rs. 10/-)]			
1 Basic		(2.18)	2.04
2 Diluted		(2.18)	2.04
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)		For and on behalf of the Board of Directors of STEL Holdings Limited	
Reuben Joseph Partner Membership No. 216884	Kaushik Roy Director DIN: 06513489	H.C.Dalal Director DIN: 00206232	
Kolkata May 30, 2016	Sripriya M. Shenoy Company Secretary	Sivarama Krishnan Chief Financial Officer	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(All amounts are in Indian Rupees unless otherwise stated)

	For year ended March 31, 2016	For year ended March 31, 2015
Cash flow from operating activities		
Net profit before tax	(37,977,632)	37,941,453
Adjustments for:		
Depreciation	626,742	622,453
Provision for diminution in value of investments	127,344,645	-
Income from investments	(91,625,375)	(38,643,016)
Interest on fixed deposits	(4,060,972)	(3,262,371)
Operating profit before working capital changes	(5,692,592)	(3,341,481)
Movement in working capital:		
(Increase) / decrease in trade and other receivables	(35,303,371)	(4,668)
Increase / (decrease) in trade payables	185,454	78,044
Increase / (decrease) in provisions	-	-
Cash generated from operations	(40,810,509)	(3,268,105)
Income tax paid	(1,855,638)	(326,140)
Net cash from operating activities	(42,666,147)	(3,594,245)
Cash flow from investing activities		
Interest received	4,371,938	3,149,643
Dividend received	91,625,375	37,585,881
Received on account of capital reduction	-	1,057,135
Fixed asset purchase	(70,300)	(228,560)
Investments acquired	(6,250)	(32,831,827)
Net cash from investing activities	95,920,763	8,732,272
Cash flow from financing activities		
Repayment of unsecured loan	-	-
Net cash from financing activities	-	-
Net increase / (decrease) in cash & cash equivalents	53,254,616	5,138,027
Cash & cash equivalents at the beginning of the year	39,093,516	33,955,489
Cash & cash equivalents at the close of the year	92,348,132	39,093,516
Components of cash & cash equivalents as at	March 31, 2016	March 31, 2015
Balance with banks: as per Note No. 13		
- in current accounts	21,464,777	1,586,880
- in deposit accounts	70,883,355	37,506,636
	92,348,132	39,093,516

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, 2016

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

Kaushik Roy
Director
DIN: 06513489

H.C.Dalal
Director
DIN: 00206232

Sripriya M. Shenoy
Company Secretary

Sivarama Krishnan
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016**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 on tangible asset is provided on the written down value method over the useful lives of the asset as prescribed under Part C of Schedule II of The Companies Act, 2013.

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

	As at March 31, 2016	As at March 31, 2015
Authorised capital		
18,500,000 (2015 - 18,500,000) equity shares of Rs 10/- each	185,000,000	185,000,000
Issued, subscribed and paid up		
18,455,405 (2015 - 18,455,405) equity shares of Rs. 10/- Each	184,554,050	184,554,050

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

	March 31, 2016		March 31, 2015	
	No. of shares	Amount	No. of shares	Amount
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.

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

Names	March 31, 2016		March 31, 2015	
	No. of shares	% of holding	No. of shares	% of holding
Malayalam Plantations (Holdings) Ltd	-	-	3,640,000	19.72%
Rainbow Investments Limited	4,471,438	24.23%	-	-
Instant Holdings Limited	1,605,200	8.70%	1,605,200	8.70%
Carniwal Investments Ltd	1,363,580	7.39%	1,319,800	7.15%

4 Reserves & surplus

Particulars	As at March 31, 2016	As at March 31, 2015
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	133,450,293	95,842,828
Profit for the year	(40,217,533)	37,653,805
Shortfall in depreciation adjusted according to transition provisions of Companies Act, 2013	-	(46,340)
Balance carried forward	93,232,760	133,450,293
Total Reserves & Surplus	985,412,686	1,025,630,219

5 Trade payables

Particulars	As at March 31, 2016	As at March 31, 2015
Trade payables (Refer Note No. 23 for details of dues to micro, small and medium enterprises)	110,117	123,317
	110,117	123,317

6 Other current liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Accrued expenses	156,750	161,922
Statutory dues	42,224	34,284
Provision for tax (net of prepaid taxes)	195,886	-
	394,860	196,206

7 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.

9. Fixed assets & depreciation

Particulars	Gross carrying amount			As at March 31, 2016	Accumulated depreciation			Net carrying amount	
	As at April 1, 2015	Additions	Deletions		As at April 1, 2015	For the period	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
A. Tangible Assets									
Buildings	14,872,669	-	-	14,872,669	3662562	560,505	4,223,067	10,649,602	11,210,107
Furniture	228,560	-	-	228,560	24,896	57,026	81,922	146,638	203,664
Plant & equipment	403,390	-	-	403,390	383,221	-	383,221	20,169	20,169
Computer & accessories	-	70,300	-	70,300	-	9,211	9,211	61,089	-
Total	15,504,619	70,300	-	15,574,919	4,070,679	626,742	4,697,421	10,877,498	11,433,940
Previous Year	15,276,059	228,560	-	15,504,619	3,401,886	668,793	4,070,679	11,433,940	11,874,173

10. Non current investments

Description	Face Value (Rs/-)	As at March 31, 2016		As at March 31, 2015	
		Holdings (Nos)	Amount	Holdings (Nos)	Amount
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
CFL Capital Financial Services Limited	10	67,681,206	127,344,645	67,681,206	127,344,645
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			890,964,708		890,964,708
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.	9	1,057,135	45,561,478	1,057,135	45,561,478
Cochin International Airport Limited	10	625	8,750	500	2,500
Rainbow Investments Ltd.	10	271	6,300,000	271	6,300,000
Noida Power Company Ltd	10	3,000,000	30,000,000	3,000,000	30,000,000
Subhrashi Vinimay Private Ltd.	10	9,008,000	90,305,200	9,008,000	90,305,200
			172,175,428		172,169,178
1% Redeemable cumulative preference shares, fully paid-up					
Easy Fincorp Ltd.	100	475,000	13,333,250	475,000	13,333,250
			13,333,250		13,333,250
Zero percent interest fully convertible debentures, fully paid-up					
Kutub Properties Private Ltd.	100	293,500	29,423,375	293,500	29,423,375
			29,423,375		29,423,375
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			1,107,530,721		1,107,524,471
Less: Provision in diminution in value of shares - CFL Capital Financial Services Limited			(127,344,645)		-
Net non-current investments			980,186,076		1,107,524,471

Notes:

1. Market value of quoted investments	3,384,085,150	3,182,839,821
2. Book value of quoted investments	763,620,063	890,964,708
3. Book value of unquoted investments	216,566,013	216,559,763

11 Loans & advances

Particulars	Long term		Short term	
	As at	As at	As at	As at
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Advances recoverable in cash or kind	-	-	4,744,394	4,637,600
Other loans and advances	-	-	35,827,807	827,807
Prepaid taxes (net of provision)	-	-	-	504,962
Income tax refund receivable relating to previous years	-	-	317,274	-
	-	-	40,889,475	5,970,369

NOTE

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Tax deducted at source	398,338	642,725
Less : Income tax advance paid	700,000	0
Less : Provision for income tax	(1,294,224)	(137,763)
	(195,886)	504,962

12 Cash & bank balances

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Balances with banks:		
- In current accounts	21,464,777	1,586,880
- In deposit accounts	70,883,355	37,506,636
	92,348,132	39,093,516

Cash and cash equivalents as on March 31, 2016 include restricted cash and bank balance of Rs. 50,000 (2015 - Rs. 50,000). The restriction is on account of lien being marked on the deposit as the same was given as a security deposit.

13 Other current assets

(Unsecured, considered good)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Receivable against sale of shares	8,281,533	8,281,533
Receivable against redemption of debentures	37,445,000	37,445,000
Interest accrued on fixed deposits	443,999	754,963
	46,170,532	46,481,496

14 Other income

Particulars	For year ended	For year ended
	March 31, 2016	March 31, 2015
Dividend income on long term investments	91,625,375	37,585,881
Income from investments on account of capital reduction	-	1,057,135
Interest on bank deposits	4,060,972	3,262,371
Miscellaneous income	1,000	-
	95,687,347	41,905,387

15 Employee benefits expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries & allowances	845,026	641,628
	845,026	641,628

16 Provisions & contingencies

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Provision for diminution in value of investments	127,344,645	-
	127,344,645	-

Note:

Provision in diminution in value of investments represents provision created against investments held by the Company in CFL Capital Financial Services Ltd.

17 Other expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Legal & professional charges	1,619,572	973,323
Auditors' remuneration (Refer note below)	265,966	218,968
Directors' sitting fee	135,570	27,000
Travelling & conveyance	219,795	167,122
Communication expenses	661,555	23,426
Repairs & maintenance for building	996,789	657,238
Printing & stationery	299,591	124,635
Rates & taxes	179,093	5,572
Advertisement expenses	354,913	366,170
Miscellaneous expenses	115,722	136,399
	4,848,566	2,699,853

Notes:

I. Payments to the auditors comprises:

a. As auditors		
Statutory audit fee	150,000	150,000
Limited review	30,000	30,000
Tax audit fee	15,000	10,000
b. In other capacity		
Taxation services	40,000	5,000
Other services (including service tax)	30,966	23,968
	265,966	218,968

18 Taxes on Income

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Current tax		
Current tax expense for current year	1,294,224	137,763
Tax expense relating to prior years	945,677	149,885
	2,239,901	287,648

19 Earnings per equity share

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Basic earnings per share		
Net profit / (loss) for the year	(40,217,533)	37,653,805
Weighted average number of equity shares	18,455,405	18,455,405
Par value per share	10	10
Earnings per share - basic	(2.18)	2.04
Diluted earnings per share		
Net profit / (loss) for the year	(40,217,533)	37,653,805
Weighted average number of equity shares for basic EPS	18,455,405	18,455,405
Add: Effect of dilutive instruments	-	-
Weighted average number of equity shares - for diluted EPS	18,455,405	18,455,405
Par value per share	10	10
Earnings per share - diluted	(2.18)	2.04

20 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.

21 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, Manager Sivarama Krishnan, CFO Mithun B Shenoy, Company Secretary (till October 9th, 2015) Jose George, Company Secretary (from December 4th, 2015)

- 2 Details of related party transactions during the year ended March 31, 2016 and balances outstanding as at March 31, 2016, :

Transactions	March 31, 2016	March 31, 2015
Transactions during the year		
Remuneration to key managerial personnel		
- Abraham Itty Ipe	120,000	100,000
- Sivarama Krishnan, Chief Financial Officer	240,000	143,548
- Mithun B. Shenoy, Company Secretary	291,251	392,280
- Jose George, Company Secretary	220,709	0
Sitting fees of Directors		
- Anant Goenka	6,435	3,000
- Umang Kanoria	23,175	6,000
- Sunil Bhandari	25,305	6,000
- H. C. Dalal	32,175	6,000
- Prem Kapil	26,175	3,000
- Sucharita Basu	13,305	3,000
- Kaushik Roy	9,000	0
Balance Due from / (to) as at the year end		
- HML	0	0
- DDPL	196,501	84,689

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

Advance to Rainbow Investments Ltd. for purchase of shares	35,827,807	827,807
Amount receivable on redemption of debentures from Rainbow Investments Ltd.	37,445,000	37,445,000
Maximum amount outstanding during the year	73,272,807	38,272,807

23 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, 2016	As at March 31, 2015
24 Contingent liabilities	Nil	Nil
25 Derivative instruments and unhedged foreign currency exposure	Nil	Nil
26 Loans and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested.	Nil	Nil
27 Value of imports calculated on CIF basis	Nil	Nil
28 Expenditure in foreign currency (accrual basis)	Nil	Nil
29 Net dividend remitted in foreign exchange	Nil	Nil
30 Earnings in foreign currency (accrual basis)	Nil	Nil
31 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)

Reuben Joseph
 Partner
 Membership No. 216884

Kolkata
 May 30, 2016

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

Kaushik Roy
 Director
 DIN: 06513489

Sripriya M. Shenoy
 Company Secretary

H.C.Dalal
 Director
 DIN: 00206232

Sivarama Krishnan
 Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
STEL Holdings Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of STEL Holdings Ltd. ('the Holding Company') and its subsidiary, Doon Dooars Plantations Ltd (the Holding Company and its subsidiary together referred to as 'the Group') comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place

and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note No. 2.3 on 'Principles of consolidation' and Note No. 24 to the consolidated financial statements, in which the Holding Company, in accordance with accounting standard (AS) 23, 'Accounting for Investment in Associate in Consolidated Financial Statements', consolidates those entities in which Group has significant influence, but not control. Accordingly, the Holding Company has not considered CFL Capital Financial Services Ltd. ('CFL') as an associate as it believes that it does not have significant influence over CFL, notwithstanding that it holds 48.81% of the share capital of CFL.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure'; and

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary company incorporated in India.

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

Reuben Joseph
Partner
Membership No. 216884

Cochin
May 30, 2016

ANNEXURE TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of STEL Holdings Limited ("the Holding Company") and its subsidiary, Doon Dooars Plantations Ltd (the Holding Company and its subsidiary together referred to as 'the Group') as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Reuben Joseph
Partner
Membership No. 216884

Cochin
May 30, 2016

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
I. Equity & liabilities			
1 Shareholders' funds			
a. Share capital	3	184,554,050	184,554,050
b. Reserves & surplus	4	985,105,904	1,025,472,723
2 Current liabilities			
a. Trade payables	5	110,117	123,317
b. Other current liabilities	6	400,585	201,824
		1,170,170,656	1,210,351,914
II. Assets			
1 Non-current assets			
a. Fixed assets - tangible assets	9	11,587,473	12,181,283
b. Non-current investments	10	979,323,076	1,106,661,471
2 Current assets			
a. Cash & bank balances	12	92,396,600	39,141,984
b. Short-term loans & advances	11	40,692,975	5,885,680
c. Other current assets	13	46,170,532	46,481,496
		1,170,170,656	1,210,351,914
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, 2016

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

Kaushik Roy
 Director
 DIN: 06513489

H.C.Dalal
 Director
 DIN: 00206232

Sripriya M. Shenoy
 Company Secretary

Sivarama Krishnan
 Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
MARCH 31, 2016**

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
I. Income			
1 Revenue from operations		-	-
2 Other income	14	95,687,347	41,956,969
		95,687,347	41,956,969
II. Expenses			
1 Employee benefits expense	15	845,026	641,628
2 Depreciation	9	664,110	661,788
3 Provisions & contingencies	16	127,344,645	-
4 Other expenses	17	4,960,484	2,755,693
		133,814,265	4,059,109
III. Profit before tax and exceptional items		(38,126,918)	37,897,860
IV. Tax expense	18	2,239,901	287,648
V. Profit for the year		(40,366,819)	37,610,212
VI. Earnings per equity share			
	19		
[Equity shares of par value of ₹ 10/- each (2015 - ₹ 10/-)]			
1 Basic		(2.19)	2.04
2 Diluted		(2.19)	2.04
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, 2016

For and on behalf of the Board of Directors of

STEL Holdings Limited

Kaushik Roy

Director

DIN: 06513489

Sripriya M. Shenoy

Company Secretary

H.C.Dalal

Director

DIN: 00206232

Sivarama Krishnan

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Amount in ₹

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
<u>Cash flow from operating activities</u>		
Net profit before tax	(38,126,918)	37,897,860
Adjustments for:		
Depreciation	664,110	661,788
Provision for dimunition in value of investments	127,344,645	
Income from investments	(91,625,375)	(38,643,016)
Interest on fixed deposits	(4,060,972)	(3,262,371)
Operating profit before working capital changes	(5,804,510)	(3,345,739)
Movement in working capital:		
(Increase) / decrease in trade and other receivables	(35,589,897)	(274,967)
Increase / (decrease) in trade payables	185,561	26,462
Increase / (decrease) in provisions	-	-
Cash generated from operations	(41,208,846)	(3,594,244)
Income tax paid	(1,457,300)	-
Net cash from operating activities	(42,666,146)	(3,594,244)
<u>Cash flow from investing activities</u>		
Interest received	4,371,936	3,149,643
Dividend received	91,625,375	37,585,881
Received on account of capital reduction	-	1,057,135
Fixed asset purchase	(70,300)	(228,560)
Investments acquired	(6,250)	(32,831,827)
Net cash from investing activities	95,920,761	8,732,272
<u>Cash flow from financing activities</u>		
Repayment of unsecured loan	-	-
Net cash from financing activities	-	-
Net increase / (decrease) in cash & cash equivalents	53,254,615	5,138,028
Cash & cash equivalents at the beginning of the year	39,141,985	34,003,957
Cash & cash equivalents at the close of the year	92,396,600	39,141,985
Components of cash & cash equivalents as at	March 2016	March 2015
Balance with banks: as per Note No. 12		
- in current accounts	21,513,245	1,635,348
- in deposit accounts	70,883,355	37,506,636
	92,396,600	39,141,984

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, 2016

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

Kaushik Roy
Director
DIN: 06513489

H.C.Dalal
Director
DIN: 00206232

Sripriya M. Shenoy
Company Secretary

Sivarama Krishnan
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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. The Company is in the business of investments. The Company is in the process of applying to the Reserve Bank of India for registration as a Non Banking Financial Company.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013(‘the Act’) read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements of as laid down under the accounting standard (AS21), “Consolidated Financial Statements”. Consolidated financial statement 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.

Inter-company receivables and payables, income and expenses are eliminated. The financial statements have been considered for consolidation along with its interest in other Subsidiaries / Associates.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting as laid down under accounting standard (AS) 23, Accounting for Investment in Associate in Consolidated Financial Statements”. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor’s share of the profit or loss of the investee after the acquisition date. The group’s investment in associates includes capital reserve identified on acquisition.

Name of the subsidiary / Associate	Country of incorporation	Shareholding	
		2015-16	2014-15
Doon Dooars Plantations Ltd.	India	100%	100%
Capital Financial Services Ltd.	India	49%	34%

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 on tangible asset is provided on the written down value method over the useful lives of the asset as prescribed under Part C of Schedule II of The Companies Act, 2013.

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 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.

2.12 Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3 Share capital

Particulars	As at	
	March 31, 2016	March 31, 2015
Authorised capital		
18,500,000 (2015 - 18,500,000) equity shares of Rs 10/- each	185,000,000	185,000,000
Issued, subscribed and paid up		
18,455,405 (2015 - 18,455,405) equity shares of ₹ 10/- Each	184,554,050	184,554,050

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

Particulars	March 31, 2016		March 31, 2015	
	No. of shares	Amount	No. of shares	Amount
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 ₹ 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.

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

Names	March 31, 2016		As at March 31, 2015	
	No. of shares	% of holding	No. of shares	% of holding
Malayalam Plantations (Holdings) Ltd	-	-	3,640,000	19.72%
Rainbow Investments Limited	3,640,000	19.72%	-	-
Instant Holdings Limited	1,605,200	8.70%	1,605,200	8.70%
Carnival Investments Ltd	1,363,580	7.39%	1,319,800	7.15%

4 Reserves & surplus

Particulars	As at March 31, 2016	As at March 31, 2015
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
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
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	133,197,562	95,633,689
Profit for the year	(40,366,819)	37,610,212
Shortfall in depreciation adjusted according to transition provisions of Companies Act, 2013	-	(46,339)
Balance carried forward	92,830,743	133,197,562
Total Reserves & Surplus	985,105,904	1,025,472,723

5 Trade payables

Particulars	As at March 31, 2016	As at March 31, 2015
Trade payables (Refer Note No. 25 for details of dues to micro, small and medium enterprises)	110,117	123,317
	110,117	123,317

6 Other current liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Accrued expenses	162,475	167,540
Statutory dues	42,224	34,284
Provision for tax (net of prepaid taxes)	195,886	-
	400,585	201,824

7 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.

9 Fixed assets & depreciation

Particulars		Gross carrying amount			Accumulated depreciation			Net carrying amount		
		As at April 1, 2015	Additions	Deletions	As at March 31, 2016	As at April 1, 2015	For the period	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
A.	Tangible Assets									
	Buildings	16,444,423	-	-	16,444,423	4,486,973	597,873	5,084,846	11,359,577	11,957,450
	Furniture	228,560			228,560	24,896	57,026	81,922	146,638	203,664
	Plant & equipment	403,390	-	-	403,390	383,221	-	383,221	20,169	20,169
	Computer & accessories	-	70,300	-	70,300	-	9,211	9,211	61,089	-
	Total	17,076,373	70,300	-	17,146,673	4,895,090	664,110	5,559,200	11,587,473	12,181,283
	Previous Year	16,847,813	228,560	-	17,076,373	4,186,963	708,127	4,895,090	12,181,283	12,660,849

10 Non current investments

Description	Face Value (Rs/-)	As at March 31, 2016		As at March 31, 2015	
		Holdings (Nos)	Amount	Holdings (Nos)	Amount
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
CFL Capital Financial Services Limited	10	67,681,206	127,344,645	67,681,206	127,344,645
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			890,964,708		890,964,708
Unquoted equity shares, fully paid-up					
Spencer & Company Ltd.	9	1,057,135	45,561,478	1,057,135	45,561,478
Cochin International Airport Limited	10	625	8,750	500	2,500
Rainbow Investments Ltd.	10	271	6,300,000	271	6,300,000
Noida Power Company Ltd	10	3,000,000	30,000,000	3,000,000	30,000,000
Subhrashi Vinimay Private Ltd.	10	9,008,000	90,305,200	9,008,000	90,305,200
			172,175,428		172,169,178
1% Redeemable cumulative preference shares, fully paid-up					
Easy Fincorp Ltd.	100	475,000	13,333,250	475,000	13,333,250
			13,333,250		13,333,250
Zero percent interest fully convertible debentures, fully paid-up					
Kutub Properties Private Ltd.	100	293,500	29,423,375	293,500	29,423,375
			29,423,375		29,423,375
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			1,106,667,721		1,106,661,471
Less: Provision for diminution in value of shares					
- CFL Capital Financial Services Limited			(127,344,645)		-
Net non-current investments			979,323,076		1,106,661,471
Notes:					
1. Market value of quoted investments			3,384,085,150		3,182,839,821
2. Book value of quoted investments			763,620,063		890,964,708
3. Book value of unquoted investments			215,703,013		215,696,763

11 Loans & advances

(Unsecured, considered good)

Particulars	Long term		Short term	
	As at	As at	As at	As at
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Advances recoverable in cash or kind	-	-	4,547,894	4,552,911
Other loans and advances	-	-	35,827,807	827,807
Prepaid taxes (net of provision)	-	-	-	504,962
Income tax refund receivable relating to previous years	-	-	317,274	-
	-	-	40,692,975	5,885,680

Note:

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Tax deducted at source	398,338	642,725
Less : Income tax advance paid	700,000	-
Less : Provision for income tax	(1,294,224)	(137,763)
	(195,886)	504,962

12 Cash & bank balances

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Balances with banks:		
- In current accounts	21,513,245	1,635,348
- In deposit accounts	70,883,355	37,506,636
	92,396,600	39,141,984

Cash and cash equivalents as on March 31, 2016 include restricted cash and bank balance of ₹ 50,000 (2015 - ₹ 50,000). The restriction is on account of lien being marked on the deposit as the same was given as a security deposit.

13 Other current assets

(Unsecured, considered good)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Receivable against sale of shares	8,281,533	8,281,533
Receivable against redemption of debentures	37,445,000	37,445,000
Interest accrued on fixed deposits	443,999	754,963
	46,170,532	46,481,496

14 Other income

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
Dividend income on long term investments	91,625,375	37,585,881
Income from investments on account of capital reduction	-	1,057,135
Interest on bank deposits	4,060,972	3,262,371
Creditors no longer required	-	51,582
Miscellaneous income	1,000	-
	95,687,347	41,956,969

15 Employee benefits expenses

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
Salaries & allowances	845,026	641,628
	845,026	641,628

16 Provisions & contingencies

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
Provision for diminution in value of investments	127,344,645	-
	127,344,645	-

Note:

Provision in diminution in value of investments represents provision created against investments held by the Company in CFL Capital Financial Services Ltd.

17 Other expenses

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
Legal & professional charges	1,712,609	978,194
Auditors' remuneration (Refer note below)	282,048	227,957
Directors' sitting fee	135,570	27,000
Travelling & conveyance	219,795	167,122
Communication expenses	661,555	23,426
Repairs & maintenance		
- Building	996,789	657,238
Printing & stationery	299,591	125,035
Rates & taxes	179,693	16,372
Advertisement expenses	357,113	366,170
Bank Charges	1,361	-
Miscellaneous expenses	114,360	167,179
	4,960,484	2,755,693

Notes:

i Payments to the auditors comprises:

a. As auditors		
Statutory audit fee	155,000	150,000
Limited review	30,000	30,000
Tax audit fee	15,000	10,000
b. In other capacity		
Taxation services	49,000	5,000
Other services (including service tax)	33,048	23,968
	282,048	218,968

18 Taxes on income

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
Current tax		
Current tax expense for current year	1,294,224	137,763
Tax expense relating to prior years	945,677	149,885
	2,239,901	287,648

19 Earnings per equity share

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
Basic earnings per share		
Net profit / (loss) for the year	(40,366,819)	37,610,212
Weighted average number of equity shares	18,455,405	18,455,405
Par value per share	10	10
Earnings per share - basic	(2.19)	2.04
Diluted earnings per share		
Net profit / (loss) for the year	(40,366,819)	37,610,212
Weighted average number of equity shares for basic EPS	18,455,405	18,455,405
Add: Effect of dilutive instruments	-	-
Weighted average number of equity shares - for diluted EPS	18,455,405	18,455,405
Par value per share	10	10
Earnings per share - diluted	(2.19)	2.04

20 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.

21 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, Manager Sivaram Krishnan, CFO Mithun B Shenoy, Company Secretary (till October 9th, 2015) Jose George, Company Secretary (from December 4th, 2015)

2 Details of related party transactions during the year ended March 31, 2016 and balances outstanding as at March 31, 2016, :

Transactions	March 31, 2016	March 31, 2015
Transactions during the year		
Remuneration to key managerial personnel		
- Abraham Itty Ipe	120,000	100,000
- Sivarama Krishnan, Chief Financial Officer	240,000	143,548
- Mithun B. Shenoy, Company Secretary	291,251	392,280
- Jose George, Company Secretary	220,709	-
Sitting fees of Directors		
- Anant Goenka	6,435	3,000
- Umang Kanoria	23,175	6,000
- Sunil Bhandari	25,305	6,000
- H. C. Dalal	32,175	6,000
- Prem Kapil	26,175	3,000
- Sucharita Basu	13,305	3,000
- Kaushik Roy	9,000	-
Balance Due from / (to) as at the year end		
- HML	-	-
- DDPL	-	-

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

Advance to Rainbow Investments Ltd. for purchase of shares	35,827,807	827,807
Amount receivable on redemption of debentures from Rainbow Investments Ltd.	37,445,000	37,445,000
Maximum amount outstanding during the year	73,272,807	38,272,807

23 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.

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

Other disclosures

Particulars	As at March 31, 2016	As at March 31, 2015
25 Contingent liabilities	Nil	Nil
26 Derivative instruments and unhedged foreign currency exposure	Nil	Nil
27 Loans and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested.	Nil	Nil
28 Value of imports calculated on CIF basis	Nil	Nil
29 Expenditure in foreign currency (accrual basis)	Nil	Nil
30 Net dividend remitted in foreign exchange	Nil	Nil
31 Earnings in foreign currency (accrual basis)	Nil	Nil
32 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

Kaushik Roy
 Director
 DIN: 06513489

H.C.Dalal
 Director
 DIN: 00206232

Kolkata
 May 30, 2016

Sripriya M. Shenoy
 Company Secretary

Sivarama Krishnan
 Chief Financial Officer

Route Map

