

# **STEL Holdings Limited**

ANNUAL REPORT 2019-2020

**Board of Directors**

Shri. Anant Vardhan Goenka  
Shri. Umang Kanoria  
Shri. Sunil Bhandari  
Shri. Kaushik Roy  
Shri. H. C. Dalal  
Shri. Prem Kapil  
Smt. Kusum Dadoo  
Shri. Abraham Ittyipe (with effect from Aug 13, 2020)

**Statutory Auditors**

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

**Company Secretary**

Smt. Lakshmi P. S

**Secretarial Auditors**

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

**Chief Financial Officer**

Shri. Sivaram Neelakantan Krishnan

**Internal Auditors**

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

**Bankers**

HDFC Bank  
Kotak Mahindra Bank

**Registered Office**

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

**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 30<sup>th</sup> Annual General Meeting (AGM) of the members of STEL Holdings Limited (“the Company”) will be held on Monday, September 28, 2020 at 2.00 p.m Indian Standard Time ( “IST” ). through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including the Audited Consolidated Financial Statements for the financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors’ thereon.
2. To appoint a Director in place of Mr. Kaushik Roy (DIN: 06513489) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

3. **APPOINTMENT OF MR. ABRAHAM ITTYIPE (DIN : 02717344) AS THE WHOLETIME DIRECTOR OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, Mr. Abraham Ittyipe (DIN: 02717344), who was appointed as an Additional Director of the Company with effect from August 13, 2020 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and / or such other approval, if any, as may be required in this regard, approval of the Members of the Company be and is hereby accorded to appoint Mr. Abraham Ittyipe (DIN: 02717344), as the Wholetime Director of the Company, liable to retire by rotation to hold office for a period of five years with effect from August 13, 2020 to August 12, 2025 on the terms and conditions of appointment including payment of remuneration as below :

#### **REMUNERATION IN CASE OF ADEQUATE PROFITS:**

- Basic salary: Consolidated remuneration not exceeding Rs.6 lakhs per annum.  
For the purposes of calculating the ceiling on remuneration, perquisites if any, shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, the same shall be evaluated at actual cost.
- Commission if any, subject to the conditions that the total remuneration consisting of salary, allowances, perquisites and commission shall not exceed 5% of the net profit of the Company for any financial year computed in accordance with the provisions of the Companies Act, 2013.
- Subject to the provision of Reg 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the annual remuneration payable to Whole-time Director of the company, exceeds Rs. 5 Crores or 2.5% of the net profits of the Company as calculated under Section 198 of the Act whichever is higher and but remuneration including commission payable shall not exceed 5% of the net profit of the Company for any financial year computed in accordance with the provisions of the Companies Act, 2013.

## **MINIMUM REMUNERATION IN CASE OF LACK OR INADEQUACY OF PROFITS:**

Where in any financial year during the currency of the tenure of the Whole time Director we have Nil profits or the profits are inadequate, the Whole time Director shall be paid remuneration as under:

- Remuneration payable not exceeding the limit prescribed under Section II Part II of Schedule V of the Companies Act, 2013 based on the effective capital of the Company and in accordance with the approval of the Nomination and Remuneration Committee at the relevant point of time.

## **GENERAL:**

- The perquisites if any shall be valued in terms of the actual expenditure. However, where such actual expenditure cannot be ascertained, such perquisites shall be valued as per the Income Tax Rules.
- Reimbursement of travel, stay and entertainment expenses actually and properly incurred in the course of business as per Company's policy.
- The Whole time Director shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which he is a Member.
- The Whole time Director shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company."

**"RESOLVED FURTHER THAT** Mr. Abraham Ittyipe, Whole time director of the company will be entrusted with among others, the powers, authorities, functions, duties, responsibilities by Board of Directors of the Company, from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this resolution."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to revise, enhance, alter and vary from time to time the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination and Compensation Committee in such manner as may be agreed to by the Board of Directors within the maximum amounts payable to the Directors in terms of the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force)."

By Order of the Board of Directors

For **STEL Holdings Limited**

**Lakshmi P.S**  
Company Secretary

Place : Kochi

Date : August 13, 2020

**STEL Holdings Limited**

CIN: L65993KL1990PLC005811

24/1624, Bristow Road,

Willingdon Island,

Cochin-682003

## 30<sup>th</sup> Annual Report 2019 - 2020

### Notes:

1. Statement setting out material facts (Explanatory Statement) pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto. Details of the Director seeking appointment/re-appointment of Directorship at this AGM is appended to this Notice.
2. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2020 To September 28, 2020 (both days inclusive).
3. In view of the continuing COVID-19 pandemic, and to ensure social distancing norms, the Ministry of Corporate Affairs has allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of the Members at a Common Venue. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”) the Thirtieth Annual General Meeting (“AGM”) of the Members is to be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith and also available at the Company’s website i.e., [www.stelholdings.com](http://www.stelholdings.com)
4. As this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
5. Pursuant to Regulation 40 of the SEBI Listing Regulations, with effect from April 01, 2019, transfer of securities of the Company would be carried out in dematerialized form only, except in case of transmission or transposition of securities.
6. In terms of Section 152 of the Act, Mr. Kaushik Roy is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
7. The Company at its AGM held on August 03, 2017 appointed M/s. J Krishnan & Associates, Chartered Accountants, (Registration No.: 001523S) as the Statutory Auditors from the conclusion of the 27<sup>th</sup> AGM to the conclusion of the 32<sup>nd</sup> AGM to be held in the year 2022 subject to ratification of their appointment every year, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away with by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Thirtieth AGM.
8. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to [secretarial@stelholdings.com](mailto:secretarial@stelholdings.com).
9. The Company has appointed Mr. M. D. Selvaraj, Practicing Company Secretary (CP. 411), Partner, MDS & Associates, Company Secretaries, Coimbatore, as the Scrutinizer as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
10. The Results will be declared within 48 hours from the conclusion of AGM. The results declared along with the Scrutinizer’s Report shall be uploaded on the website of the Company i.e. [www.stelholdings.com](http://www.stelholdings.com) and on the website of CDSL e-voting i.e. [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

**11. ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCEDURE FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT AND FUTURE CORRESPONDENCE:**

In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report FY 2019-20 will also be available on the Company's website [www.stelholdings.com](http://www.stelholdings.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also available on the website of Central Depository Services (India) Ltd (CDSL).

**12. REGISTRATION OF EMAIL ID:****i) FOR SHAREHOLDERS HOLDING PHYSICAL SHARES:**

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

The Members of the Company holding Equity Shares of the Company in physical form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their web site [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the E-mail / Bank Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB). In case of any query, a Member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

**ii) FOR DEMAT SHAREHOLDERS:**

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

**13. PARTICIPATION AT THE AGM AND VOTING**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.stelholdings.com](http://www.stelholdings.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

### THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The remote e-voting period begins on **Friday, September 25, 2020 (9.00 a.m IST) and ends on Sunday, September 27, 2020 (5.00 p.m IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Monday, September 21, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) 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.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company 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.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the STEL Holdings Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **our RTA email id. [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)**
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **our RTA email id. [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)**

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads connected through broadband for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **seven days prior to meeting** mentioning their name, DP ID and Client ID/folio number, email id, mobile number and PAN at [secretarial@stelholdings.com](mailto:secretarial@stelholdings.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **seven days prior to meeting** mentioning their name, DP ID and Client ID /folio number, email id, mobile number and PAN at [secretarial@stelholdings.com](mailto:secretarial@stelholdings.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.



### INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the EGM/AGM.

### Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer to his email address viz; [mds@mdsassociates.in](mailto:mds@mdsassociates.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

By Order of the Board of Directors

For **STEL Holdings Limited**

**Lakshmi P.S**  
Company Secretary

Place : Kochi  
Date : August 13,2020

**STEL Holdings Limited**  
CIN: L65993KL1990PLC005811  
24/1624, Bristow Road,  
Willingdon Island,  
Cochin-682003

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No.3 of the Notice:**

In terms of the requirements under Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on August 13, 2020, appointed Mr. Abraham Ittyipe (DIN: 02717344), as an Additional Director designated as the Wholetime Director of the Company for a period of five years with effect from August 13,2020 to August 12,2025 subject to the approval of the Members as may be required under applicable law.

Mr Abraham Ittyipe is a graduate in B Tech (Mechanical) from M G University, Kerala, and has over 31 years of work experience. His expertise includes Logistics, Business Strategy, Business Planning, Sourcing, Operations Management, Management, Business Development, Supply Chain Management, Market Research, Team Management, System Administration, ERP, Key Account Management, Project Planning, Strategy and Procurement. Currently he is pursuing Executive Management Development program with IIM (Kozhikode), and is active in many professional and social organisations.

In accordance with the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Mr. Abraham Ittyipe to be appointed as Director of the Company.

In accordance with the provisions of Section 152, 196, 197,198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, approval of the Members is required for appointment of Mr. Abraham Ittyipe as Wholetime Director of the Company with effect from August 13, 2020.

The terms and conditions of the appointment and remuneration payable to Mr. Abraham Ittyipe have been provided as part of the resolution at Item No. 3.

Additional information in respect of Mr. Abraham Ittyipe, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice. Brief profile of Mr. Abraham Ittyipe is given at Annexure B to this Notice.

Except Mr. Abraham Ittyipe, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 3.

The Board of Directors recommends the resolution in relation to appointment of Mr. Abraham Ittyipe as the Wholetime Director of the Company, as set out in Item No. 3 for approval of the Members by way of an Ordinary Resolution.

**ANNEXURE A TO THE NOTICE**

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

Name of the Director	Mr. Kaushik Roy	Mr. Abraham Ittyipe
<b>DIN</b>	06513489	02717344
<b>Age</b>	55 years	55 years
<b>Date of Birth</b>	28/03/1965	18/02/1965
<b>Nationality</b>	Indian	Indian
<b>Date of first appointment on the Board</b>	February 16, 2015	August 13,2020
<b>Inter-se relationship between Directors and other Key Managerial Personnel</b>	He is not related to any director and Key Managerial Personnel of the Company.	He is not related to any director and Key Managerial Personnel of the Company.

## 30<sup>th</sup> Annual Report 2019 - 2020

Name of the Director	Mr. Kaushik Roy	Mr. Abraham Ittyipe
<b>Qualification</b>	M. Tech (Mechanical) from IIT-Kharagpur, and an alumnus of IMD-Switzerland. Degree in Business Administration from University of Tokyo.	Graduate in B Tech (Mechanical) from M G University, Kerala
<b>Expertise in specific functional areas</b>	Mr. Kaushik Roy aged 55 years was appointed as the Non-Executive Director of the company on February 16, 2015. Mr. Kaushik Roy has a vast multi-functional business experience, spanning over two decades across different sectors like, Tyre and Cement,. Mr. Kaushik Roy is the Managing Director of PCBL. Mr. Kaushik Roy took on the responsibility of providing leadership to PCBL from January 2013. He is widely acclaimed for bringing in a new era of leadership at PCBL. Prior to PCBL, he has been associated with Apollo Tyres Limited in various leadership roles and has also been a Management Board Member of the Company. He is a regular visiting faculty for various Management Institutions and also a speaker in various Conferences held across the globe. Mr. Kaushik Roy is a member of the Managing Committee of the Bengal Chamber of Commerce and Industry (BCC&I).	Mr. Abraham Ittyipe aged 55 years was appointed as an Additional Director on the board on August 13, 2020. Mr. Abraham Ittyipe has over 31 years of work experience. His expertise includes Logistics, Business Strategy, Business Planning, Sourcing, Operations Management, Management, Business Development, Supply Chain Management, Market Research, Team Management, System Administration, ERP, Key Account Management, Project Planning, Strategy and Procurement. Currently he is pursuing Executive Management Development program with IIM (Kozhikode), and is active in many professional and social organisations.
<b>Number of shares held in the Company &amp; % of holding</b>	Nil	101 shares
<b>List of Directorships held in other Public Limited Companies</b>	<ul style="list-style-type: none"> <li>• HARRISONS MALAYALAM LTD</li> <li>• PHILLIPS CARBON BLACK LTD</li> <li>• SPENCER INTERNATIONAL HOTELS LIMITED</li> </ul>	Nil
<b>Chairmanships /Memberships of Committees in other Public Limited Companies (Includes Audit Committee [AC] and Stakeholders Relationship Committee [SRC])</b>	Nil	Nil
<b>Number of Board meetings attended during the FY 2019 - 20</b>	Held- 5 Attended- 4	Held- 5 Attended- 0

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

**ANNEXURE B TO THE NOTICE**

**Brief profile of Director seeking appointment at the 30<sup>th</sup> Annual General Meeting to be held on September 28, 2020.**

**Item No.3**

**Mr Abraham Ittyipe** is a graduate in B Tech (Mechanical) from M G University Kottayam, and has over 31 years of work experience. His expertise includes Logistics, Business Strategy, Business Planning, Sourcing, Operations Management, Management, Business Development, Supply Chain Management, Market Research, Team Management, System Administration, ERP, Key Account Management, Project Planning, Strategy and Procurement. Currently he is pursuing Executive Management Development program with IIM (Kozhikode), and is active in many professional and social organisations.

By Order of the Board of Directors

For **STEL Holdings Limited**

**Lakshmi P.S**  
Company Secretary

Place : Kochi  
Date : August 13, 2020

**STEL Holdings Limited**  
CIN: L65993KL1990PLC005811  
24/1624, Bristow Road,  
Willingdon Island,  
Cochin-682003

## DIRECTORS' REPORT

Dear members,

The Board of Directors have pleasure in presenting the Thirtieth Annual Report of your company along with the audited financial statements and related annexures, for the financial year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. Financial Highlights

The revenue of the Company predominantly consist of dividend income. The net profit after tax for the year ended March 31, 2020 was Rs. 1517.52 lakhs.

(In lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2020	For the year ended 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
Total Income	1625.71	980.72	1625.71	980.72
Profit / Loss before Tax	1549.33	919.74	1548.61	919.05
Provision for Taxation	31.81	20.44	31.71	20.44
Profit/Loss after Tax	1517.52	899.30	1516.90	898.61

### 2. Operations of the Company

Investments are made in various companies and dividend constitutes the major source of income for the Company. Apart from dividend income, the company has interest income from fixed deposits maintained with banks. During the year total income of the company was Rs.1625.71 lakhs as against Rs.980.72 lakhs in the previous year. The Company recorded the Net profit (after tax) of Rs.1517.52 lakhs as against Profit after tax of Rs.899.30 in the previous year. During the year the consolidated profit after tax was Rs.1516.90 lakhs compared to profit of Rs.898.61 lakhs in the previous year.

The impact of Covid-19 pandemic in the operations of our company is detailed in the Management Discussion and Analysis Report which forms part of the Annual Report.

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

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

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

### 4. Change in the Nature of Business

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

### 5. Dividend

Your Directors have not declared any dividend on equity shares for the year ended March 31, 2020, in order to conserve the resources for the future years. There are no amounts to be transferred to Investor Education and Protection Fund.

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

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

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

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

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

**7. Extract of Annual Return**

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

**8. Listing**

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

**9. Deposits**

The Company has not accepted any deposit within the meaning of subsection 31 of Section 2 and Section 73 of the Companies Act, 2013 and the Rules framed there under. As on March 31, 2020, there were no deposits lying unpaid or unclaimed.

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

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

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

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

(a) Conservation of energy and technology absorption:

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

(b) Foreign Exchange earnings and outgo:

Total foreign exchange inflow: Nil

Total foreign exchange outflow: Nil

**12. Subsidiary & Associate Company**

As on March 31, 2020, 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 2019-20 in accordance with relevant Indian Accounting Standard issued by Institute of Chartered Accountants of India forms part of the Annual Report. None of the companies has become or ceased to be a subsidiary or associate of the Company.

The Company holds 48.81% in the share capital of CFL Capital Financial Services Limited. The Hon'ble High Court of Calcutta has passed an order on October 06, 2015, for liquidation of CFL CFSL based on an application filed by a creditor of the company. The office of the official liquidator, Calcutta had took over possession of the Registered office of CFL CFSL on November 19, 2015 along with books, records and assets. As the financial

statements of the Associate Company are not available on time, the same has not been consolidated as per the requirements under Companies Act, 2013. A Report on the performance and financial position of the Subsidiary and Associate Company pursuant to Rule 5 of Companies (Accounts) Rules, 2014 is annexed as Annexure - B and forms a part of this Report.

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

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

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

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

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

### 14. Directors and Key Managerial Personnel

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

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

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

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

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

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

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

**14.1 Changes in Directors and Key Managerial Personnel (KMP)****Appointment/ Re-appointment :**

As per the provisions of the Companies Act, 2013 Mr. Kaushik Roy retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Detailed profile of Mr. Kaushik Roy, recommended for re-appointment is enclosed with the Notice for the 30<sup>th</sup> AGM of the Company as per Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Board recommends the re-appointment of Mr. Kaushik Roy as stated above in the ensuing Annual General Meeting.

During the year under review, Mr. H.C Dalal, Mr. Umang Kanoria and Mr. Prem Kapil were re-appointed as "Independent Directors" for the second term of five consecutive years commencing from October 01, 2019 up to September 30, 2024. Ms. Kusum Dadoo was also made as an Independent Director on the Board with effect from February 08, 2019 up to February 07, 2024 for the first term of 5 years.

All the above appointment/re-appointments were approved by the Members of the Company at the last Annual General Meeting by passing the requisite resolutions in this regard.

There was no induction or cessation of any other directors during the financial year 2019-20.

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

**14.2 Declaration by Independent Directors**

In terms of the provisions of sub-section (6) of Section 149 of the Act and Regulation 16 of SEBI Listing Regulations including amendments thereof, the Company has received declarations from all the Independent Directors of the Company that they meet with the criteria of independence, as provided in the Act and SEBI Listing Regulations. There has been no change in the circumstances affecting their status as an Independent Director during the year. Further, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one year from the date of inclusion of their names in the data bank. The Independent Directors to whom the provisions of proficiency test are applicable, will take the said online proficiency self-assessment test in due course.

**14.3 Board Evaluation**

The Board has carried out annual performance evaluation of its own performance, the Directors individually and of its Committees as mandated under the Act and SEBI Listing Regulations. In order to have a fair and unbiased view of all the Directors, the Company engaged the services of an external agency to facilitate the evaluation process. The Directors were provided with an electronic platform to record their views and a consolidated report was generated by the agency based on the views expressed

by all the Directors. The reports generated out of the evaluation process were placed before the Board at its meeting and noted by the Directors.



Further, the Independent Directors of the Company met once during the year on February 07, 2020 to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

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

The Board based on the recommendation of the Nomination and Remuneration Committee has formulated a policy on remuneration of Directors, Key Managerial Personnel and Senior Management of the Company pursuant to the provisions of subsection (3) of Section 178 of the Act and SEBI Listing Regulations. The policy covers the appointment, including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The Nomination and Remuneration Policy is annexed as Annexure – E to this report.

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

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

#### **15. Board Committees**

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

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

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

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards had been followed and there were no material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as at March 31, 2020 and of the profit of the company for the period ending March 31, 2020;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts for the financial year ended on March 31, 2020 on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **17. Auditors:**

##### **17.1. Statutory Auditors**

M/s. J Krishnan & Associates, Chartered Accountants, (Registration No.: 001523S), were appointed as the

Statutory Auditors of the Company for a term of five years, in the Annual General Meeting of the Company held on 03.08.2017, till the conclusion of the Annual General Meeting to be held for the financial year ended 31.03.2022.

The requirement of seeking ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting has been done away with effective May 07, 2018 by making amendment to the provisions of the Companies Act, 2013 by the Ministry of Corporate Affairs and accordingly M/s. J Krishnan & Associates continue to hold the office of Statutory Auditors for FY 2020-21.

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

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

### **Details in respect of frauds**

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

### **17.2. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of the Directors of the Company had appointed M/s. SVJS & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2020. The Secretarial Audit Report is annexed as Annexure - F.

The said Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks and no frauds were reported by the Secretarial Auditors to the Company under sub-section (12) of Section 143 of the Act.

### **17.3. Internal Auditor**

The Board had appointed, M/s. Caesar Pinto John & Associates LLP, Company Secretaries as Internal Auditor for the financial year 2019-20.

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

### **18. Corporate Social Responsibility**

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

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

### **19. Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has a mechanism for reporting unethical behavior, actual or suspected frauds or violation of the Company's Code of Conduct or ethics policy. Pursuant to Section 177 (9) & 177 (10) of the Companies Act, 2013 and as per Regulation 4 (2) (d) (iv)

& 34 (3) read with Para 10 of Part C of Schedule V of the SEBI (LODR) Regulations, 2015, the Company has a Whistle Blower Policy or Vigil Mechanism in place. The mechanism provide for adequate safeguards against victimization of Director(s)/Employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any Integrity issue.

The said policy is available on the website of the Company which can be accessed by following the below link.

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

### **20. Related Party Transactions**

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

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

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

### **21. Risk Management**

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

### **22. Particulars of Employees**

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

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

### **23. Internal Financial Control**

The Company has in place a stabilized and effective Internal Audit and Financial Control System calibrated to the size and scale of operations of the Company. Apart from statutory audit, in compliance with Section 138 of the Companies Act, 2013, had engaged M/s. Caesar Pinto John & Associates LLP, Company Secretaries as the Internal Auditors of the Company for the FY 2019-20. Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report. During the year under review, there were no reportable material weaknesses in the systems or operation.

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

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20

No. of complaints received: NIL

No. of complaints disposed off: N A

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

**26. Compliance of Secretarial Standards**

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

**27. Acknowledgements**

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

**For and on behalf of the board of directors**

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

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

Place : Kochi

Date : June 25, 2020

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2020**

[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	<b>Link Intime India Pvt. Ltd.</b> Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, Tamil Nadu Phone: +91 422 2314792, 2315792 Fax: +91 422 2314792

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

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

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

\* as per NIC -2008

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Doon Dooars Plantations Limited	U01132MH1994PLC273639	Subsidiary Company	100%	2(87)(ii)
2	CFL Capital Financial Services Limited (UNDER LIQUIDATION)	L67120WB1983PLC036805	Associate Company	48.81%	Section 2(6)

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

i) Category-wise Share Holding as of March 31, 2020

Sr No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the End of the year - 2020				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Shareholding of Promoter and Promoter Group</b>										
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	90030	0	90030	0.4878	90030	0	90030	0.4878	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Promoter Trust	262140	0	262140	1.4204	262180	0	262180	1.4206	0.0002
	Bodies Corporate	9533876	0	9533876	51.6590	9533876	0	9533876	51.6590	0.0000
	Sub Total (A)(1)	9886046	0	9886046	53.5672	9886086	0	9886086	53.5674	0.0002
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	9886046	0	9886046	53.5672	9886086	0	9886086	53.5674	0.0002
<b>(B) Public Shareholding</b>										
[1]	Institutions									
(a)	Mutual Funds / UTI	6500	530	7030	0.0381	6500	530	7030	0.0381	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	1875	410	2285	0.0124	1955	410	2365	0.0128	0.0004
(g)	Insurance Companies	33570	0	33570	0.1819	33570	0	33570	0.1819	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Foreign Bank	38	0	38	0.0002	38	0	38	0.0002	0.0000
	<b>Sub Total (B)(1)</b>	<b>41983</b>	<b>940</b>	<b>42923</b>	<b>0.2326</b>	<b>42063</b>	<b>940</b>	<b>43003</b>	<b>0.2330</b>	<b>0.0004</b>
[2]	Central Government/ State Government(s)/ President of India									
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>

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Sr No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the End of the year - 2020				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	3909492	835891	4745383	25.7127	3941277	793536	4734813	25.6554	-0.0573
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2109161	0	2109161	11.4284	2094749	0	2094749	11.3503	-0.0781
(b)	NBFCs registered with RBI	25280	0	25280	0.1370	0	0	0	0.0000	-0.1370
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	2390	0	2390	0.0130	90	0	90	0.0005	-0.0125
	Hindu Undivided Family	249555	0	249555	1.3522	295705	0	295705	1.6023	0.2501
	Non Resident Indians (Non Repat)	29427	0	29427	0.1594	30573	0	30573	0.1657	0.0063
	Non Resident Indians (Repat)	89343	4280	93623	0.5073	108349	4080	112429	0.6092	0.1019
	Unclaimed Shares	184745	0	184745	1.0010	184745	0	184745	1.0010	0.0000
	Clearing Member	28210	0	28210	0.1529	10768	0	10768	0.0583	-0.0946
	Market Maker	2768	0	2768	0.0150	113	0	113	0.0006	-0.0144
	Bodies Corporate	1045794	10100	1055894	5.7213	1052511	9820	1062331	5.7562	0.0349
	Sub Total (B)(3)	7676165	850271	8526436	46.2002	7718880	807436	8526316	46.1996	-0.0006
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	7718148	851211	8569359	46.4328	7760943	808376	8569319	46.4326	-0.0002
	<b>Total (A)+(B)</b>	<b>17604194</b>	<b>851211</b>	<b>18455405</b>	<b>100.0000</b>	<b>17647029</b>	<b>808376</b>	<b>18455405</b>	<b>100.0000</b>	<b>0.0000</b>
(C)	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Total (A)+(B)+(C)</b>	<b>17604194</b>	<b>851211</b>	<b>18455405</b>	<b>100.0000</b>	<b>17647029</b>	<b>808376</b>	<b>18455405</b>	<b>100.0000</b>	

ii) Shareholding of Promoters:

Sr. NO.	Shareholder's Name	Shareholding at the begining of the year - 2019			Shareholding at the End of the year - 2020			% change in the shareholding during the year
		No of Shares Held	% of the Total of the Company	% of shares pledged/ encumbered to total shares	No of Shares Held	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	RAINBOW INVESTMENTS LIMITED	4471438	24.2283	0	4471438	24.2283	0	0
2	INSTANT HOLDINGS LIMITED	1605200	8.6977	0	1605200	8.6977	0	0
3	CARNIWA INVESTMENTS LTD	1363580	7.3885	0	1363580	7.3885	0	0
4	SWALLOW ASSOCIATES LLP	914097	4.953	0	914097	4.953	0	0
5	SUMMIT SECURITIES LIMITED	878501	4.7601	0	878501	4.7601	0	0
6	CASTOR INVESTMENTS LIMITED	300900	1.6304	0	300900	1.6304	0	0
7	HARSH VARDHAN GOENKA	45000	0.2438	0	0	0	0	-0.2438
8	PRADIP KUMAR KHAITAN	43680	0.2367	0	43680	0.2367	0	0
9	PRADIP KUMAR KHAITAN	43680	0.2367	0	43680	0.2367	0	0
10	PRADIP KUMAR KHAITAN	43680	0.2367	0	43680	0.2367	0	0
11	PRADIP KUMAR KHAITAN	43680	0.2367	0	43680	0.2367	0	0
12	PRADIP KUMAR KHAITAN	43680	0.2367	0	43680	0.2367	0	0
13	PRADIP KUMAR KHAITAN	43680	0.2367	0	43680	0.2367	0	0
14	SANJIV GOENKA	35000	0.1896	0	35000	0.1896	0	0
15	RAMA PRASAD GOENKA	10000	0.0542	0	10000	0.0542	0	0
16	SAREGAMA INDIA LIMITED	100	0.0005	0	100	0.0005	0	0
17	ATLANTUS DWELLINGS AND INFRASTRUCTURE LLP	10	0.0001	0	10	0.0001	0	0
18	CHATTARPATI APARTMENTS LLP	10	0.0001	0	10	0.0001	0	0
19	EKTARA ENTERPRISES LLP	10	0.0001	0	10	0.0001	0	0
20	MALABAR COASTAL HOLDINGS LLP	10	0.0001	0	10	0.0001	0	0
21	SOFREAL MERCANTRADE PVT LTD	10	0.0001	0	10	0.0001	0	0
22	VAYU UDAAN AIRCRAFT LLP	10	0.0001	0	10	0.0001	0	0
23	ANANT VARDHAN GOENKA	10	0.0001	0	10	0.0001	0	0
24	HARSH VARDHAN GOENKA	10	0.0001	0	10	0.0001	0	0
25	HARSH VARDHAN GOENKA	10	0.0001	0	10	0.0001	0	0
26	HARSH VARDHAN GOENKA	10	0.0001	0	10	0.0001	0	0
27	HARSH VARDHAN GOENKA	10	0.0001	0	10	0.0001	0	0
28	HARSH VARDHAN GOENKA	10	0.0001	0	10	0.0001	0	0
29	HARSH VARDHAN GOENKA	10	0.0001	0	10	0.0001	0	0
30	MALA GOENKA	10	0.0001	0	10	0.0001	0	0
31	RADHA ANANT GOENKA	10	0.0001	0	10	0.0001	0	0
32	HARSHVARDHAN RAMPRASAD GOENKA	0	0	0	45000	0.2438	0	0.2438
33	ANANT VARDHAN GOENKA	0	0	0	10	0.0001	0	0.0001
34	HARSH VARDHAN GOENKA	0	0	0	10	0.0001	0	0.0001
35	HARSH VARDHAN GOENKA	0	0	0	10	0.0001	0	0.0001
36	ANANT VARDHAN GOENKA	0	0	0	10	0.0001	0	0.0001
	<b>Total</b>	<b>9886046</b>	<b>53.5672</b>	<b>0</b>	<b>9886086</b>	<b>53.5674</b>	<b>0</b>	<b>0.0002</b>



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### iii) Change in promoters' shareholding :

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions During The Year		Cumulative Shareholding at the end of the year - 2020	
		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	RAINBOW INVESTMENTS LIMITED	4471438	24.2283			4471438	24.2283
	AT THE END OF THE YEAR					4471438	24.2283
2	INSTANT HOLDINGS LIMITED	1605200	8.6977			1605200	8.6977
	AT THE END OF THE YEAR					1605200	8.6977
3	CARNI WAL INVESTMENTS LTD	1363580	7.3885			1363580	7.3885
	AT THE END OF THE YEAR					1363580	7.3885
4	SWALLOW ASSOCIATES LLP	914097	4.9530			914097	4.9530
	AT THE END OF THE YEAR					914097	4.9530
5	SUMMIT SECURITIES LIMITED	878501	4.7601			878501	4.7601
	AT THE END OF THE YEAR					878501	4.7601
6	CASTOR INVESTMENTS LIMITED	300900	1.6304			300900	1.6304
	AT THE END OF THE YEAR					300900	1.6304
7	HARSHVARDHAN RAMPRASAD GOENKA	0	0.0000			0	0.0000
	Transfer			06 Mar 2020	45000	45000	0.2438
	AT THE END OF THE YEAR					45000	0.2438
8	TRIVIKRAM KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
9	TRIVIKRAM KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
10	TRIVIKRAM KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
11	TRIVIKRAM KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
12	TRIVIKRAM KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
13	TRIVIKRAM KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
14	SANJIV GOENKA	35000	0.1896			35000	0.1896
	AT THE END OF THE YEAR					35000	0.1896
15	RAMA PRASAD GOENKA	10000	0.0542			10000	0.0542
	AT THE END OF THE YEAR					10000	0.0542
16	SAREGAMA INDIA LIMITED	100	0.0005			100	0.0005
	AT THE END OF THE YEAR					100	0.0005
17	RADHA ANANT GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
18	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001

## STEL HOLDINGS LIMITED

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions During The Year		Cumulative Shareholding at the end of the year - 2020	
		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
19	HARSH VARDHAN GOENKA	0	0.0000			0	0.0000
	Transfer			13 Dec 2019	10	10	0.0001
	AT THE END OF THE YEAR					10	0.0001
	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
21	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
22	ANANT VARDHAN GOENKA	0	0.0000			0	0.0000
	Transfer			13 Dec 2019	10	10	0.0001
	AT THE END OF THE YEAR					10	0.0001
23	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
24	HARSH VARDHAN GOENKA	0	0.0000			0	0.0000
	Transfer			13 Dec 2019	10	10	0.0001
	AT THE END OF THE YEAR					10	0.0001
25	MALA GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
26	ATLANTUS DWELLINGS AND INFRASTRUCTURE LLP	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
27	ANANT VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
28	ANANT VARDHAN GOENKA	0	0.0000			0	0.0000
	Transfer			05 Jul 2019	10	10	0.0001
	AT THE END OF THE YEAR					10	0.0001
29	EKTARA ENTERPRISES LLP	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
30	CHATTARPATI APARTMENTS LLP	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
31	VAYU UDAAN AIRCRAFT LLP	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
32	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
33	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
34	SOFREAL MERCANTRADE PVT LTD	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
35	MALABAR COASTAL HOLDINGS LLP	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
36	HARSH VARDHAN GOENKA	45000	0.2438			45000	0.2438
	Transfer			28 Feb 2020	(45000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	% OF TOTAL SHARES OF THE COMPANY
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	
1	HITESH RAMJI JAVERI	759601	4.1159			759601	4.1159
	AT THE END OF THE YEAR					759601	4.1159
2	ROYAL CALCUTTA GOLF CLUB	0	0.0000			0	0.0000
	Transfer			25 Oct 2019	272641	272641	1.4773
	AT THE END OF THE YEAR					272641	1.4773
3	CHINAPPA MUCKATIRA BHEMAIAH	46245	0.2506			46245	0.2506
	Transfer			30 Aug 2019	200000	246245	1.3343
	AT THE END OF THE YEAR					246245	1.3343
4	VLS FINANCE LTD	234583	1.2711			234583	1.2711
	Transfer			26 Apr 2019	(400)	234183	1.2689
	Transfer			22 Nov 2019	(1000)	233183	1.2635
	AT THE END OF THE YEAR					233183	1.2635
5	STEL HOLDINGS LIMITED UNCLAIMED SUSPENSE ACCOUNT	184745	1.0010			184745	1.0010
	AT THE END OF THE YEAR					184745	1.0010
6	HARSHA HITESH JAVERI	160000	0.8670			160000	0.8670
	AT THE END OF THE YEAR					160000	0.8670
7	JAISUKH VINIMOY PVT. LTD.	117205	0.6351			117205	0.6351
	Transfer			26 Jul 2019	3840	121045	0.6559
	Transfer			13 Sep 2019	464	121509	0.6584
	Transfer			20 Sep 2019	(3322)	118187	0.6404
	Transfer			30 Sep 2019	6588	124775	0.6761
	Transfer			15 Nov 2019	(2557)	122218	0.6622
	Transfer			20 Dec 2019	15050	137268	0.7438
	Transfer			27 Dec 2019	(950)	136318	0.7386
	Transfer			31 Dec 2019	(5929)	130389	0.7065
	Transfer			03 Jan 2020	(5179)	125210	0.6784
	Transfer			10 Jan 2020	(210)	125000	0.6773
	Transfer			06 Mar 2020	4500	129500	0.7017
	Transfer			13 Mar 2020	1820	131320	0.7116
		AT THE END OF THE YEAR					131320
8	BODEPUDI JEEVAN KISHORE	80051	0.4338			80051	0.4338
	AT THE END OF THE YEAR					80051	0.4338
9	KONDEPUDI PALLAVI	71700	0.3885			71700	0.3885
	AT THE END OF THE YEAR					71700	0.3885
10	PONDURI SUBBARAO	7160	0.0388			7160	0.0388
	Transfer			05 Apr 2019	1400	8560	0.0464
	Transfer			12 Apr 2019	4434	12994	0.0704
	Transfer			19 Apr 2019	608	13602	0.0737
	Transfer			26 Apr 2019	14853	28455	0.1542
	Transfer			03 May 2019	2900	31355	0.1699
	Transfer			10 May 2019	5357	36712	0.1989

## STEL HOLDINGS LIMITED

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	% OF TOTAL SHARES OF THE COMPANY
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	
	Transfer			17 May 2019	258	36970	0.2003
	Transfer			24 May 2019	40	37010	0.2005
	Transfer			31 May 2019	500	37510	0.2032
	Transfer			14 Jun 2019	150	37660	0.2041
	Transfer			21 Jun 2019	3338	40998	0.2221
	Transfer			29 Jun 2019	2000	42998	0.2330
	Transfer			26 Jul 2019	4680	47678	0.2583
	Transfer			02 Aug 2019	685	48363	0.2621
	Transfer			09 Aug 2019	300	48663	0.2637
	Transfer			16 Aug 2019	15	48678	0.2638
	Transfer			30 Aug 2019	2599	51277	0.2778
	Transfer			20 Sep 2019	(1200)	50077	0.2713
	Transfer			18 Oct 2019	1540	51617	0.2797
	Transfer			25 Oct 2019	520	52137	0.2825
	Transfer			01 Nov 2019	(600)	51537	0.2793
	Transfer			08 Nov 2019	(200)	51337	0.2782
	Transfer			15 Nov 2019	(1000)	50337	0.2727
	Transfer			22 Nov 2019	1000	51337	0.2782
	Transfer			29 Nov 2019	480	51817	0.2808
	Transfer			06 Dec 2019	6000	57817	0.3133
	Transfer			13 Dec 2019	8620	66437	0.3600
	Transfer			20 Dec 2019	2001	68438	0.3708
	Transfer			17 Jan 2020	(2000)	66438	0.3600
	Transfer			24 Jan 2020	(400)	66038	0.3578
	Transfer			07 Feb 2020	(1240)	64798	0.3511
	Transfer			21 Feb 2020	3000	67798	0.3674
	Transfer			28 Feb 2020	(200)	67598	0.3663
	Transfer			06 Mar 2020	(200)	67398	0.3652
	Transfer			13 Mar 2020	1000	68398	0.3706
	Transfer			20 Mar 2020	320	68718	0.3723
	Transfer			27 Mar 2020	(200)	68518	0.3713
	AT THE END OF THE YEAR					68518	0.3713
11	STANLEY VYAPAAR PVT LIMITED	83600	0.4530			83600	0.4530
	Transfer			12 Apr 2019	(86)	83514	0.4525
	Transfer			05 Jul 2019	(900)	82614	0.4476
	Transfer			06 Mar 2020	(62267)	20347	0.1102
	AT THE END OF THE YEAR					20347	0.1102
12	VINEET NAHATA	345274	1.8709			345274	1.8709
	Transfer			05 Apr 2019	(4242)	341032	1.8479
	Transfer			21 Jun 2019	1500	342532	1.8560
	Transfer			29 Jun 2019	(1500)	341032	1.8479
	Transfer			02 Aug 2019	5598	346630	1.8782
	Transfer			30 Aug 2019	10046	356676	1.9326
	Transfer			06 Sep 2019	452	357128	1.9351
	Transfer			20 Sep 2019	7618	364746	1.9764
	Transfer			27 Sep 2019	9992	374738	2.0305

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Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	% OF TOTAL SHARES OF THE COMPANY
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	
	Transfer			30 Sep 2019	486	375224	2.0331
	Transfer			04 Oct 2019	(6400)	368824	1.9985
	Transfer			11 Oct 2019	(2232)	366592	1.9864
	Transfer			18 Oct 2019	(8000)	358592	1.9430
	Transfer			25 Oct 2019	(276566)	82026	0.4445
	Transfer			01 Nov 2019	(59525)	22501	0.1219
	Transfer			08 Nov 2019	(21160)	1341	0.0073
	Transfer			15 Nov 2019	9551	10892	0.0590
	AT THE END OF THE YEAR					11002	0.0596
13	RELIANCE FINANCIAL LIMITED	200000	1.0837			200000	1.0837
	Transfer			30 Aug 2019	(200000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

### Notes:

- 1) Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 18455405 Shares.
- 2) The details of holding has been clubbed based on PAN.
- 3) % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sr. No.	For Each of the Directors and KMP	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at beginning 1.4.19 /end of the year 31.3.20	% of total shares of the Company				No. of shares	% of total shares of the Company
	<b>Shareholding of Director:</b>							
1	Nil							
	<b>Shareholding of Key Managerial Personnel:</b>							
1	Mr. Abraham Ittyipe, Manager	101	-	01.04.2019	-	-	101	-
		101	-	31.03.2020				
2	Mr. Sivaramakrishnan, Chief Financial Officer	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020				
4	Ms. Lakshmi P.S Company Secretary	-	-	01.04.2019	-	-	-	-
		-	-	31.03.2020				

**Note:** Apart from above no other Director and Key Managerial Personnel holds any shares at the beginning and end of the Financial year 2019-20 in the Company. Further apart from above there was no increase / decrease in shareholding of any other Director and Key Managerial Personnel.

V. INDEBTEDNESS

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

(Amount in Rs.)

Indebtedness at the beginning of the financial year - 1.4.19	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year 31.3.20</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	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 (Rs.)
		<b>Mr. Abraham Ittype</b>	
		(Amount in Rs.)	
<b>1</b>	<b>Gross salary</b>		
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	120,000	120,000
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-
	c. Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-
<b>2</b>	<b>Stock Option</b>	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-
<b>4</b>	<b>Commission:</b>	-	-
	- As a % of Profit	-	-
	- Others, specify	-	-
<b>5</b>	<b>Others, please specify</b>		
	Contribution to PF	-	-
	Contribution to Gratuity	-	-
	Contribution to Superannuation Fund	-	-
	Consolidated Allowances	-	-
	Car Perquisite	-	-
	<b>Total (A)</b>	<b>120,000</b>	<b>120,000</b>
	<b>Ceiling as per the Act - (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)</b>	76,03,919	76,03,919

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

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### B. Remuneration to other directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Mr. Anant Goenka	Mr. Sunil Bhandari	Mr. Umang Kanoria	Mr. H.C. Dalal	Mr. Prem Kapil	Mr. Kaushik Roy	Ms. Kusum Dadoo	Total
<b>1</b>	<b>Independent Directors</b>								
	- Fees for attending Board/ Committee Meetings	-	-	34,000	39,000	37,000	-	37,000.00	1,47,000
	- Commission	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	<b>34,000</b>	<b>39,000</b>	<b>37,000</b>	-	<b>37,000</b>	<b>1,47,000</b>
<b>2</b>	<b>Other Non- Executive Directors</b>								
	- Fees for attending Board/ Committee Meetings	5,000	34,000	-	-	-	20,000	-	-
	- Commission	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>5,000</b>	<b>34,000</b>	-	-	-	<b>20,000</b>	-	<b>59,000</b>
	<b>Total (B) = (1+2)</b>	<b>5,000</b>	<b>34,000</b>	<b>34,000</b>	<b>39,000</b>	<b>37,000</b>	<b>20,000</b>	<b>37,000</b>	<b>2,06,000</b>
	<b>Total Managerial Remuneration #</b>								<b>3,26,000</b>
	<b>Overall Ceiling as per the Act @</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	

#### Notes:

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

@ Sitting fees paid have not been considered as a component for reckoning overall ceiling as per Companies Act, 2013 Overall ceiling as per the Act Rs.100000/-

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Siva Rama Krishnan, Chief Financial Officer	Ms. Lakshmi P.S Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 196	2,40,000	4,62,186	7,02,186
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	Nil	Nil	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, , specify	-	-	-
5	Others, , please specify	None	None	-
	<b>Total</b>	<b>2,40,000</b>	<b>4,62,186</b>	<b>7,02,186</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the board of directors

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

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

Place : Kochi  
Date : June 25, 2020



**AOC-1**

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

**Statement containing salient features of the financial statement  
of subsidiaries/associate companies/joint ventures**

**Part “A” : Subsidiaries**

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

Sr. No	PARTICULARS	1
1	Name of the subsidiary	Doon Dooars Plantations Limited (CIN: U01132MH1994PLC273639)
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	April 01, 2019 to March 31,2020
3	The date since when the subsidiary was acquired	July 28,2010
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees
5	Share capital	17,00,000
6	Reserves & surplus	(14,49,230)
7	Total assets	6,26,627
8	Total Liabilities	6,26,627
9	Investments	-
10	Turnover	-
11	Profit/Loss before Taxation	(1,04,255)
12	Provision for taxation	-
13	Profit/Loss after taxation	(1,04,255)
14	Proposed Dividend	-
15	% of shareholding	100%
Names of subsidiaries which are yet to commence operations		Nil
Name of subsidiaries which have been liquidated or sold during the year		Nil

**Part “B”: Associates and Joint Ventures**

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

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

**Note :** The Hon’ble High Court of Calcutta has passed an order on October 06, 2015, for liquidation of CFL CFSL based on an application filed by a creditor of the company. The office of the official liquidator, Calcutta had took over possession of the Registered office of CFL CFSL on November 19, 2015 along with books, records and assets. As a result, the Financial Statements are not available for Consolidation.

**For and on behalf of the board of directors**

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

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

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

**Mr. Sivaramakrishnan**  
Chief Financial Officer

Place : Kochi

Date : June 25, 2020

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

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

STEL remains essentially a holding and investment company. Of the total income received by the Company ('STEL'), dividend income constitutes the main earnings. The performance of the Company is directly related to the performance of the Investee Companies. During the year company has received an dividend income of Rs. 1505.52 lakhs from its Investments compared to the previous year which was Rs.892.13 lakhs. The Company has also earnings in the nature of interest from fixed deposits maintained with banks.

### Industry and Business Overview and Future Outlook

#### Global Overview

The global economy is showing early signs of a turnaround owing to estimated economic performance improvements across South East Asia, the Middle East and Latin America and receding trade tensions between the U.S. and China. The global GDP growth which dipped to 2.9 per cent in 2019 from 3.6 per cent in 2018, is expected to improve to 3.3 per cent in 2020 and further grow by 3.4 per cent in 2021.

The COVID-19 pandemic has disrupted demand and supply chains across industries, negatively impacting the business of companies and driving the global economy towards a recession. Governments in several countries have imposed stringent lockdown in a bid to contain the spread of the disease. This in turn has forced companies to reconfigure how their employees work and how their core business processes are supported and delivered. These events could cause companies to pause and reprioritize their spending

on technology and business process outsourcing. However, it is becoming evident that companies that have previously digitized their operations have been more resilient. Consequently, in the medium to long term, it is very likely that businesses will continue to spend on technology related initiatives with a greater focus on automation, remote working, cloud-based applications, optimization of legacy technology costs, etc. Several sectors are also seeking technology-based solutions immediately to tackle the health and economic crises – notably in healthcare, life sciences, banking, telecommunications and essential retail.

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. To prevent the rapid rise of infections, governments of almost all countries severely restricted travel, mandated extreme 'social distancing' measures and reduced demand supply chains to only those that are 'essential'. Our office have been asked to operate with minimal or no staff for extended periods of time. The crisis has affected, and continues to impact, our key stakeholders – employees, clients, vendor partners and the communities that we operate in.

The world is getting better prepared to prevent the spread further with adequate precautionary measures. Given the firm backing of government authorities and monetary

support from central banks, the pandemic should hopefully be behind us and economic activities will likely gain pace in the second half of 2020.

In responding to this crisis, our primary objective is to ensure the safety of our employees world-wide, to deliver our client commitments, and put in place mechanisms to protect the financial well-being of the Company, and protect its long-term prospects.

**Indian Economy**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. FY 2019-20 was one of the most volatile years for Indian markets. Many factors reversed course during the year.

The Indian economy registered a slowdown in 2019-20 with GDP growth falling from 6.8 per cent in 2018-19 to 5 per cent in the first quarter of 2019-20 and to 4.5 per cent in the second quarter of 2019-20. A weak rural demand and the stress on the financial sector are being cited as key contributing factors for the sluggish growth.

The reduction in the Current Account Deficit (CAD) as a percentage of GDP to 1.5 per cent in the first half of 2019-20 along with robust growth in Foreign Direct Investments (FDI), rebound in Foreign Portfolio Investments (FPI) and expanding Foreign Reserves indicates a positive trajectory of the economy on the external front. The government has taken a slew of measures to revamp the financial sector, address the Non-Banking Financial Companies (NBFCs) crisis, reduce the stress in the real estate sector and speed up the resolution process under Insolvency and Bankruptcy Code (IBC). The measures taken by the government are supported by an accommodative monetary policy. The Reserve Bank of India (RBI) cut the repo-rate by 110 basis points since April 2019 to ease the credit flow in the economy. These initiatives have had a positive impact on the economy as the real consumption growth recovered in second quarter of 2019-20. An uptick in investment under the National Infrastructure Pipeline is expected to improve India's GDP growth rate to 5 per cent in 2019-20 and to 6-6.5 per cent in 2020-21.

India continues to remain a favourable destination for foreign investment. With the NIP in place, India could attract more foreign investments in 2020-21, giving a thrust to the economy. Owing to the supportive policies devised by the government, India could attract further investments amidst global trade tensions. The move to cut the basic corporate tax to 15 per cent for new manufacturing companies has the potential to increase the rate of return on investment, thus, improving the competitiveness of Indian companies. This is expected to bear fruit in 2020-21, attracting investments in the manufacturing sector. The key to unleash the growth potential of India in 2020-21 depends highly on easing of financial stress in the economy. The government will have to support the financial sector with progressive and incremental reforms that improve the credit flow in the market.

Nifty50 and S&P Bombay Stock Exchange (BSE) Sensex indices had touched a record high closing of 12,355 and 41,952 respectively during 2019-20 (Till 16 January 2020).

During April-September 2019, FDI equity inflows into services sector soared up by 33 percent to USD 17.58 million, accounting for nearly two-thirds of India's overall FDI inflows. This growth was mainly driven by FDI inflows into sub-sectors such as information & broadcasting, telecommunications, consultancy services, air transport, and hotel & tourism..

The corporate tax was reduced to 15 per cent from 25 per cent for new domestic companies incorporated on or after 1st October 2019, and making fresh investments in manufacturing.

The effect of the Novel corona virus in India was first felt at the end of February. On 28th February, the Indian share market saw a massive crash; more than Rs. 5 lakh crores in investor's wealth was wiped out, attributable to the Coronavirus scare. The Indian indices registered a 3.5% fall which was the second-biggest fall in the history of the Sensex. The Indian stock market recovered its losses on 2nd March, but with recent cases of coronavirus being reported in India, the markets again ended on a negative. As of 9th March 2020, the Sensex crashed by over 1900 points in one day. This is considered the most significant intra-day decline since August 2015.

The stock market has historically been prone to fear psychoses, and this is one such instance. However, there are legitimate reasons for the Indian stock market to worry and one such worry is China's role in the supply-demand chain in both, India and globally.

**Impact on share market due to lack of supply**

As mentioned earlier, India imports a series of raw material and parts from China. Usually, automobile companies who rely on China for their raw material supply stock up on their raw material inventory owing to the Chinese New

Year Lunar holiday season when the Chinese plants are shut. The holidays coincided with the uproar so the Indian companies did not face an immediate supply crunch. However, if the self-imposed trade restrictions continue, the supply of vital raw materials could stop, with major companies like Tata Motors, Eicher Motors, Bajaj Auto, M&M, Hero Motocorp, and TVS Motors feeling the heat.

Similarly, the pharmaceutical industry in India could be affected. These companies import up to 67% of the active pharmaceutical ingredients needed for manufacturing their products. It is common for pharmaceutical companies to stock up on at least 2-3 months' worth of raw material so that they won't face an immediate struggle. But, if the supply disruption from China continues into the next quarter, these companies could end up having to import from elsewhere. This will either increase the costs of production or reduce supply. Either way, it bears implications on the pharmaceutical industry's standing in the stock market.

The automobile and healthcare industry are significant stakeholders in the Indian stock market. If their operations and production get affected due to the Coronavirus outbreak and China's lockdown, it could lead to reduced investor faith in the market.

There is another side that sees the opportunity in this uncertainty. Short-term players are selling off shares fearing a global recession, making more stock available for a lower price. Opportunists may choose to "buy the dip" and accumulate shares presuming that the market will soon correct itself and recover.

STEL Holdings Limited being an investment "Company" the predominant income is derived in the form of dividend declared by investee companies.

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.

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

### **Opportunities & Threats**

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

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

### **Risk and Concerns**

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

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

### **Impact of Covid-19 pandemic on the Company**

The outbreak of COVID -19 pandemic is causing significant disturbance and slowdown of economic activity. Due to the present pandemic situation the stock market has fallen considerably thereby leading to a fall in the share price of securities held as investments by the Company. As these investments are strategic in nature and not meant for trading and since the Management is of the view that the long term value of the companies in which the investments are held are unaffected, the Management is of the opinion that there will be no long term impact of the pandemic on the Company. However the impact assessment of COVID 19 is a continuing process given the

uncertainty associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

The national lockdown announced on March 23, 2020 owing to the COVID-19 pandemic affected activities of organizations across the economic ecosystem, impacting earning prospects and valuations of companies and creating volatility in the stock markets. The resultant impact on the fair value of the investments held by the Company are reflected in the Total Comprehensive Income and Total Equity of the Company for the quarter and year ended March 31, 2020, in line with the Accounting Policy consistently followed by the Company. The stock exchanges were permitted to function normally, as part of essential services, during the national lockdown and correspondingly the investment and settlement activities and other functions of the Company have remained operational. Employees were facilitated to Work From Home (WFH) and enabled through secured remote access to ensure business continuity with minimal disruption. The future income from investments and the valuations of investee companies would depend on the global economic developments in the coming months and the resumption of activity on gradual relaxation of Lockdowns. Based on the current assessment of the potential impact of the COVID-19 on the Company, management is of the view that the balance sheet of the Company has adequate liquidity to service its obligations and sustain its operations. The Management and Directors are actively engaged and will continue to closely monitor the future developments during the lockdown period.

### Internal Control System

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

Key Financial Ratios *	2019-20	2018-19	Change (%)
Debtors Turnover Ratio	NA. The Company does not have any receivables during the year and previous year.	NA. The Company does not have any receivables during the year and previous year.	NA
Inventory Turnover Ratio	NA. The Company is into Investment operations and hence does not have inventory.	NA. The Company is into Investment operations and hence does not have inventory.	NA
Interest Service Coverage Ratio	NA. The Company does not have any borrowings till date.	NA. The Company does not have any borrowings till date.	
Current Ratio	753.51	523.44	230.07
Debt Equity Ratio	NA	NA	NA
Operating Profit Margin %	95.59 %	94.29 %	1.3 %
Net Profit Margin %	93.34%	91.70%	1.64%
Return on Networth %	3.35 %	1.36%	1.99 %

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

Debtors Turnover = Revenue from Operations/Trade Receivables

Inventory Turnover = Revenue from Operations / Inventories

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

Current Ratio = Current Assets/Current Liabilities

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

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Operating Profit Margin % = Operating Profit /Revenue from Operations

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

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

### Human Resources

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

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

### Segment wise or product wise performance

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

### Cautionary Statement

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

### For and on behalf of the board of directors

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

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

Place : Kochi

Date : June 25, 2020

**CORPORATE GOVERNANCE REPORT****The Company's Corporate Governance Philosophy**

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

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

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

The Board of Directors of the Company are pleased to present the Corporate Governance Report for the year ended 31st March, 2020 :

**1. Board of Directors:****1.1. Size and Composition of Board:**

On March 31, 2020, the STEL's Board of Directors consists of Seven Directors, of which four are Independent Directors. There are three non-executive non-independent directors. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. Kusum Dadoo is the Women Independent Director on the Board.

**1.2. Board Meetings:**

The Board meets at least four times in a year in accordance with the applicable laws. Additional meetings are held as and when required. The Company plans and schedules the meetings of the Board and its Committee(s) well in advance. Agenda and detailed notes on agenda are circulated to the Directors in advance along with detailed supporting documents.

During the financial year 2019-20, the Board of the Company met Five times, on May 24, 2019, July 26, 2019, September 06, 2019, November 08, 2019 and February 07, 2020. The necessary quorum was present for all the meetings. The maximum gap between any two Board meetings was not more than one hundred and twenty days.

**1.3. Directors' Attendance Record and Directorships :**

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



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

Name of Director	Category of Director	No of Directorship and Committee membership/ Chairmanships in other Indian Public Companies			No of shares held	Attendance Particulars		
		Other Directorship(s)	Committee Membership(s)	Committee Chairmanship(s)		No. of Board Meetings held	No. of Board meetings attended	Whether attended last AGM held on September 06,2019
Mr. Anant Goenka	Non Executive/ Non-Independent / Promoter	5	-	-	10	5	1	No
Mr. Sunil Bhandari	Non - Executive / Non - Independent / Promoter	6	-	-	-	5	4	No
Mr. Umang Kanoria	Non Executive/ Independent /Non-Promoter	4	2	2	-	5	4	No
Mr. H.C. Dalal	Non Executive/ Independent /Non-Promoter	2	2	1	-	5	5	Yes
Mr. Prem Kapil	Non Executive/ Independent /Non-Promoter	2	1	-	-	5	5	Yes
Mr. Kaushik Roy	Non - Executive / Non - Independent / Non - Promoter	3	-	-	-	5	4	No
Ms. Kusum Dadoo	Non Executive/ Independent /Non-Promoter	7	3	1	-	5	5	Yes

Notes:

- Directorship and Committee membership considered for the purpose are those prescribed under Regulation 26 of the SEBI (LODR) Regulations, 2015. The Directorship held by Directors do not include alternate directorships and directorships of Foreign Companies, Section 25 Companies, One Person Companies and Private Limited Companies of the Companies Act.
- Membership/Chairmanship of only Audit Committee and Stakeholders' Relationship Committee in other public companies are reckoned for this purpose.
- None of the directors are related to each other.

The names of the other listed entities in which the member of the Board of the Company is a director as on March 31, 2020 and their category of directorship are given below:

Name of Director	Directorship in other listed entities	Category of Directorship
Mr. Anant Goenka	CEAT Limited	Executive Director
	Zensar Technologies Limited	Director
Mr. Sunil Bhandari	Nil	NA
Mr. Umang Kanoria	Kanco Tea & Industries Limited	Non-Executive Director
	Saregama India Limited	Independent Non-Executive Director
	Kanco Enterprises Limited	Executive Director
Mr. H.C. Dalal	F G P Limited	Independent Non-Executive Director
	Summit Securities Limited	

<b>Name of Director</b>	<b>Directorship in other listed entities</b>	<b>Category of Directorship</b>
Mr. Prem Kapil	F G P Limited	Independent Non-Executive Director
	Summit Securities Limited	
Mr. Kaushik Roy	Harrisons Malayalam Ltd	Non-Executive Director
	Phillips Carbon Black Ltd	Executive Director
Ms. Kusum Dadoo	Harrisons Malayalam Ltd	Independent Non-Executive Director
	Bhiwani Vanaspati Limited	
	Phillips Carbon Black Ltd	
	GKW Ltd	
	The Standard Batteries Limited	

**Certificate of Non-Disqualification Of Directors**

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

**1.4. Code of Conduct**

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

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

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

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

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

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

In compliance with the Code for Independent Directors as stipulated under Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the SEBI (LODR) Regulations, 2015, the Independent Directors of the Company met without the presence of the Non - Independent Directors and members of the management on February 02,2020 in order to, inter alia, review the performance of non independent directors and the board of directors including that of the Chairman taking into account the views of the executive and non executive directors; assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters.

Attendance details of the independent directors meeting held during the FY 2019 - 2020 is given below:

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

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

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

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder.

The Board includes four independent directors out of which one is a women director. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, Companies Act 2013 and they are independent of the management.

### 1.7 Independent Director Databank Registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

### 1.8 Board Qualifications, Expertise and Competence

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

#### Board Qualification Indicators

<b>Accounts &amp; Finance</b>	The Director should have experience in Accounting and possess Financial Knowledge, proficiency in complex financial management, actively supervising a principal financial officer, principal accounting officer, accountant, auditor or person performing similar functions.
<b>Business Management</b>	Vast experience in driving business success across the country with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and have a broad perspective on market opportunities. Experience in all aspects of overseeing and supervising business operations.
<b>Board Diversity</b>	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of the Company's customers, employees, governments, regulators and other stakeholders.

<b>Leadership</b>	Leadership experience in a significant enterprise with a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, succession planning and driving change and long-term growth.
<b>Technology</b>	A background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
<b>Law</b>	Vast knowledge in all facets of Indian Civil, Corporate and Industrial Laws. Knowledge about the Legal consequences of non-compliance of laws applicable to the Company.
<b>Corporate Governance</b>	Experience by serving on the Board of the public company to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate corporate governance practices.
<b>Sales and Marketing</b>	General knowledge or experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance company reputation.

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

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

## 2. Committees of the Board

### 2.1. Audit Committee:

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

As on March 31, 2020, the Audit Committee consisted of five Directors viz., Mr. Umang Kanoria, Mr. Sunil Bhandari, Mr. H. C. Dalal, Mr. PremKapil, and Ms. Kusum Dadoo.

Mr. Umang Kanoria, Independent Director, is the Chairman of the Committee. All members of Audit Committee are financially literate and the Chairman of the Audit Committee has accounting and related

financial management expertise and the composition of the Committee is in compliance with the requirements of Section 177 of the Act and the Regulation 18(1) of the SEBI Listing Regulations.

Representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites the Chief Financial Officer and Internal Auditor as and when their presence at the meeting of the Committee is considered appropriate. On some occasions, it also meets without the presence of any Executives of the Company.

The Company Secretary Ms. Lakshmi P.S acts as the secretary to the audit committee.

The Audit Committee has met four times during the FY 2019 - 2020 on 24.05.2019, 26.07.2019, 08.11.2019 and 07.02.2020. All the recommendations made by the Audit Committee were accepted by the Board unanimously.

The composition and attendance of the Members at the Audit Committee meetings held during the FY 2019 - 2020 are as follows:

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

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

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

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Scrutiny of inter-corporate loans and investments;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

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

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

The audit committee shall mandatorily review the following information:

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

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

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity in which the statutory auditor is a part for the financial year 2019-20 is Rs 3,30,990/-.

### 2.2. Stakeholders' Relationship Committee:

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

The works relating to share transfer /transmission etc. is being looked after by M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent.

As on March 31, 2020 the Stakeholder's Relationship Committee consists of four members. Mr. Sunil Bhandari, Mr. Umang Kanoria, Ms.Kusum Dadoo and Mr. Abraham Ittyipe. Mr. Sunil Bhandari is the Chairman of the Committee. The Stakeholders' Relationship Committee was reconstituted and inducted Ms. Kusum Dadoo to the committee during the year. The Company Secretary Ms. Lakshmi P.S is the Secretary and Compliance Officer of the Stakeholders' Relationship Committee.

During the year, the Committee met once on 07.02.2020. The composition and attendance of the Stakeholders Relationship Committee during the FY 2019-20 are as follows:

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

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

Pursuant to SEBI (LODR) Regulations, 2015, the status of investor complaints received and redressed during FY 2019-20 are as follows:

No. of Investor queries/ complaints received during the financial year 2019-20	No. of Complaints resolved to the satisfaction of shareholders during the financial year 2019-20	No. of Investor queries/ complaints remaining unresolved/pending at the end of the financial year
10	10	0

As on March 31, 2020, there was no pending investor complaints.

### 2.3. Nomination and Remuneration Committee:

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

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

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

- a) 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;
- b) Formulation of criteria for evaluation of performance of Independent directors and the Board of Directors;
- c) Devising a policy on diversity of board of directors;
- d) 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;
- e) Whether to extend or continue the term of appointment of the Independent director, on the basis of the report of performance evaluation of Independent director; and
- f) Recommend to the Board, all remuneration, in whatever form, payable to the senior management.

As on 31st March, 2020, the Nomination & Remuneration Committee of the Company, consists of two Non-Executive Independent Directors and one Non-Executive Non-Independent Director as members, i.e. Mr. Umang Kanoria, Mr. H. C. Dalal and Mr. Sunil Bhandari. Mr. Umang Kanoria is the Chairman of the Nomination and Remuneration Committee. Company Secretary Ms. Lakshmi P.S acts as the Secretary and Compliance Officer to the Committee.

The Committee met twice during the F.YR 2019-20 i.e on May 24, 2019 and July 26, 2019.

The Composition and attendance of the Members at the NRC meetings held during the FY 2019-20 are as follows:

Name of the Member	Position	No. of Meetings	
		Held	Attended
Mr.Umang Kanoria	Chairman	2	2
Mr. Sunil Bhandari	Member	2	2
Mr.H.C Dalal	Member	2	2

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

**Acceptance of recommendations of committees of the board**

All the recommendations made by any Committee of the Board during the financial year 2019-20 have been duly accepted and taken on record by the Board of Directors of the Company.

**Directors/ Manager’s Remuneration:**

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

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

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



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### 3. Remuneration of Directors:

The Company confirms that the remuneration paid to the Directors is as per terms laid out in the Policy on Nomination & Remuneration of the Company. The Independent Directors of the Company has no pecuniary relationship with the Company, its promoters or Directors during the two immediately preceding financial years. Further, the Company has not paid any remuneration to the Non - Executive, Non – Independent Directors during the FY 2019-20. The Independent Directors were paid sitting fee of Rs.5000/- per Board Meeting, Rs. 3000/- per Audit Committee and Rs.1000/- per NRC committee during the year 2019-20.

The details of the remuneration paid to the Directors during FY 2019 - 2020 are given below:

Name of Director	Gross salary	Perquisites	PF contribution	Sitting Fees	Stock Options	Bonus	Total
<b>Non-Executive Directors</b>							
Mr. Anant Vardhan Goenka	-	-	-	5,000	-	-	5,000
Mr. Sunil Bhandari	-	-	-	34,000	-	-	34,000
Mr. H.C Dalal	-	-	-	39,000	-	-	39,000
Mr. Kaushik Roy	-	-	-	20,000	-	-	20,000
Mr. Umang Kanoria	-	-	-	34,000	-	-	34,000
Ms. Kusum Dadoo	-	-	-	37,000	-	-	37,000
Mr. Prem Kapil	-	-	-	37,000	-	-	37,000
<b>Total</b>	-	-	-	<b>2,06,000</b>	-	-	<b>2,06,000</b>

### 4. Annual General Meetings

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

Sl.No.	AGM	Year	Date	Time	Location
1	29 <sup>th</sup>	2019	06.09.2019	2.00 P.M	Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Kochi – 682016
2	28 <sup>th</sup>	2018	26.09.2018	2.00 PM	
	27 <sup>th</sup>	2017	03.08.2017	2.00 PM	

#### Special Resolutions passed at the last three AGMs

Sr. No.	Date of AGM	Special Resolution
1	September 06,2019	1. Appointment of Ms.Kusum Dadoo (Din: 06967827) as an Independent Director 2. Re-Appointment of Mr. H.C Dalal as an Independent Non-Executive Director. 3. Re-Appointment of Mr. Prem Kapil as an Independent Non-Executive Director. 4. Re-Appointment of Mr. Umang Kanoria as an Independent Non-Executive Director.
2	September 26,2018	Nil
3	August 03,2017	Re-Appointment of Mr. Abraham Ittyipe as Manager of the Company

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

No Special resolution was passed last year through postal ballot.

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

**5. Disclosures:****5.1. Related Party Transactions:**

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

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

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

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

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

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

**5.3. Whistle Blower Policy**

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

**5.4. Disclosure of Accounting Treatment**

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

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

**5.5. Details of compliance with mandatory requirements**

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

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

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

**5.6. Adoption of the discretionary requirements.**

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

**5.6.1. Audit qualifications**

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

## 6. CEO/CFO Certification

The certificate required under Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, duly signed by Mr. Sivaramakrishnan, Chief Financial Officer of the Company has been submitted to the Board of Directors, in its meeting held on June 25, 2020 as required. The said certificate is enclosed in the Annual Report.

## 7. Means of Communication

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

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

A. Financial Express (English Language)

B. Deshabhimani (Malayalam Language)

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

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

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

## 8. General Shareholder information:

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

As indicated in the notice annexed to this Annual Report, the Thirtieth Annual General Meeting of the Company will be held on :

Date : September 28,2020

Time : 2.00 p.m

Venue : The Company is conducting meeting through VC/OAVM pursuant to the MCA circular dated May 05, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of the AGM.

**8.3. Book Closure Dates:** The Company's Register of Members and Share Transfer Books will remain closed from September 22, 2020 to September 28, 2020 (both days inclusive).

**8.4. Dividend payment:** The Board has not recommended any dividend for the FY 2019-20.

### 8.5. Details of Stock Exchanges where listed

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

\*Annual listing fees for the F.YR 2020-21 has been paid to BSE Ltd and NSE Ltd on time.

**8.6 Financial calendar**

For the year ending March 31, 2021, the results will be announced on:

Event	Due Date
quarter ending 30th June, 2020	On or before 14th August, 2020
quarter ending 30th September, 2020	On or before 14th November, 2020
quarter ending 31st December, 2020	On or before 14th February, 2021
quarter ending 31st March, 2021	On or before 30th May, 2021 (Audited)

**8.7. Market Price Data**

Market Price and Volume of the Company's Shares of face value of Rs. 10 each traded in the major stock exchanges where Company's shares are listed during the financial year 2019-20:

Year (2019-20)	BSE (Amount in Rs.)		NSE (Amount in Rs.)		Volume (nos.)	
	High	Low	High	Low	BSE	NSE
April	99.00	98.95	99.50	93.95	75	4424
May	95.50	91.20	96.70	91.00	20	3791
June	84.55	84.00	85.00	82.70	100	2147
July	69.90	68.00	70.80	65.50	228	5431
August	64.00	63.45	64.05	61.00	511	19785
September	71.65	69.10	73.00	69.25	290	5987
October	73.20	69.30	72.90	69.80	3350	2814
November	68.95	64.05	67.80	63.25	458	20491
December	64.70	59.25	64.00	60.30	3274	5813
January	67.50	66.10	68.50	66.00	953	2267
February	60.10	57.00	60.60	56.05	824	2875
March	39.95	35	39.90	34.55	217	5754

**8.8. A performance chart showing Share Price of the Company in comparison with S&P BSE SENSEX and NSE Nifty during the year 2019-20 is as below:**

Year 2017-18	STEL BSE High	STEL NSE High	Sensex	Nifty
April	99.00	99.50	39031.55	11748.15
May	95.50	96.70	39714.2	11922.8
June	84.55	85.00	39394.64	11788.85
July	69.90	70.80	37481.12	11118.00
August	64.00	64.05	37332.79	11023.25
September	71.65	73.00	38667.33	11474.45
October	73.20	72.90	40129.05	11877.45
November	68.95	67.80	40793.81	12056.05
December	64.70	64.00	41253.74	12168.45
January	67.50	68.50	40723.49	11962.10
February	60.10	60.60	38297.29	11201.75
March	39.95	39.90	29468.49	8597.75

## 8.9. Share Transfer Process

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

## 8.10. Distribution of Shareholding as on March 31, 2020

Range	No. of Shareholders	No. of Shares held	% of Total share capital
1-500	21628	2522209	13.66
501-1000	962	758016	4.10
1001-2000	400	603885	3.27
2001-3000	135	341466	1.85
3001-4000	64	228990	1.24
4001-5000	51	233636	1.26
5001-10000	79	575259	3.11
10001- above	81	13191944	71.48
<b>Total</b>	<b>23400</b>	<b>18455405</b>	<b>100.00</b>

## 8.11. Dematerialisation of Shares

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to provide trading of shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE577L01016. As on March 31, 2020, 17647029 shares of the company, constituting 95.62% were in dematerialized form.

## 8.12. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments and

### commodity price risk or foreign exchange risk and hedging activities:

As of March 31, 2020, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company. The Company does not have any outstanding convertible.

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

## 8.13. Plant Locations:

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

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

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

As per Regulation 39 (3) of the LODR and Schedule VI thereto, as and when any shareholder approaches the Company or the Registrar and Transfer Agent (RTA) to claim the above said shares, after proper verification, the shares lying in the Unclaimed suspense account shall either be credited to the demat account of the

shareholder or the physical certificates shall be delivered after rematerialising the same, depending on what has been opted by the Shareholder.

As on March 31, 2020, the total unclaimed equity shares were 184745. The Voting rights on the equity shares lying in the Suspense Account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claim the shares.

Particulars	No. of Share holders	No.of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1992	184745
number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	0	0
number of shareholders to whom shares were transferred from suspense account during the year;	0	0
aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1992	184745

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

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

**8.16. Address for correspondence**

<p><b>Registered Office STEL Holdings Limited (CIN: L65993KL1990PLC005811)</b> 24/1624, Bristow Road, Willingdon Island, Cochin -682003 Phone No: 0484 6624335, 2668023; Fax: 0484 - 2668024 Email: secretarial@stelholdings.com Website: www.stelholdings.com</p>	<p><b>Registrar and Share Transfer Agent Link Intime India Private Limited</b> Surya, 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road Coimbatore – 641028 Phone No: 0422 2314792, 2315792 Fax: +91 422 2314792 Email: coimbatore@linkintime.co.in Website: www.linkintime.co.in</p>
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**For and on behalf of the board of directors**

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

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

Place : Kochi

Date : June 25, 2020

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of **STEL HOLDINGS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **STEL HOLDINGS LIMITED** for the year ended **31st March, 2020** as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we state that in accordance with Regulation 17 (1), the Board of Directors of the Company comprises of only non-executive directors. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 (2) to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SVJS & Associates  
Company Secretaries**

**P.D. Vincent**  
Managing Partner  
FCS 3067; CP.No. 7940  
UDIN: F003067B000382435

Place : Kochi  
Date : June 25, 2020

**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, senior management personnel and other employees and a process by which the performance of the directors could be evaluated.

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

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

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

**A) Criteria for Selection of Directors**

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

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

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

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

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

- a) The candidate should have a minimum experience of 10 years in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- b) The candidate should possess 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 the Committees.
- b) The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees for attending meetings of the Board of the Directors and meeting of the Audit Committee and Nomination and Remuneration Committee, provided that any sitting fees paid to the Independent Director shall not be less the sitting fees paid to non-executive directors.
- c) Independent Directors shall not be eligible for stock options of the Company, if any.

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

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

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

### III. Evaluation of performance of directors

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

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

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

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

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

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

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

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

**For and on behalf of the board of directors**

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

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

Place : Kochi

Date : June 25, 2020

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. However, there is no new Foreign Direct Investment during the period under review. Moreover, there are no Overseas Direct Investments and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

**We report that:**

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

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

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

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

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

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

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

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

**For SVJS & Associates  
Company Secretaries**

**P.D. Vincent**  
Managing Partner  
FCS 3067; CP.No. 7940  
UDIN: F003067B000382435

Place : Kochi  
Date : June 25, 2020

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 2020 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

**For SVJS & Associates  
Company Secretaries**

**P.D. Vincent**  
Managing Partner  
FCS 3067; CP.No. 7940  
UDIN: F003067B000382435

Place : Kochi  
Date : June 25, 2020

**Information pursuant to Section 197(12) of the Companies Act, 2013  
read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Anant Goenka	0.01
		Mr. Sunil Bhandari	0.07
		Mr. Umang Kanoria	0.07
		Mr. H.C. Dalal	0.08
		Mr. Prem Kapil	0.08
		Mr. Kaushik Roy	0.04
		Ms.Kusum Dadoo	0.08
2	The percentage increase in remuneration of each director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary (CS) or Manager, if any in the financial year:	Mr. Anant Goenka	None of the Directors have received remuneration apart from sitting fees for attending the meetings of the Board
		Mr. Sunil Bhandari	
		Mr. Umang Kanoria	
		Mr. H.C. Dalal	Audit Committee, and Nomination and Remuneration Committee(NRC) where they are members.
		Mr. Prem Kapil	
		Ms. Surbhi Singhi	No change in the amount of sitting fee paid per Board meeting during the year under review as compared to the financial year 2018-19 hence there is no percentage increase in the remuneration of directors.
		Mr. Kaushik Roy	
	Mr.Abraham Ittyipe, Manager	There has been no increase in the remuneration of Manager during the year under review as compared to the financial year 2018-19	
	Mr. Sivarama Krishnan, CFO	There has been no increase in the remuneration of CFO during the year under review as compared to the financial year 2018-19	
	Ms.Lakshmi P.S, Company Secretar	There has been an increase of 6.64 % in the remuneration of CS during the year under review as compared to the financial year 2018-19	
3	The percentage Increase/ Decrease in the median remuneration of employees	There has been an increase of 6.64 % in the median remuneration of employees	
4	The number of permanent employees on the rolls of company	3	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not applicable as there are no employees other than Key Managerial Personnel	
6	Affirmation that the remuneration is as per the remuneration policy of the company.	The Company affirms that remuneration paid during the year ended March 31, 2020 is as per the Remuneration policy of the Company	

**For and on behalf of the board of directors**

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

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

Place : Kochi

Date : June 25, 2020

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

Name	Age	Designation	Qualification and Experience	Gross remuneration for the F.YR 2019-20	Date of Employment	Last employment
Mr.Abraham Ittyipe	55	Manager	Mr. Abraham Ittyipe is an engineer by profession and has an experience in IT and administration for more than 15 years.	1,20,000	30.05.2014	-
Mr. Sivaram Neelakantan Krishnan	72	Chief Financial Officer	Mr. Sivaram Neelakantan Krishnan is an chartered accountant having more than 20 years experience in accounts and finance	2,40,000	11.08.2014	-
Ms.Lakshmi P.S.	28	Company Secretary	Ms. Lakshmi P.S is an Associate Member of the Institute of Company Secretaries of India having experience of more than 4 years in secretarial and legal matters.	4,62,186	14.02.2017	Indel Corporation Pvt Ltd, Kochi

**Note:**

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

**For and on behalf of the board of directors**

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

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

Place : Kochi  
Date : June 25, 2020

**DECLARATION – CODE OF CONDUCT**

I, Abraham Ittyipe, Manager, STEL Holdings Limited declare that all the members of the Board of Directors and Senior Management Personnel have, for the year ended March 31, 2020 affirmed compliance with the Code of Conduct of Board of Directors and Senior Management in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For STEL Holdings Limited**

**Abraham Ittyipe  
Manager**

Place : Kochi

Date : June 25, 2020

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**CFO CERTIFICATE**

The Board of Directors  
**STEL HOLDINGS LIMITED**

I certify to the Board that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ending 31st March, 2020 and that to the best of my knowledge and belief:
  - (i) These statements do not contain any any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of my knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware.
- (d) I have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Kochi

Date : June 25, 2020

**Sivaramakrishnan  
Chief Financial Officer**



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2020** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

**For CaesarPintoJohn & Associates LLP**  
Company Secretaries

**Nikhil George Pinto**  
Partner

Place : Kochi  
Date : June 25, 2020

M. No. 39471; CP.No. 16059  
UDIN: A039471B000382462

**INDEPENDENT AUDITORS' REPORT**

To the Members of

**STEL Holdings Limited**

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

**Opinion**

We have audited the accompanying standalone financial statements of **STEL Holdings Limited** ('the Company'), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for opinion**

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

**Emphasis of matter**

We draw attention to Note No. 24 of the consolidated financial statements which describes the uncertainties due to the outbreak of COVID-19 pandemic and the management's evaluation of the impact on the consolidated financial statements of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter

**Key audit matters**

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

<b>Valuation of investments in unquoted securities</b>	
<b>Key audit matter</b>	<b>Auditors' response</b>
The Company has investments in equity shares, preference shares and convertible debentures which are unquoted.	Our audit procedures included, among other things, an assessment of the methodology and the appropriateness of the valuation models and inputs used by management to value investments.

<p>These instruments are measured at fair value with the corresponding fair value change recognized in other comprehensive income. The valuation is performed by the company using a fair value hierarchy as applicable below:</p> <ul style="list-style-type: none"> <li>• Level 1: valuations based on quoted prices (unadjusted) in active markets.</li> <li>• Level 2: valuations based on other than quoted prices included within level 1 that are observable either directly or indirectly.</li> <li>• Level 3: valuations based on unobservable inputs for the asset. The valuation of investments is inherently subjective – most predominantly for the level 2 and level 3 investments since these are valued using inputs other than quoted prices in an active market.</li> </ul> <p>Key inputs used in the valuation of individual level 3 investments are inputs other than quoted prices in an active market. In addition, the company determines whether objective evidence of impairment exists for individual investments.</p> <p>Given the inherent subjectivity in the valuation of level 3 investments, we determined this to be a significant matter for our audit. This was an area of focus for our audit and an area where significant audit effort was directed.</p>	<p>Further, we assessed the valuation of all individual investments to determine whether the valuations performed by the Company were within a predefined tolerable differences threshold.</p> <p>As part of these audit procedures we assessed the accuracy of key inputs used in the valuation.</p> <p>We also evaluated the company’s assessment whether objective evidence of impairment exists for individual investments. Based on these procedures we have not noted any material differences outside the predefined tolerable differences threshold.</p>
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### **Information other than the standalone financial statements and auditor’s report thereon**

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

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

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

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

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

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

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the

key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.
  - h. With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Nishanth Sebastian Jose**  
Partner  
Membership number: 218068  
UDIN: 20218068AAAAGJ2214  
Cochin, June 25, 2020

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

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

with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

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

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

**Nishanth Sebastian Jose**  
Partner  
Membership number: 218068  
UDIN: 20218068AAAAGJ2214  
Cochin, June 25, 2020

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

We have audited the internal financial controls over financial reporting of STEL Holdings Limited ('the Company') as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' responsibility**

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

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

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

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

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



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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For J. Krishnan & Associates**

Chartered Accountants

Firm Registration No. 001523S

**Nishanth Sebastian Jose**

Partner

Membership number: 218068

UDIN: 20218068AAAAGJ2214

Cochin, June 25, 2020

**BALANCE SHEET AS AT MARCH 31, 2020**

(In ₹)

Particulars	Note	As at	
		March 31, 2020	March 31, 2019
<b>I. Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant & equipment	3	87,34,584	92,07,882
b. Financial assets			
i. Investments	4	4,16,60,14,709	6,35,57,46,724
c. Other non-current assets			
i. Income tax assets (net)	5	3,69,935	3,15,063
<b>2 Current assets</b>			
a. Financial assets			
i. Cash and cash equivalents	6	30,11,12,700	13,76,92,020
ii. Loans	7	4,35,26,741	6,27,49,204
iii. Other financial assets	8	82,81,533	4,57,26,533
<b>TOTAL</b>		<b><u>4,52,80,40,203</u></b>	<b><u>6,61,14,37,426</u></b>
<b>II. Equity &amp; liabilities</b>			
<b>1 Equity</b>			
a. Equity share capital	9	18,45,54,050	18,45,54,050
b. Other equity	10	4,34,30,17,789	6,42,64,13,090
<b>2 Liabilities</b>			
<b>Current liabilities</b>			
a. Financial liabilities			
i. Trade payables	12		
(1) total outstanding dues of micro enterprises and small enterprises; and		14,490	-
(2) total outstanding dues of creditors other than micro enterprises and small enterprises		166,239	21,074
b. Other current liabilities	13	2,87,635	4,49,212
		<b><u>4,52,80,40,203</u></b>	<b><u>6,61,14,37,426</u></b>
Significant accounting policies	2		

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

As per our report of even date attached

For and on behalf of the Board of Directors of

**For J. Krishnan & Associates**

**STEL Holdings Limited**

Chartered Accountants

(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

**Sunil Bhandari**

**H.C Dalal**

Partner

Director

Director

Membership No. 218068

DIN : 00052161

DIN: 00206232

**Lakshmi P.S.**

**Sivarama Krishnan**

Company Secretary

Chief Financial Officer

Cochin

June 25, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

		(In ₹)	
Particulars	Note	For year ended March 31, 2020	For year ended March 31, 2019
<b>Income</b>			
Revenue from operations	14	16,25,70,709	9,80,72,260
<b>Total income (I)</b>		<b>16,25,70,709</b>	<b>9,80,72,260</b>
<b>Expenses</b>			
Employee benefit expenses	15	8,36,815	7,93,410
Depreciation and amortisation expenses	16	4,73,297	5,05,743
Other expenses	17	63,27,632	48,00,128
<b>Total expenses (II)</b>		<b>76,37,744</b>	<b>60,99,281</b>
<b>Profit before tax (I - II)</b>		<b>15,49,32,965</b>	<b>9,19,72,979</b>
<b>Tax expense</b>			
Current income tax	18	31,80,589	20,44,245
Deferred tax		-	-
		<b>31,80,589</b>	<b>20,44,245</b>
<b>Profit for the year (A)</b>		<b>15,17,52,376</b>	<b>8,99,28,734</b>
<b>Other comprehensive income</b>			
i. Items that will not be reclassified to Profit or Loss			
- Equity instruments through other comprehensive income		(2,23,51,47,677)	(1,01,50,95,652)
<b>Total other comprehensive income for the period (B)</b>		<b>(2,23,51,47,677)</b>	<b>(1,01,50,95,652)</b>
<b>Total comprehensive income (A + B)</b>		<b>(2,08,33,95,301)</b>	<b>(92,51,66,918)</b>
<b>Earnings per equity shares of nominal value of Rs. 10/- each</b>	11		
Basic		8.22	4.87
Diluted		8.22	4.87
Significant accounting policies	2		

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

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants

(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

Cochin

June 25, 2020

For and on behalf of the Board of Directors of

**STEL Holdings Limited**

**Sunil Bhandari**

Director

DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**

Director

DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer

Statement of cash flow for the year ended March 31, 2020

(In ₹)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
<b>A Cash flow from operating activities</b>		
Net profit before tax	15,49,32,965	9,19,72,979
Adjustments for :		
Depreciation and amortisation	4,73,297	5,05,743
Operating profit before working capital changes	<b>15,54,06,262</b>	<b>9,24,78,723</b>
(Increase) / decrease in trade and other receivables	5,66,67,463	(4,47,101)
Increase / (decrease) in trade payables	1,59,658	2,846
Investment acquired	(4,54,15,662)	(9,56,48,873)
Increase / (decrease) in other current liabilities	(1,61,577)	2,29,017
Cash from operations	<b>16,66,56,143</b>	<b>(33,85,389)</b>
Income tax paid	(32,35,463)	(26,53,900)
<b>Cash from operating before exceptional Items</b>	<b>16,34,20,680</b>	<b>(60,39,288)</b>
Exceptional Items	-	-
<b>Cash from operating activities</b>	<b>16,34,20,680</b>	<b>(60,39,288)</b>
<b>B Cash flow from investing activities</b>	-	-
<b>C Cash flow from financing activities</b>		
<b>D Total increase (decrease) in cash and cash equivalents during the year (A+B+C)</b>	16,34,20,680	(60,39,288)
Cash and cash equivalents at the beginning of the year	13,76,92,020	14,37,31,309
<b>Cash and cash equivalents at the end of the year</b>	<b>30,11,12,700.6</b>	<b>13,76,92,021</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	3,68,52,040	58,14,698
In deposit accounts	26,42,60,660	13,18,77,322
<b>Total cash and cash equivalents</b>	<b>30,11,12,700</b>	<b>13,76,92,020</b>

Notes:

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

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants

(Firm Regn. No. 001523S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

Cochin

June 25, 2020

For and on behalf of the Board of Directors of

**STEL Holdings Limited**

**Sunil Bhandari**

Director

DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**

Director

DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer

Statement of changes in equity for the year ended March 31, 2020

(In ₹)

A. Equity share capital

As at March 31, 2019	184,554,050
Changes in equity share capital	-
<b>As at March 31, 2020</b>	<b>184,554,050</b>

B. Other equity

Particulars	Reserves & surplus			Retained earnings	Other comprehensive income	Total
	Capital reserve	General reserve	Securities premium		Equity instruments	
As at March 31, 2019	500,000	4,300,000	887,379,926	254,321,390	5,279,911,774	6,426,413,090
Total comprehensive income	-	-	-	151,752,376	(2,235,147,677)	(2,083,395,301)
<b>As as March 31, 2020</b>	<b>500,000</b>	<b>4,300,000</b>	<b>887,379,926</b>	<b>406,073,765</b>	<b>3,044,764,098</b>	<b>4,343,017,789</b>

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**Notes to Financial Statements for the year ended March 31, 2020**

**Note No: 1**

**Company overview**

STEL Holdings Limited (the “Company”) is a company registered under the Indian Companies Act, 1956 and is listed on the Bombay Stock Exchange. The Company is the business of investments.

**Note No: 2**

**A statement of significant accounting policies:**

**i. Basis of preparation**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the ‘Act’) and the relevant provisions of the Act. The financial statements are presented in Indian Rupees, which is the Company’s functional currency and all values are rounded off to the nearest Rupee, except when otherwise indicated. The Ind AS financial statements have been prepared on a historical cost convention basis, except for certain financial assets and liabilities (including derivatives) that are measured at fair value.

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

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

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

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

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

**a. Impairment of Property, Plant and Equipment (PPE)**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset’s value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the PPE.

**b. Determination of the estimated useful lives**

Useful lives of all PPE are based on the estimation done by the Management which is in line with the useful lives as prescribed in Part ‘C’ of Schedule II to the Act. In cases, where the useful lives are different from those prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers’ warranties and maintenance support.

c. *Current and deferred taxes*

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

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

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

v. **Depreciation**

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

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

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

vi. **Impairment of assets**

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

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

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

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

viii. **Fair value measurement**

- a. Considering the facts and circumstances existing on the reporting date, the financial assets and liabilities, in general, are measured to fair value and accounted the amortisation cost and comprehensive income as

the case may be.

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

ix. **Financial instruments**

a. **Recognition and initial measurement**

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. **Classification and subsequent measurement**

*Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

### *Financial liabilities*

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

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

##### *Financial assets*

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

##### *Financial liabilities*

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

#### c. **Offsetting**

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

#### x. **Revenue recognition**

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

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

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

contracts, the difference between the forward rate and exchange rate at the inception of the foreign exchange contract is recognized as income or expense over the period of the contract.

xii. **Earnings per share**

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

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

xiii. **Taxes on income**

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

xiv. **Cash and cash equivalents.**

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

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### Notes to financial statements for the year ended March 31, 2020

#### 3 Property, plant & equipment

Particulars	Building	Plant & Equipment	Furniture and fittings	Computers & accessories	Total
<b>Year ended March 31, 2019</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount	10,649,602	20,169	146,638	61,089	10,877,498
Additions / disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>10,649,602</b>	<b>20,169</b>	<b>146,638</b>	<b>61,089</b>	<b>10,877,498</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	1,038,336	-	70,621	54,916	1,163,873
Depreciation charge during the year	480,563	-	21,285	3,895	505,743
Additions/ disposals	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>1,518,899</b>	<b>-</b>	<b>91,906</b>	<b>58,811</b>	<b>1,669,616</b>
<b>Net carrying amount</b>	<b>9,130,703</b>	<b>20,169</b>	<b>54,732</b>	<b>2,278</b>	<b>9,207,882</b>
<b>Year ended March 31, 2020</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount	10,649,602	20,169	146,638	61,089	10,877,498
Additions / disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>10,649,602</b>	<b>20,169</b>	<b>146,638</b>	<b>61,089</b>	<b>10,877,498</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	1,518,899	-	91,906	58,811	1,669,616
Depreciation charge during the year	456,535	-	15,325	1,437	473,297
Additions / disposals	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>1,975,434</b>	<b>-</b>	<b>107,231</b>	<b>60,248</b>	<b>2,142,914</b>
<b>Net carrying amount</b>	<b>8,674,168</b>	<b>20,169</b>	<b>39,407</b>	<b>841</b>	<b>8,734,584</b>

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

#### 4 Non current investments

Description	Face Value (Rs/-)	As at March 31, 2020		As at March 31, 2019	
		Holdings (Nos)	Amount (Rs.)	Holdings (Nos)	Amount (Rs.)
<b>Long term investments</b>					
<b>Quoted equity shares, fully paid-up</b>					
Ceat Ltd.	10	14,16,757	1,12,34,17,463	14,16,757	1,59,27,89,057
Phillips Carbon Black Ltd.	2	4,51,915	2,84,02,858	4,51,915	8,10,28,360
KEC International Ltd.	2	50,11,891	92,97,05,781	48,48,891	1,46,92,13,973
Spencer's Retail Limited	10	14,96,082	11,10,09,284	14,96,082	24,38,61,366
CESC Ltd.	10	24,93,470	1,01,93,30,536	24,93,470	1,79,87,89,258
CFL Capital Financial Services Limited	10	6,76,81,206	-	6,76,81,206	-
CESC Ventures Limited	10	4,98,694	5,83,47,198	4,98,694	30,33,05,691

## STEL HOLDINGS LIMITED

Description	Face Value (Rs/-)	As at March 31, 2020		As at March 31, 2019	
		Holdings (Nos)	Amount (Rs.)	Holdings (Nos)	Amount (Rs.)
RPG Life Sciences Ltd.	8	5,25,369	8,92,07,656	5,02,550	12,68,93,875
Summit Securities Ltd.	10	69,815	1,91,88,653	69,815	4,24,47,520
SAREGAMA (India) Ltd.	10	160	31,400	160	94,888
			<b>3,37,86,40,829</b>		<b>5,65,84,23,988</b>
<b>Unquoted equity shares, fully paid-up in subsidiaries</b>					
Doon Dooars Plantations Ltd.	10	170,000	863,000	170,000	863,000
			<b>863,000</b>		<b>863,000</b>
<b>Unquoted equity shares, fully paid-up</b>					
Spencer & Company Ltd.	9	1,057,135	89,816,032	1,057,135	86,563,476
Cochin International Airport Limited	10	625	22,560	625	21,717
Rainbow Investments Ltd.	10	271	42,352.88	271	37,195
Noida Power Company Ltd	10	3,000,000	477,510,000	3,000,000	425,725,000
Subhrashi Vinimay Private Limited	10	-	-	9,008,000	106,418,013
			<b>567,390,945</b>		<b>618,765,401</b>
<b>1% Redeemable cumulative preference shares, fully paid-up</b>					
Easy Fincorp Ltd.	100	475,000	47,500,000	475,000	47,500,000
			<b>47,500,000</b>		<b>47,500,000</b>
<b>6% Non-cumulative redeemable preference shares, fully paid-up</b>					
Lebnitze Real Estates Pvt Ltd	100	1,414,256	141,425,600	-	-
			<b>141,425,600</b>		<b>-</b>
<b>Zero percent interest fully convertible debentures, fully paid-up</b>					
Kutub Properties Private Ltd.	100	293,500	29,423,375	293,500	29,423,375
			<b>29,423,375</b>		<b>29,423,375</b>
<b>Equity shares in Srilankan companies, fully paid-up (face value - LKR)</b>					
Creasy Plantation Management Ltd.	10	60,000	385,480	60,000	385,480
Lankem Plantations Services Ltd.	10	60,000	385,480	60,000	385,480
			<b>770,960</b>		<b>770,960</b>
<b>Total of investments</b>			<b>4,166,014,709</b>		<b>6,355,746,724</b>

### 5 Tax assets

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Income tax refund receivable	369,935	315,063
	<b>369,935</b>	<b>315,063</b>

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### 6 Cash and cash equivalents

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Balance with banks		
- In current accounts	36,852,040	5,814,698
- In deposit accounts	264,260,660	131,877,322
	<b>301,112,700</b>	<b>137,692,020</b>

### 7 Short term loans

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
<i>Unsecured considered good</i>		
Intercompany deposits to Fairluck Commercial Company Ltd.	7,500,000	7,500,000
Loans and advances	33,218,913	53,226,763
Interest accrued on deposits	2,807,828	2,022,441
<i>Unsecured considered doubtful</i>		
Loans and advances	-	4,325,000
	43,526,741	67,074,204
Less: Provision for doubtful advances	-	4,325,000
	<b>43,526,741</b>	<b>62,749,204</b>

### 8 Other financial assets

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
<i>(Unsecured considered good)</i>		
Receivable against sale of shares	8,281,533	8,281,533
Receivable against redemption of debentures	-	37,445,000
	<b>8,281,533</b>	<b>45,726,533</b>

### 9 Equity share capital

Particulars	(In ₹)	
	No. of shares	Amount
<b>Authorised equity share capital</b>		
As at March 31, 2019	18,500,000	185,000,000
Increase during the year	-	-
As at March 31, 2020	18,500,000	185,000,000
<b>Issued, subscribed &amp; paid up equity share capital</b>		
As at March 31, 2019	18,455,405	184,554,050
Increase during the year	-	-
As at March 31, 2020	18,455,405	184,554,050

**Terms and rights attached to equity shares**

- 1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.
- 2 The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors do not propose any dividend during the current year. No dividend was declared in the preceding year.
- 3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 4 The following shareholders hold more than 5% of the share capital of the Company:

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

Name	March 31, 2020		March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited	4,471,438	24.23%	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%	1,363,580	7.39%
	<b>7,440,218</b>	<b>40.32%</b>	<b>7,440,218</b>	<b>40.32%</b>

**10 Other equity**

(In ₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Reserve &amp; surplus</b>		
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
Retained earnings		
At the beginning of the year	254,321,390	164,392,656
Additions during the year	151,752,376	89,928,734
Balance carried forward	406,073,765	254,321,390
<b>Other comprehensive income</b>		
Equity instruments through other comprehensive income		
At the beginning of the year	5,279,911,774	6,295,007,426
Additions during the year	(2,235,147,677)	(1,015,095,652)
At the end of the year	3,044,764,098	5,279,911,774
	<b>4,343,017,789</b>	<b>6,426,413,090</b>

## Nature and purpose of reserve

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

## 11 Earnings per share

Basic and diluted earning per share

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

### i. Earnings attributable to equity shareholders (basic and diluted) (In ₹)

Particulars	For year ended	For year ended
	March 31, 2020	March 31, 2019
Profit for the year, attributable to the equity holders	151,752,376	89,928,734
	<b>151,752,376</b>	<b>89,928,734</b>

### ii. Weighted average number of equity shares (basic and diluted)

Particulars	For year ended	For year ended
	March 31, 2018	March 31, 2017
Opening balance	18,455,405	18,455,405
Effect of fresh issue of shares for cash	-	-
Weighted average number of equity shares for the year	18,455,405	18,455,405
Earning Per Share (EPS)	<b>8.22</b>	<b>4.87</b>

## 12 Trade payables

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Payable to micro and small enterprises	14,490	-
Other payables	166,239	21,074
	<b>180,729</b>	<b>21,074</b>

## 13 Other current liabilities

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Accrued expenses	216,000	385,560
Statutory dues payable	71,635	63,652
	<b>287,635</b>	<b>449,212</b>

14 Revenue from operations

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Interest on fixed deposits	12,017,966	8,858,402
Dividend income on long term investments	150,552,743	89,213,859
	<b>162,570,709</b>	<b>98,072,260</b>

15 Employee benefit expenses

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Salaries, wages & allowances	822,186	793,410
Staff welfare expenses	14,629	22,684
	<b>836,815</b>	<b>816,094</b>

16 Depreciation and ammortisation expenses

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Depreciation on property, plant and equipment	473,297	505,743
	<b>473,297</b>	<b>505,743</b>

17 Other expenses

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Professional & consultancy charges	3,262,433	2,326,234
Payments to auditors (Refer note below)	289,100	289,100
Directors' sitting fee	206,000	207,000
Travelling & conveyance	493,840	246,633
Communication expenses	296,944	217,479
Repairs & maintenance		
- Building	805,633	652,349
- Others	5,790	-
Printing & stationery	309,320	363,549
Rates & taxes	69,531	47,399
Advertisement expenses	266,703	279,774
Miscellaneous expenses	322,337	147,926
	<b>6,327,632</b>	<b>4,777,444</b>
Note: Payments to auditors		
<i>In capacity of auditor</i>		
Statutory audit	236,000	236,000
Limited review	53,100	53,100
	<b>289,100</b>	<b>289,100</b>



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### 18 Tax expense

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
Current income tax	3,180,589	2,044,245
Deferred tax (Refer note below)	-	-
	<b>3,180,589</b>	<b>2,044,245</b>

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

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

#### i. Name of related parties

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

#### ii. Transactions with related parties

Particulars	March 31, 2020	March 31, 2019
Remuneration to key managerial persons		
- Abraham Itty Ipe, Manager	120,000	120,000
- Sivarama Neelakantan Krishnan, CFO	240,000	240,000
- Lakshmi P S, Company Secretary	462,186	433,410
Sitting fees of Directors		
- Anant Goenka	5,000	20,000
- Umang Kanoria	34,000	33,000
- Sunil Bhandari	34,000	38,000
- H. C. Dalal	39,000	38,000
- Prem Kapil	37,000	37,000
- Kaushik Roy	20,000	20,000
- Surbhi Singhi	-	16,000
- Kusum Dadoo	37,000	5,000
Balance Due from / (to) as at the year end		
- DDPL	333,967	286,817

20 Segment reporting

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

21 Financial instruments

A. Accounting classifications and fair value

As at March 31, 2019

Particulars	Carrying amount				Fair value			
	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Investments								
Quoted shares	5,658,423,988	-	-	5,658,423,988	5,658,423,988	-	-	5,658,423,988
Unquoted equity shares in subsidiary	-	863,000	-	863,000	-	-	863,000	863,000
Unquoted equity shares	619,536,361	-	-	619,536,361	-	-	619,536,361	619,536,361
Preference shares	-	47,500,000	-	47,500,000	-	-	47,500,000	47,500,000
Debentures	-	29,423,375	-	29,423,375	-	-	29,423,375	29,423,375
	6,277,960,349	77,786,375	-	6,355,746,724	5,658,423,988	-	697,322,736	6,355,746,724
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	137,692,020	-	137,692,020	-	-	137,692,020	137,692,020
Loans	-	62,749,204	-	62,749,204	-	-	62,749,204	62,749,204
Other financial assets	-	45,726,533	-	45,726,533	-	-	45,726,533	45,726,533
	-	246,167,757	-	246,167,757	-	-	246,167,757	246,167,757
<b>Financial Liabilities</b>								
Trade payables	-	-	21,073	21,073	-	-	21,073	21,073
	-	-	21,073	21,073	-	-	21,073	21,073

As at March 31, 2020

Particulars	Carrying amount				Fair value			
	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Investments								
Quoted shares	3,378,640,829	-	-	3,378,640,829	3,378,640,829	-	-	3,378,640,829

## 30<sup>th</sup> Annual Report 2019 - 2020

Unquoted equity shares in subsidiary	-	863,000	-	863,000	-	-	863,000	863,000
Unquoted equity shares	568,161,905	-	-	568,161,905	-	-	568,161,905	568,161,905
Preference shares	-	188,925,600	-	188,925,600	-	-	188,925,600	188,925,600
Debentures	-	29,423,375	-	29,423,375	-	-	29,423,375	29,423,375
	3,946,802,734	219,211,975	-	4,166,014,709	3,378,640,829	-	787,373,880	4,166,014,709

### Financial assets not measured at fair value

Cash and cash equivalents	-	301,112,700	-	301,112,700	-	-	301,112,700	301,112,700
Loans	-	43,526,741	-	43,526,741	-	-	43,526,741	43,526,741
Other financial assets	-	8,281,533	-	8,281,533	-	-	8,281,533	8,281,533
	-	352,920,974	-	352,920,974	-	-	352,920,974	352,920,974

### Financial Liabilities

Trade payables	-	-	180,729	180,729	-	-	180,729	180,729
	-	-	180,729	180,729	-	-	180,729	180,729

### Fair value measurement

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is required, the Company assesses the evidence obtained by the third parties to support the conclusions that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

## 22 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year	14,490	Nil
(ii) Interest due thereon remaining unpaid to any supplier at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

**23 Other disclosures**

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
Contingent liabilities	Nil	Nil
Derivative instruments and unhedged foreign currency exposure	Nil	Nil
Value of imports calculated on CIF basis	Nil	Nil
Expenditure in foreign currency (accrual basis)	Nil	Nil
Net dividend remitted in foreign exchange	Nil	Nil
Earnings in foreign currency (accrual basis)	Nil	Nil

**24 Impact of the outbreak of COVID-19 on financial statements**

The national lockdown announced on March 23, 2020 owing to the COVID-19 pandemic affected activities of organizations across the economic ecosystem, impacting earning prospects and valuations of companies and creating volatility in the stock markets. The resultant impact on the fair value of the investments held by the Company are reflected in the Total Comprehensive Income and Total Equity of the Company for the quarter and year ended March 31, 2020, in line with the accounting policies consistently followed by the Company. The stock exchanges were permitted to function normally, as part of essential services, during the national lockdown and correspondingly the investment and settlement activities and other functions of the Company have remained operational. Employees were facilitated to Work From Home (WFH) and enabled through secured remote access to ensure business continuity with minimal disruption. The future income from investments and the valuations of investee companies would depend on the global economic developments in the coming months and the resumption of activity on gradual relaxation of Lockdowns. Based on the current assessment of the potential impact of the COVID-19 on the Company, management is of the view that the balance sheet of the Company has adequate liquidity to service its obligations and sustain its operations. The Management and Directors are actively engaged and will continue to closely monitor the future developments during the lockdown period.

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

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

Cochin  
 June 25, 2020

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

**Sunil Bhandari**  
 Director  
 DIN : 00052161

**Lakshmi P.S.**  
 Company Secretary

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

**Sivarama Krishnan**  
 Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**STEL Holdings Limited**

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

#### Opinion

We have audited the accompanying consolidated financial statements of **STEL Holdings Limited** (hereinafter referred to as 'the Holding Company') and its subsidiary, Doon Dooars Plantations Limited ('the Subsidiary'), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of Profit and Loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements'). In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of the Subsidiary as was audited by other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company as at March 31, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

#### Basis for opinion

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

#### Emphasis of matter

We draw attention to Note No. 22 of the consolidated financial statements which describes the uncertainties due to the outbreak of COVID-19 pandemic and the management's evaluation of the impact on the consolidated financial statements of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter

#### Key audit matters

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

Valuation of investments in unquoted securities	
Key audit matter	Auditors' response
The Holding Company has investments in equity shares, preference shares and convertible debentures which are unquoted.	Our audit procedures included, among other things, an assessment of the methodology and the appropriateness of the valuation models and inputs used by management to value investments.

<p>These instruments are measured at fair value with the corresponding fair value change recognized in other comprehensive income. The valuation is performed by the Holding Company using a fair value hierarchy as applicable below:</p> <ul style="list-style-type: none"> <li>• Level 1: valuations based on quoted prices (unadjusted) in active markets.</li> <li>• Level 2: valuations based on other than quoted prices included within level 1 that are observable either directly or indirectly.</li> <li>• Level 3: valuations based on unobservable inputs for the asset. The valuation of investments is inherently subjective – most predominantly for the level 2 and level 3 investments since these are valued using inputs other than quoted prices in an active market.</li> </ul> <p>Key inputs used in the valuation of individual level 3 investments are inputs other than quoted prices in an active market. In addition, the Holding Company determines whether objective evidence of impairment exists for individual investments.</p> <p>Given the inherent subjectivity in the valuation of level 3 investments, we determined this to be a significant matter for our audit. This was an area of focus for our audit and an area where significant audit effort was directed.</p>	<p>Further, we assessed the valuation of all individual investments to determine whether the valuations performed by the Holding Company were within a predefined tolerable differences threshold.</p> <p>As part of these audit procedures we assessed the accuracy of key inputs used in the valuation.</p> <p>We also evaluated the Holding Company’s assessment whether objective evidence of impairment exists for individual investments. Based on these procedures we have not noted any material differences outside the predefined tolerable differences threshold.</p>
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**Information other than the consolidated financial statements and auditor’s report thereon**

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

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

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

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

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

The Holding Company’s Board of Directors is responsible for the matters stated in sub-section 5 of section 143 of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matters" in this audit report.

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

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

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

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

### **Other matters**

We did not audit the financial statements of the Subsidiary in which the share of loss of the Holding Company is Rs. 104,255 for the year ended March 31, 2020, which are considered in preparation of the consolidated financial statements. The consolidated financial statements of the Subsidiary has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor.

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

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

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books and the report of the other auditor.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section 2 of section 164 of the Act.



- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting; and
- g. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There are no pending litigations which would impact the financial position of the Holding Company and the Subsidiary;
  - ii. The Holding Company and the Subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or the Subsidiary during the year ended March 31, 2020.

**For J. Krishnan & Associates**

Chartered Accountants

Firm Registration No. 001523S

**Nishanth Sebastian Jose**

Partner

Membership number: 218068

UDIN: 20218068AAAAGK8159

Cochin,

June 25, 2020

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STEL HOLDINGS LIMITED****Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of STEL Holdings Limited ('the Holding Company') as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

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

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

**Auditors' responsibility**

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

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

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

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

A Holding company's internal financial control over financial reporting with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding Company's internal financial control over financial reporting with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Nishanth Sebastian Jose**  
Partner  
Membership number: 218068  
UDIN: 20218068AAAAGK8159

Cochin  
June 25, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note	(In ₹)	
		As at March 31, 2020	As at March 31, 2019
<b>I. Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant & equipment	3	93,12,862	97,84,560
b. Financial assets			
i. Investments	4	4,16,51,51,709	6,35,48,83,724
c. Other non-current assets			
i. Income tax assets (net)	5	3,78,653	3,15,062
<b>2 Current assets</b>			
a. Financial assets	5	30,11,61,048	13,77,40,488
i. Cash and cash equivalents	6	4,31,92,773	6,24,62,387
ii. Loans	7	82,81,533	4,57,26,533
iii. Other financial assets	8	4,52,74,78,578	6,61,09,12,754
		<u>4,52,74,78,578</u>	<u>6,61,09,12,754</u>
<b>II. Equity &amp; liabilities</b>			
<b>1 Equity</b>			
a. Equity share capital	9	18,45,54,050	18,45,54,050
b. Other equity	10	4,34,24,14,272	6,42,58,73,079
<b>2 Liabilities</b>			
<b>Current liabilities</b>			
a. Financial liabilities			
i. Trade payables	12		
(1) total outstanding dues of micro enter- prises and small enterprises; and		14,490	-
(2) total outstanding dues of creditors other than micro enterprises and small enterprises		166,239	21,073
b. Other current liabilities	13	3,29,528	4,64,552
		<u>4,52,74,78,578</u>	<u>6,61,09,12,754</u>
Summary of significant accounting policies	2		

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

As per our report of even date attached

For and on behalf of the Board of Directors of

**For J. Krishnan & Associates**

**STEL Holdings Limited**

Chartered Accountants

(Firm Regn. No. 006310S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

**Sunil Bhandari**

Director

DIN : 00052161

**H.C Dalal**

Director

DIN: 00206232

Cochin

June 25, 2020

**Lakshmi P.S.**  
Company Secretary

**Sivarama Krishnan**  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(In ₹)

Particulars	Note	For year ended March 31, 2020	For year ended March 31, 2019
<b>Income</b>			
Revenue from operations	14	16,25,70,708	9,80,72,260
<b>Total income (I)</b>		<b>16,25,70,708</b>	<b>9,80,72,260</b>
<b>Expenses</b>			
Employee benefit expenses	15	8,36,815	8,15,734
Depreciation and amortisation expenses	16	4,71,697	5,36,095
Other expenses	17	64,01,453	48,15,944
<b>Total expenses (II)</b>		<b>77,09,965</b>	<b>61,67,772</b>
<b>Profit before tax (I - II)</b>		<b>15,48,60,743</b>	<b>9,19,04,488</b>
<b>Tax expense</b>			
Current income tax	18	31,71,873	20,44,245
Income tax relating to previous years		-	-
Deferred tax		-	-
		<u>31,71,873</u>	<u>20,44,245</u>
<b>Profit for the year (A)</b>		<b>15,16,88,870</b>	<b>8,98,60,242</b>
<b>Other comprehensive income</b>			
i. Items that will not be reclassified to Profit or Loss			
- Equity instruments through other comprehensive income		(2,23,51,47,677)	(1,01,50,95,652)
<b>Total other comprehensive income for the period (B)</b>		<b>(2,23,51,47,677)</b>	<b>(1,01,50,95,652)</b>
<b>Total comprehensive income (A + B)</b>		<b>(2,08,34,58,807)</b>	<b>(92,52,35,409)</b>
<b>Earnings per equity shares of nominal value of Rs. 10/- each</b>			
Basic	11	8.22	4.87
Diluted		8.22	4.87
Significant accounting policies	2		

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

As per our report of even date attached

For and on behalf of the Board of Directors of

**For J. Krishnan & Associates**

**STEL Holdings Limited**

Chartered Accountants

(Firm Regn. No. 006310S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

**Sunil Bhandari**

Director

DIN : 00052161

**H.C Dalal**

Director

DIN: 00206232

Cochin

June 25, 2020

**Lakshmi P.S.**  
Company Secretary

**Sivarama Krishnan**  
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(In ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Cash flow from operating activities</b>		
Net profit before tax	15,48,60,743	9,19,04,488
Adjustments for :		
Depreciation and amortisation	4,71,697	5,36,095
Operating profit before working capital changes	<b>15,53,32,440</b>	<b>9,24,40,583</b>
(Increase) / decrease in trade and other receivables	5,67,14,614	(4,12,501)
Increase / (decrease) in trade payables	1,59,656	2,846
Investment acquired	(4,54,15,662)	(9,56,48,873)
Increase / (decrease) in other current liabilities	(1,35,024)	2,32,557
Cash from operations	<b>16,66,56,023</b>	<b>(33,85,389)</b>
Income tax paid	(32,35,464)	(26,53,900)
<b>Cash from operating before exceptional Items</b>	<b>16,34,20,560</b>	<b>(60,39,288)</b>
Exceptional Items	-	-
<b>Cash from operating activities</b>	<b>16,34,20,560</b>	<b>(60,39,288)</b>
<b>B Net cash from investing activities</b>	-	-
<b>C Cash flow from financing activities</b>	-	-
<b>D Total increase (decrease) in cash and cash equivalents during the year (A+B+C)</b>	16,34,20,560	(60,39,288)
Cash and cash equivalents at the beginning of the year	13,77,40,488	14,37,79,777
<b>Cash and cash equivalents at the end of the year</b>	<b>30,11,61,048</b>	<b>13,77,40,489</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	3,69,00,389	58,63,166
In deposit accounts	26,42,60,659	13,18,77,323
<b>Total cash and cash equivalents</b>	<b>30,11,61,048</b>	<b>13,77,40,489</b>

Notes:

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

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants  
(Firm Regn. No. 006310S)

**Nishanth Sebastian Jose**

Partner  
Membership No. 218068

Cochin  
June 25, 2020

For and on behalf of the Board of Directors of

**STEL Holdings Limited**

**Sunil Bhandari**

Director  
DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**

Director  
DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer

**Consolidated statement of changes in equity for the year ended March 31, 2020**

(In ₹)

**A. Equity share capital**

As at March 31, 2019	184,554,050
Changes in equity share capital	-
<b>As at March 31, 2020</b>	<b><u>184,554,050</u></b>

**B. Other equity**

Particulars	Reserves & surplus			Other comprehensive income		Total	
	Capital reserve	General reserve	Securities premium	Retained earnings	Capital reserve on consolidation		
As at March 31, 2019	500,000	4,300,000	887,379,926	253,686,143	95,235	5,279,911,774	6,425,873,079
Total comprehensive income	-	-	-	151,688,870	-	-2,235,147,677	-2,083,458,807
<b>As as March 31, 2020</b>	<b>500,000</b>	<b>4,300,000</b>	<b>887,379,926</b>	<b>405,375,013</b>	<b>95,235</b>	<b>3,044,764,098</b>	<b>4,342,414,272</b>

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**Note No: 1**

**Company overview**

STEL Holdings Limited (the “Company”) is a company registered under the Indian Companies Act, 1956 and is listed on the Bombay Stock Exchange. The Company is the business of investments.

**Note No: 2**

**A Statement of significant accounting policies:**

**i. Basis of preparation**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the ‘Act’) and the relevant provisions of the Act.

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

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

**ii. Basis of consolidation**

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

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

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

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

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

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

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

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

In the opinion of the management, the investment in CFL Capital Financial Services Ltd. ('CFL') does not fall under the definition of associate company within the meaning of Sec. 2(6) of the Act as the Company does not have significant influence over CFL such as representation on the Board of Directors of CFL, participation in policy making processes, transactions between the Company and CFL, interchange of managerial personnel,



provision of essential technical information, etc. As a result, the Company is not treating CFL as an associate for the purpose of consolidating its financial statements.

iii. **Current and non-current classification**

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

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

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

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

a. *Impairment of Property, Plant and Equipment (PPE)*

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the PPE.

b. *Determination of the estimated useful lives*

Useful lives of all PPE are based on the estimation done by the Management which is in line with the useful lives as prescribed in Part 'C' of Schedule II to the Act. In cases, where the useful lives are different from those prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

c. *Current and deferred taxes*

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

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

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

tangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such tangible assets.

vi. **Depreciation**

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

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

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

vii. **Impairment of assets**

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

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

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

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

ix. **Fair value measurement**

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

## x. Financial instruments

### a. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### b. Classification and subsequent measurement

#### *Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

*Financial liabilities*

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

**c. De-recognition**

*Financial assets*

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

*Financial liabilities*

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

**d. Offsetting**

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

**xi. Revenue recognition**

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

**xii. Foreign currency transactions**

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

**xiii. Earnings per share**

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

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

xiv. **Taxes on income**

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

xv. **Cash and cash equivalents.**

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

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Notes to consolidated financial statements for the year ended March 31, 2020

3 Property, plant & equipment

Particulars	Building	Plant & Equipment	Furniture and fittings	Computers & accessories	Total
<b>Year ended March 31, 2019</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount	11,359,578	20,169	146,638	61,089	11,587,474
Additions / disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>11,359,578</b>	<b>20,169</b>	<b>146,638</b>	<b>61,089</b>	<b>11,587,474</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	1,141,283	-	70,621	54,916	1,266,820
Depreciation charge during the year	510,915	-	21,285	3,896	536,095
Additions/ disposals	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>1,652,198</b>	<b>-</b>	<b>91,906</b>	<b>58,812</b>	<b>1,802,915</b>
<b>Net carrying amount</b>	<b>9,707,380</b>	<b>20,169</b>	<b>54,732</b>	<b>2,277</b>	<b>9,784,560</b>
<b>Year ended March 31, 2020</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount	11,359,578	20,169	146,638	61,089	11,587,474
Additions / disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>11,359,578</b>	<b>20,169</b>	<b>146,638</b>	<b>61,089</b>	<b>11,587,474</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	1,652,198	-	91,906	58,812	1,802,915
Depreciation charge during the year	485,369	-	15,325	1,437	502,131
Additions / disposals	-30,434	-	-	-	-30,434
<b>Closing accumulated depreciation</b>	<b>2,107,133</b>	<b>-</b>	<b>107,231</b>	<b>60,249</b>	<b>2,274,612</b>
<b>Net carrying amount</b>	<b>9,252,445</b>	<b>20,169</b>	<b>39,407</b>	<b>840</b>	<b>9,312,862</b>

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

4 Non current investments

Description	Face Value (Rs/-)	As at March 31, 2020		As at March 31, 2019	
		Holdings (Nos)	Amount	Holdings (Nos)	Amount
<b>Long term investments</b>					
<b>Quoted equity shares, fully paid-up</b>					
Ceat Ltd.	10	1,416,757	1,123,417,463	1,416,757	1,592,789,057
Phillips Carbon Black Ltd.	2	451,915	28,402,858	451,915	81,028,360
KEC International Ltd.	2	5,011,891	929,705,781	4,848,891	1,469,213,973
Spencer's Retail Limited	10	1,496,082	111,009,284	1,496,082	243,861,366
CESC Ltd.	10	2,493,470	1,019,330,536	2,493,470	1,798,789,258
CFL Capital Financial Services Limited	10	67,681,206	-	67,681,206	-
CESC Ventures Limited	10	498,694	58,347,198	498,694	303,305,691
RPG Life Sciences Ltd.	8	525,369	89,207,656	502,550	126,893,875

## 30<sup>th</sup> Annual Report 2019 - 2020

Description	Face Value (Rs/-)	As at March 31, 2020		As at March 31, 2019	
		Holdings (Nos)	Amount	Holdings (Nos)	Amount
Summit Securities Ltd.	10	69,815	19,188,653	69,815	42,447,520
SAREGAMA (India) Ltd.	10	160	31,400	160	94,888
<b>Sub-total : Quoted investments</b>			<b>3,378,640,829</b>		<b>5,658,423,988</b>
<b>Unquoted equity shares, fully paid-up</b>					
Spencer & Company Ltd.	9	1,057,135	89,816,032	1,057,135	86,563,476
Cochin International Airport Limited	10	625	22,560	625	21,717
Rainbow Investments Ltd.	10	271	42,353	271	37,195
Noida Power Company Ltd	10	3,000,000	477,510,000	3,000,000	425,725,000
Subhrashi Vinimay Private Ltd.	10			9,008,000	106,418,013
			<b>567,390,945</b>		<b>618,765,401</b>
<b>1% Redeemable cumulative preference shares, fully paid-up</b>					
Easy Fincorp Ltd.	100	475,000	47,500,000	475,000	47,500,000
			<b>47,500,000</b>		<b>47,500,000</b>
<b>6% Non-cumulative redeemable preference shares, fully paid-up</b>					
Lebnitze Real Estates Pvt Ltd	100	1,414,256	141,425,600	-	-
			<b>141,425,600</b>		<b>-</b>
<b>Zero percent interest fully convertible debentures, fully paid-up</b>					
Kutub Properties Private Ltd.	100	293,500	29,423,375	293,500	29,423,375
			<b>29,423,375</b>		<b>29,423,375</b>
<b>Equity shares in Srilankan companies, fully paid-up (face value - LKR)</b>					
Creasy Plantation Management Ltd.	10	60,000	385,480	60,000	385,480
Lankem Plantations Services Ltd.	10	60,000	385,480	60,000	385,480
			<b>770,960</b>		<b>770,960</b>
<b>Total of investments</b>			<b>4,165,151,709</b>		<b>6,354,883,724</b>

### 5 Tax assets

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Income tax refund receivable	378,653	315,062
	<b>378,653</b>	<b>315,062</b>

### 6 Cash and cash equivalents

Particulars	(In ₹)	
	As at	As at
	March 31, 2020	March 31, 2019
Balance with banks		
- In current accounts	36,900,389	5,863,166
- In deposit accounts	264,260,659	131,877,322
	<b>301,161,048</b>	<b>137,740,488</b>

7 Short term loans

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
<i>Unsecured considered good</i>		
Intercompany deposits to Lebnitze Real Estates Pvt. Ltd.	7,500,000	7,500,000
Loans and advances	32,884,946	52,939,946
Interest accrued on deposits	2,807,828	2,022,441
<i>Unsecured considered doubtful</i>		
Loans and advances	-	4,325,000
	<u>43,192,773</u>	<u>66,787,387</u>
Less: Provision for doubtful advances	-	4,325,000
	<u><u>43,192,773</u></u>	<u><u>62,462,387</u></u>

8 Other financial assets

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
<i>(Unsecured considered good)</i>		
Receivable against sale of shares	8,281,533	8,281,533
Receivable against redemption of debentures	-	37,445,000
	<u>8,281,533</u>	<u>45,726,533</u>

9 Equity share capital

Particulars	(In ₹)	
	No. of shares	Amount
<b>Authorised equity share capital</b>		
As at March 31, 2019	18,500,000	185,000,000
Increase during the year	-	-
As at March 31, 2020	18,500,000	185,000,000
<b>Issued, subscribed &amp; paid up equity share capital</b>		
As at March 31, 2019	18,455,405	184,554,050
Increase during the year	-	-
As at March 31, 2020	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 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.

- 4 The following shareholders hold more than 5% of the share capital of the Company:

### List of shareholders holding more than 5 percent

Name	March 31, 2020		March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited	4,471,438	24.23%	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%	1,363,580	7.39%
	<b>7,440,218</b>	<b>40.32%</b>	<b>7,440,218</b>	<b>40.32%</b>

## 10 Other equity

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
<b>Reserve &amp; surplus</b>		
Capital reserve		
At the beginning of the accounting period	500,000	500,000
Additions during the year	-	-
At the end of the accounting period	<u>500,000</u>	<u>500,000</u>
Capital reserve on consolidation		
At the beginning of the year	95,235	95,235
Additions during the year	-	-
At the end of the year	<u>95,235</u>	<u>95,235</u>
Securities premium		
At the beginning of the accounting period	887,379,926	887,379,926
Additions during the year	-	-
At the end of the accounting period	<u>887,379,926</u>	<u>887,379,926</u>
General reserve		
At the beginning of the accounting period	4,300,000	4,300,000
Additions during the year	-	-
At the end of the accounting period	<u>4,300,000</u>	<u>4,300,000</u>
Retained earnings		
At the beginning of the year	253,686,143	163,825,901
Additions during the year	151,688,870	89,860,242
Balance carried forward	<u>405,375,013</u>	<u>253,686,143</u>
<b>Other comprehensive income</b>		
Equity instruments through other comprehensive income		
At the beginning of the year	5,279,911,774	6,295,007,426
Additions during the year	(2,235,147,677)	(1,015,095,652)
At the end of the year	<u>3,044,764,098</u>	<u>5,279,911,774</u>
	<b><u>4,342,414,272</u></b>	<b><u>6,425,873,079</u></b>

**Nature and purpose of reserve**

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

**11 Earnings per share**

Basic and diluted earning per share

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

<b>i. Earnings attributable to equity shareholders (basic and diluted)</b>		<b>(In ₹)</b>	
<b>Particulars</b>	<b>For year ended March 31, 2020</b>	<b>For year ended March 31, 2019</b>	
Profit for the year, attributable to the equity holders	151,688,870	89,860,242	
	<b>151,688,870</b>	<b>89,860,242</b>	
<b>ii. Weighted average number of equity shares (basic and diluted)</b>		<b>(In ₹)</b>	
<b>Particulars</b>	<b>For year ended March 31, 2018</b>	<b>For year ended March 31, 2017</b>	
Opening balance	18,455,405	18,455,405	
Effect of fresh issue of shares for cash	-	-	
Weighted average number of equity shares for the year	18,455,405	18,455,405	
Earning Per Share (EPS)	<b>8.22</b>	<b>4.87</b>	

**12 Trade payables**

		<b>(In ₹)</b>	
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	
Payable to micro and small enterprises	14,490	-	
Other payables	166,239	21,073	
	<b>180,729</b>	<b>21,073</b>	

**Note:**

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

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### 13 Other current liabilities

	(In ₹)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Accrued expenses	216,000	399,366
Statutory dues payable	71,638	49,845
Other payables	41,890	15,340
	<b>329,528</b>	<b>464,552</b>

### 14 Revenue from operations

	(In ₹)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Interest on fixed deposit	12,017,965	8,858,402
Dividend income on long term investments	150,552,743	89,213,859
	<b>162,570,708</b>	<b>98,072,260</b>

### 15 Employee benefit expenses

	(In ₹)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Salaries, wages & allowances	822,186	793,410
Staff Welfare Expense	14,629	22,324
	<b>836,815</b>	<b>815,734</b>

### 16 Depreciation and ammortisation expenses

	(In ₹)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Depreciation on property, plant and equipment	471,697	536,095
	<b>471,697</b>	<b>536,095</b>

### 17 Other expenses

	(In ₹)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Professional & consultancy charges	3,293,493	2,408,834
Payments to auditors (Refer note below)	330,990	227,740
Directors' sitting fee	206,000	207,000
Travelling & conveyance	493,840	191,933
Communication expenses	296,944	217,479

Repairs & maintenance for building	805,633	652,349
Repairs & maintenance-Others	6,540	-
Printing & stationery	309,320	363,549
Rates & taxes	69,650	64,299
Advertisement expenses	266,703	279,774
Miscellaneous expenses	322,339	202,986
	<b>6,401,453</b>	<b>4,815,944</b>

Note: Payments to auditors

*In capacity of auditor*

Statutory audit 247,800 188,800

Limited review 79,650 35,400

*In other capacity*

Taxation services 3,540 3,540

**330,990 227,740**

**18 Tax expense**

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
Current income tax	3,171,873	2,044,245
Deferred tax (Refer note below)	-	-
	<b>3,171,873</b>	<b>2,044,245</b>

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

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

**i. Name of related parties**

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

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### ii. Transactions with related parties

Particulars	March 31, 2020	March 31, 2019
Remuneration to key managerial persons		
- Abraham Itty Ipe	120,000	120,000
- Sivarama Neelakantan Krishnan, Chief Financial Officer	240,000	240,000
- Lakshmi P S, Company Secretary	462,186	433,410
Sitting fees of Directors		
- Anant Goenka	5,000	20,000
- Umang Kanoria	34,000	33,000
- Sunil Bhandari	34,000	38,000
- H. C. Dalal	39,000	38,000
- Prem Kapil	37,000	37,000
- Kaushik Roy	20,000	20,000
- Surbhi Singhi	-	16,000
- Kusum Dadoo	37,000	5,000
Balance Due from / (to) as at the year end	-	-

### 20 Segment reporting

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

### 21 Financial instruments

#### A. Accounting classifications and fair value

As at March 31, 2019

Particulars	Carrying amount				Fair value			Total
	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>								
Investments								
Quoted shares	5,658,423,988	-	-	5,658,423,988	5,658,423,988	-	-	5,658,423,988
Unquoted equity shares	619,536,361	-	-	619,536,361	-	-	619,536,361	619,536,361
Preference shares	-	47,500,000	-	47,500,000	-	-	47,500,000	47,500,000
Debentures	-	29,423,375	-	29,423,375	-	-	29,423,375	29,423,375
	<u>6,277,960,349</u>	<u>76,923,375</u>	<u>-</u>	<u>6,354,883,724</u>	<u>5,658,423,988</u>	<u>-</u>	<u>696,459,736</u>	<u>6,354,883,724</u>
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	137,740,488	-	137,740,488	-	-	137,740,488	137,740,488

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Loans	-	62,462,387	-	62,462,387	-	-	62,462,387	62,462,387
Other financial assets	-	45,726,533	-	45,726,533	-	-	45,726,533	45,726,533
		- 245,929,408	-	245,929,408	-	-	245,929,408	245,929,408

### Financial Liabilities

Trade payables	-	- 21,073	21,073	-	-	21,073	21,073
		- 21,073	21,073	-	-	21,073	21,073

### As at March 31, 2020

Particulars	Carrying amount				Fair value			
	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Investments								
Quoted shares	3,378,640,829	-	-	3,378,640,829	3,378,640,829	-	-	3,378,640,829
Unquoted equity shares	568,161,905	-	-	568,161,905	-	-	568,161,905	568,161,905
Preference shares	-	188,925,600	-	188,925,600	-	-	188,925,600	188,925,600
Debentures	-	29,423,375	-	29,423,375	-	-	29,423,375	29,423,375
	3,946,802,734	218,348,975	-	4,165,151,709	3,378,640,829	-	786,510,880	4,165,151,709
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	301,161,048	-	301,161,048	-	-	301,161,048	301,161,048
Loans	-	43,192,773	-	43,192,773	-	-	43,192,773	43,192,773
Other financial assets	-	8,281,533	-	8,281,533	-	-	8,281,533	8,281,533
	-	352,635,354	-	352,635,354	-	-	352,635,354	352,635,354
<b>Financial Liabilities</b>								
Trade payables	-	-	180,729	180,729	-	-	180,729	180,729
	-	-	180,729	180,729	-	-	180,729	180,729

### Fair value measurement

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is required, the Company assesses the evidence obtained by the third parties to support the

conclusions that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

### 22 Impact of the outbreak of COVID-19 on financial statements

The national lockdown announced on March 23, 2020 owing to the COVID-19 pandemic affected activities of organizations across the economic ecosystem, impacting earning prospects and valuations of companies and creating volatility in the stock markets. The resultant impact on the fair value of the investments held by the Company are reflected in the Total Comprehensive Income and Total Equity of the Company for the quarter and year ended March 31, 2020, in line with the accounting policies consistently followed by the Company. The stock exchanges were permitted to function normally, as part of essential services, during the national lockdown and correspondingly the investment and settlement activities and other functions of the Company have remained operational. Employees were facilitated to Work From Home (WFH) and enabled through secured remote access to ensure business continuity with minimal disruption. The future income from investments and the valuations of investee companies would depend on the global economic developments in the coming months and the resumption of activity on gradual relaxation of Lockdowns. Based on the current assessment of the potential impact of the COVID-19 on the Company, management is of the view that the balance sheet of the Company has adequate liquidity to service its obligations and sustain its operations. The Management and Directors are actively engaged and will continue to closely monitor the future developments during the lockdown period.

### 23 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year	14,490	Nil
(ii) Interest due thereon remaining unpaid to any supplier at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

24 Other disclosures

Particulars	(In ₹)	
	As at March 31, 2020	As at March 31, 2019
Contingent liabilities	Nil	Nil
Derivative instruments and unhedged foreign currency exposure	Nil	Nil
Value of imports calculated on CIF basis	Nil	Nil
Expenditure in foreign currency (accrual basis)	Nil	Nil
Net dividend remitted in foreign exchange	Nil	Nil
Earnings in foreign currency (accrual basis)	Nil	Nil

As per our report of even date attached

**For J. Krishnan & Associates**

Chartered Accountants  
(Firm Regn. No. 006310S)

**Nishanth Sebastian Jose**

Partner

Membership No. 218068

Cochin

June 25, 2020

For and on behalf of the Board of Directors of

**STEL Holdings Limited**

**Sunil Bhandari**

Director

DIN : 00052161

**Lakshmi P.S.**  
Company Secretary

**H.C Dalal**

Director

DIN: 00206232

**Sivarama Krishnan**  
Chief Financial Officer