

**STELLAR CAPITAL SERVICES LIMITED**

ANNUAL REPORT  
FOR THE FINANCIAL YEAR 2013-14  
CIN NO: U74899DL1994PLC062247

REGD. OFFICE: - 314, R.G. Mall, Sector-9, Rohini, Delhi-110085

**NOTICE**

Notice is hereby given that the Annual General Meeting of the Members of Stellar Capital Services Limited will be held on Monday, 25th August, 2014 at 12:30 P.M. at the Registered Office of the Company at 314, R.G. Mall, Sector-9, Rohini, Delhi-110085 to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' thereon.
2. To Re-appoint the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the fourth consecutive annual general meeting and to authorize the Board to fix their remuneration.
3. To appoint Director in place of Mr. Ashish Bansal who retires by rotation & being eligible offers himself for re-appointment.

For and on Behalf of the Board  
**For Stellar Capital Services Limited**

**Date:** 25<sup>th</sup> July, 2014  
**Place:** Delhi

Sd/-  
**Vikram Sharma**  
Director  
(Din: 00243482)

**NOTES:**

- A. APPOINTMENT OF PROXY:** A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
- B. Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C.** Members/ Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E.** Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- M/s Skyline Financial Services Pvt Ltd., D-153/A, Okhla Industrial Area, Phase-I, New Delhi- 110 020.
- F. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 18<sup>th</sup> August, 2014 to Monday, 25<sup>th</sup> August, 2014 (both days inclusive).
- G. Inspection of Documents:** Documents referred to in the Annual General Meeting Notice are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- H. Voting through electronic means**
- I.** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):
- The instructions for e-voting are as under:
- (i) The Notice of the AGM of the Company *inter alia* indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members.
  - (ii) NSDL shall also be sending the User-ID and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with

the Company/Depository Participants(s). For members who have not registered their email address, can use the details as provided above.

- (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iv) Click on Shareholder - Login
  - (v) Put user ID and password as initial password noted in step (i) above. Click Login.
  - (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vii) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
  - (viii) Select "EVEN" of Stellar Capital Services Limited
  - (ix) Now you are ready for e-Voting as Cast Vote page opens
  - (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed
  - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
  - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [csrachna@gmail.com](mailto:csrachna@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 18/08/2014 (10:00 am) and ends on 20/08/2014 (02:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, 25th July, 2014.
- VII. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- VIII. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the

employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- IX. The Results shall be declared on the date of AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL within two(2) days of passing of the resolutions and communicated to the BSE Limited.
- I. **Scrutinizer:** The Company has appointed Ms. Rachna Bhasin, Practicing Company Secretary, as the Scrutinizer for the above said purpose.

## DIRECTORS' REPORT

Dear Members

Your Directors present the Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2014.

### Financial Highlights

Particulars	Financial Year ended (in Rupees)	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Total Income	54,646,608.72	38,928,854.58
Total Expenditure	54,429,741.89	37,479,096.10
Profit/ (Loss) before tax	216,866.83	1,449,758.48
Profit/ (Loss) after tax	153,901.83	1,005,833.48
Paid-up Share Capital	165,615,000.00	120,555,000.00
Reserves and Surplus	202,190,977.73	157,001,169.90

### Material changes and commitments affecting the financial position of the Company after the close of financial year

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company- 31<sup>st</sup> March, 2014 till the date of this report.

### Dividend

In view of marginal profits made by the Company, your Directors regret their inability to recommend any dividend.

### Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

### Auditors

M/s V.N. Purohit & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

## **Auditors' Report**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

## **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

- a. Conservation of Energy & Technology Absorption:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.
- b. Export Activities:** There was no export activity in the Company during the year under review. The Company has no immediate plans for export in the near future as well.
- c. Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange earnings and outgo during the year under review.

## **Particulars of Employees**

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

## **Directors**

During the year under review, there has been no change in the composition of the Board of Directors of the Company.

## **Resignation of Company Secretary**

During the year under review, Ms. Tanu Verma resigned from the post of the Company Secretary of the Company w.e.f. 1<sup>st</sup> January, 2014.

## **Directors' Responsibility Statement**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a.** in preparation of the annual accounts, the applicable accounting standards have been followed;
- b.** the Directors have 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 as at 31<sup>st</sup> March, 2014 and of the profit of the Company for the year ended on that date;
- c.** the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d.** the Directors have prepared the Annual Accounts on a going concern basis.

- e. the directors had laid down internal financial controls to be followed by the company and that such internal controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that systems were adequate and operating effectively.

### **Stock Exchange Listing**

The Equity Shares of the Company got listed at the BSE (SME Exchange) w.e.f. 01.11.2013. The Company has already paid listing fees for the financial year 2013-14 to the BSE.

### **Audit Committee**

Pursuant to Clause 52 of Listing Agreement and Section 292A of the Companies Act, 1956, The Audit Committee has been constituted with three directors as its members namely Mr. Narendra Kumar Gaur, Mrs. Seema Mangal and Mr. Ashish Bansal.

### **Corporate Governance**

Clause 52 of the Listing Agreement relating to the Corporate Governance is applicable to the Company. The Company is complying with the provisions of Clause 52 of the Listing Agreement.

### **Acknowledgement**

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates of the Company.

**For and on Behalf of the Board  
For Stellar Capital Services Limited**

**Date: 25<sup>th</sup> July, 2014  
Place: Delhi**

**Sd/-  
Ashish Bansal  
Managing Director  
(DIN: 06607944)**

**Sd/-  
Vikram Sharma  
Director  
(DIN: 00243482)**



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors are focused on the meeting their prime objective of maximization of shareholders wealth. The Listing Agreement entered into by the Company with the Stock Exchanges contemplates compliance with the Code of Corporate Governance. The Company conducts its affairs with a blend of the following aspects in their required proportions:

- Prudence
- Transparency
- Accountability
- Impartial treatment for all shareholders
- Operating under the purview of the statute.
- Ethical Practices
- Shareholder's wealth maximization

As a part of the compliances of the Clause 52 of Listing Agreement, the Company presents hereunder the required disclosures in the form of a Report for information of all the stakeholders.

### BOARD OF DIRECTORS

The Board of Directors comprises FOUR members consisting of TWO Independent-Non executive directors.

#### Composition and Category of Directors:

Name	Designation	Category	No. of other Director-ships	Attendance at Board Meetings	Attendance at previous AGM
Ashish Bansal	Managing Director	Executive	1	YES	YES
Vikram Sharma	Whole-Time Director	Executive	2	YES	YES
Seema Mangal	Director	Non-Executive	2	YES	YES
Narendra Kumar Gaur	Director	Non-Executive	NIL	YES	YES

#### Meetings of the Board of Directors

The Board of Directors met 18 times during the financial year.

#### Information supplied to the Board

The Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committees. In addition to the regular business items, the following are regularly placed before the Board to the extent applicable.

- Half yearly results of the Company
- Minutes of the Audit Committee and other Committee meetings
- Details of Agreements entered into by the Company
- Particulars of Non-Compliance of any statutory or Listing requirement

#### **Minutes of the Board Meeting**

The minutes of the proceedings of every Board and all committee meetings are prepared and approved/initialed by the Chairman within 30 days from the conclusion of the respective meeting.

#### **Code of Ethics**

The Company has prescribed a code of ethics for its Directors and senior management personnel. A declaration by the Executive Director to the effect that all the Directors and the senior management personnel have complied with the Code of Ethics laid down for this purpose for the year 2013-2014 is given below:

#### **Declaration – Code of Conduct**

This is to confirm that the Board of Directors has laid down a code of conduct for all Directors and senior management personnel of the Company. It is further confirmed that all the Directors and senior management personnel of the Company have duly complied with the Company's Code of Conduct during the financial year 2013-2014, as required under Clause 52 of the Listing Agreement with the Stock Exchanges.

**For Stellar Capital Services Limited**

**Date: 25<sup>th</sup> July, 2014**

**Place: Delhi**

**Sd/-  
Vikram Sharma  
Director  
(DIN: 00243482)**

#### **BOARD COMMITTEES:**

The Board of Directors has set up committees of Directors to deal with various matters of specific nature which require concentrated and more focused attention and to arrive at quick and timely decisions in these matters.

The Board of Directors has delegated its certain powers to the committees of Directors and these committees shall exercise such power and give the report of the output to the Board for approval at subsequent meetings. The Board has constituted three committees viz. Audit Committee, Nomination and Remuneration Committee and Investor Grievance Committee.

#### **AUDIT COMMITTEE**

##### **Terms of Reference:**

The terms of reference of the Audit committee include the following:

1. Review of the half yearly and annual financial results of the Company before submission to the Board.

2. Overseeing the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. Holding periodic discussions with statutory auditors and internal auditors of the Company concerning the accounts of the company, internal control systems, scope of audit and observations of auditors.
4. Making recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.
5. Recommendations with respect to appointment and removal of external auditors, fixation of audit fees and also approval of fee for any other services by the auditors.
6. Investigating into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice if necessary.
7. Making recommendations to the Board on any matter relating to the financial management of the Company.

During the year, Three Audit Committee meetings were held respectively on 22.08.2013, 15.11.2013 and 10.02.2014.

**Composition of Audit committee:**

The Audit Committee of the Company was constituted as on 01.08.2013 as the composition is as follows:

Meetings of the Committee and Attendance of the Members during 2013-2014	Meetings held	Meetings Attended
Mr. Narendra Kumar Gaur	3	3
Mrs. Seema Mangal	3	3
Mr. Ashish Bansal	3	3

**4. NOMINATION AND REMUNERATION COMMITTEE:**

**Terms of Reference:**

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

**Compositions**

The Nomination and Remuneration Committee of the Company has been constituted with three directors, namely.

Mr. Narendra Kumar Gaur-Chairman
Mrs. Seema Mangal
Mr. Ashish Bansal

## Remuneration Policy:

The remuneration of directors, key managerial personnel and senior management will be fixed by the Committee and it should involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company. The Non-Executive Directors are not paid any remuneration. Non-Executive Directors are only entitled to sitting fees for attending Board and Committee Meetings. The remuneration of Employees other than Whole-time Directors is approved by the Nomination and Remuneration Committee based on recommendations made to it.

## 5. SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

The Investor's Grievance Committee of the Company has been constituted as on 01.08.2013 with Three Directors namely.

Mr. Narendra Kumar Gaur
Mrs. Seema Mangal
Mr. Ashish Bansal

No investor complaints are pending as on the date of Director's Report. The Company does not have any pending share transfers as on the date of Director's Report.

## 6. ANNUAL GENERAL MEETINGS

Details of last three Annual General Meeting is given below:

Day	Date	Time	Venue
FRIDAY	30.09.2011	12:00 P.M.	325, Vardhman Grand Plaza, Manglam Place, Sector-3, Rohini, Delhi-110085.
SATURDAY	29.09.2012	12:00 P.M.	325, Vardhman Grand Plaza, Manglam Place, Sector-3, Rohini, Delhi-110085.
MONDAY	30.09.2013	11:00 A.M.	314, R.G. Mall, Sector-9, Rohini, Delhi-110085.

No resolution was placed for voting by Postal ballot in the previous Annual General Meeting.

## 7. DISCLOSURES

- No transaction of material nature has been entered into by the company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
- The Company is in compliance with all the mandatory requirements of Corporate Governance and has fulfilled the non- mandatory requirements as prescribed in Annexure 1D of the Clause 52 of the Listing Agreement with Stock Exchanges.
- The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of Financial Statements.

- The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.
- The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 52 is as below:

"All the Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31<sup>st</sup> March, 2014."

Place: Delhi  
Date: 25.07.2014

For and on behalf of the Board

Sd/-  
Vikram Sharma  
Director  
(DIN: 00243482)

- **CEO Certification:** The Executive Director has given a certificate as contemplated in Clause 52 of the Listing Agreement.
- The requirements of the Audit and other Committees as contemplated in Clause 52 have been complied with as per the report set above in respect of the same.

## 8. MEANS OF COMMUNICATION

The Company has published financial results within time specified i.e. 48 hours as required by the Listing agreement. No targeted presentations were made during the year under review. The Management Discussion & Analysis Report forms part of the Annual Report of the Company as required under the Listing Agreement.

## 9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Schedule: Monday the 25<sup>th</sup> August, 2014 at 12.30 p.m. at 314, R. G. Mall, Sector-9, Rohini, New Delhi-110085.

- 1) Financial Calendar (2014-2015) (Tentative) :  
The Financial year of the Company is 1<sup>st</sup> April to 31<sup>st</sup> March.

Financial Year reporting for	Proposed date
Un-audited Financial Results for half year ended 30.09.2014	Last week of October, 2014
Un-audited Financial Results for half year ended 31.03.2015	Last week of April, 2015
Annual General Meeting	September, 2015

- 2) Dates of Book Closure : 18<sup>th</sup> August, 2014 to 25<sup>th</sup> August, 2014 (both days inclusive)
- 3) Dividend Payment Date : Not Applicable
- 4) Listing at Stock Exchanges : Bombay Stock Exchange Ltd (SME Platform)
- 5) Listing Fees : The Listing fees for the year 2013-2014 paid to BSE

- 6) Scrip Code : 536738  
7) ISIN No. : INE325P01011  
8) CIN No. : U74899DL1994PLC062247  
9) Market Price & Data :

Company : Stellar Capital Services Ltd  
Scrip Code: 536738  
Period: Nov 2013 to Jul 2014

Month	Open	High	Low
Nov 13	20.10	21.10	13.85
Dec 13	15.25	15.25	11.45
Jan 14	12.00	12.00	10.95
Feb 14	10.45	10.45	9.35
Mar 14	9.35	9.35	7.95
Apr 14	7.65	7.65	7.27
May 14	6.93	6.93	6.65

\* Spread  
H-L : High-Low  
C-O : Close-Open

- 10) Registrar & Share Transfer Agents : Skyline Financial Services Pvt Ltd  
D-153 A, 1st Floor, Okhla Industrial Area,  
Phase - I, New Delhi - 110 020  
Tel No. 011-26812682
- 11) Share Transfer process : No physical share transfer request is pending as on the date of this report.
- 12) Shareholding pattern as on: 31<sup>st</sup> March, 2014.

Category	Number of Equity Shares held	% of Shareholding
Promoters	43,95,000	26.54
Corporate Bodies	54,64,500	33.00
Overseas Corporate Bodies	-----	-----
Public	67,02,000	40.46
<b>Total</b>	<b>1,65,61,500</b>	<b>100.00</b>

- 13) Dematerialization of shares: The Company has entered into an Agreement with M/s Skyline Financial Services Pvt. Limited as Registrar and Share Transfer Agents.
- 14) Outstanding Bonds/ Convertible Instruments : NIL
- 15) Address for Communication and Registered Office : 314, R.G. Mall,  
Sector-9, Rohini  
Delhi-110085  
Tel: 011- 42804171  
E-Mail: stellarcapital@yahoo.in



## **Independent Auditors Report**

To The Members of  
M/s. Stellar Capital Services Limited

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Stellar Capital Services Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are g-free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014; and
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amended) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by sub-section (3) of section 227 of the Companies Act, 1956, we report that:
  - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - (iii) The Balance Sheet and profit and Loss Account and the cash flow statements dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2014 and taken on records by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956.



As per Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998 issued by Reserve Bank of India vide Notification No. DFC 117/DG(SPT)-98 dated January 2, 1998, we further report to the extent to which matters specified therein are applicable to the company that :

- (i) The company is a Non-Banking Financial Company not accepting public deposit and the certificate of registration no. **B-14-02359** dated **11.02.2014** from Reserve Bank of India has been issued to the company.
- (ii) The Board of Directors of the company has passed a resolution for the non-acceptance of any public deposits.
- (iii) The company has not accepted any public deposits during the relevant year.
- (iv) The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it.

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
Firm Regn. No. 304040E

Sd/-  
**O.P. Pareek**  
Partner  
M.No.014238

**Place:** New Delhi  
**Date:** 30.05.2014

## **Annexure to Independent Auditors Report**

Referred to in Paragraph 1 under the heading "report on other legal and regulatory requirements" of our report of even date

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of Inventories consisting of shares and securities held in other Company :
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
  - a) In our opinion, and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured during the year to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements as per sub clause (iii) (e) of paragraph 4 of the order are not applicable in case of the company.
  - b) The Company has not taken any loans, secured or unsecured during the year from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently,

the requirements as per sub clause (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable in case of the company.

4. In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods or services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. As explained and according to information given to us there has not been any contract or arrangement referred to in section 301 of the Act, particulars of which need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
8. The cost record maintained by the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company.
9. In respect of statutory dues:
  - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amount payable in respect of the aforesaid statutory dues were outstanding as at 31.03.2014 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to us, there are no outstanding statutory dues on the part of company which is not deposited on account of dispute.
10. The company does not have accumulated losses at the end of financial year. The company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. According to the information and explanations given to us the company has not defaulted in repayment of dues to any loan from bank or financial institution.

12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, and in our opinion, adequate documents and records are maintained.
13. The Company is not a chit fund, nidhi or mutual benefit society. Therefore, the provisions of sub clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investments held by the company, in its own name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by other from bank or financial institutions.
16. As per information and explanations given to us, the company has applied term loans for the purpose for which they were obtained.
17. According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us no preferential allotment of shares has been made by the company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures. Hence the requirements of sub-clause (xix) of paragraph 4 of the Order is not applicable to the company.
20. According to the information and explanations given to us, the management has disclosed on the end use of money raised by public issues and the same has been verified.
21. According to the information and explanations given to us, a fraud on or by the company has not been noticed or reported during the year.

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
Firm Regn. No. 304040E

Sd/-  
**O.P. Pareek**  
Partner  
M.No.014238

**Place:** New Delhi  
**Date:** 30.05.2014

**STELLAR CAPITAL SERVICES LIMITED**

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Notes	[Amount in Rupees]	
		As at 31st March 2014	As at 31st March 2013
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	3	165,615,000.00	120,555,000.00
Reserves and Surplus	4	202,190,977.73	157,001,169.90
<b>Non-Current Liabilities</b>			
Long-term Provisions	5	507,643.00	483,549.00
Deferred Tax Liability (net)	6	29,071.00	33,119.00
<b>Current liabilities</b>			
Short-term Borrowings	7	28,075,829.00	-
Trade Payables	8	300,544.00	43,319,436.00
Short-Term Provisions	9	67,013.00	447,975.00
<b>Total</b>		<b>396,786,077.73</b>	<b>321,840,248.90</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10	867,233.00	238,546.00
Capital & amortised expenses not w/off	11	738,387.00	13,440.00
<b>Current Assets</b>			
Inventories	12	17,863,306.24	2,637,680.44
Cash and Cash Equivalents	13	64,240,424.89	5,295,469.26
Trade Receivables	14	31,688.00	4,825,273.20
Short-term loan and advances	15	309,068,820.00	308,829,840.00
Other current assets	16	3,976,218.60	-
<b>Total</b>		<b>396,786,077.73</b>	<b>321,840,248.90</b>
Summary of significant accounting polices	2		

See accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT ATTACHED  
FOR V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
STELLAR CAPITAL SERVICES LIMITED

Sd/-  
O.P. Pareek  
Partner  
Membership No. 014238

Sd/-  
Vikram Sharma  
Director  
DIN -00243482

Sd/-  
Ashish Bansal  
Managing Director  
DIN - 06607944

New Delhi, the 30th day of May 2014

# STELLAR CAPITAL SERVICES LIMITED

STATEMENT OF TRADING & PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2014

Particulars	Notes	[Amount in Rupees]	
		From 1st April 2013 to 31st March 2014	From 1st April 2012 to 31st March 2013
<b>A. CONTINUING OPERATIONS</b>			
<b>INCOME:</b>			
Revenue from operations	17	54,619,129.40	38,928,854.58
Other Income	18	27,479.32	-
<b>Total Revenue</b>		<b>54,646,608.72</b>	<b>38,928,854.58</b>
<b>EXPENDITURE:</b>			
Purchases of stock in trade	19	62,152,747.14	35,527,934.42
Changes in inventories	20	(15,225,625.80)	(541,865.38)
Employee Benefit expenses	21	3,349,294.00	1,829,396.00
Financial Cost	22	88,787.64	-
Depreciation & Amortise expenses	23	386,703.00	87,530.00
Other Administrative expenses	24	3,677,835.91	576,101.06
<b>Total Expenses</b>		<b>54,429,741.89</b>	<b>37,479,096.10</b>
<b>Profit/(loss) before tax provision</b>		<b>216,866.83</b>	<b>1,449,758.48</b>
<b>Tax expenses</b>			
Current Tax		67,013.00	447,975.00
Deferred tax		(4,048.00)	(4,050.00)
<b>Total Tax Expenses</b>		<b>62,965.00</b>	<b>443,925.00</b>
<b>Profit/ (loss) for the year after tax (PAT)</b>		<b>153,901.83</b>	<b>1,005,833.48</b>
Less: Contingent provision against standard assets		24,094.00	483,549.00
Less: Special reserve u/s 45-IC of the RBI Act, 1934		30,780.00	201,167.00
<b>Net profit transfer to appropriation</b>		<b>99,027.83</b>	<b>321,117.48</b>
<b>Earning per share (EPS)</b>			
[nominal value of share Rs. 10/-]			
Basic		0.0093	0.0834
Diluted		0.0110	1.2053

Summary of significant accounting polices

2

See accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT ATTACHED  
FOR V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
STELLAR CAPITAL SERVICES LIMITED

Sd/-  
O.P. Pareek  
Partner  
Membership No. 014238

Sd/-  
Vikram Sharma  
Director  
DIN -00243482

Sd/-  
Ashish Bansal  
Managing Director  
DIN - 06607944

New Delhi, the 30th day of May 2014

**STELLAR CAPITAL SERVICES LIMITED**  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

**3. Share capital**

	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
Authorised shares 1,70,00,000 Equity Shares of Rs.10/- each (Previous year 1,25,00,000)	170,000,000.00	125,000,000.00
Issued, subscribed and fully paid- up shares 1,65,61,500 Equity Shares of Rs.10/- each fully paidup (Previous year 1,20,55,500)	165,615,000.00	120,555,000.00
<b>Total issued, subscribed and fully paid- up share capital</b>	<b>165,615,000.00</b>	<b>120,555,000.00</b>

**a. Reconciliation of Shares outstanding at the beginning and at the end of reporting period**

	As at 31st March 2014		As at 31st March 2013	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	12,055,500	120,555,000.00	803,700	8,037,000.00
Issue during the period: -				
Equity share capital - Bonus Issue			11,251,800	112,518,000.00
Equity share capital - IPO	4,506,000	45,060,000.00		
<b>Outstanding at the end of the period</b>	<b>16,561,500</b>	<b>165,615,000.00</b>	<b>12,055,500</b>	<b>120,555,000.00</b>

**b. Terms and rights attached to equity shares**

The company has issued only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder.

4506000 Equity Shares of Rs.10/- each at a premium of Rs.10/- per share were allotted in the financial year pursuant to the scheme of IPO.

**c. Details of shareholders holding more than 5% shares in the company**

	As at 31st March 2014		As at 31st March 2013	
	Nos.	% holding	Nos.	% holding
Manoj Sharma	-	-	6,18,000	5.12%
Damodar sharma	-	-	7,50,000	6.22%
Yogesh kumar	-	-	7,50,000	6.22%
Naresh kumar gupta	-	-	7,50,000	6.22%
Jagtarni traders pvt ltd	8,37,000	5.05%	8,37,000	6.94%
Maa sharda distributors pvt ltd	-	-	6,97,500	5.79%
Mahamritunjay media pvt ltd	-	-	6,45,000	5.35%
Technofab Constructions P Ltd	38,40,000	23.19%	38,40,000	31.85%
Myra Apparels pvt ltd	12,45,000	7.52%	-	-
Shri parasram holdings pvt ltd	14,70,000	8.88%	-	-

**4. Reserves and surplus**

	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
<u>Securities premium account</u>		
Opening balance	156,345,000.00	268,863,000.00
Add: Premium on share capital	45,060,000.00	-
Less: Utilized/transfer during the period	-	112,518,000.00
Closing balance	201,405,000.00	156,345,000.00
<u>Special reserves u/s 45-IC of the RBI Act, 1934</u>		
Opening balance	234,711.00	33,544.00
Add: transfer from P&L a/c during the year	30,780.00	201,167.00
Less: Utilized/transfer during the period	-	-
Closing balance	265,491.00	234,711.00
<u>Surplus/ (deficit) in statement of profit &amp; loss</u>		
Balance as per last financial statements	421,458.90	100,341.42
Add: Profit/ (loss) for the year	99,027.83	321,117.48
Less: Utilized/transfer during the period	-	-
Net (deficit) in statement of profit and loss	520,486.73	421,458.90
	<u>202,190,977.73</u>	<u>157,001,169.90</u>

**STELLAR CAPITAL SERVICES LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

5. Long-term provisions	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
Contingent provision against standard assets*		
Opening Balance	483,549.00	-
Add: Addition(written off) during the year	24,094.00	-
	<u>507,643.00</u>	<u>483,549.00</u>
		<u>483,549.00</u>
*A contingent provision against standard assets has been created at 0.25% of the outstanding standard assets in terms of the RBI circular Ref. No. DNBS(PD) CC No. 225/03.02.001/2011-12 dated July 1, 2011.		
6. Deferred tax liabilities (net)	As at 31st March 2014	As at 31st March 2013
<u>Disallowances under the Income Tax Act, 1961</u>	(Rupees)	(Rupees)
Opening Balance	33,119.00	37,169.00
Add: Addition(written off) during the year	(4,048.00)	(4,050.00)
	<u>29,071.00</u>	<u>33,119.00</u>
		<u>33,119.00</u>
7. Short-term Borrowings	As at 31st March 2014	As at 31st March 2013
Unsecured loans	(Rupees)	(Rupees)
	28,075,829.00	-
	<u>28,075,829.00</u>	<u>-</u>
		<u>-</u>
8. Trade Payables	As at 31st March 2014	As at 31st March 2013
	(Rupees)	(Rupees)
Audit fee payable	5,618.00	11,236.00
Sundry advances	-	39,295,000.00
Salary payable	271,727.00	125,700.00
TDS payable	23,199.00	-
Sundry creditors	-	3,870,000.00
Professional charges payable	-	17,500.00
	<u>300,544.00</u>	<u>43,319,436.00</u>
		<u>43,319,436.00</u>
9. Short-term provisions	As at 31st March 2014	As at 31st March 2013
Provision for income tax	(Rupees)	(Rupees)
	67,013.00	447,975.00
	<u>67,013.00</u>	<u>447,975.00</u>
		<u>447,975.00</u>
11. Capital & amortised expenses not w/off	As at 31st March 2014	As at 31st March 2013
Deferred revenue expenses	(Rupees)	(Rupees)
Opening Balance	13,440.00	-
Add: addition during the year	910,384.00	16,800.00
Less: written off during the year	185,437.00	3,360.00
	<u>738,387.00</u>	<u>13,440.00</u>
		<u>13,440.00</u>
12. Inventories	As at 31st March 2014	As at 31st March 2013
Shares, Securities and Bonds	(Rupees)	(Rupees)
	17,863,306.24	2,637,680.44
	<u>17,863,306.24</u>	<u>2,637,680.44</u>
		<u>2,637,680.44</u>



STELLAR CAPITAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
<b>13. Cash and cash equivalents</b>		
Cash in hand	1,757,053.00	1,018,055.00
Balances with banks	62,483,371.89	4,277,414.26
	<u>64,240,424.89</u>	<u>5,295,469.26</u>
<b>14. Trade Receivables</b> (Unsecured and considered good)	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
Outstanding for a period exceeding six months	-	-
Others	31,688.00	4,825,273.20
	<u>31,688.00</u>	<u>4,825,273.20</u>
<b>15. Short-term loan and advances</b>	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
Loans portfolio* (recoverable in cash or kind, unsecured, considered good)	203,057,396.00	193,419,653.00
	(A) <u>203,057,396.00</u>	<u>193,419,653.00</u>
Advances against investment & others (recoverable in cash or kind, unsecured, considered good)	103,040,000.00	112,100,000.00
	(B) <u>103,040,000.00</u>	<u>112,100,000.00</u>
Balance with government authorities Tax deposited / TDS	2,971,424.00	3,310,187.00
	(C) <u>2,971,424.00</u>	<u>3,310,187.00</u>
<b>Total (A + B + C)</b>	<u>309,068,820.00</u>	<u>308,829,840.00</u>
*Standard Assets - as per The classification of loans under the RBI guidelines.		
<b>16. Other current assets</b>	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
Deposit with BSE against IPO	900,000.00	-
Advances for expenses	54,485.00	-
Prepaid expenses	3,021,733.60	-
	<u>3,976,218.60</u>	<u>-</u>

STELLAR CAPITAL SERVICES LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

	For the year ended 31st March 2014 (Rupees)	For the year ended 31st March 2013 (Rupees)
<b>17. Revenue from operations</b>		
<u>Sale of Products</u>		
Shares, Securities and Bonds	37,693,849.24	22,147,748.08
<u>Income from Investments &amp; Loans</u>		
Interest on unsecured loans	14,868,116.00	16,781,106.50
Profit from Mutual Funds	2,057,164.16	-
	54,619,129.40	38,928,854.58
<b>18. Other Income</b>		
Dividend from mutual funds	27,479.32	-
	27,479.32	-
<b>19. Purchase of trade goods</b>		
Shares, Securities and Bonds	62,152,747.14	35,527,934.42
	62,152,747.14	35,527,934.42
<b>20. Changes in Inventories</b>		
Inventories at the beginning of the year - Stock in trade	2,637,680.44	2,095,815.06
Less : Inventories at the end of the year -Stock in trade	17,863,306.24	2,637,680.44
	(15,225,625.80)	(541,865.38)
<b>21. Employee benefit expenses</b>		
Director remuneration	483,300.00	-
Salaries and wages	2,767,730.00	1,733,519.00
Staff welfare expenses	98,264.00	95,877.00
	3,349,294.00	1,829,396.00
<b>22. Finance costs</b>		
Interest on loan	88,787.64	-
	88,787.64	-
<b>23. Depreciation &amp; amortise expenses</b>		
Depreciation charged	201,266.00	84,170.00
Deferred revenue expenditure w/off	185,437.00	3,360.00
	386,703.00	87,530.00

STELLAR CAPITAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

24. Other administrative expenses

	For the year ended 31st March 2014 (Rupees)	For the year ended 31st March 2013 (Rupees)
Auditors remuneration	11,236.00	11,236.00
Advertisement & Publication charges	31,034.80	-
Business Promotion	1,339,990.00	98,285.00
Car Insurance	22,253.00	-
Commission paid	-	-
Computer Repair & Maintenance	3,300.00	7,250.00
Conveyance expenses	129,820.00	134,146.00
Diwali expenses	38,225.00	53,800.00
Dmat A/c charges	1,367.99	133.51
Electricity & Water Expenses	22,326.00	21,726.00
Filing fee & Subscriptions	262,741.00	3,500.00
Loss on future & option contracts	-	321.47
News Paper, Books & Periodicals	8,016.00	6,273.00
Postage, Stamps & Couriers	9,484.00	7,827.00
Printing and Stationery	116,407.60	62,914.00
Professional charges	1,333,043.00	62,500.00
Rent expenses	-	-
Repairs & Maintenance	37,697.00	39,316.00
Short & Excess	9.55	3.41
Telephone & Mobile expenses	40,973.00	38,640.00
Bank Charges	10,720.97	8,539.67
Interest on tax deposit	2,540.00	-
Tours & Travelling	210,981.00	19,690.00
Vehicle Running & Maintenance	45,670.00	-
	<u>3,677,835.91</u>	<u>576,101.06</u>

STELLAR CAPITAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2013 TO 31ST MARCH 2014

Note - 10 (Fixed Assets)

Tangible assets	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	WDV	Balance as at 1 April, 2013	Additions / Deletion	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation during the year	Balance as at 31 March, 2014	W.D.V. as on 31.03.14	W.D.V. as on 31.03.2013
(I) Tangible Assets									
(a) Computers	40.00%	316,405.00	59,600.00	376,005.00	208,082.00	62,335.00	270,417.00	105,588.00	108,323.00
(b) Fridge	13.91%	9,150.00	-	9,150.00	760.00	1,167.00	1,927.00	7,223.00	8,390.00
(c) Furniture & Fixtures	18.10%	68,427.00	-	68,427.00	6,345.00	11,236.00	17,581.00	50,846.00	62,082.00
(d) Mobile Phone	13.91%	8,600.00	-	8,600.00	685.00	1,101.00	1,786.00	6,814.00	7,915.00
(e) RO Systems	13.91%	7,500.00	-	7,500.00	615.00	957.00	1,572.00	5,928.00	6,885.00
(f) Scooter	13.91%	48,500.00	-	48,500.00	3,549.00	6,252.00	9,801.00	38,699.00	44,951.00
(g) Air Condition	13.91%	-	27,500.00	27,500.00	-	3,584.00	3,584.00	23,916.00	-
(I) Motor Car	25.89%	-	717,353.00	717,353.00	-	111,942.00	111,942.00	605,411.00	-
(j) Invertor	13.91%	-	25,500.00	25,500.00	-	2,692.00	2,692.00	22,808.00	-
<b>Total</b>		<b>458,582.00</b>	<b>829,953.00</b>	<b>1,288,535.00</b>	<b>220,036.00</b>	<b>201,266.00</b>	<b>421,302.00</b>	<b>867,233.00</b>	<b>238,546.00</b>
<b>Previous year</b>		<b>316,405.00</b>	<b>142,177.00</b>	<b>458,582.00</b>	<b>135,866.00</b>	<b>84,170.00</b>	<b>220,036.00</b>	<b>238,546.00</b>	<b>180,539.00</b>

IN TERMS OF OUR REPORT ATTACHED  
FOR V.N. PUROHIT & CO.  
Firm Regn. No. 304040E  
Chartered Accountants

For and on behalf of the Board of Directors of  
STELLAR CAPITAL SERVICES LIMITED

Sd/-  
O.P. Pareek  
Partner  
Membership No. 014238

Sd/-  
Vikram Sharma  
Director  
DIN : 00243482

Sd/-  
Ashish Bansal  
Managing Director  
DIN : 06607944

New Delhi, the 30th day of May 2014

**STELLAR CAPITAL SERVICES LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2014**

	[Amount in Rupees]	
	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and after extra-ordinary items as per	216,866.83	1,449,758.48
<b>Adjustments for items not included:</b>		
Net prior year adjustments		-
Depreciation and Amortisation Expense	386,703.00	87,530.00
(Profit)/Loss on sale/discard of assets (net)		-
Operating Profit before working capital changes	603,569.83	1,537,288.48
<b>Adjustment for Working capital:</b>		
(Increase)/ decrease in current loans and advances	(238,980.00)	(41,817,764.00)
(Increase)/ decrease in Trade receivables	4,793,585.20	(4,825,273.20)
(Increase)/ decrease in inventories	(15,225,625.80)	(541,865.38)
(Increase)/ decrease in other current assets	(3,976,218.60)	-
Increase/ (decrease) in short term borrowings	28,075,829.00	-
Increase/ (decrease) in current liabilities	(43,018,892.00)	33,595,886.00
<b>Cash generated from operations</b>	(28,986,732.37)	(12,051,728.10)
Direct Taxes Paid	(447,975.00)	(35,079.00)
<b>Net cash flow from operating activities (A)</b>	<b>(29,434,707.37)</b>	<b>(12,086,807.10)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale/(Purchase) of fixed assets	(829,953.00)	(142,177.00)
Sale/(Purchase) of investments		-
Expenses amortised or capitalised	(910,384.00)	(16,800.00)
<b>Net cash flow from investing activities (B)</b>	<b>(1,740,337.00)</b>	<b>(158,977.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of Share Capital	90,120,000.00	-
Share Application Money		-
Increase/ (decrease) in long-term borrowings		-
<b>Net cash flow from financing activities (C)</b>	<b>90,120,000.00</b>	<b>-</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>58,944,955.63</b>	<b>(12,245,784.10)</b>
Add: Opening cash and cash equivalents	5,295,469.26	17,541,253.36
<b>Closing cash and cash equivalents</b>	<b>64,240,424.89</b>	<b>5,295,469.26</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	1,757,053.00	1,018,055.00
Deposit with banks in current accounts	62,483,371.89	4,277,414.26
<b>Toal cash and cash equivalents</b>	<b>64,240,424.89</b>	<b>5,295,469.26</b>
		(0.00)

IN TERMS OF OUR REPORT ATTACHED  
 FOR V.N. PUROHIT & CO.  
 Chartered Accountants  
 Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
 STELLAR CAPITAL SERVICES LIMITED

Sd/-  
 O.P. Pareek  
 Partner  
 Membership No. 014238

Sd/-  
 Vikram Sharma  
 Director  
 DIN -00243482

Sd/-  
 Ashish Bansal  
 Managing Director  
 DIN - 06607944

New Delhi, the 30th day of May 2014

## STELLAR CAPITAL SERVICES LIMITED

Annexure - 2

### DEPRECIATION CHART FOR THE YEAR ENDED 31.03.2014

PARTICULARS	RATE OF DEP.	GROSS BLOCK AS ON 01.04.2013	ADDITION BEFORE 180 DAYS	ADDITION AFTER 180 DAYS	GROSS BLOCK AS ON 31.03.2013	DEPRECIATI ON	NET BLOCK AS ON 31.03.2014
Computer	60%	35,437.00	59,600.00	-	95,037.00	57,022.00	38,015.00
Plant & Machinery	15%	62,687.00	770,353.00	-	833,040.00	124,956.00	708,084.00
Furniture & Fixtures	10%	61,854.00	-	-	61,854.00	6,185.00	55,669.00
<b>TOTAL</b>		<b>159,978.00</b>	<b>829,953.00</b>	<b>-</b>	<b>989,931.00</b>	<b>188,163.00</b>	<b>801,768.00</b>

FOR V.N. PUROHIT & CO.  
Firm Regn. No. 304040E  
Chartered Accountants

Sd/-  
O.P. Pareek  
Partner  
Membership No. 014238

New Delhi, the 30th day of May 2014

# STELLAR CAPITAL SERVICES LIMITED

Annexure - 3

## QUANTITATIVE DETAILS OF PRINCIPLE ITEMS

Item Name	Unit	Opening Stock	Purchase during the previous year	Sales during the previous year	Closing Stock	Shortage/Excess if any
Shares & Securities	Nos.	338,952	2,267,698	1,528,230	1,078,420	-
<b>TOTAL</b>		338,952	2,267,698	1,528,230	1,078,420	-

FOR V.N. PUROHIT & CO.  
Firm Regn. No. 304040E  
Chartered Accountants

Sd/-  
O.P. Pareek  
Partner  
Membership No. 014238

New Delhi, the 30th day of May 2014

**STELLAR CAPITAL SERVICES LIMITED**  
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 1<sup>ST</sup> APRIL 2013 TO 31<sup>ST</sup> MARCH 2014

**1. Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended from time to time) and the relevant provisions of the Companies Act, 1956.

The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies not specifically referred, are consistently applied from the past accounting periods.

**2. Summary of significant accounting policies**

**a. Revenue recognition**

Having regard to the size, nature and level of operation of the business, the company is applying accrual basis of accounting for recognition of income earned and expenses incurred in the normal course of business.

**b. Fixed assets:**

Fixed Assets are valued at cost of purchase and/or construction as increased by necessary expenditure incurred to make them ready for use in the business.

**c. Inventories**

Inventories include investments in shares of other companies. The company classifies such investments as inventory and valuation of them has been made at lower of cost or market value. However, unquoted investments are stated at cost.

**d. Depreciation**

The company charged depreciation on its fixed assets on WDV method as per rates prescribed under Schedule XIV of the Companies Act, 1956.

**e. Taxes on income**

Current taxes on income have been provided by the Company in accordance with the relevant provisions of the Income Tax Act, 1961. Deferred Taxes has been recognised on timing differences between accounting income and taxable income subject to consideration of prudence.



