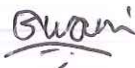
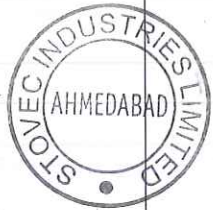





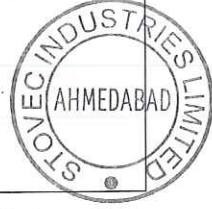


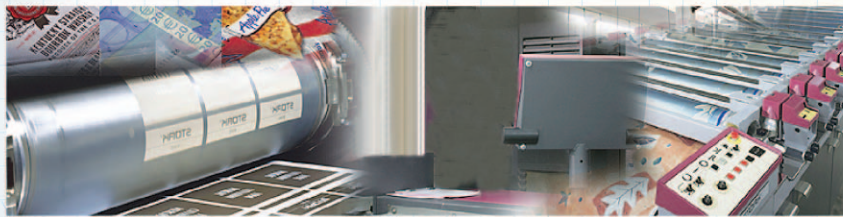
# FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	Stovec Industries Limited
2.	Annual Financial Statements for the year ended	December 31, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	--
5.	To be signed by:	
	Managing Director	<p>For, Stovec Industries Limited</p> <p></p> <p>Shailesh Wani Managing Director</p> <p></p>
	Chief Financial Officer	<p>For, Stovec Industries Limited</p> <p></p> <p>Girish M. Deshpande Chief Financial Officer</p> <p></p>
	Auditor of the Company	<p>For, Price Waterhouse Chartered Accountants Firm Registration No. 301112E</p> <p></p> <p>Priyanshu Gundana Partner (Membership No. 109553)</p> <p></p>
	Audit Committee Chairman	<p>For and on behalf of Audit Committee</p> <p></p> <p>K.M. Thanawalla Chairman – Audit Committee</p> <p></p>

Date: February 19, 2015

Place: Ahmedabad



## 41ST ANNUAL REPORT 2014

**STOVEC**<sup>®</sup>  
INDUSTRIES LIMITED



## Core Activities

- Development and Production of Consumables for their use in Textile and Graphic Printing Industry.
- Printing Machines-Supply, Installation and after Sales Support

## Core Competencies

- System and Application know-how in Printing for the Textile and Graphic Industries.
- Manufacturing and application know-how in Textile Consumables and Rotary Printing Machines

## Technologies

- Metal Coating / Plating
- Electroforming

## Products

- Rotary Printing Machines for Textiles
- Rotary Screens and Chemicals for Textile Printing
- Anilox and Screens for Graphic Printing
- Digital Ink
- Sugar Screens

## Market/Customers

- Textile Printing and Processor
- Packaging and Label Printers and Converters
- Industrial/Security Printers
- Sugar Mills

## Market Position

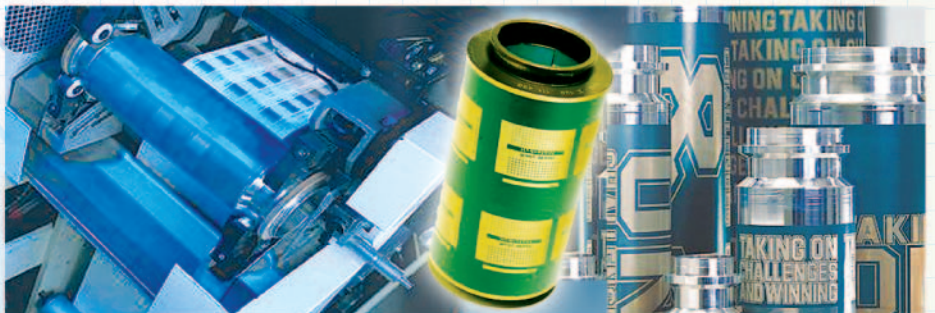
- Technology and Market Leadership in Rotary Screen and Printing Machinery



▲ Rotary Screen Printing Machine - STORMAC RDVI Gold



▲ Rotary Screens and Consumables for Textile Printing



▲ Anilox and Screens for Graphic Printing



▲ Sugar Screens



▲ Digital Textile Printing Ink

**BOARD OF DIRECTORS**

Mr. K. M. Thanawalla	Chairman
Mr. Dirk W. Joustra	
Mr. Aschwin N.R.M. Hollander	
Mr. Joost Smits	Resigned w.e.f. February 19, 2015
CA. Girish C. Sharedalal	Resigned w.e.f. August 13, 2014
Mr. Marco Philippus A. Wadia	
Ms. Everdina Herma Slijkhuis	Appointed as Additional Director w.e.f. February 19, 2015
Mr. Shailesh Wani	Managing Director

**CHIEF FINANCIAL OFFICER**

Mr. Girish M. Deshpande

**COMPANY SECRETARY**

Ms. Varsha Adhikari

**AUDITORS**

Price Waterhouse  
Chartered Accountants

**REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
Unit No. 303, 3<sup>rd</sup> Floor, Shoppers Plaza - V,  
Opp. Municipal Market, Behind Shoppers Plaza II,  
Off. C.G. Road, Ahmedabad - 380 009

**BANKERS**

Axis Bank Limited

**REGISTERED OFFICE AND FACTORY**

N.I.D.C., Near Lambha Village,  
Post Narol,  
Ahmedabad - 382 405,  
Gujarat, India.

**CONTENTS**

Notice	3-14
Directors' Report	15-19
Corporate Governance Report	20-32
Management Discussion and Analysis Report	33-34
Auditors' Report	35-39
Balance Sheet	40-40
Profit & Loss Account	41-41
Cash Flow Statement	42-43
Notes to Accounts	44-63
Consolidated Accounts	64-86

## LETTER FROM CHAIRMAN



Dear Shareholders,

It is my privilege to present the 41<sup>st</sup> Annual Report of your company for the year ended December 31, 2014.

Global growth in 2014 remained mediocre continuing a pattern of disappointment over the past several years. Major forces driving the global outlook include soft commodity prices, persistently low interest rates but increasingly divergent monetary policies across major economies. The overall global growth is expected to rise moderately to 3 % in 2015. With the steady pick in demand from US, the Indian textile exports are expected to grow in the year 2015. The rapid decline in oil prices, quick adjustments in exchange rates, increased geopolitical uncertainty related to the Russia-Ukraine and Middle East conflicts, as well as increased concern about the economic and political future of the Euro Area and European Union are few of the economic factors which are currently at play and will impact the world economy.

India's macro-economic scenario continued to remain stagnant during the year 2014-15 and grew by in and about 5.5 %. With the resounding mandate to the single party in the General Elections held in May 2014, public sentiments have substantially improved and there is a hope that the new Government will create a conducive environment for business. The initial steps taken by the Government have been positive, however actual effect can be seen only when concrete policy measures are put in to place. Economic forecast suggests that possible measures by the Indian Government for revival of investment, easing of interest rate in mid - 2015 may led the Indian economy grow about 8.0% to 8.5% (as per the new calculation method adopted by Indian Government) in 2015-16.

The Indian Textile and Garment Industry is one of 25 thrust sectors under "**Make in India**" campaign launched by the new government, which aims at strengthening domestic manufacturing. The Government of India has extended the Textile Up-gradation Fund Scheme (TUFS) till 2016-17 and further continuation of the scheme may positively impact the Textile Sector, which holds a substantial revenue base for your Company.

Despite wobbling business environment in the first half of the year 2014, your company has shown its commitment for growth. Your Company has crossed the mark of Rs. 1,000 Million during the financial year 2014 recording consolidated revenue from operations of Rs. 1023.44 Million. Your Company demonstrated an overall good performance and achieved standalone revenue from operations of Rs. 949.09 Million (Previous year Rs. 772.76 Million), a growth of about 23 % in comparison to prior year and Standalone Profit before tax of Rs. 165.15 Million (Previous year Rs. 151.18 Million) whereas recording consolidated Profit before tax of Rs. 172.52 Million.

Going ahead, I am confident that Team Stovec will carry on its legacy of delivering quality products, operational excellence and cost efficiencies to further expand and strengthen its market position.

The Board joins me in expressing our deep appreciation to the stakeholders: employees, management team & all our partners for their support & co-operation and understanding.

With Warm Regards,

**K. M. Thanawalla**  
Chairman

## NOTICE

**NOTICE** is hereby given that the FORTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF STOVEC INDUSTRIES LIMITED (CIN: L45200GJ1973PLC050790) will be held on Thursday, 7<sup>th</sup> day of May, 2015 at 11 a.m. at the registered office of the Company at N.I.D.C., Near Lambha Village, Post: Narol, Ahmedabad – 382 405, Gujarat, India, to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended December 31, 2014 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditor's thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Dirk Wim Joustra (DIN: 00481154), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of Section 139 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification or amendments or re-enactments thereof for the time being in force), M/s Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting (subject to ratification of their appointment by Members at every Annual General Meeting to be held after this meeting) till the conclusion of the forty sixth (46<sup>th</sup>) Annual General Meeting of the Company to be held in the calendar year 2020, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors"

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

### **SPECIAL BUSINESS:**

5. **Appointment of Mr. K.M. Thanawalla (DIN: 00201749) as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. K.M. Thanawalla (DIN: 00201749), an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing candidature of Mr. K.M. Thanawalla for the office of Director, be and is hereby appointed as an Independent Director of the Company, not be liable to retire by rotation, to hold office for a period of five consecutive years from the date of this Annual General Meeting of the Company till the conclusion of 46<sup>th</sup> Annual General Meeting to be held in the calendar year 2020."

6. **Appointment of Mr. Marco Wadia (DIN: 00244357) as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Marco Wadia (DIN: 00244357), an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Marco Wadia, for the office of Director, be and is hereby appointed as an Independent Director of the Company, not be

liable to retire by rotation, to hold office for a period of five consecutive years from the date of this Annual General Meeting of the Company till the conclusion of 46<sup>th</sup> Annual General Meeting to be held in the calendar year 2020."

**7. Appointment of Ms. Everdina Herma Slijkhuis (DIN: 06997013) as a Director of the Company**

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

**"RESOLVED THAT** Ms. Everdina Herma Slijkhuis (DIN: 06997013) who was appointed by the Board of Directors as an Additional Director w.e.f. February 19, 2015 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 161 of the Companies Act, 2013, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

**8. Increase in ceiling of remuneration payable to Mr. Shailesh Wani (DIN: 06474766), Managing Director of the Company**

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to pay the target based variable pay not exceeding Rs. 4 Million, over and above the gross remuneration of Rs. 77,05,824/- per annum, as also disclosed in the explanatory statement attached to the notice of this general meeting, to Mr. Shailesh Wani (DIN: 06474766), Managing Director of the Company, for the financial year ended 31<sup>st</sup> December 2014, in terms of the approval of the shareholders granted in the Annual General Meeting held on 13<sup>th</sup> May 2014."

**"RESOLVED FURTHER THAT** subject to the approval of Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to pay gross remuneration not exceeding Rs. 15 Million (Rupees Fifteen Million only) per annum to Mr. Shailesh Wani, Managing Director, during the tenure of his employment till 30<sup>th</sup> September, 2016 with liberty to the Board of Directors or a Committee thereof to alter and/or vary, the said remuneration in such manner as may be agreed to between the Board of Directors and Mr. Shailesh Wani, within the said overall ceiling of Rs. 15 Million (Rupees Fifteen Million only)."

**"RESOLVED FURTHER THAT** the said remuneration shall be payable to Mr. Shailesh Wani, Managing Director, as and by way of minimum remuneration and irrespective of, whether the Company has inadequate or no profit in any financial year."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary and expedient to give effect to this resolution."

**9. Adoption of new set of Articles of Association**

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, a new set of Articles of Association, as placed before the meeting duly initialed by the Chairman for the purpose of identification, be and is hereby approved and adopted as the Articles of Association of the Company, substituting and superseding in total the existing Articles of Association of the Company."

**"RESOLVED FURTHER THAT** the Managing Director and/or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters as deemed fit and necessary to give effect to above resolution and to sign, verify, file all such forms, documents as may be required to be filed in this regards with Ministry of Corporate Affairs ("MCA") and such other government authority(ies)."



**10. Approval of Related Party Transactions**

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Clause 49(VII) of the Equity Listing Agreement, entered into with the Stock Exchanges (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded with respect to related party transaction(s) entered during the financial year 2014 with M/s SPGPrints B.V., the Holding Company of the Company, (a 'Related Party' as defined under Section 2 (76) of Companies Act, 2013 and Clause 49 (VII) of the Listing Agreement), for purchase of raw materials and components, which are commercial transactions as detailed in the explanatory statement attached to this Notice."

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

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than **FORTY EIGHT HOURS** before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc., must be supported by appropriate resolution/authority letter/power of attorney, as applicable, issued by the member organization. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of Board Resolution authorizing their representative(s) to attend and vote in their behalf at the Meeting.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
4. Pursuant to Sections 205A(5) and 205(C) of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund established by the Central Government. The Company during the year has transferred a sum of Rs. 142,222/- being unclaimed dividend amount for the financial year 2006-07 to the Investor Education and Protection Fund of the Central Government. Share holders who have not claimed their dividend for the financial year 2007 are requested to claim their unclaimed dividend before June 25, 2015. The Company shall thereafter as mentioned above process to transfer the unclaimed dividend amount to the Investor Education and Protection Fund and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred.
5. The Register of Members and Share Transfer Book shall remain closed from April 28, 2015 to May 7, 2015 (both days inclusive). If the dividend on equity shares, as recommended by the Board of Directors is declared at the 41<sup>st</sup> Annual General Meeting, payment of such dividend will be made on or after May 8, 2015 as under:
  - i. To all Members in respect of shares held in physical form, after giving effect to valid transfer in respect of transfer request lodged with the Registrar and Transfer Agent on or before the close of business hours on April 27, 2015.
  - ii. To all Beneficial Owners in respect of shares held in electronic form, whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as at the close of business hours on April 27, 2015.



6. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
7. **To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS).** NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. The NECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to submit their Bank Particulars in the ECS Mandate form, the format of which is annexed at the end of this Annual Report, to the Company's Registrar and Transfer Agent and Members holding shares in Dematerialized form and wish to avail this facility are requested to submit Bank particulars to their Depository Participant, so that future dividend can be directly credited to their bank account. **Members are requested to avail NECS facility as it is quick and much convenient way of getting dividend directly in your bank account.**
8. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant. However, members holding shares in physical mode are required to notify any change pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to Registrar and Share Transfer Agent i.e. **M/s. Link Intime India Private Limited** (Formerly known as Intime Spectrum Registry Limited), Unit No. 303, 3<sup>rd</sup> Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad – 380 009.
9. Pursuant to Clause 49 of the listing agreement, the particulars of Directors seeking appointment/re-appointment at the meeting are annexed.
10. As per Securities and Exchange Board of India (SEBI) Circular, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agents.
11. **Green Initiative:**

The Ministry of Corporate Affairs has allowed paperless compliances by companies through electronic mode by providing the same under the Companies Act, 2013 and rules framed there under. The Members can now receive various notices and documents including Annual Reports through electronic mode. Members who have not registered their e-mail address are encouraged to participate in this green initiative by registering their e-mail id for e-communication. Members holding shares in dematerialized form are requested to register/update their e-mail id for e-communication with the Depository Participants, while Members holding shares in physical form are requested to register their e-mail id by sending a request on [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) or [secretarial@stovec.com](mailto:secretarial@stovec.com).
12. Electronic copy of Annual Report for the financial year 2014 including instructions for e-voting is being sent to all the members whose e-mail address is registered with the Company/Depository Participant(s). Even after registering for e-communication, member(s) are entitled to receive communication(s) including Annual Report in physical form, free of cost, on receipt of written request for the same. Members may also note that the Annual Report for the year 2014 will also be available on the website of the Company viz. [www.stovec.com](http://www.stovec.com).
13. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Public holidays between 11.00 a.m. to 1.00 p.m. up to the date of the 41<sup>st</sup> Annual General Meeting of the Company.
14. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.

15. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company **at least 7 days** before the date of the meeting so that the information required may be made available at the meeting.
16. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/ investors are having their depository account. The ISIN No. for the Equity Shares of the Company is **INE755D01015**. In case of any query/difficulty in any matter relating thereto the same may be addressed to the Share Transfer Agents.
17. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.
18. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
19. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and as per Clause 35B of the equity listing agreement entered into with the Stock Exchanges, the Company is pleased to provide its Members the facility to cast their vote by electronic means through the e-voting services provided by Central Depository Services (India) Ltd (CDSL) on all resolutions set forth in this Notice. The instructions for e-voting are enclosed with this notice.

**Regd. Office:**

N.I.D.C. Nr. Lambha Village,  
Post: Narol, Ahmedabad – 382 405  
Gujarat, INDIA.  
CIN: L45200GJ1973PLC050790  
Tel: +91 (0) 79 3041 2300, Fax: +91 (0) 79 2571 0406,  
E-mail: [secretarial@stovec.com](mailto:secretarial@stovec.com),  
Website: [www.stovec.com](http://www.stovec.com)

By **Order of the Board of Directors**

Sd/-  
Varsha Adhikari  
**Company Secretary**  
**Membership No. A17604**

**Date: February 19, 2015**

**Place: Ahmedabad**

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:**

The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.

**Item No. 5 & 6**

As per the provisions of Section 149(4) of the Companies Act, 2013 (the "Act") and Clause 49 of the Equity Listing Agreement entered into with the Stock Exchanges ("Clause 49"), every listed company shall have at least 1/3rd of its total number of directors as independent directors and Section 149(6) of the Act and Clause 49 (II)(B)(1) of Listing Agreement, lays down the criteria for independence. Mr. K.M. Thanawalla and Mr. Marco Wadia, Directors of the Company, have furnished declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria prescribed for independent directors under Section 149(6) of the Act. In the opinion of the Board, these individuals are persons of integrity, possess the relevant expertise and experience, fulfill the conditions specified in the Act and the Rules framed thereunder and Clause 49 and are independent of the management of the Company. In terms of Section 149(11) of the Act, an independent director can hold office for two terms of up to 5 consecutive years each on the Board of the Company. The Board of Directors in its meeting held on February 19, 2015 have appointed existing Independent Directors viz. Mr. K.M. Thanawalla and Mr. Marco Wadia as Independent Directors of the Company for a period of five consecutive years subject to the approval of shareholders in the forthcoming General Meeting. Accordingly, it is proposed to appoint Mr. K.M. Thanawalla and Mr. Marco Wadia, as Independent Directors of the Company for a period of 5 (Five) consecutive years with effect from the date of this Annual General Meeting until the conclusion of Annual General Meeting to be held in the calendar

year 2020. Notices, as required under Section 160 of the Act, have been received from Member proposing the candidature of the said Directors as Independent Directors of the Company.

Brief profiles of the said Directors, in terms of Clause 49 of the Listing Agreement are provided in this Notice. The Board accordingly recommends the resolutions at Item Nos. 5 to 6 of this Notice for the approval of the Members. None of the said Directors are related to any of the Director of the Company.

None of the Directors, Key Managerial Personnel and relatives thereof other than those mentioned in the respective resolutions and their relatives, are in any way concerned or interested in the resolutions at Item Nos. 5 to 6 of this Notice.

#### **Item No. 7**

The Board of Directors appointed Ms. Everdina Herma Slijkhuis (DIN: 06997013) as an Additional Director of the Company with effect from February 19, 2015. Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act"), Ms. Everdina Herma Slijkhuis holds office of Additional Director up to the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the appointment of Ms. Everdina Herma Slijkhuis as a Director of the Company. Ms. Everdina Herma Slijkhuis has studied Economics from University of Groningen, The Netherlands. She has also studied Chartered Accountancy and Information Management from Nivra-Nijenrode Institute, The Netherlands. She has been working with M/s Veco B.V. (A part of SPGPrints Group) as an International Controller since 2014. She has a rich experience of more than 20 years in Finance. Brief Profile of Ms. Everdina Herma Slijkhuis in terms of Clause 49 of the Listing Agreement, is provided in this Notice. The Board of Directors is confident that her knowledge and experience will be of great value to the Company and hence recommends the Resolution at Item No. 7 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof except Ms. Everdina Herma Slijkhuis, are in any way concerned or interested in the resolution at Item No. 7 of this Notice.

#### **Item No. 8**

Mr. Shailesh Wani has been appointed as a Managing Director of the Company w.e.f. October 1, 2013 for a period of 3 (three) years and his term of appointment and remuneration including payment of variable pay were approved in the Annual General Meeting of the Company held on May 13, 2014. As per the agreement entered into with Mr. Shailesh Wani, Managing Director of the Company, he is also entitled to variable pay based on the targets achieved. It is likely that when the variable pay for the financial year 2014 will be declared, the remuneration of Managing Director may exceed the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on February 19, 2015 have subject to the approval of Shareholders and that of the Central Government, if required, have approved the overall ceiling of remuneration of Rs. 15 Million per annum to Mr. Shailesh Wani, Managing Director of the Company during the tenure of his employment till 30<sup>th</sup> September 2016. The Board of Directors is of the opinion that it is in the interest of the Company to receive the benefit of Mr. Shailesh Wani's service and recommend the resolution at Item No. 8 of this notice for the approval of Members. Mr. Shailesh Wani is not related to any Director or Promoters of the Company nor does he hold any shares in the Company.

#### **ABSTRACT OF TERMS AND CONDITIONS OF APPOINTMENT AND REMUNERATION OF MR. SHAILESH WANI, MANAGING DIRECTOR OF THE COMPANY:**

- i. Mr. Shailesh Wani has been appointed as a Managing Director at a gross remuneration of Rs. 70,05,276/- per annum. Subsequent to Annual Increment in the year 2014, his gross remuneration increased to Rs. 77,05,824/- per annum w.e.f. April 1, 2014. He is also entitled to variable pay based on the targets achieved over and above the gross remuneration. He shall also be entitled to family health insurance of Rs. 5,50,000/-.
- ii. The appointment is for a period of 3 (three) years w.e.f. October 1, 2013.
- iii. He is appointed as a Managing Director of the Company and as such he shall have substantial powers of Management of the Company. He shall perform duties and exercise such powers subject to the superintendence, control and direction of the Board of Directors of the Company.
- iv. The Company has entered into agreement with Mr. Shailesh Wani for his appointment as a Managing Director, which may be terminated by either party by giving other party six months' written notice or amount equivalent to six months' salary in lieu thereof.
- v. Mr. Shailesh Wani's appointment is by virtue of his employment in the Company.

**Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013**

**I. General Information:**

1)	Nature of Industry	Manufacturing of perforated nickel rotary screens, rotary screen printing machines, anilox rollers, engraving chemicals, engraving equipment's, rotamash screens, rotaplate and sugar screens at its factory situated at N.I.D.C. Nr. Lambha Village, Post: Narol, Ahmedabad, Gujarat.
2)	Date of Commencement of commercial production	The commercial production has already begun and the Company is not a new Company.
3)	Financial Performance for the financial year ended 31.12.2014	Turnover : Rs. 949.09 Million Profit Before Tax : Rs. 165.15 Million
4)	Export Performance	For the year ended 31.12.2014, the Company has achieved export turnover of FOB value of Rs. 51.56 Million.
5)	Foreign Investment or Collaboration	a) SPGPrints B.V., The Netherlands (Formerly known as Stork Prints B.V.) are the Promoters of the Company holding 71.06 % of the equity share capital. b) The Plant was established in technical collaboration with the holding company as above.

**II. Information about the appointee:**

**1. Background details :**

- Mr. Shailesh Wani has around 27 years of experience in Sales, Marketing, Operations Management and Finance.
- Mr. Shailesh Wani holds a Bachelor's degree in Engineering and has done M.P.T. (Management Programme for Technologists) from IIM, Bangalore. He has also done post-graduation in Cost Accounting (ICWA) from The Institute of Cost and Works Accountants of India.
- Prior to joining Stovec he was working with Thermax SPX Energy Technologies Ltd as a Chief Executive Officer.

**2. Past Remuneration:**

Remuneration of Mr. Shailesh Wani is as under:

For the period	Gross Remuneration*
01.01.2014 to 31.12.2014	1,15,16,973*

\*The above remuneration includes variable pay on provisional basis.

**3. Recognition or Awards:**

Mr. Shailesh Wani is a '**Gold Medalist**' from IIM Bangalore in M.P.T. (Management Programme for Technologists) for 'Best All Round Performance'.

**4. Job Profile and his suitability:**

Mr. Shailesh Wani is responsible for the day to day Management of the Company and assisted by Senior Executives of the Company. He is working under the superintendence and control of Board of Directors. Under his leadership since October 1, 2013, Company has grown and demonstrated good performance and achieved Revenue from Operations of Rs. 949.09 Million during the financial year 2014, a growth of about 23 % in comparison to prior year and Profit before Tax of Rs. 165.15 Million as against 151.18 Million in previous year. The Company achieved milestone in its history under his leadership and crossed the mark of Rs. 1,000 Million during the financial year 2014, recording consolidated revenue from operations of Rs. 1023.44



Million, an overall increase of about 32 % in the revenue. Mr. Shailesh Wani's multi-functional experience will help the Company to further grow under his leadership in the years to come. The Board of Directors is of the opinion that it is in the interest of the Company to receive the benefit of his service.

**5. Remuneration proposed :**

Total Remuneration including variable pay shall not exceed Rs. 15 Million per annum during the tenure of his employment till September 30, 2016.

**6. Comparative Remuneration, Profile with respect of industry:**

- Looking into the Industry Standards for remuneration of Professional Managing Director and his responsibilities as a Managing Director of the Company, the remuneration is appropriate.

**7. Pecuniary Relationship:**

- Mr. Shailesh Wani is not related to any Director or Promoters of the Company.

**III. Other Information:**

**1. Reason for inadequacy of Profits & steps taken or proposed to be taken for improvement and expected increase in productivity and profitability:**

The profits of the Company are in line with the current industrial scenario and are reasonable, but since the remuneration to Mr. Shailesh Wani, as mentioned here above may not fulfill the terms of the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and may exceed the limits prescribed there-under, the Company is seeking approval of Members of the Company by way of Special Resolution. The Company is consistently showing good performance since last few years. The Company foresees continuation of the same performance in terms of turnover and profitability in the next year as well.

**IV. Disclosures:**

**(1) Remuneration Package:**

Total remuneration of Mr. Shailesh Wani, Managing Director of the Company shall not exceed Rs. 15 Million per annum including variable pay which is minimum 25% and maximum of 35% of annual fixed salary based on the targets achieved. Further an amount equivalent to 50% of the Variable Pay granted in any given year is set aside and shall be payable to Mr. Shailesh Wani, Managing Director on completion of 5 years from the date of commencement of the tenure of Mr. Shailesh Wani as Managing Director. His Contract as a Managing Director is for a period of 3 years commencing from October 1, 2013 to September 30, 2016, terminable by six months' notice by either side or amount equivalent to six months' salary in lieu thereof. He is not entitled to any Stock Options.

Mr. Shailesh Wani is not related to any Director or Promoters of the Company.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Shailesh Wani, are in any way, concerned or interested in this resolution.

**Item No. 9**

The Company had previously adopted its Articles of Association ("AOA") under the Companies Act, 1956, which contain references to specific Sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013, several regulation of the existing AOA of the Company require alteration and/or deletion. Considering this position, it is thought expedient to replace the existing AOA with a new AOA.

The draft AOA is available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M. to 1.00 P.M. upto the date of this Annual General Meeting. The Board of Directors accordingly recommends the resolution set out at Item No. 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof are in any way concerned or interested in the resolution at Item No. 9 of this Notice.

**Item No. 10**

As per Clause 49 (VII)(C) of the revised listing agreement (effective from October 1, 2014) transactions with a related party shall be considered material if the transaction/transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds 10 (ten) percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. Accordingly transactions with M/s SPGPrints B.V. (a 'Related Party' as defined under Section 2 (76) of Companies Act, 2013 and Clause 49 (VII) of the Listing Agreement) has been placed before the Members for their approval by way of Special Resolution.

The particulars of the contracts / arrangements / transactions are as under:

Particulars	Information
Name of the Related Party	SPGPrints B.V.
Nature of Relationship	Holding Company of the Company
Name of Director(s) or Key Managerial Personnel who is related, if any.	None except Mr. Dirk Joustra and Mr. Aschwin Hollander.
Nature and Particulars of transactions	Purchase of Raw Materials and Components
Material terms of the Contracts/Arrangement/ Transactions	The transactions are in the ordinary course of business and on arm's length basis.
Duration of these Related Party Transactions	These transactions are on-going depending upon the needs of business.
Value of Related Party Transaction during the financial year 2014	INR 115,605,172/- (About 15% of Annual Turnover of the Company for the financial year 2013)
Any other information relevant or important for the Members to make a decision.	None

The Related Party Transactions as mentioned above were necessary, normal and incidental to business as also played a significant role in the Company's business operations and accordingly the Board recommends the Special Resolution set forth in Item No. 10 of the Notice for the approval of the Members in terms of Clause 49 (VII) (E) of the Listing Agreement.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Dirk Joustra and Mr. Aschwin Hollander, are in any way, concerned or interested in the resolution.

**Regd. Office:**

N.I.D.C. Nr. Lambha Village,  
Post: Narol, Ahmedabad - 382 405  
Gujarat, INDIA.  
CIN: L45200GJ1973PLC050790  
Tel: +91 (0) 79 3041 2300, Fax: +91 (0) 79 2571 0406,  
E-mail: [secretarial@stovec.com](mailto:secretarial@stovec.com),  
Website: [www.stovec.com](http://www.stovec.com)

By **Order of the Board of Directors**

Sd/-  
Varsha Adhikari  
**Company Secretary**  
**Membership No. A17604**

**Date: February 19, 2015**

**Place: Ahmedabad**

**Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting of the company (Pursuant to Clause 49 of the listing agreement with the Stock Exchanges)**

<b>Name of Director</b>	<b>Mr. K.M. Thanawalla</b>	<b>Mr. Marco Wadia</b>	<b>Ms. Everdina Herma Slijkhuis</b>
<b>Date of Birth</b>	24.12.1942	30.01.1956	16.05.1968
<b>Date of Appointment</b>	28.01.2005	21.05.1999	19.02.2015
<b>Expertise in specific functional areas</b>	Marketing and General Management	Law	Finance
<b>Qualifications</b>	He is a commerce graduate from the Bombay University. He is a fellow of The Institute of Chartered Secretaries & Administrators, London. He is also an Associate of The Textile Institute, U.K. and of The British Institute of Management.	B.A. (Hons), L.L.B	She has studied Economics from University of Groningen, The Netherlands. She has also studied Chartered Accountancy and Information Management from Nivra-Nijenrode Institute, The Netherlands.
<b>Details of shares held in the company</b>	Nil	2,150	Nil
<b>List of companies in which outside directorship held as on 31.12.2014 [excluding Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (Erstwhile Section 25 of the Companies Act, 1956)]</b>	Mandhana Industries Ltd.  Varun Gas Infrastructure Ltd.  Fairfield Atlas Limited	Zuari Agro Chemicals Ltd.  Chambal Fertilizers & Chemicals Ltd.  Gobind Sugar Mills Ltd.  Johnson & Johnson Ltd.  Jost's Engineering Co. Ltd.  Paradeep Phosphates Ltd.  Simon India Ltd.  Zuari Global Ltd.	None
<b>Chairman/Member of the *Committees of other companies as on 31.12.2014</b>	Mandhana Industries Ltd	Zuari Agro Chemicals Ltd.  Chambal Fertilizers & Chemicals Ltd.  Johnson & Johnson Ltd.  Simon India Ltd.  Zuari Global Ltd.  Paradeep Phosphates Ltd	None

<b>Name of Director</b>	<b>Mr. Dirk Wim Joustra</b>
<b>Date of Birth</b>	08.02.1958
<b>Date of Appointment</b>	29.01.1999
<b>Expertise in specific functional areas</b>	Sales and Marketing
<b>Qualifications</b>	He holds a degree in Business Administration from HTS Enschede Institute de Baak, Noordwijk and Institute Nijenrode.
<b>Details of shares held in the company</b>	Nil
<b>List of companies in which outside directorship held as on 31.12.2014 [excluding Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (Erstwhile Section 25 of the Companies Act, 1956)]</b>	None
<b>Chairman/Member of the *Committees of other companies as on 31.12.2014</b>	None

\* The Committee includes the Audit Committee and the Stakeholders Relationship Committee only.

## INSTRUCTIONS FOR E-VOTING

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on April 28, 2015 @ 9.00 a.m. IST and ends on April 29, 2015 @ 6.00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form as on April 3, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on Attendance Slip.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the sequence number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <**Stovec Industries Limited**> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](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 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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions**

1. The Members who have not casted their vote electronically can exercise their voting rights at the Annual General Meeting. The Members who have already exercised their right to vote by electronic means shall not vote at the Annual General Meeting.
2. The Voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company.
3. Mr. Sandip Sheth of M/s Sandip Sheth and Associates, Practicing Company Secretaries (Membership No. 5467), has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two 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.
5. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.stovec.com](http://www.stovec.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within two days of the passing of the resolutions at the 41st Annual General Meeting of the Company and shall also be communicated to BSE Limited and Ahmedabad Stock Exchange Limited, where the shares of the Company are listed.

**DIRECTOR'S REPORT****TO THE MEMBERS**

Your Directors are pleased to present the Forty First Annual Report and the Audited Statement of Accounts of the Company for the year ended December 31, 2014.

**1. FINANCIAL RESULTS:**

<b>Particulars</b>	<b>Current Year 31.12.2014 Amt. (in ₹)</b>	<b>Previous Year 31.12.2013 Amt. (in ₹)</b>
Revenue from Operations	949,088,603	772,756,206
Other Income	31,399,313	34,654,265
<b>(a) Total Income:</b>	<b>980,487,916</b>	<b>807,410,471</b>
<b>(b) Total Expenditure:</b>	<b>789,192,430</b>	<b>641,266,011</b>
<b>Gross Profit before Depreciation and Amortisation expenses</b>	<b>191,295,486</b>	<b>166,144,460</b>
<b>Less:</b> Depreciation & Amortisation expenses	26,149,348	14,960,354
<b>Operational Profit/Profit Before Tax</b>	<b>165,146,138</b>	<b>151,184,106</b>
<b>Less:</b> Current Tax	50,592,887	48,457,357
Deferred tax	3,545,591	147,255
Excess provision of income tax of earlier years (Net)	- 54,138,478	(3,235,948) 45,368,664
<b>Profit After Tax</b>	<b>111,007,660</b>	<b>105,815,442</b>
<b>Add:</b> Profit brought forward from previous year	<b>253,477,939</b>	<b>195,477,645</b>
<b>Profit available for appropriation</b>	<b>364,485,599</b>	<b>301,293,087</b>
Dividend on equity shares	<b>32,364,248</b>	<b>31,320,240</b>
Tax on Dividend	<b>6,626,473</b>	<b>5,322,875</b>
Amount transferred to General Reserves.	<b>11,500,000</b>	<b>11,000,000</b>
Short Provision on earlier year's Dividend	-	<b>172,033</b>
<b>Profit carried forward to Balance Sheet</b>	<b>313,994,878</b>	<b>253,477,939</b>

**2. DIVIDEND:**

Considering the Company's financial performance, the Directors have recommended payment of Final Dividend of Rs. 15.50/- per share (155 %) for the financial year ended on December 31, 2014.

**3. PERFORMANCE OVERVIEW:**

Your Company has demonstrated overall good performance during the year and has achieved revenue from operations of Rs. 949.09 Million (Previous year Rs. 772.76 Million); a growth of about 23 % in comparison to prior year, contributed by growth in sales of all product lines driven by increased market presence. The Company has achieved Profit before Tax of Rs. 165.15 Million (Previous year Rs. 151.18 Million), a growth of about 9 % in comparison to prior year. The Company achieved milestone in its history and crossed the mark of Rs. 1,000 Million during the financial year 2014 recording consolidated revenue from operations of Rs. 1023.44 Million, an overall increase of about 32 % in the revenue. The Company's consolidated Profit before Tax for the financial year 2014 stood at Rs. 172.52 Million.

**4. AUDITORS REPORT:**

The observations made in the Auditors Report are self explanatory and therefore need not require any comments under section 217(3) of the Companies Act, 1956.

**5. FIXED DEPOSITS:**

For the year ending December 31, 2014, the Company has not accepted any deposits from the public falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and rules made there under.

**6. CORPORATE GOVERNANCE:**

A separate report on Corporate Governance Compliance and a Management Discussion and Analysis Report as stipulated by Clause 49 of the listing agreement forms part of the Annual Report along with the required Certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement.

**7. DIRECTORS:**

Pursuant to Section 149, 152 and other applicable provision, if any, of the Companies Act, 2013 and rules framed thereunder read with Schedule IV to the Companies Act, 2013 and as per Clause 49 of the listing agreement, Mr. K.M. Thanawalla and Mr. Marco Wadia, proposed to be appointed as an Independent Director of the Company for a period of five consecutive years from the date of the ensuing Annual General Meeting till the conclusion of 46<sup>th</sup> Annual General Meeting to be held in the calendar year 2020 and recommended to the shareholders for their approval.

Mr. Dirk Wim Joustra retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

In the Board of Director's Meeting held on February 19, 2015, the Board has appointed Woman Director, Ms. Everdina Herma Slijkhuis, as an Additional Director on the Board, w.e.f. February 19, 2015, who holds office up to the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director of the Company. The Notice under Section 160 of the Companies Act, 2013 has been received from a Member proposing her candidature for the office of Director.

During the year under review, Mr. Girish Sharedalal, Independent Director, has resigned from the Board w.e.f. August 13, 2014 due to his advanced age. Mr. Joost Smits, Director, has also resigned from the Board w.e.f. February 19, 2015 due to his other pre-occupations. The Board placed on record its appreciation for the contribution made by Mr. Joost Smits in the growth of the Company. The Board also placed on record its appreciation for the valuable contribution made by Mr. Girish Sharedalal during his tenure as an Independent Director of the Company.

**8. ACQUISITION**

During the year under review, the Company has acquired 100 % Equity Shares of Atul Sugar Screens Pvt. Ltd. and certain assets from Atul Electro Formers Limited. Consequent to the said acquisition of Equity Shares of Atul Sugar Screens Pvt. Ltd., it became the Wholly Owned Subsidiary of the Company.

**9. SUBSIDIARY**

The Ministry of Corporate Affairs vide its Circular No: 2/2011 dated: February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's wholly owned subsidiary M/s Atul Sugar Screens Pvt. Ltd., for the financial year ended December 31, 2014 is included in the Annual Report. The annual accounts of the wholly owned subsidiary and the related detailed information will be made available to any member of the Company and wholly owned subsidiary company, seeking such information at any point of time. The Annual Accounts of the wholly owned subsidiary company shall also be available for inspection by any member at the registered office of the Company and of the wholly owned subsidiary company on any working day during business hours. The consolidated financial statements presented by the Company include the financial information of its wholly owned subsidiary company M/s Atul Sugar Screens Pvt. Ltd.

**10. OPEN OFFER**

During the year under review, Print II B.V., the Acquirer along with SPGPrints Group B.V. and SPGPrints B.V., the Person Acting in Concert with Acquirer, has made an Open Offer to the public shareholders of the Company for acquisition of 542,885 Equity Shares at the price of Rs. 566.90 per equity share. Pursuant to the said Open Offer, total 1,284 Equity Shares were acquired by the Acquirers along with PAC's and been transferred to the SPGPrints B.V., the Person Acting in Concert, on January 5, 2015, consequent to which the shareholding of SPGPrints B.V. has increased to 1,483,777 Equity Shares in the Company constituting 71.06% of the Issued and Paid up Share Capital of the Company.

**11. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of sub-section 2AA of Section 217 of the Companies Act, 1956, your directors confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) the accounting policies selected has been applied consistently and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the Profit or Loss of the Company for that period;

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the annual accounts has been prepared on a going concern basis.

**12. AUDITORS:**

The Company's Statutory Auditors, M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 301112E) retires at the forthcoming Annual General Meeting and has shown their willingness to continue as Statutory Auditors of the Company. A certificate from Statutory Auditors has been received to the effect that their appointment as Statutory Auditors of the Company, if made, would be according to the terms and conditions prescribed under Sections 139 and 141 of the Companies Act, 2013 and rules framed thereunder. The Board of Directors on recommendation of the Audit Committee, recommends the re-appointment of M/s. Price Waterhouse as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the Forty sixth (46<sup>th</sup>) Annual General Meeting of the Company to be held in the calendar year 2020 subject to ratification by Members at every Annual General Meeting.

Members are requested to re-appoint M/s. Price Waterhouse, Chartered Accountants and authorize the Board of Directors (including its committee thereof) to fix their remuneration.

**13. COST RECORDS AND COST AUDITORS:**

As per the Cost Order dated: November 6, 2012, issued by Cost Audit Branch, Ministry of Corporate Affairs, the Company required to get its cost records audited for financial year 2013 and therefore the Company has appointed M/s. Dalwadi and Associates, Cost Accountants (Firm Registration No.000338) as its Cost Auditors to audit the cost records of the Company for the financial year 2013. The Cost Audit Report for the financial year ended December 31, 2013 which was due for filing on June 29, 2014 was filed with the Central Government on June 28, 2014. M/s. Dalwadi and Associates, Cost Accountants, appointed as the Cost Auditors of the Company to audit the cost records of the Company for the financial year 2014 and the Cost Audit Report for the financial year ended December 31, 2014 will be filed in prescribed time.

**14. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY ETC.:**

The particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto as **Annexure I** and forms part of this Annual Report.

**15. PARTICULARS OF EMPLOYEES:**

The particulars prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to all the members of the Company, excluding the Statement of Particulars of Employees to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

**16. ACKNOWLEDGEMENT:**

We wish to place on record our gratitude for the contributions, co-operation and confidence reposed in the Board of Directors by SPGPrints B.V. and other shareholders, our valued employees and customers, our bankers, suppliers and other stakeholders.

**For and on behalf of Board of Directors**

**Place : Ahmedabad**  
**Date : February 19, 2015**

Sd/-  
 K.M.Thanawalla  
**Chairman**  
**DIN: 00201749**



**Annexure - I**

**Annexure to the Director's Report**

Information as per Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended December 31, 2014.

**(I) Conservation of energy:**

**a) Energy conservation is an on-going process. The following steps are taken by the Company in this direction:**

1. Established effective and efficient monitoring and control systems for overall electricity consumption using energy data acquisition system.
2. Bath efficiency improved significantly by keeping its operating voltage at optimal levels.
3. Installed @ 4 % more energy efficient rectifiers in capacity expansion project.
4. Carrying out of third party energy audit.
5. Better utilization of plant equipment's by efficient preventive maintenance.

**b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy and other raw materials**

The Company has made following additional investments during the year 2014:

- i. Replaced old inefficient overhead cranes with latest extremely efficient cranes.
- ii. Used energy efficient rectifiers in all the new installation made during the year.

The company is having following proposals for reducing energy consumption and cost in current year:

- i. To replace few inefficient rectifiers with new efficient rectifiers.
- ii. To gradually replace conventional lightings with energy efficient LED for internal use and Solar lights for external use.
- iii. To replace conventional rectifier power supply system with the compact, easy to connect and efficient bus-trunking power supply system.

**c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods**

1. The above measures have and will further help in reducing power consumption along with overall cost of production.

**(II) Environment Health & Safety:**

1. Installed improved and very efficient scrubber system for existing as well as new installations made during the year.
2. Started selling ETP sludge to the authorized recycling processor instead of dumping at GPCB (Gujarat Pollution Control Board) designated site.
3. Continuous training program.

**(III) Technology Absorption:**

The efforts made in technology absorption are mentioned below in Form-B:

## Form – B

**Form for disclosure of particulars with respect to absorption****RESEARCH AND DEVELOPMENT (R & D):****1. Specific areas in which (R&D) carried out by the Company**

The company has been carrying out in-house Research & Development activities in the area of product development, process development, production process development, energy conservation and cost reduction.

**2. Benefits derived as a result of the above R & D**

Customers' satisfaction and new business opportunities because of cost, quality and latest technology. Based on the innovations, improvements and efforts of In-House R&D, the Company is able to expand its market and achieve a steady growth in revenue year by year.

**3. Future plan of action**

- a. Development of new products
- b. Reduction of product cost
- c. Undertake the R&D innovation in other diverse segments.
- d. Improvement in existing processes and up-gradation of products

**4. Details of R & D Expenditure**

1. Capital Expenditure	17,95,577
2. Recurring Expenditure	45,24,933
3. Total Expenditure	63,20,510
4. Total Turnover	94,11,10,408
5. Total R&D Expenditure as a percentage of the total Turnover.	0.67%

**TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION****(a) Efforts, in brief, made towards technology, absorption, adaptation and innovation:**

- The Company continues to perform R&D activities to improve quality of products and to reduce production cost to serve its Customer better.

**(b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:**

- Development of new products
- Reduction of product cost
- Product and Process improvement

**(c) Details of Technology imported (during the last 5 years)**

- i. Technology imported :
  - The Company imported technology for manufacturing of Sugar Screens.
- ii. Has technology been fully absorbed?
  - The above technology has been fully absorbed.
- iii. If not fully absorbed, areas where this has not taken place, reasons there for and future plan of action: **N.A.**

**FOREIGN EXCHANGE EARNINGS AND OUTGO****1. Activities relating to exports:**

The company is concentrating on continuous quality and product improvement.

**2. Total foreign exchange used and earned:**

Particulars	Amount (in ₹)
Earnings in foreign exchange on account of Goods and Services exported, Commission etc.	<b>5,96,22,177</b>
Value of imports of raw materials, components, stores, spares, Commission, technical know-how fees, royalty etc.	<b>39,65,16,704</b>

## CORPORATE GOVERNANCE REPORT

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

Stovec firmly believes that Corporate Governance is about upholding the highest standard of ethics, integrity, transparency and accountability in conducting affairs of the Company, so as to disseminate transparent information to all stakeholders. Stovec always seek to ensure that it attains performance goals with integrity. Corporate Governance has indeed been an integral part of the way Stovec have done business. This emanates from our strong belief that strong governance is essential in creating value on a sustainable basis. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

### 2. BOARD OF DIRECTORS

The composition of the Board with reference to the number of Executive, Non-Executive Directors and Woman Directors, meets the requirement of Code of Corporate Governance. The Company has an optimum combination of Non-Executive Directors.

The present Board comprises of Six Directors which includes Non-Executive & Independent Chairman, Executive Director, Three Non-Executive Directors (including one Woman Director) & One other Non-Executive & Independent Director.

Name of Director	Executive / Non Executive / Independent	No. of Outside Directorship	No. of outside Committee position held	
			Member	Chairman
Mr. K.M. Thanawalla	Non- Executive & Independent (Chairman)	3	-	2
Mr. Marco Wadia	Non-Executive & Independent	8	4	5
Mr. Dirk Wim Joustra	Non-Executive	-	-	-
Mr. Aschwin Hollander	Non-Executive	-	-	-
Ms. Everdina Herma Slijkhuis (Appointed as an Additional Director w.e.f. February 19, 2015 )	Non-Executive	-	-	-
Mr. Shailesh Wani	Executive (Managing Director)	-	-	-

CA Girish Sharedalal, Independent Director and Mr. Joost Smits, Director in the Company has resigned from the Board w.e.f. August 13, 2014 and February 19, 2015 respectively.

The Board met 7 (seven) times during the year i.e. February 25, 2014; April 25, 2014, May 13, 2014; May 29, 2014, August 12, 2014, October 28, 2014, and November 11, 2014.

The following table gives the attendance record of the Directors at the Board as well as Annual General Meeting.

#### DETAILS ABOUT THE BOARD MEETING

DIRECTORS	No of Board Meetings held	No of Meeting attended	Attendance at the AGM
Mr. K.M. Thanawalla	07	06	Yes
CA. Girish C. Sharedalal	07	05	Yes
Mr. Marco Wadia	07	05	Yes
Mr. Dirk Wim Joustra	07	01	No
Mr. Aschwin Hollander	07	02	Yes
Mr. Joost Smits	07	00	No
Mr. Shailesh Wani	07	07	Yes

**Notes:**

1. None of the Directors are related to any other director.
2. Outside directorship does not include Alternate Directorship, Directorship of Private Ltd. Companies, Section 8 Company and of Companies incorporated outside India. The Number of outside committee position held includes Audit Committee and Stakeholders' Relationship Committee only.

**Shareholding of Non-Executive Director**

The shareholding of Non-Executive Directors in the Company as on December 31, 2014 are as follows:

<b>Directors</b>	<b>No. of Shares held</b>	<b>% of total shares of the Company</b>
Mr. K.M. Thanawalla	Nil	Nil
Mr. Marco Wadia	2150	0.1029
Mr. Dirk Wim Joustra	Nil	Nil
Mr. Aschwin Hollander	Nil	Nil
Mr. Joost Smits	Nil	Nil

**Appointment / Re-appointment of Directors:**

Pursuant to Section 149, 152 and other applicable provision, if any, of the Companies Act, 2013 and rules framed thereunder read with Schedule IV to the Companies Act, 2013 and as per Clause 49 of the listing agreement, Mr. K.M. Thanawalla and Mr. Marco Wadia, proposed to be appointed as an Independent Director of the Company for a period of five consecutive years from the date of the ensuing Annual General Meeting till the conclusion of 46<sup>th</sup> Annual General Meeting to be held in the calendar year 2020 and recommended to the shareholders for their approval.

Mr. Dirk Wim Joustra retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. In the Board of Director's Meeting held on February 19, 2015, the Board has appointed Woman Director, Ms. Everdina Herma Slijkhuis, as an Additional Director on the Board, w.e.f. February 19, 2015.

During the year under review, Mr. Girish Sharedalal, Independent Director, has resigned from the Board w.e.f. August 13, 2014 due to his advanced age. Mr. Joost Smits, Director, has also resigned from the Board w.e.f. February 19, 2015 due to his other pre-occupations. The Board placed on record its appreciation for the contribution made by Mr. Joost Smits in the growth of the Company. The Board also placed on record its appreciation for the valuable contribution made by Mr. Girish Sharedalal during his tenure as an Independent Director of the Company.

Brief resume of the Directors seeking appointment/re-appointment has been disclosed and annexed to the Notice of 41<sup>st</sup> Annual General Meeting.

**Performance Evaluation of Independent Directors**

The Nomination and Remuneration Committee has formulated a questionnaire for performance evaluation of Independent Directors. The questionnaire has among others basically captured the following points:

- Key attributes of the Independent Director
- Level and quality of participation in the Board and Committee Meetings
- Inputs provided by the Independent Director based on his knowledge, skills and experience
- Independence in Judgement
- Knowledge of Company's Business.

The Board of Directors (excluding the Director being evaluated) had in their meeting held on February 19, 2015 evaluated the performance of Mr. K.M. Thanawalla and Mr. Marco Wadia, Independent Directors of the Company and has determined to continue with the term of appointment of the Independent Director.

Mr. K.M. Thanawalla and Mr. Marco Wadia, Independent Directors, have furnished a declaration that they meets the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

**Separate Meetings of the Independent Directors**

The Independent Directors held a Meeting on February 19, 2015 without the attendance of Non-Independent Directors and Members of Management. Both the Independent Directors were present at such meeting and at the Meeting they have:

- i. reviewed the performance of non-independent directors and the Board as a whole;
- ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors holds a unanimous opinion that the Non-Independent Directors including the Managing Director bring to the Board constructive knowledge in their respective field. All the Directors effectively participate and interact in the Meeting. The Chairman has good experience, knowledge and understanding of the Board's functioning. The information flow between the Company's Management and the Board is satisfactory.

**Familiarization Programme for Independent Directors**

The familiarization programme was organized for Independent Directors on February 19, 2015, wherein they were familiarized with the Company, its business model, Product lines of the Company, Nature of Industry in which it operates and Director's roles, rights and responsibilities in the Company. The details of the familiarization programme are available at the website of the company at [www.stovec.com](http://www.stovec.com).

**3. COMMITTEES OF THE BOARD**

The Committees of the Board are constituted as per the Code of Corporate Governance.

**3.1 AUDIT COMMITTEE:**

The terms of reference of the Audit Committee have been formulated in line with the requirement of Section 177 of the Companies Act, 2013 and rules framed thereunder and as per revised Clause 49 of the listing agreement.

**The terms of reference of Audit Committee are briefly described below:**

- (i) Review Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and also to examine the financial statement and the auditors' report thereon;
- (ii) Review with the management, of the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013 or any amendment or re-enactment thereof;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
- (iii) Review with the management of the quarterly financial statements before submission to the Board for approval
- (iv) Recommending to the Board, the appointment, re-appointment, terms of appointment/re-appointment, fixation of audit fees and, if required, the replacement or removal of the Auditor;

- 
- (v) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
  - (vi) Review and monitor the auditor's independence and performance and effectiveness of audit process;
  - (vii) 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;
  - (viii) May call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company;
  - (ix) Reviewing with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
  - (x) Review of 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;
  - (xi) Discussion with Internal Auditors of any significant findings and follow up there on;
  - (xii) Evaluation of internal financial controls and risk management systems;
  - (xiii) 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;
  - (xiv) Review of information relating to:
    - a) Management discussion and analysis of financial condition and results of operations;
    - b) Statement of significant related party transactions, submitted by management;
    - c) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
    - d) Internal Audit reports relating to internal control weaknesses;
    - e) The appointment, removal and terms of remuneration of the Chief internal auditor
  - (xv) Approval or any subsequent modification of transactions of the Company with related parties;
  - (xvi) Scrutiny of inter-corporate loans and investments;
  - (xvii) 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;
  - (xviii) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - (xix) To look into the reasons for substantial defaults in the payment to the depositors, if any, debenture holders, if any, shareholders (in case of non-payment of declared dividends) and creditors;
  - (xx) To review the functioning of the Whistle Blower/Vigil Mechanism; Details of establishing the Vigil Mechanism have been disclosed on the Company's website and in the Director's Report;
  - (xxi) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - (xxii) To review the financial investments, in particular, the investments made by the unlisted subsidiary company;

(xxiii) Other matters as may be prescribed from time to time to be dealt with or handled by the Audit Committee pursuant to provisions of the Companies Act, 2013, the Rules framed thereunder, the Listing Agreements entered into with the Stock Exchanges where the securities of the Company are listed and the guidelines, circulars and notifications issued by Securities and Exchange Board of India ("SEBI")/Ministry of Corporate Affairs ("MCA") from time to time.

(xxiv) Carrying out any other function as may be assigned to the Committee by the Board from time to time;

#### **Composition & Attendance at the Meeting**

The composition of the Audit Committee and details of meetings attended by the Members of the Audit Committee during the financial year 2014 are given below:

<b>Directors</b>	<b>Position held in Committee</b>	<b>Independent/ Executive / Non-Executive Director</b>	<b>No. of Committee Meetings held</b>	<b>No. of Meetings attended</b>
Mr. K.M. Thanawalla	Chairman	Independent & Non-Executive Director	06	06
Mr. Marco Wadia	Member	Independent & Non-Executive Director	06	05
CA. Girish C. Shredalal (Ceased to be a Director w.e.f. August 13, 2014)	Member	Independent & Non-Executive Director	06	05
Mr. Shailesh Wani	Member	Managing Director	06	06

The Committee met 6 (six) times during the year i.e. February 25, 2014; April 25, 2014, May 13, 2014, May 29, 2014, August 12, 2014 and November 11, 2014 .

Mrs. Varsha Adhikari, Company Secretary, acts as the Secretary to the Committee.

The Chairman of the Audit Committee was present in the last Annual General Meeting to answer the shareholders queries.

### **3.2 NOMINATION AND REMUNERATION COMMITTEE:**

During the year under review, the nomenclature of Remuneration Committee was changed with effect from May 13, 2014 to "Nomination and Remuneration Committee" as required under the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the listing agreement (effective October 1, 2014), related to Corporate Governance, entered into with the Stock Exchanges.

#### **Terms of Reference**

Brief terms of reference of Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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 their appointment and removal.

#### **Composition & Attendance at the Meeting**

The composition of the Nomination and Remuneration Committee and details of meetings attended by the Members of the Nomination and Remuneration Committee during the financial year 2014 are given below:



Directors	Position held in Committee	Independent/ Executive / Non-Executive Director	No. of Committee Meetings held	No. of Meetings attended
CA. Girish C. Sharedalal (Ceased to be the Chairman w.e.f. August 13, 2014)	Chairman	Independent & Non-Executive Director	2	1
Mr. Marco Wadia (Appointed as a Chairman w.e.f. August 13, 2014)	Chairman	Independent & Non-Executive Director	2	2
Mr. K.M. Thanawalla	Member	Independent & Non-Executive Director	2	2
Mr. Aschwin Hollander (Appointed as a Member w.e.f. May 13, 2014)	Member	Non-Executive Director	2	1

The Nomination and Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director, Executive Directors, retirement benefits to be paid to them and deal with matters pertaining to Employees' Stock Option Scheme.

The Nomination and Remuneration Committee met 2 (two) times during the year on August 12, 2014 and November 11, 2014.

Mrs. Varsha Adhikari, Company Secretary acts as the Secretary of the Committee.

#### Remuneration Policy:

The Remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits and achievements and promote excellence in their performance.

#### (A) Managing / Executive Director Remuneration

The Board of Directors/Nomination and Remuneration Committee of Directors is authorized to decide the remuneration of the Managing Director/Executive Director's, subject to the approval of the Members and Central Government, if required. Remuneration comprises of fixed Component viz. salary, perquisites and allowances and a variable component comprising of Gross Bonus of minimum 25% and maximum of 35% of annual fixed salary (as per the scheme applicable to Managing Directors' of SPGPrints Operating Companies) based on the targets achieved. Further an amount equivalent to 50% of the Variable Pay granted in any given year is set aside and shall be payable to Mr. Shailesh Wani, Managing Director on completion of 5 years from the date of commencement of the tenure of Mr. Shailesh Wani as Managing Director.

The details of remuneration to Managing Director for the financial year 2014 are as follows:

(in Rs.)

Managing Director	Salary & Allowances	Perquisites & Benefits	Contribution to Provident and Other Funds	Total
Mr. Shailesh Wani	1,03,70,101	6,55,179	4,91,693	1,15,16,973*

\* Includes variable pay on provisional basis.

#### (B) Service Contract and Notice Period of the Managing Director/Executive Director:

Mr. Shailesh Wani's contract as a Managing Director is for a period of 3 years commencing from October 1, 2013 to September 30, 2016, terminable by six months' notice by either side or amount equivalent to six months' salary in lieu thereof.

#### (C) Non-Executive Directors:

The Non - Executive Directors' are paid remuneration by way of sitting fees.

The Board of Directors at their meeting held on August 12, 2014 revised the sitting fees payable to the Non-Executive Directors for attending Board as well as Committee Meetings.

Meetings	Revised Sitting Fees per Meeting (Approved by the Board at its Meeting held on August 12, 2014)	Sitting Fees per Meeting (Prior to August 12, 2014)
Board	Rs. 54,000/-	18,000/-
Audit Committee	Rs. 27,000/-	9,000/-
Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Committee of Directors	Rs. 13,500/-	Nil
Stakeholders Relationship Committee	Nil	Nil

- i. The details of the sitting fees paid during the year 2014 to the Non-Executive Directors are as follows:

Directors	Amount of sitting fees paid for attending Board Meeting (in Rs.)
Mr. K.M. Thanawalla	3,24,000/-
CA. Girish C. Sharedalal	2,16,000/-
Mr. Marco Wadia	2,83,500/-
Mr. Dirk Wim Joustra <sup>(1)</sup>	Nil
Mr. Aschwin Hollander <sup>(1)</sup>	18,000
Mr. Joost Smits <sup>(1)</sup>	Nil

Besides above, the Company does not pay any other commission or remuneration to its Non-Executive Directors.

None of the Independent Directors or their relatives has any material pecuniary relationship with the Company, its holding, subsidiary or associate Company or their promoters or directors during the two immediately preceding financial years or during the current financial year.

**Notes:**

- 1) Opted not to accept any sitting fees for Board and Committee Meetings held on or after August 12, 2014.

### 3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year, the nomenclature of the Investor Grievance Committee was changed with effect from May 13, 2014 to "Stakeholders Relationship Committee" in line with the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the listing agreement (effective October 1, 2014), related to Corporate Governance, entered into with the Stock Exchanges.

**Terms of Reference:**

The brief terms of reference of the Committee are as under:

- The Committee shall consider and resolve the grievances of security holders.

**Composition**

The composition of the Committee is as under:

Directors	Position held in Committee	Independent/Executive / Non-Executive Director
Mr. K.M. Thanawalla	Chairman	Independent & Non-Executive Director
CA Girish C. Sharedalal (Ceased to be Member w.e.f. August 13, 2014)	Member	Independent & Non-Executive Director
Mr. Shailesh Wani	Member	Managing Director

During the year under report the committee met on February 25, 2014 and all the members were present at the meeting.

Mrs. Varsha Adhikari, Company Secretary, acts as the Secretary to the Committee.

**Compliance Officer:**

Ms. Varsha Adhikari, Company Secretary, who is the Compliance Officer, can be contacted at:-

**Stovec Industries Limited**

N.I.D.C., Nr. Lambha Village, Post: Narol,

Ahmedabad, Gujarat - 382 405, India.

Tel: +91 79 3041 2300

Fax: +91 79 2571 0406

Email: secretarial@stovec.com

Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Transfer Agents 'M/s Link Intime India Private Limited' at ahmedabad@linkintime.co.in. The Compliance officer has been regularly interacting with the Share Transfer Agents to ensure that the complaints of the investors are attended to without undue delay and where deemed expedient the complaints are referred to the committee or discussed at the meetings.

The status on the total number of complaints received during the financial year 2014 are as follows:-

Complaints received	Pending as on 31.12.2014
4	NIL

### 3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors at its Meeting held on May 13, 2014, constituted "Corporate Social Responsibility Committee" as required under Section 135 of the Companies Act, 2013. The Committee comprises of following Members.

Directors	Position held in Committee	Independent/Executive / Non-Executive Director
Mr. Shailesh Wani	Chairman	Managing Director
Mr. K.M. Thanawalla	Member	Independent & Non-Executive Director
Mr. Aschwin Hollander	Member	Non-Executive Director

**Terms of Reference:**

The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.

**CSR Policy**

The Company has formulated CSR Policy and the same is available at the website of the Company at [www.stovec.com](http://www.stovec.com) at [http://www.spgprints.com/include/files/About\\_us/Stovec/Policies/CSR\\_Policy.pdf](http://www.spgprints.com/include/files/About_us/Stovec/Policies/CSR_Policy.pdf) link.

The Committee met on August 12, 2014 and all the Members were present in the meeting except Mr. Aschwin Hollander.

Mrs. Varsha Adhikari, Company Secretary, acts as the Secretary to the Committee.

### 3.5 OTHER COMMITTEES

**Investment Committee:**

The Board of Directors during the year under review constituted Investment Committee in its meeting held on April 25, 2014, for the specific purpose of finalizing and concluding the negotiation of all documents, agreements related to acquisition of 100 % Equity Shares of Atul Sugar Screens Private Limited and purchase of assets from Atul Electro Formers Limited. The said Committee comprised of Mr. K.M. Thanawalla as a Chairman, Mr. Marco Wadia, Mr. Girish

Sharedalal and Mr. Shailesh Wani as a Members of the Committee. The Committee met on May 29, 2014 and all the Members were present in the meeting except Mr. Marco Wadia. After the completion of said transaction, the Investment Committee ceased with immediate effect.

#### **Committee of Directors**

The Board of Directors in its meeting held on August 12, 2014 has constituted Committee of Directors consisting of Independent Directors viz. Mr. K.M. Thanawalla as Chairman of the Committee, Mr. Girish Sharedalal (Ceased to be member w.e.f. August 13, 2014) and Mr. Marco Wadia as Members of the Committee for the purpose of providing reasoned recommendation on Open Offer made to the Public Shareholders of the Company by Print II B.V.(the Acquirer), SPGPrints Group B.V. (PAC1) and SPGPrints B.V. (PAC2). The Committee of Directors met one time during the year on August 12, 2014 and all the members were present in the said meeting.

#### **4. CODE OF BUSINESS CONDUCT AND ETHICS:**

The Company has in place, a code of business conduct and ethics for its Board Members and the Senior Management. The Board and the Senior Management affirm compliance with the code annually.

#### **5. GENERAL BODY MEETINGS' DISCLOSURES:**

Location and time of General Meetings in the past 3 financial years:

<b>Year</b>	<b>Type</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2013	Annual	<b>Stovec Industries Limited N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad – 382405</b>	May 13, 2014	11.00 am
2012	General		June 11, 2013	11.00 am
2011	Meeting		May 2, 2012	2.00 pm

The following are the Special Resolutions passed at General Meetings held in the past 3 financial years:

<b>Date of Meeting</b>	<b>Summary</b>
May 13, 2014	1. Appointment of Mr. Shailesh Wani as a Managing Director of the Company.
June 11, 2013	1. Change in place of keeping of Registers and Returns 2. Approval of terms of re-appointment of Mr. Ashish Kaul as the Managing Director of the Company.
May 2, 2012	Nil

#### **6. DISCLOSURE:**

6.1 Besides the transactions mentioned elsewhere in the Annual Report, there were no other materially significant related party transactions that may have potential conflict with the interests of the Company at large.

6.2 The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the company.

6.3 Pursuant to the provisions of sub – clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and the –Chief Financial Officer have issued a certificate to the Board for the financial year ended December 31, 2014.

##### **6.4 Whistle Blower Policy:**

The Company has put in place a Whistle Blower Policy through which Directors, Employees and other Stakeholders may report their genuine concerns or grievances. The Whistle Blower Policy of the Company has been disclosed on the website of the company at [www.stovec.com](http://www.stovec.com). No personnel has been denied access to the Audit Committee to reports its genuine concerns or grievances.

##### **6.5 Related Party Transactions**

There were no materially significant related party transaction except transaction(s) with respect to purchase of raw material and components from M/s SPGPrints B.V., the Holding Company of the Company, the details of which are disclosed in the explanatory statement annexed to the notice of 41<sup>st</sup> Annual General Meeting and has been placed before the shareholders for their approval by way of Special Resolution. As required by revised Clause 49 of the listing agreement (effective October 1, 2014), a Related Party Transaction Policy has

been formulated in order to regulate the transactions between Company and Related Parties. The Related Party Transaction Policy is available at the website of the Company at [www.stovec.com](http://www.stovec.com) at [http://www.spqprints.com/include/files/About us/Stovec/Policies/Related Party Transaction Policy.pdf](http://www.spqprints.com/include/files/About_us/Stovec/Policies/Related_Party_Transaction_Policy.pdf) link.

#### 6.6 Risk Management

As required by revised Clause 49 of the listing agreement effective from October 1, 2014, the Risk Management Policy has been formulated and the same is available at the website of the Company at [www.stovec.com](http://www.stovec.com).

#### 6.7 Policy for prohibition of Insider Trading

The Company has adopted a policy for Prevention of Insider Trading in the Shares pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

#### 6.8 Disclosure of Accounting Treatment

The Company in the preparation of financial statements has followed the treatment laid down in the Accounting standards prescribed by the Institute of Chartered Accountants of India. There are no audit qualifications in the Company's financial statements for the year under review.

#### 6.9 Adoption of Non-Mandatory Requirements of Clause 49 of the Listing Agreement

The Company has appointed separate persons for the post of Chairman and Managing Director. Mr. K.M. Thanawalla is a Chairman (Independent & Non – Executive) and Mr. Shailesh Wani is the Managing Director of the Company.

### 7. SUBSIDIARY COMPANY

Atul Sugar Screens Private Limited became the Wholly Owned Subsidiary of the Company w.e.f. May 30, 2014. The provisions of Clause 49 (V) as applicable, have been complied with.

### 8. MEANS OF COMMUNICATION:

The Company has published quarterly, half yearly as well as annual results in the following News Papers:

Type of Result	Date on which Published	Daily News Paper (English)	Daily News Paper (Gujarati)
Quarterly of March 31, 2014	May 15, 2014	Business Standard	Loksatta Jansatta
Quarterly of June 30, 2014	August 14, 2014	Business Standard	Loksatta Jansatta
Quarterly of September 30, 2014	November 12, , 2014	Business Standard	Loksatta Jansatta
Annual as on December 31, 2014	February 21, 2015	Business Standard	Loksatta Jansatta

The quarterly and annual financial results of the company are also updated on the company's website viz. [www.stovec.com](http://www.stovec.com).

The Annual Report, Quarterly Results, Quarterly Corporate Governance Report and Shareholding Pattern of the Company are filed with the Stock Exchanges within the prescribed time.

### 9. GENERAL INFORMATION FOR MEMBERS:

#### 9.1 Annual General Meeting:

Date and Time	7 <sup>th</sup> day of May, 2015 at 11 A.M.
Venue	<b>Stovec Industries Limited</b> N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad-382405.

#### 9.2 Financial Calendar:

Financial Year	Ending December 31, 2014
Date of Book Closure	April 28, 2015 to May 7, 2015 (both days inclusive)
Dividend Payment Date	Amount of Dividend will be deposited with the bank within 5 days of approval by the Shareholders in the forthcoming Annual General Meeting and its payment will be made within 30 days of its declaration.

**9.3 Listing:**

The Company's shares are listed on the Bombay Stock Exchange Limited (BSE) and Ahmedabad Stock Exchange Limited (ASE). The company has paid annual listing fees to both the stock exchanges in respect of the year 2014-2015.

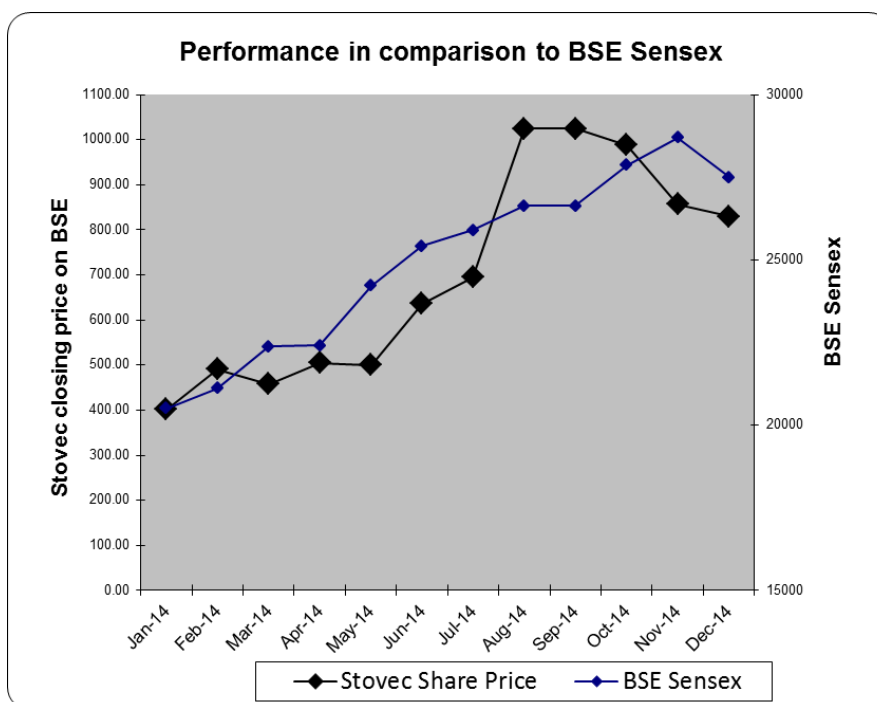
**9.4 The following are the listing details of the Company's Shares:**

Type of Shares	ISIN No.	Stock Code	
		BSE	ASE
Ordinary Share	INE755D01015	504959	57410

**9.5 Market Information:**

Market price data - monthly high/low and trading volumes on BSE depicting liquidity of the Company's Shares on the said exchange is given hereunder:-

Month	Bombay Stock Exchange Limited		
	High (₹)	Low (₹)	No. of Shares
Jan-14	430.05	391.00	7045
Feb-14	491.70	390.60	18602
Mar-14	548.00	391.00	31171
Apr-14	515.00	454.00	15079
May-14	548.00	463.05	12103
Jun-14	710.00	497.05	33501
Jul-14	753.00	607.35	15339
Aug-14	1122.00	640.30	57209
Sep-14	1111.00	885.00	46746
Oct-14	1095.00	940.00	10292
Nov-14	1058.80	830.05	22603
Dec-14	950.00	799.50	13806

**Performance in comparison to broad-based indices such as BSE Sensex:**

\*source: [www.bseindia.com](http://www.bseindia.com)

**9.6 Registrar and Transfer Agents:-**

**For transfer lodgement, delivery and correspondence related to Shares,** Members are requested to do correspondence with the Company's Registrar and Share Transfer Agents - M/s Link Intime India Private Limited quoting their folio no. at the following address:-

M/s Link Intime India Private Limited, Unit No. 303, 3<sup>rd</sup> Floor, Shoppers Plaza - V, Opp. Municipal Market, Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad - 380 009.

Tel: +91(0) 79 - 2646 5179 Fax: +91(0) 79 - 2646 5179

**9.7 Share Transfer System:**

Subsequent to SEBI Circular No. CIR/MIRSD/8/2012 dated: July 5, 2012, issued by SEBI, the Board has issued Power of Attorney to Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., to approve transfer of shares.

**9.8 Reconciliation of Share Capital Audit & Certificate pursuant to Clause 47 (c) of the listing agreement:**

A qualified Practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificate on half-yearly basis have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

**9.9 Report on Corporate Governance:**

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance. A Certificate from the Practicing Company Secretary on Corporate Governance is attached as annexure to the Report.

**9.10 Shareholding Pattern of Shares of the Company:**

Category	As on 31.12.2014		As on 31.12.2013		% Variance 14 v/s 13
	No. of Shares	%	No. of Shares	%	
Promoters & Promoter Group	1,482,493	71.00	1,482,493	71.00	-
Mutual Funds/UTI	200	0.01	200	0.01	-
Financial Institutions/Banks	2,051	0.10	2,051	0.10	-
Bodies Corporate	59,141	2.83	49,549	2.37	0.46
NRI's (Repatriable)	4,160	0.20	5,178	0.25	(0.05)
NRI's (Non-Repatriable)	8,064	0.39	8,514	0.41	(0.02)
Clearing Members	3,371	0.16	1,480	0.07	0.09
Directors & their Relatives	5,864	0.28	5,888	0.28	-
Individuals/HUF	522,672	25.03	532,663	25.51	(0.48)
<b>Total</b>	<b>2,088,016</b>	<b>100.00</b>	<b>2,088,016</b>	<b>100.00</b>	<b>-</b>

**9.11 Distribution of Shareholding as on December 31, 2014:**

Range of Shares	Number of Shareholders	% Age of Total	Number of Shares	% Age of Total
1 - 500	6262	97.58	3,19,751	15.32
501 - 1000	76	1.18	54,769	2.62
1001 - 2000	48	0.75	67,157	3.22
2001 - 3000	10	0.16	24,517	1.17
3001 - 4000	8	0.12	30,102	1.44
5001 - 10000	10	0.16	67,255	3.22
10001 or more	3	0.05	15,24,465	73.01
<b>TOTAL</b>	<b>6,417</b>	<b>100</b>	<b>2,088,016</b>	<b>100.00</b>



**9.12 Top shareholders (holding in excess of 1% of capital) as on December 31, 2014:**

Name of Shareholder	No. of Shares held	% age of Share Capital
SPGPrints B.V. (Formerly Stork Prints B.V.)	14,82,493	71.00
Amit Shantilal Motla	30,771	1.47

**9.13 Dematerialization of Shares & Liquidity:**

As on December 31, 2014, shares comprising 92.93 % of the Company's Equity Share Capital have been dematerialized.

**ISIN No.:- INE755D01015**

**9.14 Plant Location & Address for Correspondence:****Stovec Industries Limited**

N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad, Gujarat – 382 405, India.

CIN : L45200GJ1973PLC050790

Tel : +91 79- 3041 2300

Facsimile No : +91 79- 2571 0406

Website : www.stovec.com

E-mail : secretarial@stovec.com

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT:**

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Code of Conduct, as applicable to them, for the financial year ended December 31, 2014.

**For, Stovec Industries Limited**

Sd/-  
Shailesh Wani  
**Managing Director**  
**(DIN: 06474766)**

CIN NO :- L45200GJ1973PLC050790

Nominal Capital :- 3,00,00,000/-  
Paid-up Capital :- 2,08,80,160/-

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,  
The Members,  
**Stovec Industries Ltd.**  
N.I.D.C. Nr. Lambha Village,  
Post: Narol, Ahmedabad.

I have examined all relevant records of **Stovec Industries Limited** for the purpose of certifying compliance of conditions of Corporate Governance under clause 49 of the listing agreement with Bombay Stock Exchange for the accounting year ended on 31<sup>st</sup> December 2014. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with all the mandatory conditions of the said clause 49 of the listing agreement.

Sd/-  
**Sandip Sheth**  
Practising Company Secretary

Date : February 19, 2015  
Place : Ahmedabad

FCS No. : 5467  
COP No. : 4354

## MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

### **INDUSTRY STRUCTURE & DEVELOPMENT:**

Stovec is a part of SPGPrints Group, The Netherlands (Formerly known as Stork Group) and is a Market leader in India for Rotary Screens and Printing Machines. Stovec essentially operates in three verticals viz. Textile Printing, Graphics Printing and Sugar Filtration.

India's textiles sector is one of the mainstays of the national economy and one of the largest contributing sector of India's exports contributing about 17 % to the country's total export basket. The textile sector has two broad segments, the unorganized sector comprising of handloom, handicrafts, sericulture, power looms and the organized sector consisting by and large of spinning, apparel, garmenting, made-ups. The large part of Stovec's product portfolio goes into textile industry, an Industry which accounts for around 4-5 % of GDP, 14% of industrial production, 17 % of country's total export earnings and is country's 2<sup>nd</sup> largest industry in terms of employment generation. During the year, performance of the textile industry has been moderate.

Indian Graphic Industry and more specifically Label Printing Industry is developing strongly and is growing by about 10-15 %. The industry has rapidly evolved and is global in its outlook and delivery. Entry of International Brands will play a key role in increasing the demand driven by a need for high quality label printing.

Stovec is in Sugar Screen business for some years now which is highly dependent upon the Sugar Crop performance and resultant demand from the Sugar Industry. Growing population, high demand from food and beverages industry are the key drivers of this Industry. Currently Sugar Industry is going through oversupply situation. Rising sugarcane prices, impact of cyclicity and sugar pricing issues are some of the major challenges faced by Sugar Industry.

### **COMPANY PERFORMANCE:**

#### **Standalone:**

Your Company has demonstrated overall good performance during the year and has achieved revenue from operations of Rs. 949.09 Million (Previous year Rs. 772.76 Million); a growth of about 23 % in comparison to prior year, contributed by growth in sales of all product lines driven by increased market presence. The Company has achieved Profit before Tax of Rs. 165.15 Million (Previous year Rs. 151.18 Million), a growth of about 9 % in comparison to prior year.

The Company achieved revenue from Exports of Rs. 59.62 Million during the financial year 2014.

#### **Consolidated:**

During the year, Company has acquired 100 % Equity Shares of Atul Sugar Screens Private Limited, consequent to which on May 30, 2014, it has become the Wholly Owned Subsidiary of the Company. The Company during the year has achieved consolidated revenue from operations of Rs. 1023.44 Million and Profit before Tax of Rs. 172.52 Million.

### **SEGMENT-WISE PERFORMANCE:**

The segment wise sales performance of the Company are as under:

(Amount in Millions)

Particulars	Current Year	Previous Year
Textile Consumables & Textile Machinery	791.87	667.36
Graphic Products	56.62	47.80
Galvanic	92.62	53.43

The Company has performed well in all business segments and in particular galvanic segment recording a growth of about 73 % in comparison to prior year.

### **PARTICIPATION IN TRADE SHOWS & EXHIBITIONS:**

The Company participated and made its presence felt in various trade shows and exhibitions such as ITMACH-2014 – International Textile Machinery Exhibition held in Gandhinagar, Gujarat, LMAI (Label Manufacturers Association of India) Conference held in New Delhi and STAI (Sugar Technologists Association of India) Exhibition held in Bangalore.

The Company will continue to participate in trade shows & exhibitions to enhance its presence and visibility in the market.

**OUTLOOK & OPPORTUNITIES:**

Economic forecast suggests that the measures which may be taken by the Indian Government for reviving of investment, easing of interest rate in mid-2015 may lead the Indian economy to grow at about 8.0% to 8.5 % in 2015-16. The global economy is still struggling to gain momentum as many high-income countries continue to grapple with legacies of the global financial crisis. While US and UK has gathered momentum as labor markets heal and monetary policy remains accommodative, the recovery has been sputtering in the Euro area intertwined with structural bottlenecks. Overall global growth is expected to rise moderately to about 3 % in 2015. The sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil importing developing economies which includes India as well. The recovery in high income countries will slowly strengthen growth projections to gradually accelerate in coming years. The lower oil prices creates a window of opportunity for a country like India and may be used to usher fiscal and structural reforms which can boost long-term growth and inclusive development. For the Company, the process houses troubled by environmental issues still remains a concern. With increasing labour cost, exchange rate fluctuations and volatile commodity prices, the overall demand outlook in India for the textile industry for financial year 2015 is expected to remain moderate.

The Government of India had extended Textile Upgradation Fund Scheme (TUFS) till 2016-17 which might positively impact company's business. Need of Textile Industry for quality printing coupled with Government supported Program like TUFS will play a significant role in accelerating the demand. Government decision to abolish curbs on open market sale of sugar by Sugar Mills and dismantling of rules requiring Sugar Mills to sell sugar at below market price through public distribution system is a positive step for the industry. In the year 2014, India's sugar production rose by about 15 % and if the momentum continues it might positively impact our sugar screen business in coming years.

**RISKS AND CONCERNS:**

Overall, the macro-economic situation of India is still challenging and concrete policy measures announced during the year 2013-14 will take time to reflect in business. Delay in announcement of structural reforms by the Government of India may slow down the growth rate forecast which might adversely affect on Business in general as well as your Company's business. The volatility in cotton and nickel may impact the Company's performance. The fluctuations in exchange rate, liquidity issues and rising power and labour cost continues to be a key challenge for the industry. The overall economic climate and in particular the health of textile processing industry which remains confronted by environment related issues, may have impact on the Company's business plans. The Company continues to take suitable steps to minimize these risks and their impact on Company's overall performance.

**INTERNAL CONTROL SYSTEM:**

Adequate internal control procedures and systems are in place.

**HUMAN RESOURCE MANAGEMENT:**

The Company has focused on creating performance based culture within the organization and emphasise on employees training and development. The Company intends to attract, retain and develop talent through good HR practices.

**CAUTIONARY STATEMENT:**

*Statements in the Management Discussion and Analysis describing the projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations includes, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.*

## INDEPENDENT AUDITORS' REPORT

### To the Members of Stovec Industries Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Stovec Industries Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### Management's Responsibility for the Financial Statements

2. 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 September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 entity'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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion .

#### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2014;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) 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;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (e) On the basis of written representations received from the directors as on December 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place : Ahmedabad  
Date : February 19, 2015

**For Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

Sd/-  
**Priyanshu Gundana**  
Partner  
Membership Number: 109553

**Annexure to Independent Auditors' Report**

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the financial statements as of and for the year ended December 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (b),(c) and (d) of the Order are not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (f) and (g) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is 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 and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.

**Annexure to Independent Auditors' Report**

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the financial statements as of and for the year ended December 31, 2014

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and excise duty as at December 31, 2014 which have not been deposited on account of a dispute, are as follows:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount* (₹)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
The Income Tax Act, 1961	Tax Liability Including Interest	5,100,601	Assessment year 2007 – 2008	Income Tax Appellate Tribunal
		3,696,034	Assessment year 2009 – 2010	Income Tax Appellate Tribunal
		62,686	Assessment year 2011- 2012	Commissioner of Income Tax (Appeals)
The Gujarat Sales Tax Act, 1969	Tax Including Interest and Penalty	3,223,029	2005 – 2006	Sales Tax Tribunal
Service Tax The Finance Act, 1994	Tax Including Interest and Penalty	444,777	2003 – 2004	Custom, Excise and service Tax appellate Tribunal
The Central Excise Act, 1944	Tax Including Interest and Penalty	4,138,118	2002 – 2007	Custom, Excise and service Tax appellate Tribunal

\*Net of payments made

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.



**Annexure to Independent Auditors' Report**

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the financial statements as of and for the year ended December 31, 2014

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- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

**For Price Waterhouse**

Firm Registration Number: 301112E  
Chartered Accountants

Sd/-

**Priyanshu Gundana**

Partner

Membership Number: 109553

Place : Ahmedabad

Date : February 19, 2015

**BALANCE SHEET AS AT DECEMBER 31, 2014**

	Note	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	3	20,880,160	20,880,160
Reserves and surplus	4	555,263,911	483,246,972
		576,144,071	504,127,132
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	5	11,690,484	8,144,893
Other long-term liabilities	6	1,157,666	1,146,277
Long-term provisions	7	19,828,763	23,957,489
		32,676,913	33,248,659
<b>Current liabilities</b>			
Trade payables	8	135,762,653	78,257,064
Other current liabilities	9	89,338,687	50,272,415
Short-term provisions	10	43,887,490	42,002,224
		268,988,830	170,531,703
		<b>877,809,814</b>	<b>707,907,494</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible assets	11	178,691,579	125,648,434
Intangible assets	11	70,309,419	1,100,635
Capital work-in-progress		144,744	4,630,337
		249,145,742	131,379,406
Non-current investments	12	103,000	3,000
Long-term loans and advances	13	18,100,439	16,494,211
Other non-current assets	14	5,819,664	1,878,525
		273,168,845	149,755,142
<b>Current assets</b>			
Current investments	15	-	29,368,400
Inventories	16	195,325,604	108,757,148
Trade receivables	17	198,110,838	133,061,022
Cash and Bank Balances	18	133,508,565	265,716,124
Short-term loans and advances	19	72,145,782	11,146,989
Other current assets	20	5,550,180	10,102,669
		604,640,969	558,152,352
		<b>877,809,814</b>	<b>707,907,494</b>

**Statement of significant accounting policies 2**

The accompanying notes 1 to 40 are an integral part of the Financial Statements.

This is the Balance Sheet referred to in our report of even date.

**For Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

Sd/-

**Priyanshu Gundana**

Partner

Membership Number: 109553

Place : Ahmedabad

Date : February 19, 2015

**For and on behalf of the Board of Directors**

Sd/-

**K. M. Thanawalla**

(DIN: 00201749)

Chairman

Sd/-

**Shailesh Wani**

(DIN: 06474766)

Managing Director

Sd/-

**Varsha Adhikari**

(M.No.: A17604)

Company Secretary

Place : Ahmedabad

Date : February 19, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b><u>INCOME</u></b>			
Revenue from operations	<b>21</b>	949,088,603	772,756,206
Other Income	<b>22</b>	31,399,313	34,654,265
		<b>980,487,916</b>	<b>807,410,471</b>
<b><u>EXPENDITURE</u></b>			
Cost of materials consumed	<b>23</b>	454,800,994	372,640,540
Purchases of Traded Goods	<b>24</b>	95,480,402	70,091,861
Changes in Inventories of Finished Goods, Work-in-Process and Traded Goods	<b>25</b>	(24,688,172)	(10,498,343)
Employee Benefits Expense	<b>26</b>	115,405,876	87,201,501
Finance Cost	<b>27</b>	630,353	757,818
Depreciation and amortisation Expense	<b>11</b>	26,149,348	14,960,354
Other Expense	<b>28</b>	147,562,977	121,072,634
<b>Total expenses</b>		<b>815,341,778</b>	<b>656,226,365</b>
<b>Profit Before Tax</b>		165,146,138	151,184,106
<b><u>Tax Expenses</u></b>			
- Current Tax		50,592,887	48,457,357
- Excess provision of income tax of earlier years (Net)		-	(3,235,948)
- Deferred Tax		3,545,591	147,255
		<b>54,138,478</b>	<b>45,368,664</b>
<b>Profit for the year</b>		<b>111,007,660</b>	<b>105,815,442</b>
Earnings Per Share (Refer Note 32)			
Basic and Diluted Earnings Per Share (in ₹)		53.16	50.68
Nominal Value Per Equity Share (in ₹)		10.00	10.00

**Statement of significant accounting policies 2**

The accompanying notes 1 to 40 are an integral part of the Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

**For Price Waterhouse**

Firm Registration Number: 301112E  
Chartered Accountants

Sd/-

**Priyanshu Gundana**

Partner

Membership Number: 109553

Place : Ahmedabad

Date : February 19, 2015

**For and on behalf of the Board of Directors**

Sd/-

**K. M. Thanawalla**  
(DIN: 00201749)

Chairman

Sd/-

**Shailesh Wani**  
(DIN: 06474766)

Managing Director

Sd/-

**Varsha Adhikari**  
(M.No.: A17604)

Company Secretary

Place : Ahmedabad

Date : February 19, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit Before Taxation</b>	<b>165,146,138</b>	<b>151,184,106</b>
<u>Adjustments for:</u>		
Depreciation / Amortisation	26,149,348	14,960,354
Finance Cost	630,353	757,818
Interest Income	(17,461,729)	(18,444,780)
Unrealised Foreign Exchange Loss	259,185	159,535
Loss on sale of assets	404,447	296,357
Provision for Doubtful Debts (Net)	(246,010)	336,986
Provision for Obsolescence of Inventory (Net)	1,186,286	1,992,603
Provision for Contingencies	(68,451)	1,976,219
Provision for Warranty (Net)	545,284	1,468,529
Liabilities no longer required written back	(17,672)	(1,823,111)
<b>Operating Profit Before Working Capital Changes</b>	<b>176,527,179</b>	<b>152,864,616</b>
<u>Adjustments For Changes In Working Capital:</u>		
(Increase) In Inventories	(87,754,742)	(9,157,198)
(Increase) / Decrease In Other non-current assets	(3,941,139)	700,955
(Increase) / Decrease In Long term loans and advances	4,034,628	(671,658)
(Increase) In Trade receivables	(65,204,342)	(9,463,838)
(Increase) In Short term Loans and Advances	(10,998,793)	(2,039,067)
(Decrease) / Increase In Trade and Other Payables	90,898,658	(4,416,939)
<b>Cash Generated From Operations</b>	<b>103,561,449</b>	<b>127,816,871</b>
Direct Taxes Refund / (Paid) (Net)	(56,233,743)	(40,516,264)
<b>A. Net Cash From Operating Activities</b>	<b>47,327,706</b>	<b>87,300,607</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(144,451,983)	(13,375,451)
Proceeds from Sale of Fixed Assets	131,852	792,220
Purchase of Investments	(100,000)	(9,490,784)
Sale of Investments	29,368,400	-
Loan to Wholly-owned Subsidiary	(50,000,000)	-
Receipt / (Payment) of Bank Deposits with maturity more than 3 months but less than 12 months	35,889,731	14,110,269
Interest Income	22,014,218	15,982,567
<b>B. Net Cash Generated / (Used In) Investing Activities</b>	<b>(107,147,782)</b>	<b>8,018,821</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Dividend Paid	(31,320,240)	(22,341,771)
Dividend Tax Paid	(5,322,875)	(3,796,985)
Interest Expense	(630,353)	(757,818)
<b>C. Net Cash (Used In) Financing Activities</b>	<b>(37,273,468)</b>	<b>(26,896,574)</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>(97,093,544)</b>	<b>68,422,854</b>
Cash and Cash Equivalents as at the beginning of the year	176,608,193	108,185,339
Cash and Cash Equivalents as at the end of the year	79,514,649	176,608,193

**CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014**

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
Cash and Cash Equivalents :		
Cash on hand	305,710	130,518
Cheques on hand	5,992,859	1,832,681
Bank Balances :		
- In Current Accounts	35,416,080	29,544,994
- Short term deposits with maturity less than 3 months	37,800,000	145,100,000
	<u>79,514,649</u>	<u>176,608,193</u>

**Note :**

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 - "Cash Flow Statements" referred to in The Companies Accounting Standard Rules, 2006.

This is the Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

Sd/-

**Priyanshu Gundana**

Partner

Membership Number: 109553

Place : Ahmedabad

Date : February 19, 2015

**For and on behalf of the Board of Directors**

Sd/-

**K. M. Thanawalla**

(DIN: 00201749)

Chairman

Sd/-

**Shailesh Wani**

(DIN: 06474766)

Managing Director

Sd/-

**Varsha Adhikari**

(M.No.: A17604)

Company Secretary

Place : Ahmedabad

Date : February 19, 2015

## NOTES TO THE FINANCIAL STATEMENTS

### 1) General Information

Stovec Industries was incorporated in 1973, in Ahmedabad, Gujarat. The Company is listed on Bombay Stock Exchange and Ahmedabad Stock Exchange. The Company has three major Business segments : Textile Machinery and Consumables, Graphics Consumables and Galvanic. "Textile Machinery and Consumables" segment includes Perforated Rotary Screens, Laquer & Auxiliary Chemicals, Digital Ink, Rotary Screen Printing Machine, Engraving Equipment, Components and Spares. "Graphics Consumables" segment includes Anilox Rollers, Rotamesh screens and RotaPlate. "Galvanic" Segment includes Galvano Consumables.

### 2) Statement of significant accounting policies

#### a) Basis of preparation of financial statements

These Financial Statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 4, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these Financial Statements have been prepared to comply in all material aspects with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule VI to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### b) Inventories

Inventories are valued at lower of cost and net realisable value.

- i) Cost of raw materials, packing materials, stores, spares and tools are computed on a moving weighted average cost basis.
- ii) Cost of work-in-progress/ finished goods are determined on moving weighted average cost basis comprising material, labour and related factory overheads.

#### c) Revenue Recognition

##### Sale of Goods

Revenue is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales are recorded net of trade discount, rebates and sales tax / value added tax is inclusive of excise duty.

##### Sale of Services

Service income is recognised on completion of rendering of services and is recorded net of service tax. Cost incurred during the pendency of the contract is carried forward as job in progress at lower of cost and net realisable amounts.

##### Commission

Commission income is recognised and accounted on accrual basis.

##### Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### d) Fixed Assets and Depreciation / Amortisation

##### **Tangible Assets**

- i) Fixed assets are stated at historical cost less depreciation / amortisation. Cost includes all expenses relating to acquisition and installation of the concerned assets.
- ii) Depreciation has been provided on a straight-line method (pro-rata from the date of additions) over the useful life of the assets as stated below. Depreciation has been provided at the rates stipulated in Schedule XIV to the Act, or at the rates determined based on the useful life of assets, as estimated by management, whichever is higher.

## NOTES TO THE FINANCIAL STATEMENTS

Description of the asset	Useful Life (Years)
Building	30
Plant and Machinery	9
Patterns/Tools/Mollet	3
Computers	4
Furniture and Fixtures	10
Office Equipments, Air Conditioners and Cooler etc.	3 to 6
Vehicles	5

### Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible Assets are amortized on a straight - line basis (pro-rata from the date of additions) over there estimated useful lives. The useful lives are as under:

Description of the asset	Useful Life (Years)
Computer Software	3
Trademark	5
Technical/ Commercial Know-how	5

### e) Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

### f) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investment are made, are classified as Current Investment. All other Investments are classified as Long Term Investments. Current Investments are carried at cost or fair value, whichever is lower. Long Term Investments are carried at cost. However, provision for dimunition is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for investment individually.

### g) Employee Benefits

#### i) Short Term Employee Benefits:

The employees of the Company are entitled to leave encashment as per the leave policy of the Company. The liability in respect of leave encashment of short term nature is provided, based on an actuarial valuation carried out by an independent actuary as at the year-end.

#### ii) Long Term Employee Benefits:

##### **Defined Contribution Plans**

The Company has Defined Contribution plans for post employment benefits namely Provident Fund.

The Company contributes to a Government administered Provident Fund and has no further obligation beyond making its contribution.

The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to Statement of Profit and Loss every year.

##### **Defined Benefit Plans**

The Company has Defined Benefit Plan comprising of Gratuity and Leave Encashment. The Company contributes to the Gratuity Fund which is recognised by the Income Tax Authorities and administered through its trustees.

Liability for Defined Benefit Plans is provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary using the Projected Unit Credit Method.



## NOTES TO THE FINANCIAL STATEMENTS

- iii) Termination benefits are recognised as an expense as and when incurred.
- iv) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

### h) Research and Development Expenditure

Research and development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortized over the economic life of the product. Research and development expenditure on fixed asset is depreciated in accordance with the useful life specified in paragraph (d) above.

### i) Operating Leases

#### As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

#### As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

### j) Taxes on Income

Provision for tax for the year is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

### k) Warranty

A provision is recognised for expected warranty claims on products sold, based on past experience of level of repairs and returns. Assumptions used to calculate the provision for warranties are based on current sales level and current information available about returns.

### l) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

### m) Provisions and Contingent Liabilities

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

### n) Accounting Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the year in which the results are known/ materialised.

## NOTES TO THE FINANCIAL STATEMENTS

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>3) Share Capital</b>		
<b>Authorised:</b>		
2,900,000 (December 31, 2013: 2,900,000)		
Equity Shares of ₹ 10/- each	29,000,000	29,000,000
10,000 (December 31, 2013: 10,000)		
Preference Shares of ₹ 100/- each	1,000,000	1,000,000
	<b>30,000,000</b>	<b>30,000,000</b>
<b>Issued, Subscribed and Paid-up:</b>		
2,088,016 (December 31, 2013: 2,088,016)		
Equity Shares of ₹ 10/- each fully paid-up	20,880,160	20,880,160
	<b>20,880,160</b>	<b>20,880,160</b>

**a) Reconciliation of number of shares**

Particulars	For the year ended December 31, 2014		For the year ended December 31, 2013	
	(No. of Shares)	(₹)	(No. of Shares)	(₹)
Balance at the beginning of the year	2,088,016	20,880,160	2,088,016	20,880,160
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	2,088,016	20,880,160	2,088,016	20,880,160

**b) Rights, preferences and restrictions attached to shares**

**Equity shares:** The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

**c) Shares in the company held by its Holding Company and subsidiaries of Holding Company in aggregate**

1,482,493 Equity shares of Rs. 10/- each fully paid up are held by SPGPrints B.V. The Netherlands, the Holding Company.

14,824,930 14,824,930

**d) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company**

Number of shares 1,482,493 1,482,493

SPGPrints B.V. - The Netherlands, the Holding Company 71% 71%

## NOTES TO THE FINANCIAL STATEMENTS

		As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>4) Reserves and Surplus</b>			
<b>Capital Reserve</b>		346,115	346,115
<b>Capital Redemption Reserve</b>		350,000	350,000
<b>Securities Premium Account</b>		79,618,502	79,618,502
<b>General Reserve</b>			
At the beginning of the year	149,454,416		138,454,416
Add: Transfer from Surplus in Statement of Profit and Loss	11,500,000		11,000,000
At the end of the year		160,954,416	149,454,416
<b>Surplus in Statement of Profit and Loss</b>			
At the beginning of the year	253,477,939		195,477,645
Add : Profit for the year	111,007,660		105,815,442
	364,485,599		301,293,087
Less : Appropriations			
Transfer to General Reserve	11,500,000		11,000,000
Proposed Dividend	32,364,248		31,320,240
Tax on Proposed Dividend	6,626,473		5,322,875
Short Provision on earlier year's Dividend	-		172,033
	50,490,721		47,815,148
At the end of the year		313,994,878	253,477,939
		<b>555,263,911</b>	<b>483,246,972</b>
<b>5) Deferred Tax Liabilities (Net)</b>			
<b>Deferred tax liability</b>			
(a) Depreciation	22,880,504		19,356,204
(b) Other timing differences allowable on payment basis	-		130,862
		22,880,504	19,487,066
<b>Deferred tax assets</b>			
(a) Provision for doubtful debts	342,739		426,357
(b) Provision for contingency	3,311,477		6,099,624
(c) Other timing differences allowable on payment basis	7,535,804		4,816,192
		11,190,020	11,342,173
		<b>11,690,484</b>	<b>8,144,893</b>
<b>6) Other Long-term Liabilities</b>			
Security Deposits		1,157,666	1,146,277
		<b>1,157,666</b>	<b>1,146,277</b>
<b>7) Long-term Provisions</b>			
Provision for Contingencies (Refer Note 34)		13,771,974	22,063,454
Provision for Leave Encashment		6,056,789	1,894,035
		<b>19,828,763</b>	<b>23,957,489</b>

## NOTES TO THE FINANCIAL STATEMENTS

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>8) Trade Payables</b>		
a) Micro, Small and Medium Enterprises (Refer Note below)	4,166,967	4,030,934
b) Others	131,595,686	74,226,130
	<b>135,762,653</b>	<b>78,257,064</b>

The information below in Trade Payables with respect to Micro, Small and Medium Enterprises, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Total outstanding dues of Micro, Small and Medium Enterprises	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
a) Principal Amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end.	3,244,092	3,163,496
b) Interest due to suppliers registered under MSMED Act and remaining unpaid as at the year end.	922,875	867,438
c) Principal Amount paid to suppliers registered under MSMED Act, beyond the appointed day during the year.	3,445,869	6,222,704
d) Interest paid, other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year.	-	-
e) Interest paid, under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year.	95,287	943,625
f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	-	-
g) Further interest remaining due and payable for earlier years.	772,151	403,263

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>9) Other Current Liabilities</b>		
Advances from Customers	46,683,112	17,729,086
Unpaid Dividend (See note below)	3,993,916	3,218,200
Employee Benefits Payable	23,997,505	18,109,116
Other Liabilities	-	500,000
Statutory dues (including Provident Fund and Tax deducted at Source)	14,664,154	10,716,013

**Note:**

There is no amount due and outstanding as at December 31, 2014 to be credited to Investor Education and Protection Fund.

	<b>89,338,687</b>	<b>50,272,415</b>
<b>10) Short-term Provisions</b>		
Employee Benefits (Refer Notes 2(g) and 26B)		
- Provision for Gratuity	674,794	-
- Provision for Leave Encashment	2,452,969	3,775,277
Provision for Warranty (Refer Notes 2(k) and 34)	1,769,006	1,583,832
Proposed Dividend	32,364,248	31,320,240
Tax on Proposed Dividend	6,626,473	5,322,875
	<b>43,887,490</b>	<b>42,002,224</b>

## NOTES TO THE FINANCIAL STATEMENTS

11) Fixed Assets  
(Refer Notes 2 (d), 2 (l) and 38)

Particulars	Gross Block (At Cost)				Depreciation / Amortisation			Net Block	
	As at December 31, 2013	Additions during the year	Deletions during the year	As at December 31, 2014	Upto December 31, 2013	For the year	On Deletions	As at December 31, 2014	As at December 31, 2013
<b>Tangible Assets</b>									
<b>Own Assets</b>									
Land- Freehold (Refer Note 1 below)	303,323	-	-	303,323	-	-	-	303,323	303,323
Buildings	33,195,526	5,455,042	420,083	38,230,485	9,756,952	964,907	44,789	27,553,415	23,438,574
Plant and Machinery	155,258,763	58,740,800	605,164	213,394,399	72,184,664	10,950,926	574,906	130,833,715	83,074,099
Computers	8,728,948	2,227,279	1,248,668	9,707,559	6,384,685	935,035	1,164,701	3,552,540	2,344,263
Furniture and Fixtures	12,806,021	280,428	93,302	12,993,147	7,549,616	1,124,227	88,637	4,407,941	5,256,405
Office Equipments, Air Conditioners and Cooler etc.	4,160,740	192,087	65,790	4,287,037	3,239,818	337,219	23,675	733,675	920,922
Vehicles	3,876,786	2,571,388	-	6,448,174	1,895,633	1,003,552	-	3,548,989	1,981,153
<b>Assets given on Operating Lease</b>									
Land- Freehold (Refer Note 1 below)	165,737	-	-	165,737	-	-	-	165,737	165,737
Buildings	19,520,044	-	-	19,520,044	11,356,086	571,714	-	7,592,244	8,163,958
<b>Sub-Total (A)</b>	<b>238,015,888</b>	<b>69,467,024</b>	<b>2,433,007</b>	<b>305,049,905</b>	<b>112,367,454</b>	<b>15,887,580</b>	<b>1,896,708</b>	<b>178,691,579</b>	<b>125,648,434</b>
Previous Year	233,091,507	9,198,858	4,274,477	238,015,888	101,061,648	14,491,706	3,185,900	125,648,434	
<b>Intangible Assets</b>									
Goodwill (Refer Note 3 below)	-	105,000	-	105,000	-	105,000	-	-	-
Trademark (Refer Note 2 and 3 below)	-	39,384,800	-	39,384,800	-	4,658,417	-	34,726,383	-
Technical/ Commercial Know- how and Non-compete Fees (Refer Note 3 below)	25,105,036	38,699,000	-	63,804,036	25,105,036	4,577,301	-	34,121,699	-
Computer Software	7,798,512	1,281,752	-	9,080,264	6,697,877	921,050	-	1,461,337	1,100,635
<b>Sub-Total (B)</b>	<b>32,903,548</b>	<b>79,470,552</b>	-	<b>112,374,100</b>	<b>31,802,913</b>	<b>10,261,768</b>	-	<b>70,309,419</b>	<b>1,100,635</b>
Previous Year	31,954,547	949,001	-	32,903,548	31,334,265	468,648	-	1,100,635	
<b>Total (A+B)</b>	<b>270,919,436</b>	<b>148,937,576</b>	<b>2,433,007</b>	<b>417,424,005</b>	<b>144,170,367</b>	<b>26,149,348</b>	<b>1,896,708</b>	<b>249,000,998</b>	<b>126,749,069</b>
Previous Year	265,046,054	10,147,859	4,274,477	270,919,436	132,395,913	14,960,354	3,185,900	126,749,069	

**Note:**

- (1) Freehold Land includes Rs. 10,000/- being face value of 100 shares of Gujarat Vepari Mahamandal Sahakari Audhyogik Vasahat Ltd.  
 (2) Trademark is in the process of transfer in the name of the company.  
 (3) On May 29, 2014, Company has executed an agreement for purchase of intangible assets from Atul Electro Formers Ltd.

## NOTES TO THE FINANCIAL STATEMENTS

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>12) Non-current Investments</b>		
<u>(Long Term, Non Trade and Unquoted)</u>		
<b>Investment in Equity Shares</b>		
30 Shares of ₹ 100/- each fully paid-up of Gujarat Vepari Mahamandal Sahakari Audhyogik Vasahat Ltd.	3,000	3,000
<u>(Long Term, Trade and Unquoted)</u>		
<b>Investment in Subsidiary</b>		
1,000 Shares (Previous Year Nil) of Rs. 100/- each fully paid-up of Atul Sugar Screens Private Limited*	100,000	-
* On May 29, 2014, Company has executed an agreement for acquisition of 100 % Equity Shares of Atul Sugar Screens Pvt. Ltd., consequent to which on May 30, 2014, it became the wholly owned subsidiary of the Company.		
	<b>103,000</b>	<b>3,000</b>
Aggregate amount of Unquoted investment Rs. 103,000 (Previous Year Rs. 3,000)		
<b>13) Long-term Loans and Advances</b>		
Advances Recoverable in Cash or in Kind or for Value to be Received	4,210,893	9,210,893
Sundry Deposits	5,769,276	4,803,904
Advance Tax and Tax Deducted at Source [Net of Provision Rs. 293,874,225 (Previous Year Rs. 243,309,549)]	8,120,270	2,479,414
	<b>18,100,439</b>	<b>16,494,211</b>
<b>14) Other Non-current Assets</b>		
Margin Money Deposit	5,819,664	1,878,525
	<b>5,819,664</b>	<b>1,878,525</b>
<b>15) Current Investments</b>		
<u>(Short Term, Non Trade and Quoted)</u>		
<b>Investment in Bonds *</b>		
6.85% (Tax-Free) Nil (Previous Year 50) India Infrastructure Finance Company Ltd. (Series - 22 January 2014) of face value of Rs. 1,00,000	-	4,979,927
6.85% (Tax-Free) Nil (Previous Year 245) India Infrastructure Finance Company Ltd. (Series - 20 March 2014) of face value of Rs. 1,00,000	-	24,388,473
	-	<b>29,368,400</b>
*Aggregate Market value of Bonds as at December 31, 2014 is Nil (Previous Year Rs. 29,969,900).		
<b>16) Inventories</b>		
<u>(Refer Note 2 (b))</u>		
Raw Materials	99,785,953	41,184,548
[Includes Goods-in-transit Rs. 11,164,476 (Previous Year Rs. Nil)]		
Packing Material, Stores, Spares and Tools	5,956,877	4,919,664
Work -in-Process	37,602,241	30,676,135
Finished Goods	36,013,203	21,591,287
Traded Goods	15,967,330	10,385,514
	<b>195,325,604</b>	<b>108,757,148</b>

**NOTES TO THE FINANCIAL STATEMENTS**

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>17) Trade Receivables</b> (Unsecured)		
Outstanding for a period exceeding Six Months from the date they are due for payment		
- Considered Good	713,604	151,259
- Considered Doubtful	1,008,351	1,254,361
	<u>1,721,955</u>	<u>1,405,620</u>
Others Considered Good		
- From Related Parties	33,974,708	4,785,442
- From Others	163,422,526	128,124,321
	<u>197,397,234</u>	<u>132,909,763</u>
Less: Provision for Doubtful Debts	1,008,351	1,254,361
	<u><b>198,110,838</b></u>	<u><b>133,061,022</b></u>
<b>18) Cash and Bank Balances</b>		
<b>A. Cash and Cash Equivalents :</b>		
Cash on hand	305,710	130,518
Cheques on hand	5,992,859	1,832,681
Bank Balances :		
- In Current Accounts	35,416,080	29,544,994
- Short term deposits with maturity less than 3 months	37,800,000	145,100,000
	<u>79,514,649</u>	<u>176,608,193</u>
<b>B. Other Bank Balances</b>		
Long term deposits with maturity more than 3 months but less than 12 months	50,000,000	85,889,731
Unpaid Dividend Accounts	3,993,916	3,218,200
	<u>53,993,916</u>	<u>89,107,931</u>
	<u><b>133,508,565</b></u>	<u><b>265,716,124</b></u>
<b>19) Short-term Loans and Advances</b> (Unsecured and Considered Good)		
Loan to Wholly-owned Subsidiary (Atul Sugar Screens Private Limited)	50,000,000	-
Advances Recoverable in Cash or in Kind or for Value to be Received	17,672,747	10,484,918
Balance with Central Excise and Customs Authorities	4,473,035	662,071
	<u><b>72,145,782</b></u>	<u><b>11,146,989</b></u>
<b>20) Other Current Assets</b>		
Interest Accrued but not Due		
- on Deposits	4,687,979	8,460,264
- on Investments	-	1,642,405
- on Loan to Wholly-owned Subsidiary	862,201	-
	<u><b>5,550,180</b></u>	<u><b>10,102,669</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**

	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b>21) Revenue from operations</b>		
Sales and Services (Gross)	1,015,738,233	834,597,862
Less: Excise Duty	<u>74,627,825</u>	<u>65,997,157</u>
	941,110,408	768,600,705
Other Operating Income :		
Commission Income	<u>7,978,195</u>	<u>4,155,501</u>
	<b><u>949,088,603</u></b>	<b><u>772,756,206</u></b>
<b>Details of Revenue from operations</b>		
a) Sales of Goods Manufactured :		
Perforated Rotary Screens	429,988,536	367,314,288
Anilox Rollers for printing	29,251,701	25,369,740
Automatic Rotary Screen Printing Machines	157,539,958	151,382,911
Spareparts for Machine	55,366,127	43,431,459
Engraving Chemicals	18,226,158	15,633,912
Rotamash screens for label printing	24,237,431	20,446,556
Sugar sieves and segments	69,803,430	37,756,243
Other Manufacturing Scrap	<u>42,024,714</u>	<u>28,878,029</u>
	<b><u>826,438,055</u></b>	<b><u>690,213,138</u></b>
b) Sales of Traded Goods :		
Digital Ink	25,720,520	19,500,534
Perforated Rotary Screens	84,790,326	56,048,801
Others	<u>2,107,890</u>	<u>1,087,396</u>
	<b><u>112,618,736</u></b>	<b><u>76,636,731</u></b>
c) Sale of Services	<u>2,053,617</u>	<u>1,750,836</u>
	<b><u>2,053,617</u></b>	<b><u>1,750,836</u></b>
	<b><u>941,110,408</u></b>	<b><u>768,600,705</u></b>
<b>22) Other income</b>		
Interest on :		
- Long-term Investments	378,345	1,638,850
- Deposits	16,125,383	16,776,915
- Others	<u>958,001</u>	<u>29,015</u>
	17,461,729	18,444,780
Liabilities no longer required written back	17,672	1,823,111
Provision for Doubtful Debts written back (Net)	246,010	-
Provision for Contingencies written back (Net) (Refer Note 34)	68,451	-
Lease rentals	11,605,260	11,605,260
Miscellaneous Income	<u>2,000,191</u>	<u>2,781,114</u>
	<b><u>31,399,313</u></b>	<b><u>34,654,265</u></b>



**NOTES TO THE FINANCIAL STATEMENTS**

		Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)	
<b>23) a) Cost of Materials Consumed</b>				
Raw Materials and Components Consumed		442,339,044	360,895,983	
Packing Materials Consumed		12,461,950	11,744,557	
		<b>454,800,994</b>	<b>372,640,540</b>	
(Cost of Materials Consumed is based on derived values)				
<b>b) Details of Materials Consumed</b>				
Nickel		247,154,951	187,994,125	
Components and Hardware Items		157,288,437	149,011,451	
Others		37,895,656	23,890,407	
		<b>442,339,044</b>	<b>360,895,983</b>	
<b>c) Value of Imported and Indigenous Materials Consumed</b>				
	in %		in %	
Indigenous	66%	293,266,068	62%	223,285,504
Imported	34%	149,072,976	38%	137,610,479
Total	<b>100%</b>	<b>442,339,044</b>	<b>100%</b>	<b>360,895,983</b>
<b>24) Purchases of traded goods</b>				
Digital Ink		28,616,174	18,975,163	
Perforated Rotary Screens		63,401,422	45,521,704	
Others		3,462,806	5,594,994	
		<b>95,480,402</b>	<b>70,091,861</b>	
<b>25) Changes in inventories of finished Goods, work-in-process and traded goods</b>				
<u>Opening Stock</u>				
- Work-in-process	30,676,135		27,531,066	
- Finished Goods	21,591,287		16,708,944	
- Traded Goods	10,385,514		7,581,946	
		62,652,936	51,821,956	
<u>Closing Stock</u>				
- Work-in-process	37,602,241		30,676,135	
- Finished Goods	36,013,203		21,591,287	
- Traded Goods	15,967,330		10,385,514	
		89,582,774	62,652,936	
Decrease / (Increase) in Stock		(26,929,838)	(10,830,980)	
Increase/(Decrease) in Excise Duty on Finished Goods		2,241,666	332,637	
		<b>(24,688,172)</b>	<b>(10,498,343)</b>	
<b>26) A. Employee benefits expenses</b>				
Salaries, Wages and Bonus		102,243,062	75,836,974	
Contribution to Provident and Other Funds		2,805,981	2,229,516	
Gratuity		2,259,796	929,775	
Welfare Expenses		8,097,037	8,205,236	
		<b>115,405,876</b>	<b>87,201,501</b>	

**NOTES TO THE FINANCIAL STATEMENTS****26) B. The Company has classified the various benefits provided to employees' as under:-****I. Defined Contribution Plans**

- a. Provident Fund
- b. State Defined Contribution Plans
  1. Employers' Contribution to Employee's State Insurance.
  2. Employers' Contribution to Employee's Pension Scheme 1995.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

<b>Particulars</b>	<b>Year ended December 31, 2014 (₹)</b>	<b>Year ended December 31, 2013 (₹)</b>
Employers' Contribution to Provident Fund and Employee's Pension Scheme*	2,602,398	2,067,646
Employers' Contribution to Employee's State Insurance*	201,636	158,576

\* Included in Contribution to Provident and Other Funds Note 26A

**II. Defined Benefit Plans**

Valuation in respect of gratuity has been carried out by an independent actuary, as at the balance sheet date, based on the following assumptions:-

<b>Particulars</b>	<b>As at December 31, 2014 (₹)</b>	<b>As at December 31, 2013 (₹)</b>
Discount Rate (per annum)	8.11%	9.50%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.70%	8.70%
Expected Weighted Average remaining working lives of employees (years)	19	20

**a. Changes in the Present Value of Defined Benefit Obligation**

<b>Particulars</b>	<b>As at December 31, 2014 (₹)</b>	<b>As at December 31, 2013 (₹)</b>
Present value of obligation at the beginning of the year	10,126,636	10,627,312
Interest Cost	962,030	876,753
Current Service Cost	649,478	553,168
Benefits Paid	(490,838)	(2,121,421)
Actuarial (gain) / loss on obligations	1,335,368	190,824
Present value of obligation at the end of the year	<b>12,582,674</b>	<b>10,126,636</b>

**b. Changes in the Fair value of Plan Assets**

<b>Particulars</b>	<b>As at December 31, 2014 (₹)</b>	<b>As at December 31, 2013 (₹)</b>
Fair value of Plan Assets at the beginning of the year	10,511,638	9,677,732
Expected Return on Plan Assets	914,513	919,385
Actuarial Gains and (Loss) on Plan Assets	(227,433)	(228,415)
Contributions	1,200,000	2,199,695
Benefits Paid	(490,838)	(2,056,759)
Fair value of Plan Assets at the end of the year	<b>11,907,880</b>	<b>10,511,638</b>

**NOTES TO THE FINANCIAL STATEMENTS****c. Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets**

Particulars	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
Present Value of funded obligation at the end of the year	12,582,674	10,126,636
Fair Value of Plan Assets at the end of the year	11,907,880	10,511,638
Funded Status	11,907,880	10,511,638
Present Value of unfunded Obligation at the end of the year	674,794	(385,002)
<b>Unfunded Net Assets / (Liability) Recognised in Balance Sheet*</b>	<b>(674,794)</b>	<b>385,002</b>

\*Unfunded Net Assets is included under Short-term Loans and Advances and Liabilities included in Short-term Provisions.

**d. Amount recognised in the Balance Sheet**

Particulars	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
Present Value of Obligation at the end of the year	(12,582,674)	(10,126,636)
Fair Value of Plan Assets at the end of the year	11,907,880	10,511,638
<b>Assets / (Liability) recognised in the Balance Sheet**</b>	<b>(674,794)</b>	<b>385,002</b>

\*\*Unfunded Net Assets is included under Short-term Loans and Advances and Liabilities included in Short-term Provisions.

**e. Expenses recognised in the Statement of Profit and Loss**

Particulars	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
Current Service Cost	649,478	553,168
Interest Cost	962,030	876,753
Expected Return on Plan Assets	(914,513)	(919,385)
Optra Premium and other taxes	-	-
Net actuarial (gain) / loss recognised in the Year	1,562,801	419,239
<b>Total Expenses recognised in the Statement of Profit and Loss</b>	<b>2,259,796</b>	<b>929,775</b>

**f. Experience Adjustment (₹)**

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011	For the year ended December 31, 2010
Defined Benefit Obligation	12,582,674	10,126,636	10,627,312	9,219,936	8,782,070
Plan Assets	11,907,880	10,511,638	9,677,732	6,065,626	4,641,722
(Surplus) / Deficit	674,794	(385,002)	949,580	3,154,310	4,140,348
Experience Adjustment on plan liabilities (gain)/ loss	927,959	783,814	290,716	(196,981)	(620,726)
Experience Adjustment on plan assets gain/ (loss)	(227,433)	228,415	(138,937)	(712,351)	92,210

Experience adjustment is on account of attrition in the number of employees as compared to the previous year and change in actuarial assumptions.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand and the employment market.

**NOTES TO THE FINANCIAL STATEMENTS**

g. Percentage of each Category of Plan Assets to total Fair Value of Plan Assets :

Particulars	Year ended December 31, 2014	Year ended December 31, 2013
Cash Accumulation Scheme with Life Insurance Corporation of India	81%	86%
Bank Balances	19%	14%

Details of Investments made by Life Insurance Corporation of India have not been received by the Company.

h. Expected employer's Contribution for next year is Rs. 1,485,954 (Previous Year Rs. 264,476) for gratuity.

III. The liability for leave encashment and compensated absences as at the year end is Rs. 8,509,758 (Previous Year Rs. 5,669,312).

	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b>27) Finance cost</b>		
Other Borrowing Cost	630,353	757,818
	<b>630,353</b>	<b>757,818</b>
<b>28) Other expenses</b>		
Consumption of Stores and Spares	6,931,538	7,479,089
Rates and Taxes	2,091,551	1,848,022
Power and Fuel	62,745,677	47,955,667
Repairs To :		
- Buildings	3,334,827	2,295,547
- Plant and Machinery	3,834,508	3,354,305
- Others	12,248,678	1,967,066
	19,418,013	7,616,918
Insurance	1,526,564	1,661,656
Legal and Professional Fees	7,994,926	9,570,038
Auditors' Remuneration for :		
- Statutory Audit Fees	1,500,000	1,200,000
- Tax Audit Fees	381,000	250,000
- Others	775,000	75,000
- Out - of - Pocket Expenses	83,838	35,962
	2,739,838	1,560,962
Directors' Sitting Fees	841,500	450,000
Travelling and Conveyance	11,958,473	9,925,162
Vehicle Expenses	2,022,916	1,300,025
Printing and Stationery	577,951	755,505
Communication Expenses	5,007,374	5,405,279
Royalty	2,291,374	1,858,697
Provision for Doubtful Debts (Net)	-	336,986
Bad Debts written off	-	523,882
	-	860,868
Provision for Obsolescence of Inventory	1,186,286	1,992,603
Provision for Warranty (Net) (Refer Note 34)	545,284	1,468,529
Provision for Contingencies (Net) (Refer Note 34)	-	1,976,219
Net Loss on Foreign Currency Transactions and Translation	784,462	259,607
Loss on Sale of Fixed Assets (Net)	404,447	296,357
Commission / Service Charges	2,784,732	1,518,595
Freight and Forwarding	4,565,966	4,436,027
Sales Promotion Expenses	6,586,793	6,784,627
Miscellaneous Expenses	4,557,312	4,092,182
	<b>147,562,977</b>	<b>121,072,634</b>

**NOTES TO THE FINANCIAL STATEMENTS****29) a) Contingent Liabilities not provided for in respect of :**

Particulars	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
Claims against the Company not acknowledged as debts	-	975,100
Disputed claims made by workers for re-instatement	903,680	937,515
Disputed Sales Tax liability including penalty	-	16,349,472
Disputed income tax liability including interest	10,907,214	11,470,831
Disputed excise and service tax liability including penalty	4,611,245	4,611,245
Guarantees given by the Company	5,819,664	1,878,525
<b>Total</b>	<b>22,241,803</b>	<b>36,222,688</b>

**b) Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at December 31, 2014 is Rs. 147,578 (Previous Year Rs. 2,063,920).

**30) a) C.I.F. value of imports**

Particulars	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
Raw Materials	302,927,188	221,622,401
Components Stores and Spares	2,536,370	1,765,612
Capital Goods	15,609,726	719,153
Traded Goods	70,589,779	43,805,479

**b) Expenditure in foreign currency and earnings in foreign Currency**

Particulars	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b>i) Expenditure in foreign currency</b>		
Freight Expense	-	126,538
Sales Promotion Expenses	-	127,440
Communication Expenses	2,389,781	2,681,004
Travelling Expenses	-	125,770
Warranty Expenses	630,761	1,394,366
Royalty	1,833,099	1,486,958
Others	-	792,804
<b>ii) Earnings in foreign currency</b>		
Export of goods and services calculated on F.O.B. basis	51,563,716	81,410,152
Commission Income	7,978,195	4,155,501
Others	80,266	430,282

**31) Dividend remitted in foreign currency**

Particulars	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
Amount remitted (₹)	22,237,395	15,862,675
Dividend related to financial year	December 31, 2013	December 31, 2012
Number of non-resident shareholders	1	1
Number of shares	1,482,493	1,482,493

## NOTES TO THE FINANCIAL STATEMENTS

### 32) Earnings per share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below:

Particulars	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
Profit for the year	111,007,660	105,815,442
Weighted average number of shares outstanding during the year (Nos.)	2,088,016	2,088,016
Earnings Per Share (Basic and Diluted)	53.16	50.68
Nominal value of an equity share	10	10

### 33) Related party disclosure:

Related party disclosure as required by AS-18, "Related Party Disclosure", is given below:

#### I. Parties where control exists:

Related Party	Relationship
SPGPrints B.V.	Holding Company
SPGPrints Group B.V.	Ultimate Holding Company
Atul Sugar Screens Private Limited	Wholly-owned Subsidiary

#### II. Fellow Subsidiaries where common control exists and transactions have taken place:

- SPGPrints Printing Systems Wuxi Co Ltd.
- SPGPrints Austria GMBH
- Veco B.V.
- SPGPrints Brasil Ltda.

#### III. Key Management Personnel:

Mr. Shailesh Wani	Managing Director (w.e.f. October 1, 2013)
Mr. Girish M Deshpande	Wholetime Director (From March 1, 2013 to September 30, 2013)
Mr. Ashish Kaul	Managing Director (Upto February 28, 2013)

## NOTES TO THE FINANCIAL STATEMENTS

## (IV) Transactions with related parties

(₹)

Particulars	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Total	
	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
<b>Sale of Products</b>								
SPGPrints B.V.	48,725,503	79,490,065	-	-	-	-	48,725,503	79,490,065
Atul Sugar Screens Private Limited	27,306,326	-	-	-	-	-	27,306,326	-
Veco B.V.	-	-	-	277,488	-	-	-	277,488
<b>Sub - Total</b>	<b>76,031,829</b>	<b>79,490,065</b>	<b>-</b>	<b>277,488</b>	<b>-</b>	<b>-</b>	<b>76,031,829</b>	<b>79,767,553</b>
<b>Sale of Services</b>								
SPGPrints Austria GMBH	-	-	-	428,645	-	-	-	428,645
<b>Sub - Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,645</b>
<b>Purchase of Raw Material and Components</b>								
SPGPrints B.V.	115,605,172	71,959,345	-	-	-	-	115,605,172	71,959,345
Veco B.V.	-	-	8,214,584	2,959,160	-	-	8,214,584	2,959,160
SPGPrints Printing Systems Wuxi Co Ltd.	-	-	173,700	161,809	-	-	173,700	161,809
<b>Sub - Total</b>	<b>115,605,172</b>	<b>71,959,345</b>	<b>8,388,284</b>	<b>3,120,969</b>	<b>-</b>	<b>-</b>	<b>123,993,456</b>	<b>75,080,314</b>
<b>Loan Given to Wholly-owned Subsidiary</b>								
Atul Sugar Screens Private Limited	50,000,000	-	-	-	-	-	50,000,000	-
<b>Sub - Total</b>	<b>50,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000,000</b>	<b>-</b>
<b>Purchase of Fixed Assets</b>								
SPGPrints B.V.	1,490,283	719,153	-	-	-	-	1,490,283	719,153
Veco B.V.	-	-	12,540,515	-	-	-	12,540,515	-
<b>Sub - Total</b>	<b>1,490,283</b>	<b>719,153</b>	<b>12,540,515</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,030,798</b>	<b>719,153</b>
<b>Expenses Recovered from other companies</b>								
SPGPrints B.V.	128,386	213,635	-	-	-	-	128,386	213,635
SPGPrints Austria GMBH	-	-	89,667	52,304	-	-	89,667	52,304
<b>Sub - Total</b>	<b>128,386</b>	<b>213,635</b>	<b>89,667</b>	<b>52,304</b>	<b>-</b>	<b>-</b>	<b>218,053</b>	<b>265,939</b>
<b>Remuneration</b>								
Mr. Ashish Kaul	-	-	-	-	-	1,570,198	-	1,570,198
Mr. Girish M Deshpande	-	-	-	-	-	1,978,383	-	1,978,383
Mr. Shailesh C Wani	-	-	-	-	11,516,973	2,461,049	11,516,973	2,461,049
<b>Sub - Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,516,973</b>	<b>6,009,630</b>	<b>11,516,973</b>	<b>6,009,630</b>
<b>Sales Promotion Expenses</b>								
SPGPrints B.V.	-	127,440	-	-	-	-	-	127,440
<b>Sub - Total</b>	<b>-</b>	<b>127,440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,440</b>
<b>Communication Expenses</b>								
SPGPrints B.V.	2,389,781	2,681,004	-	-	-	-	2,389,781	2,681,004
<b>Sub - Total</b>	<b>2,389,781</b>	<b>2,681,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,389,781</b>	<b>2,681,004</b>
<b>Travelling and Other Expenses</b>								
SPGPrints B.V.	38,663	138,444	-	-	-	-	38,663	138,444
SPGPrints Austria GMBH	-	-	-	175,455	-	-	-	175,455
<b>Sub - Total</b>	<b>38,663</b>	<b>138,444</b>	<b>-</b>	<b>175,455</b>	<b>-</b>	<b>-</b>	<b>38,663</b>	<b>313,899</b>
<b>Royalty Expense</b>								
Veco B.V.	-	-	2,291,374	1,858,697	-	-	2,291,374	1,858,697
<b>Sub - Total</b>	<b>-</b>	<b>-</b>	<b>2,291,374</b>	<b>1,858,697</b>	<b>-</b>	<b>-</b>	<b>2,291,374</b>	<b>1,858,697</b>
<b>Dividend Paid</b>								
SPGPrints B.V.	22,237,395	15,862,675	-	-	-	-	22,237,395	15,862,675
<b>Sub - Total</b>	<b>22,237,395</b>	<b>15,862,675</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,237,395</b>	<b>15,862,675</b>
<b>Interest Income on Loan to Wholly-owned Subsidiary</b>								
Atul Sugar Screens Private Limited	958,001	-	-	-	-	-	958,001	-
<b>Sub - Total</b>	<b>958,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>958,001</b>	<b>-</b>
<b>Commission Received</b>								
SPGPrints B.V.	1,842,342	563,424	-	-	-	-	1,842,342	563,424
SPGPrints Austria GMBH	-	-	6,135,853	3,592,077	-	-	6,135,853	3,592,077
<b>Sub - Total</b>	<b>1,842,342</b>	<b>563,424</b>	<b>6,135,853</b>	<b>3,592,077</b>	<b>-</b>	<b>-</b>	<b>7,978,195</b>	<b>4,155,501</b>
<b>Balance payable at the year-end</b>								
SPGPrints B.V.	21,456,136	4,573,911	-	-	-	-	21,456,136	4,573,911
Veco B.V.	-	-	3,909,744	2,355,901	-	-	3,909,744	2,355,901
<b>Sub - Total</b>	<b>21,456,136</b>	<b>4,573,911</b>	<b>3,909,744</b>	<b>2,355,901</b>	<b>-</b>	<b>-</b>	<b>25,365,880</b>	<b>6,929,812</b>
<b>Balance receivable at the year-end</b>								
SPGPrints B.V.	5,002,640	4,455,900	-	-	-	-	5,002,640	4,455,900
Veco B.V.	-	-	-	279,981	-	-	-	279,981
SPGPrints Austria GMBH	-	-	1,665,742	49,561	-	-	1,665,742	49,561
Atul Sugar Screens Private Limited - Trade Receivables	27,306,326	-	-	-	-	-	27,306,326	-
Atul Sugar Screens Private Limited - Loan and Interest	50,862,201	-	-	-	-	-	50,862,201	-
<b>Sub - Total</b>	<b>83,171,167</b>	<b>4,455,900</b>	<b>1,665,742</b>	<b>329,542</b>	<b>-</b>	<b>-</b>	<b>84,836,909</b>	<b>4,785,442</b>

**NOTES TO THE FINANCIAL STATEMENTS****34) Provision for Warranty and Contingency**

A provision is recognised for expected warranty claims on products sold during the last one year, based on past experience of level of repairs and returns. It is expected that this cost will be incurred by end of next financial year. Assumptions used to calculate the provision for warranties were based on sales level and information available about returns.

Provision for contingencies represents estimate made for probable liabilities arising out of pending disputes / litigations with various tax authorities. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under relevant laws and hence the company is not able to reasonably ascertain the timing of the outflow.

Particulars	For the year ended December 31, 2014 (₹)		For the year ended December 31, 2013 (₹)	
	Warranty	Contingency	Warranty	Contingency
Opening Balance	1,583,832	22,063,454	2,230,890	20,595,264
Additions during the Year	1,813,296	3,465,767	2,225,983	2,159,777
Provision written back during the Year	1,268,012	3,534,218	757,454	183,558
Provision utilised during the Year	360,110	8,223,029	2,115,587	508,029
Closing Balance	1,769,006	13,771,974	1,583,832	22,063,454

**35) Research and Development Expenses:**

Particulars	For the year ended December 31, 2014 (₹)	For the year ended December 31, 2013 (₹)
Capital Expenditure	1,795,577	1,842,250
Revenue Expenditure	4,524,933	6,985,301
<b>Total</b>	<b>6,320,510</b>	<b>8,827,551</b>

**36) Particulars of Unhedge Foreign Currency Exposures:**

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (₹)
Trade Receivables	EURO	86,602 (56,062)	6,668,382 (4,785,442)
	USD	23,710 (-)	1,501,554 (-)
Short-term Loans and Advances	EURO	- (1,391)	- (118,777)
	USD	210 (-)	13,299 (-)
Trade Payables	EURO	353,232 (65,110)	27,198,852 (5,557,664)
	USD	9,622 (-)	609,361 (-)
Other Current Liabilities	USD	192,500 (-)	12,191,025 (-)

Note: Figures in brackets represent figures for the previous year.



## NOTES TO THE FINANCIAL STATEMENTS

## 37) Segment Reporting

## a) Information about primary business segments

(₹)

Particulars	For the year ended December 31, 2014					For the year ended December 31, 2013				
	Textile Consumables and Textile Machinery	Graphics Product	Galvanic	Unallocated	Total	Textile Consumables and Textile Machinery	Graphics Product	Galvanic	Unallocated	Total
<b>Revenue</b>										
External Sales and Services (Net)	791,873,370	56,621,081	92,615,957	-	941,110,408	667,362,984	47,803,854	53,433,867	-	768,600,705
Total Revenue	791,873,370	56,621,081	92,615,957	-	941,110,408	667,362,984	47,803,854	53,433,867	-	768,600,705
<b>Results</b>										
Segment result	173,955,075	20,219,543	(14,866,932)	-	179,307,686	149,800,894	15,652,140	(8,659,661)	-	156,793,373
Interest Income net of expense	(341,132)	(3,503)	(8,707)	17,184,718	16,831,376	(152,410)	(3,000)	(8,660)	17,851,032	17,686,962
Unallocated Expenditure net of unallocated income	-	-	-	(30,992,924)	(30,992,924)	-	-	-	(23,296,229)	(23,296,229)
Profit before tax	173,613,943	20,216,040	(14,875,639)	(13,808,206)	165,146,138	149,648,484	15,649,140	(8,668,321)	(5,445,197)	151,184,106
<b>Other Information</b>										
Segment Assets	362,985,028	30,681,803	237,805,447	246,337,536	877,809,814	247,564,399	26,348,684	83,021,922	350,972,489	707,907,494
Segment Liabilities	191,070,181	7,143,940	11,136,296	92,315,326	301,665,743	105,475,217	2,197,096	5,574,121	90,533,928	203,780,362
Capital Expenditure	16,635,535	3,683,375	117,369,468	6,763,605	144,451,983	10,525,559	2,097,348	8,280	744,264	13,375,451
Depreciation	7,856,732	1,084,321	13,548,781	3,659,514	26,149,348	6,724,185	891,719	4,296,194	3,048,256	14,960,354

**NOTES TO THE FINANCIAL STATEMENTS****b) Information of Geographical Segments:**

Particulars	For the year ended December 31, 2014 (₹)			For the year ended December 31, 2013 (₹)		
	India	Outside India	Total	India	Outside India	Total
Revenue from external customers	889,546,692	51,563,716	<b>941,110,408</b>	687,190,553	81,410,152	<b>768,600,705</b>
Carrying amount of Segment Assets	869,639,878	8,169,936	<b>877,809,814</b>	703,122,052	4,785,442	<b>707,907,494</b>
Addition to Fixed Assets during the Year	144,451,983	-	<b>144,451,983</b>	13,375,451	-	<b>13,375,451</b>

**c) Other Disclosure**

- 1 Segment have been identified in line with the Accounting Standard -17 "Segment Reporting" taking into account the organisation structure as well as the differing risks and returns.
- 2 Company has disclosed business segment as the primary segment.
- 3 Composition of business Segment:

Name of Segment	Comprises
Textile Consumables and Textile Machinery	Perforated Rotary Screens, Laquer & Auxiliary Chemicals, Rotary Screen Printing Machine, Engraving Equipment, Components and Spares
Graphics Product	Anilox Rollers, Rotamesh screens and RotaPlate
Galvanic	Galvano consumables

**38)** The Company has given Land and Building on operating lease. This lease arrangement is for a period of 7 years and it is non-cancellable. This lease is renewable for the further period on mutually agreeable terms:

The future minimum lease payments to be received are as follows:

Particulars	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
Not later than one year	11,605,260	11,605,260
Later than one year and not later than five years	29,013,150	40,618,410
Later than five years	-	-

**39)** The tax year for the Company being the year ending March 31, the provision for taxation for the year is arrived at on the basis of year ending on December 31, the ultimate tax liability of which will be determined on the basis of the taxable income for the year April 1, 2014 to March 31, 2015.

**40)** Previous year figures have been reclassified to conform to this year's classification.

Signatures to Notes 1 to 40 forming part of the Balance Sheet and Statement of Profit and Loss.

**For Price Waterhouse**

Firm Registration Number: 301112E  
Chartered Accountants

Sd/-

**Priyanshu Gundana**

Partner

Membership Number: 109553

Place : Ahmedabad

Date : February 19, 2015

**For and on behalf of the Board of Directors**

Sd/-

**K. M. Thanawalla**

(DIN: 00201749)

Chairman

Sd/-

**Shailesh Wani**

(DIN: 06474766)

Managing Director

Sd/-

**Varsha Adhikari**

(M.No.: A17604)

Company Secretary

Place : Ahmedabad

Date : February 19, 2015

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Name of the Subsidiary Company</b>
		<b>Atul Sugar Screens Private Limited</b>
1	Country of Incorporation	India
2	Currency	INR
3	Share Capital	1,00,000
4	Reserves	5,999,375
5	Total Assets	124,748,166
6	Total Liabilities	124,748,166
7	Investments	-
8	Turnover	101,654,366
9	Profit before tax	7,889,247
10	Provision for tax	2,346,943
11	Profit after tax	5,542,304
12	Proposed Dividend	-

## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of Stovec Industries Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Stovec Industries Limited ("the Company") and its subsidiary; hereinafter referred to as the "Group" (refer Note 2 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at December 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

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

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated 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 entity'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 consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
7. Based on our audit and on consideration of reports of other auditor on separate financial statements and on the other financial information of the component of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at December 31, 2014;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter

8. We did not audit the financial statements of the subsidiary, included in the consolidated financial statements, which constitute total assets of Rs. 44,847,672 and net assets of Rs. 5,482,430 as at December 31, 2014, total revenue of Rs. 74,348,040, net profit of Rs. 5,025,359 and net cash flows amounting to Rs. 12,872,218 for the year then ended. These financial statements and other financial information have been audited by other auditors whose report have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

**For Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

Sd/-  
**Priyanshu Gundana**  
Partner  
Membership Number: 109553

Place : Ahmedabad  
Date : February 19, 2015

**CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2014**

	Note	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	5	20,880,160	20,880,160
Reserves and surplus	6	560,746,341	483,246,972
		581,626,501	504,127,132
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	7	11,558,548	8,144,893
Other long-term liabilities	8	1,161,700	1,146,277
Long-term provisions	9	19,828,763	23,957,489
		32,549,011	33,248,659
<b>Current liabilities</b>			
Trade payables	10	170,159,033	78,257,064
Other current liabilities	11	93,663,181	50,272,415
Short-term provisions	12	44,659,760	42,002,224
		308,481,974	170,531,703
		<b>922,657,486</b>	<b>707,907,494</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible assets	13	180,369,922	125,648,434
Intangible assets	13	71,849,243	1,100,635
Capital work-in-progress		158,244	4,630,337
		252,377,409	131,379,406
Non-current investments	14	3,000	3,000
Long-term loans and advances	15	17,527,546	16,494,211
Other non-current assets	16	6,504,664	1,878,525
		276,412,619	149,755,142
<b>Current assets</b>			
Current investments	17	-	29,368,400
Inventories	18	222,956,710	108,757,148
Trade receivables	19	226,894,319	133,061,022
Cash and Bank Balances	20	148,258,250	265,716,124
Short-term loans and advances	21	43,400,832	11,146,989
Other current assets	22	4,734,756	10,102,669
		646,244,867	558,152,352
		<b>922,657,486</b>	<b>707,907,494</b>
<b>Statement of significant accounting policies</b>	4		

The accompanying notes 1 to 36 are an integral part of the Consolidated Financial Statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

**For Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

Sd/-

**Priyanshu Gundana**

Partner

Membership Number: 109553

Place : Ahmedabad

Date : February 19, 2015

**For and on behalf of the Board of Directors**

Sd/-

**K. M. Thanawalla**

(DIN: 00201749)

Chairman

Sd/-

**Shailesh Wani**

(DIN: 06474766)

Managing Director

Sd/-

**Varsha Adhikari**

(M.No.: A17604)

Company Secretary

Place : Ahmedabad

Date : February 19, 2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b><u>INCOME</u></b>			
Revenue from operations	<b>23</b>	1,023,436,643	772,756,206
Other Income	<b>24</b>	31,231,531	34,654,265
		<b>1,054,668,174</b>	<b>807,410,471</b>
<b><u>EXPENDITURE</u></b>			
Cost of materials consumed	<b>25</b>	505,175,717	372,640,540
Purchases of Traded Goods	<b>26</b>	95,480,402	70,091,861
Changes in Inventories of Finished Goods, Work-in-Process and Traded Goods	<b>27</b>	(26,069,866)	(10,498,343)
Employee Benefits Expense	<b>28</b>	117,257,333	87,201,501
Finance Cost	<b>29</b>	821,926	757,818
Depreciation and amortisation Expense	<b>13</b>	26,464,246	14,960,354
Other Expense	<b>30</b>	163,019,976	121,072,634
<b>Total expenses</b>		<b>882,149,734</b>	<b>656,226,365</b>
<b>Profit Before Tax</b>		172,518,440	151,184,106
<b><u>Tax Expenses</u></b>			
- Current Tax		53,057,322	48,457,357
- Excess provision of income tax of earlier years (Net)		-	(3,235,948)
- Deferred Tax		3,428,099	147,255
		<b>56,485,421</b>	<b>45,368,664</b>
<b>Profit for the year</b>		<b>116,033,019</b>	<b>105,815,442</b>
Earnings Per Share (Refer Note 32)			
Basic and Diluted Earnings Per Share (in Rupees)		55.57	50.68
Nominal Value Per Equity Share (in Rupees)		10.00	10.00

**Statement of significant accounting policies 4**

The accompanying notes 1 to 36 are an integral part of the Consolidated Financial Statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

**For Price Waterhouse**

Firm Registration Number: 301112E  
Chartered Accountants

Sd/-

**Priyanshu Gundana**

Partner

Membership Number: 109553

Place : Ahmedabad

Date : February 19, 2015

**For and on behalf of the Board of Directors**

Sd/-

**K. M. Thanawalla**

(DIN: 00201749)

Chairman

Sd/-

**Shailesh Wani**

(DIN: 06474766)

Managing Director

Sd/-

**Varsha Adhikari**

(M.No.: A17604)

Company Secretary

Place : Ahmedabad

Date : February 19, 2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014**

	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit Before Taxation</b>	<b>172,518,440</b>	<b>151,184,106</b>
<u>Adjustments for:</u>		
Depreciation / Amortisation	26,464,246	14,960,354
Finance Cost	821,926	757,818
Interest Income	(16,543,244)	(18,444,780)
Unrealised Foreign Exchange Loss	146,826	159,535
Loss on sale of assets	404,447	296,357
Provision for Doubtful Debts (Net)	(244,933)	336,986
Provision for Obsolescence of Inventory (Net)	1,186,286	1,992,603
Provision for Contingencies	703,819	1,976,219
Provision for Warranty (Net)	545,284	1,468,529
Liabilities no longer required written back	(17,672)	(1,823,111)
<b>Operating Profit Before Working Capital Changes</b>	<b>185,985,425</b>	<b>152,864,616</b>
<u>Adjustments For Changes In Working Capital:</u>		
(Increase) In Inventories	(115,385,848)	(9,157,198)
(Increase) / Decrease In Other non-current assets	(3,941,139)	700,955
(Increase) / Decrease In Long term loans and advances	3,624,436	(671,658)
(Increase) In Trade receivables	(84,249,522)	(9,463,838)
(Increase) In Short term Loans and Advances	(28,136,635)	(2,039,067)
(Decrease) / Increase In Trade and Other Payables	112,834,899	(4,416,939)
<b>Cash Generated From Operations</b>	<b>70,731,616</b>	<b>127,816,871</b>
Direct Taxes Refund / (Paid) (Net)	(57,992,293)	(40,516,264)
<b>A. Net Cash From Operating Activities</b>	<b>12,739,323</b>	<b>87,300,607</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(146,386,748)	(13,375,451)
Proceeds from Sale of Fixed Assets	131,852	792,220
Purchase of Investments	(100,000)	(9,490,784)
Sale of Investments	29,368,400	-
Receipt / (Payment) of Bank Deposits with maturity more than 3 months but less than 12 months	35,889,731	14,110,269
Receipt / (Payment) of Bank Deposits with maturity more than 12 months	(310,000)	-
Interest Income	21,911,157	15,982,567
<b>B. Net Cash Generated / (Used In) Investing Activities</b>	<b>(59,495,608)</b>	<b>8,018,821</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Dividend Paid	(31,320,240)	(22,341,771)
Dividend Tax Paid	(5,322,875)	(3,796,985)
Interest Expense	(821,926)	(757,818)
<b>C. Net Cash (Used In) Financing Activities</b>	<b>(37,465,041)</b>	<b>(26,896,574)</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>(84,221,326)</b>	<b>68,422,854</b>
Cash and Cash Equivalents as at the beginning of the year	176,608,193	108,185,339
Add : Cash and Cash Equivalents transfer upon acquisition of Subsidiary	1,877,467	-
Cash and Cash Equivalents as at the end of the year	94,264,334	176,608,193

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014**

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
Cash and Cash Equivalents :		
Cash on hand	340,743	130,518
Cheques on hand	5,992,859	1,832,681
Bank Balances :		
- In Current Accounts	50,130,732	29,544,994
- Short term deposits with maturity less than 3 months	37,800,000	145,100,000
	94,264,334	176,608,193

**Note :**

- 1 The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 - "Cash Flow Statements" referred to in The Companies Accounting Standard Rules, 2006.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse**

Firm Registration Number: 301112E  
Chartered Accountants

Sd/-

**Priyanshu Gundana**

Partner

Membership Number: 109553

Place : Ahmedabad

Date : February 19, 2015

**For and on behalf of the Board of Directors**

Sd/-

**K. M. Thanawalla**

(DIN: 00201749)

Chairman

Sd/-

**Shailesh Wani**

(DIN: 06474766)

Managing Director

Sd/-

**Varsha Adhikari**

(M.No.: A17604)

Company Secretary

Place : Ahmedabad

Date : February 19, 2015



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1) System of Accounting:

- a) The Company, generally, follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
- b) The Consolidated Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

### 2) Principles of Consolidation:

- a) The Consolidated Financial Statements include the Financial Statements of Stovec Industries Limited, the parent Company and its wholly owned subsidiary company viz., Atul Sugar Screens Private Limited.
- b) The Consolidated Financial Statements are prepared in accordance with Accounting Standard – 21 'Consolidated Financial Statements', issued under the Companies (Accounting Standards) Rules 2006.
- c) The Financial Statements of the parent Company and its subsidiary company have been combined on a line-by-line basis by adding together book values of the items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profits or losses.
- d) The Consolidated Financial Statements are prepared by adopting uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as Standalone Financial Statements of the parent Company.
- e) The Company has acquired 100% equity shares of its subsidiary viz. Atul Sugar Screens Private Limited on May 30, 2014. Subsidiaries financial statements for the period from May 30, 2014 to December 31, 2014 has been considered for the consolidation.  
The Subsidiary company which is included in the Consolidation and the Company's holdings therein are as under:

Name of the Company	Ownership in %	Country of Incorporation
Atul Sugar Screens Private Limited	100	India

- 3) Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understand the consolidated position of the companies. Recognising the purpose, the Company has disclosed only such Policies and Notes from the individual Financial Statements, which fairly present the required disclosure.

### 4) Statement of significant accounting policies

#### a) Basis of preparation of financial statements

These Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 4, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these Financial Statements have been prepared to comply in all material aspects with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule VI to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### b) Inventories

Inventories are valued at lower of cost and net realisable value.

- i) Cost of raw materials, packing materials, stores, spares and tools are computed on a moving weighted average cost basis.
- ii) Cost of work-in-progress/ finished goods are determined on moving weighted average cost basis comprising material, labour and related factory overheads.

#### c) Revenue Recognition

##### Sale of Goods

Revenue is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales are recorded net of trade discount, rebates and sales tax / value added tax is inclusive of excise duty.

##### Sale of Services

Service income is recognised on completion of rendering of services and is recorded net of service tax. Cost incurred during the pendency of the contract is carried forward as job in progress at lower of cost and net realisable amounts.

##### Commission

Commission income is recognised and accounted on accrual basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **d) Fixed Assets and Depreciation / Amortisation**

#### **Tangible Assets**

- i) Fixed assets are stated at historical cost less depreciation / amortisation. Cost includes all expenses relating to acquisition and installation of the concerned assets.
- ii) Depreciation has been provided on a straight-line method (pro-rata from the date of additions) over the useful life of the assets as stated below. Depreciation has been provided at the rates stipulated in Schedule XIV to the Act, or at the rates determined based on the useful life of assets, as estimated by management, whichever is higher.

Description of the asset	Useful Life (Years)
Building	30
Plant and Machinery	9
Patterns/Tools/Mollet	3
Computers	4
Furniture and Fixtures	10
Office Equipments, Air Conditioners and Cooler etc.	3 to 6
Vehicles	5

#### **Intangible Assets**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible Assets are amortized on a straight - line basis (pro-rata from the date of additions) over there estimated useful lives. The useful lives are as under:

Description of the asset	Useful Life (Years)
Computer Software	3
Trademark	5
Technical/ Commercial Know-how	5

### **e) Foreign Currency Transactions**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

### **f) Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investment are made, are classified as Current Investment. All other Investments are classified as Long Term Investments. Current Investments are carried at cost or fair value, whichever is lower. Long Term Investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for investment individually.

### **g) Employee Benefits**

#### i) Short Term Employee Benefits:

The employees of the Company are entitled to leave encashment as per the leave policy of the Company. The liability in respect of leave encashment of short term nature is provided, based on an actuarial valuation carried out by an independent actuary as at the year-end.

#### ii) Long Term Employee Benefits:

##### **Defined Contribution Plans**

The Company has Defined Contribution plans for post employment benefits namely Provident Fund. The Company contributes to a Government administered Provident Fund and has no further obligation beyond making its contribution.

The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to Statement of Profit and Loss every year.

##### **Defined Benefit Plans**

The Company has Defined Benefit Plan comprising of Gratuity and Leave Encashment. The Company contributes to the Gratuity Fund which is recognised by the Income Tax Authorities and administered through its trustees.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Liability for Defined Benefit Plans is provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary using the Projected Unit Credit Method.

- iii) Termination benefits are recognised as an expense as and when incurred.
- iv) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

### h) Research and Development Expenditure

Research and development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortized over the economic life of the product. Research and development expenditure on fixed asset is depreciated in accordance with the useful life specified in paragraph (d) above.

### i) Operating Leases

#### As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

#### As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

### j) Taxes on Income

Provision for tax for the year is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

### k) Warranty

A provision is recognised for expected warranty claims on products sold, based on past experience of level of repairs and returns. Assumptions used to calculate the provision for warranties are based on current sales level and current information available about returns.

### l) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

### m) Provisions and Contingent Liabilities

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

### n) Accounting Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the year in which the results are known/ materialised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>5) Share Capital</b>		
<b>Authorised:</b>		
2,900,000 (December 31, 2013: 2,900,000)		
Equity Shares of ₹ 10/- each	29,000,000	29,000,000
10,000 (December 31, 2013: 10,000)		
Preference Shares of ₹ 100/- each	1,000,000	1,000,000
	<b>30,000,000</b>	<b>30,000,000</b>
<b>Issued, Subscribed and Paid-up:</b>		
2,088,016 (December 31, 2013: 2,088,016)		
Equity Shares of ₹ 10/- each fully paid-up	20,880,160	20,880,160
	<b>20,880,160</b>	<b>20,880,160</b>

**a) Reconciliation of number of shares**

Particulars	For the year ended December 31, 2014		For the year ended December 31, 2013	
	(No. of Shares)	(₹)	(No. of Shares)	(₹)
Balance at the beginning of the year	2,088,016	20,880,160	2,088,016	20,880,160
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	2,088,016	20,880,160	2,088,016	20,880,160

**b) Rights, preferences and restrictions attached to shares**

**Equity shares:** The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

**c) Shares in the company held by its Holding Company and subsidiaries of Holding Company in aggregate**

1,482,493 Equity shares of Rs. 10/- each fully paid up are held by SPGPrints B.V., The Netherlands, the Holding Company.	14,824,930	14,824,930
--	------------	------------

**d) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company**

Number of shares	1,482,493	1,482,493
SPGPrints B.V. - The Netherlands, the Holding Company	71%	71%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

		<b>As at December 31, 2014 (₹)</b>	<b>As at December 31, 2013 (₹)</b>
<b>6) Reserves and Surplus</b>			
<b>Capital Reserve</b>		346,115	346,115
<b>Capital Redemption Reserve</b>		350,000	350,000
<b>Securities Premium Account</b>		79,618,502	79,618,502
<b>General Reserve</b>			
At the beginning of the year	149,454,416		138,454,416
Add: Pre acquisition Reserve	232,000		-
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	12,060,000		11,000,000
At the end of the year		161,746,416	149,454,416
<b>Surplus in Statement of Profit and Loss</b>			
At the beginning of the year	253,477,939		195,477,645
Add: Pre acquisition Profit	225,071		-
Add : Profit for the year	116,033,019		105,815,442
	369,736,029		301,293,087
Less : Appropriations			
Transfer to General Reserve	12,060,000		11,000,000
Proposed Dividend	32,364,248		31,320,240
Tax on Proposed Dividend	6,626,473		5,322,875
Short Provision on earlier year's Dividend	-		172,033
	51,050,721		47,815,148
At the end of the year		318,685,308	253,477,939
		<b>560,746,341</b>	<b>483,246,972</b>
<b>7) Deferred Tax Liabilities (Net)</b>			
<b>Deferred tax liability</b>			
(a) Depreciation	22,994,392		19,356,204
(b) Other timing differences allowable on payment basis	-		130,862
		22,994,392	19,487,066
<b>Deferred tax assets</b>			
(a) Provision for doubtful debts	342,739		426,357
(b) Provision for contingency	3,557,301		6,099,624
(c) Other timing differences allowable on payment basis	7,535,804		4,816,192
		11,435,844	11,342,173
		<b>11,558,548</b>	<b>8,144,893</b>
<b>8) Other Long-term Liabilities</b>			
Security Deposits		1,161,700	1,146,277
		<b>1,161,700</b>	<b>1,146,277</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>9) Long-term Provisions</b>		
Provision for Contingencies	13,771,974	22,063,454
Provision for Leave Encashment	6,056,789	1,894,035
	<b>19,828,763</b>	<b>23,957,489</b>
<b>10) Trade Payables</b>		
a) Micro, Small and Medium Enterprises	4,260,883	4,030,934
b) Others	165,898,150	74,226,130
	<b>170,159,033</b>	<b>78,257,064</b>
<b>11) Other Current Liabilities</b>		
Advances from Customers	46,683,112	17,729,086
Unpaid Dividend (See note below)	3,993,916	3,218,200
Employee Benefits Payable	24,442,156	18,109,116
Other Liabilities	-	500,000
Statutory dues (including Provident Fund and Tax deducted at Source)	18,543,997	10,716,013
<b>Note:</b>		
There is no amount due and outstanding as at December 31, 2014 to be credited to Investor Education and Protection Fund.		
	<b>93,663,181</b>	<b>50,272,415</b>
<b>12) Short-term Provisions</b>		
Employee Benefits (Refer Notes 4(g))		
- Provision for Gratuity	674,794	-
- Provision for Leave Encashment	2,452,969	3,775,277
Provision for Warranty (Refer Notes 4(k))	1,769,006	1,583,832
Provision for Contingencies	772,270	-
Proposed Dividend	32,364,248	31,320,240
Tax on Proposed Dividend	6,626,473	5,322,875
	<b>44,659,760</b>	<b>42,002,224</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13) Fixed Assets  
(Refer Notes 4 (d), 4 (l))

Particulars	Gross Block (At Cost)				Depreciation / Amortisation				Net Block		
	As at December 31, 2013	Additions during the year	Deletions during the year	Adjustment (Refer Note 4 below)	As at December 31, 2014	Upto December 31, 2013	For the year	On Deletions	Adjustment (Refer Note 4 below)	As at December 31, 2014	As at December 31, 2013
<b>Tangible Assets</b>											
<b>Own Assets</b>											
Land- Freehold (Refer Note 1 below)	303,323	-	-	-	303,323	-	-	-	-	303,323	303,323
Buildings	33,195,526	5,455,042	420,083	-	38,230,485	9,756,952	964,907	44,789	-	27,553,415	23,438,574
Plant and Machinery	155,258,763	59,419,100	605,164	28,954	214,101,653	72,184,664	10,961,279	574,906	28,954	131,501,662	83,074,099
Computers	8,728,948	2,464,179	1,248,668	-	9,944,459	6,384,685	966,483	1,164,701	-	3,757,992	2,344,263
Furniture and Fixtures	12,806,021	911,813	93,302	-	13,624,532	7,549,616	1,171,852	88,637	-	4,991,701	5,256,405
Office Equipments, Air Conditioners and Cooler etc.	4,160,740	428,861	65,790	-	4,523,811	3,239,818	352,809	23,675	-	3,568,952	920,922
Vehicles	3,876,786	2,571,388	-	-	6,448,174	1,895,633	1,003,552	-	-	2,899,185	1,981,153
<b>Assets given on Operating Lease</b>											
Land- Freehold (Refer Note 1 below)	165,737	-	-	-	165,737	-	-	-	-	165,737	165,737
Buildings	19,520,044	-	-	-	19,520,044	11,356,086	571,714	-	-	11,927,800	8,163,958
<b>Sub-Total (A)</b>	<b>238,015,888</b>	<b>71,250,383</b>	<b>2,433,007</b>	<b>28,954</b>	<b>306,862,218</b>	<b>112,367,454</b>	<b>15,992,596</b>	<b>1,896,708</b>	<b>28,954</b>	<b>126,492,296</b>	<b>180,369,922</b>
Previous Year	233,091,507	9,198,858	4,274,477	-	238,015,888	101,061,648	14,491,706	3,185,900	-	112,367,454	125,648,434
<b>Intangible Assets</b>											
Goodwill (Refer Note 3 below)	-	105,000	-	-	105,000	-	105,000	-	-	105,000	-
Trademark (Refer Note 2 and 3 below)	-	39,384,800	-	-	39,384,800	-	4,658,417	-	-	4,658,417	-
Technical/ Commercial Know-how and Non-compete Fees (Refer Note 3 below)	25,105,036	38,699,000	-	1,611,800	65,415,836	25,105,036	4,768,031	-	-	29,873,067	35,542,769
Computer Software	7,798,512	1,419,658	-	-	9,218,170	6,697,877	940,202	-	-	7,638,079	1,580,091
<b>Sub-Total (B)</b>	<b>32,903,548</b>	<b>79,608,458</b>	<b>-</b>	<b>1,611,800</b>	<b>114,123,806</b>	<b>31,802,913</b>	<b>10,471,650</b>	<b>-</b>	<b>-</b>	<b>42,274,563</b>	<b>1,100,635</b>
Previous Year	31,954,547	949,001	-	-	32,903,548	31,334,265	468,648	-	-	31,802,913	1,100,635
<b>Total (A+B)</b>	<b>270,919,436</b>	<b>150,858,841</b>	<b>2,433,007</b>	<b>1,640,754</b>	<b>420,986,024</b>	<b>144,170,367</b>	<b>26,464,246</b>	<b>1,896,708</b>	<b>28,954</b>	<b>168,766,859</b>	<b>252,219,165</b>
Previous Year	265,046,054	10,147,859	4,274,477	-	270,919,436	132,395,913	14,960,354	3,185,900	-	144,170,367	126,749,069

**Note:**

- (1) Freehold Land includes Rs. 10,000/- being face value of 100 shares of Gujarat Vepari Mahamandal Sahakari Audhyogik Vasahat Ltd.
- (2) Trademark is in the process of transfer in the name of the company.
- (3) On May 29, 2014, Company has executed an agreement for purchase of intangible assets from Atul Electro Formers Ltd.
- (4) Adjustment represents the fixed assets and depreciation / amortization of subsidiary as at May 30, 2014.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>14) Non-current Investments</b>		
<u>(Long Term, Non Trade and Unquoted)</u>		
<b>Investment in Equity Shares</b>		
30 Shares of ₹ 100/- each fully paid-up of Gujarat Vepari Mahamandal Sahakari Audhyogik Vasahat Ltd.	3,000	3,000
	<b>3,000</b>	<b>3,000</b>
Aggregate amount of Unquoted investment Rs. 3,000 (Previous Year Rs. 3,000)		
<b>15) Long-term Loans and Advances</b>		
Advances Recoverable in Cash or in Kind or for Value to be Received	4,210,893	9,210,893
Sundry Deposits	6,179,468	4,803,904
Advance Tax and Tax Deducted at Source [Net of Provision Rs. 297,716,860 (Previous Year Rs. 243,309,549)]	7,137,185	2,479,414
	<b>17,527,546</b>	<b>16,494,211</b>
<b>16) Other Non-current Assets</b>		
Margin Money Deposit	5,819,664	1,878,525
Long term deposits with banks with maturity period more than 12 months	685,000	-
	<b>6,504,664</b>	<b>1,878,525</b>
<b>17) Current Investments</b>		
<u>(Short Term, Non Trade and Quoted)</u>		
<b>Investment in Bonds *</b>		
6.85% (Tax-Free) Nil (Previous Year 50) India Infrastructure Finance Company Ltd. (Series - 22 January 2014) of face value of Rs. 1,00,000	-	4,979,927
6.85% (Tax-Free) Nil (Previous Year 245) India Infrastructure Finance Company Ltd. (Series - 20 March 2014) of face value of Rs. 1,00,000	-	24,388,473
	<b>-</b>	<b>29,368,400</b>
*Aggregate Market value of Bonds as at December 31, 2014 is Nil (Previous Year Rs. 29,969,900).		
<b>18) Inventories</b>		
(Refer Note 4 (b))		
Raw Materials	125,600,448	41,184,548
[Includes Goods-in-transit Rs. 11,164,476 ( Previous Year Rs. Nil)]		
Packing Material, Stores, Spares and Tools	6,110,263	4,919,664
Work -in-Process	37,602,241	30,676,135
Finished Goods	37,676,428	21,591,287
Traded Goods	15,967,330	10,385,514
	<b>222,956,710</b>	<b>108,757,148</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at December 31, 2014 (₹)	As at December 31, 2013 (₹)
<b>19) Trade Receivables</b> (Unsecured)		
Outstanding for a period exceeding Six Months from the date they are due for payment		
- Considered Good	2,859,525	151,259
- Considered Doubtful	1,009,428	1,254,361
	<u>3,868,953</u>	<u>1,405,620</u>
Others Considered Good		
- From Related Parties	6,668,382	4,785,442
- From Others	217,366,412	128,124,321
	<u>224,034,794</u>	<u>132,909,763</u>
Less: Provision for Doubtful Debts	1,009,428	1,254,361
	<u><b>226,894,319</b></u>	<u><b>133,061,022</b></u>
<b>20) Cash and Bank Balances</b>		
<b>A. Cash and Cash Equivalents :</b>		
Cash on hand	340,743	130,518
Cheques on hand	5,992,859	1,832,681
Bank Balances :		
- In Current Accounts	50,130,732	29,544,994
- Short term deposits with maturity less than 3 months	37,800,000	145,100,000
	<u>94,264,334</u>	<u>176,608,193</u>
<b>B. Other Bank Balances</b>		
Long term deposits with maturity more than 3 months but less than 12 months	50,000,000	85,889,731
Unpaid Dividend Accounts	3,993,916	3,218,200
	<u>53,993,916</u>	<u>89,107,931</u>
	<u><b>148,258,250</b></u>	<u><b>265,716,124</b></u>
<b>21) Short-term Loans and Advances</b> (Unsecured and Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	31,466,377	10,484,918
Balance with Central Excise and Customs Authorities	11,934,455	662,071
	<u><b>43,400,832</b></u>	<u><b>11,146,989</b></u>
<b>22) Other Current Assets</b>		
Interest Accrued but not Due		
- on Deposits	4,734,756	8,460,264
- on Investments	-	1,642,405
	<u><b>4,734,756</b></u>	<u><b>10,102,669</b></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b>23) Revenue from operations</b>		
Sales and Services (Gross)	1,097,510,236	834,597,862
Less: Excise Duty	82,051,788	65,997,157
	1,015,458,448	768,600,705
Other Operating Income :		
Commission Income	7,978,195	4,155,501
	<b>1,023,436,643</b>	<b>772,756,206</b>
<b>Details of Revenue from operations</b>		
a) Sales of Goods Manufactured :		
Perforated Rotary Screens	429,988,536	367,314,288
Anilox Rollers for printing	29,251,701	25,369,740
Automatic Rotary Screen Printing Machines	157,539,958	151,382,911
Spareparts for Machine	55,366,127	43,431,459
Engraving Chemicals	18,226,158	15,633,912
Rotamash screens for label printing	24,237,431	20,446,556
Sugar sieves and segments	144,151,470	37,756,243
Other Manufacturing Scrap	42,024,714	28,878,029
	<b>900,786,095</b>	<b>690,213,138</b>
b) Sales of Traded Goods :		
Digital Ink	25,720,520	19,500,534
Perforated Rotary Screens	84,790,326	56,048,801
Others	2,107,890	1,087,396
	<b>112,618,736</b>	<b>76,636,731</b>
c) Sale of Services	2,053,617	1,750,836
	<b>2,053,617</b>	<b>1,750,836</b>
	<b>1,015,458,448</b>	<b>768,600,705</b>
<b>24) Other income</b>		
Interest on :		
- Long-term Investments	378,345	1,638,850
- Deposits	16,164,899	16,776,915
- Others	-	29,015
	16,543,244	18,444,780
Liabilities no longer required written back	17,672	1,823,111
Provision for Doubtful Debts written back (Net)	244,933	-
Lease Rentals	11,605,260	11,605,260
Miscellaneous Income	2,820,422	2,781,114
	<b>31,231,531</b>	<b>34,654,265</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b>25) Cost of Materials Consumed</b>		
Raw Materials and Components Consumed	492,254,220	360,895,983
Packing Materials Consumed	12,921,497	11,744,557
	<b>505,175,717</b>	<b>372,640,540</b>
(Cost of Materials Consumed is based on derived values)		
<b>26) Purchases of traded goods</b>		
Digital Ink	28,616,174	18,975,163
Perforated Rotary Screens	63,401,422	45,521,704
Others	3,462,806	5,594,994
	<b>95,480,402</b>	<b>70,091,861</b>
<b>27) Changes in inventories of finished Goods, work-in-process and traded goods</b>		
<u>Opening Stock</u>		
- Work-in-process	30,676,135	27,531,066
- Finished Goods	21,591,287	16,708,944
- Traded Goods	10,385,514	7,581,946
	62,652,936	51,821,956
<u>Closing Stock</u>		
- Work-in-process	37,602,241	30,676,135
- Finished Goods	37,676,428	21,591,287
- Traded Goods	15,967,330	10,385,514
	91,245,999	62,652,936
Decrease / (Increase) in Stock	(28,593,063)	(10,830,980)
Increase/(Decrease) in Excise Duty on Finished Goods	2,523,197	332,637
	<b>(26,069,866)</b>	<b>(10,498,343)</b>
<b>28) Employee benefits expenses</b>		
Salaries, Wages and Bonus	103,769,210	75,836,974
Contribution to Provident and Other Funds	2,805,981	2,229,516
Gratuity	2,259,796	929,775
Welfare Expenses	8,422,346	8,205,236
	<b>117,257,333</b>	<b>87,201,501</b>
<b>29) Finance cost</b>		
Other Borrowing Cost	821,926	757,818
	<b>821,926</b>	<b>757,818</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	Year ended December 31, 2014 (₹)	Year ended December 31, 2013 (₹)
<b>30) Other expenses</b>		
Consumption of Stores and Spares	6,931,538	7,479,089
Rates and Taxes	2,441,152	1,848,022
Power and Fuel	62,802,007	47,955,667
Repairs To :		
- Buildings	3,334,827	2,295,547
- Plant and Machinery	3,834,508	3,354,305
- Others	<u>12,909,652</u>	<u>1,967,066</u>
	20,078,987	7,616,918
Insurance	1,706,274	1,661,656
Legal and Professional Fees	9,329,468	9,570,038
Auditors' Remuneration for :		
- Statutory Audit Fees	1,605,000	1,200,000
- Tax Audit Fees	406,000	250,000
- Others	775,000	75,000
- Out - of - Pocket Expenses	<u>83,838</u>	<u>35,962</u>
	2,869,838	1,560,962
Directors' Sitting Fees	856,500	450,000
Travelling and Conveyance	12,812,561	9,925,162
Vehicle Expenses	2,141,010	1,300,025
Printing and Stationery	667,985	755,505
Communication Expenses	5,144,617	5,405,279
Royalty	2,291,374	1,858,697
Provision for Doubtful Debts (Net)	-	336,986
Bad Debts written off	<u>-</u>	<u>523,882</u>
	-	860,868
Provision for Obsolescence of Inventory	1,186,286	1,992,603
Provision for Warranty (Net)	545,284	1,468,529
Provision for Contingencies (Net)	703,819	1,976,219
Net Loss on Foreign Currency Transactions and Translation	692,665	259,607
Loss on Sale of Fixed Assets (Net)	404,447	296,357
Commission / Service Charges	11,896,922	1,518,595
Freight and Forwarding	5,390,892	4,436,027
Sales Promotion Expenses	7,493,108	6,784,627
Miscellaneous Expenses	<u>4,633,242</u>	<u>4,092,182</u>
	<b><u>163,019,976</u></b>	<b><u>121,072,634</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31) a) Contingent Liabilities not provided for in respect of:**

<b>Particulars</b>	<b>As at December 31, 2014 (₹)</b>	<b>As at December 31, 2013 (₹)</b>
Claims against the Company not acknowledged as debts	-	975,100
Disputed claims made by workers for re-instatement	903,680	937,515
Disputed Sales Tax liability including penalty	-	16,349,472
Disputed income tax liability including interest	10,907,214	11,470,831
Disputed excise and service tax liability including penalty	4,611,245	4,611,245
Guarantees given by the Company	5,819,664	1,878,525
<b>Total</b>	<b>22,241,803</b>	<b>36,222,688</b>

**b) Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at December 31, 2014 is Rs. 430,947 (Previous Year Rs. 2,063,920).

**32) Earnings per share**

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below:

<b>Particulars</b>	<b>Year ended December 31, 2014 (₹)</b>	<b>Year ended December 31, 2013 (₹)</b>
Profit for the year	116,033,019	105,815,442
Weighted average number of shares outstanding during the year (Nos.)	2,088,016	2,088,016
Earnings Per Share (Basic and Diluted)	55.57	50.68
Nominal value of an equity share	10	10

**33) Related party disclosure:**

Related party disclosure as required by AS-18, "Related Party Disclosure", is given below:

**I. Parties where control exists:**

<b>Related Party</b>	<b>Relationship</b>
SPGPrints B.V.	Holding Company
SPGPrints Group B.V.	Ultimate Holding Company

**II. Fellow Subsidiaries where common control exists and transactions have taken place:**

- SPGPrints Printing Systems Wuxi Co Ltd.
- SPGPrints Austria GMBH
- Veco B.V.
- SPGPrints Brasil Ltda.

**III. Key Management Personnel:****In Stovec Industries Limited**

Mr. Shailesh Wani	Managing Director (w.e.f. October 1, 2013)
Mr. Girish M Deshpande	Wholetime Director (From March 1, 2013 to September 30, 2013)
Mr. Ashish Kaul	Managing Director (Upto February 28, 2013)

**In Atul Sugar Screens Private Limited**

Mr. Sandeep Khot	Director
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (IV) Transactions with related parties

(₹)

Particulars	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Total	
	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
<b>Sale of Products</b>								
SPGPrints B.V.	48,725,503	79,490,065	-	-	-	-	48,725,503	79,490,065
Veco B.V.	-	-	-	277,488	-	-	-	277,488
<b>Sub - Total</b>	<b>48,725,503</b>	<b>79,490,065</b>	<b>-</b>	<b>277,488</b>	<b>-</b>	<b>-</b>	<b>48,725,503</b>	<b>79,767,553</b>
<b>Sale of Services</b>								
SPGPrints Austria GMBH	-	-	-	428,645	-	-	-	428,645
<b>Sub - Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,645</b>
<b>Purchase of Raw Material and Components</b>								
SPGPrints B.V.	115,605,172	71,959,345	-	-	-	-	115,605,172	71,959,345
Veco B.V.	-	-	8,214,584	2,959,160	-	-	8,214,584	2,959,160
SPGPrints Printing Systems Wuxi Co Ltd.	-	-	173,700	161,809	-	-	173,700	161,809
<b>Sub - Total</b>	<b>115,605,172</b>	<b>71,959,345</b>	<b>8,388,284</b>	<b>3,120,969</b>	<b>-</b>	<b>-</b>	<b>123,993,456</b>	<b>75,080,314</b>
<b>Purchase of Fixed Assets</b>								
SPGPrints B.V.	1,490,283	719,153	-	-	-	-	1,490,283	719,153
Veco B.V.	-	-	12,540,515	-	-	-	12,540,515	-
<b>Sub - Total</b>	<b>1,490,283</b>	<b>719,153</b>	<b>12,540,515</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,030,798</b>	<b>719,153</b>
<b>Expenses Recovered from other companies</b>								
SPGPrints B.V.	128,386	213,635	-	-	-	-	128,386	213,635
SPGPrints Austria GMBH	-	-	89,667	52,304	-	-	89,667	52,304
<b>Sub - Total</b>	<b>128,386</b>	<b>213,635</b>	<b>89,667</b>	<b>52,304</b>	<b>-</b>	<b>-</b>	<b>218,053</b>	<b>265,939</b>
<b>Remuneration</b>								
Mr. Ashish Kaul	-	-	-	-	-	1,570,198	-	1,570,198
Mr. Girish M Deshpande	-	-	-	-	-	1,978,383	-	1,978,383
Mr. Shailesh C Wani	-	-	-	-	11,516,973	2,461,049	11,516,973	2,461,049
Mr. Sandeep Khot	-	-	-	-	774,381	-	774,381	-
<b>Sub - Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,291,354</b>	<b>6,009,630</b>	<b>12,291,354</b>	<b>6,009,630</b>
<b>Sales Promotion Expenses</b>								
SPGPrints B.V.	-	127,440	-	-	-	-	-	127,440
<b>Sub - Total</b>	<b>-</b>	<b>127,440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,440</b>
<b>Communication Expenses</b>								
SPGPrints B.V.	2,389,781	2,681,004	-	-	-	-	2,389,781	2,681,004
<b>Sub - Total</b>	<b>2,389,781</b>	<b>2,681,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,389,781</b>	<b>2,681,004</b>
<b>Travelling and Other Expenses</b>								
SPGPrints B.V.	38,663	138,444	-	-	-	-	38,663	138,444
SPGPrints Austria GMBH	-	-	-	175,455	-	-	-	175,455
<b>Sub - Total</b>	<b>38,663</b>	<b>138,444</b>	<b>-</b>	<b>175,455</b>	<b>-</b>	<b>-</b>	<b>38,663</b>	<b>313,899</b>
<b>Royalty Expense</b>								
Veco B.V.	-	-	2,291,374	1,858,697	-	-	2,291,374	1,858,697
<b>Sub - Total</b>	<b>-</b>	<b>-</b>	<b>2,291,374</b>	<b>1,858,697</b>	<b>-</b>	<b>-</b>	<b>2,291,374</b>	<b>1,858,697</b>
<b>Dividend Paid</b>								
SPGPrints B.V.	22,237,395	15,862,675	-	-	-	-	22,237,395	15,862,675
<b>Sub - Total</b>	<b>22,237,395</b>	<b>15,862,675</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,237,395</b>	<b>15,862,675</b>
<b>Commission Received</b>								
SPGPrints B.V.	1,842,342	563,424	-	-	-	-	1,842,342	563,424
SPGPrints Austria GMBH	-	-	6,135,853	3,592,077	-	-	6,135,853	3,592,077
<b>Sub - Total</b>	<b>1,842,342</b>	<b>563,424</b>	<b>6,135,853</b>	<b>3,592,077</b>	<b>-</b>	<b>-</b>	<b>7,978,195</b>	<b>4,155,501</b>
<b>Balance payable at the year-end</b>								
SPGPrints B.V.	21,456,136	4,573,911	-	-	-	-	21,456,136	4,573,911
Veco B.V.	-	-	3,909,744	2,355,901	-	-	3,909,744	2,355,901
<b>Sub - Total</b>	<b>21,456,136</b>	<b>4,573,911</b>	<b>3,909,744</b>	<b>2,355,901</b>	<b>-</b>	<b>-</b>	<b>25,365,880</b>	<b>6,929,812</b>
<b>Balance receivable at the year-end</b>								
SPGPrints B.V.	5,002,640	4,455,900	-	-	-	-	5,002,640	4,455,900
Veco B.V.	-	-	-	279,981	-	-	-	279,981
SPGPrints Austria GMBH	-	-	1,665,742	49,561	-	-	1,665,742	49,561
<b>Sub - Total</b>	<b>5,002,640</b>	<b>4,455,900</b>	<b>1,665,742</b>	<b>329,542</b>	<b>-</b>	<b>-</b>	<b>6,668,382</b>	<b>4,785,442</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**


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**34) Particulars of Unhedge Foreign Currency Exposures:**

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (₹)
Trade Receivables	EURO	92,328 (56,062)	7,109,284 (4,785,442)
	USD	162,055 (-)	10,262,943 (-)
Short-term Loans and Advances	EURO	- (1,391)	- (118,777)
	USD	210 (-)	13,299 (-)
Trade Payables	EURO	353,232 (65,110)	27,198,852 (5,557,664)
	USD	9,622 (-)	609,361 (-)
Other Current Liabilities	EURO	21,459 (-)	1,652,324 (-)
	USD	192,500 (-)	12,191,025 (-)

Note: Figures in brackets represent figures for the previous year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35) Segment Reporting

## a) Information about primary business segments

(₹)

Particulars	For the year ended December 31, 2014					For the year ended December 31, 2013				
	Textile Consumables and Textile Machinery	Graphics Product	Galvanic	Unallocated	Total	Textile Consumables and Textile Machinery	Graphics Product	Galvanic	Unallocated	Total
<b>Revenue</b>										
External Sales and Services (Net)	791,873,370	56,621,081	166,963,997	-	1,015,458,448	667,362,984	47,803,854	53,433,867	-	768,600,705
Total Revenue	791,873,370	56,621,081	166,963,997	-	1,015,458,448	667,362,984	47,803,854	53,433,867	-	768,600,705
<b>Results</b>										
Segment result	173,955,075	20,219,543	(6,384,572)	-	187,790,046	149,800,894	15,652,140	(8,659,661)	-	156,793,373
Interest Income net of expense	(341,132)	(3,503)	(8,707)	16,074,660	15,721,318	(152,410)	(3,000)	(8,660)	17,851,032	17,686,962
Unallocated Expenditure net of unallocated income	-	-	-	(30,992,924)	(30,992,924)	-	-	-	(23,296,229)	(23,296,229)
Profit before tax	173,613,943	20,216,040	(6,393,279)	(14,918,264)	172,518,440	149,648,484	15,649,140	(8,668,321)	(5,445,197)	151,184,106
<b>Other Information</b>										
Segment Assets	362,985,028	30,681,803	282,653,119	246,337,536	922,657,486	247,564,399	26,348,684	83,021,922	350,972,489	707,907,494
Segment Liabilities	191,070,181	7,143,940	50,501,538	92,315,326	341,030,985	105,475,217	2,197,096	5,574,121	90,533,928	203,780,362
Capital Expenditure	16,635,535	3,683,375	119,304,233	6,763,605	146,386,748	10,525,559	2,097,348	8,280	744,264	13,375,451
Depreciation	7,856,732	1,084,321	13,863,679	3,659,514	26,464,246	6,724,185	891,719	4,296,194	3,048,256	14,960,354



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****b) Information of Geographical Segments:**

Particulars	For the year ended December 31, 2014 (₹)			For the year ended December 31, 2013 (₹)		
	India	Outside India	Total	India	Outside India	Total
Revenue from external customers	924,720,555	90,737,893	<b>1,015,458,448</b>	687,190,553	81,410,152	<b>768,600,705</b>
Carrying amount of Segment Assets	905,285,259	17,372,227	<b>922,657,486</b>	703,122,052	4,785,442	<b>707,907,494</b>
Addition to Fixed Assets during the Year	146,386,748	-	<b>146,386,748</b>	13,375,451	-	<b>13,375,451</b>

**c) Other Disclosure**

- 1 Segment have been identified in line with the Accounting Standard -17 "Segment Reporting" taking into account the organisation structure as well as the differing risks and returns.
- 2 Company has disclosed business segment as the primary segment.
- 3 Composition of business Segment:

Name of Segment	Comprises
Textile Consumables and Textile Machinery	Perforated Rotary Screens, Laquer & Auxiliary Chemicals, Rotary Screen Printing Machine, Engraving Equipment, Components and Spares
Graphics Product	Anilox Rollers, Rotamesh screens and RotaPlate
Galvanic	Galvano consumables

**36)** Previous year figures have been reclassified to conform to this year's classification.

Signatures to Notes 1 to 36 forming part of the Consolidated Balance Sheet and Statement of Profit and Loss.

**For Price Waterhouse**

Firm Registration Number: 301112E  
Chartered Accountants

Sd/-

**Priyanshu Gundana**

Partner

Membership Number: 109553

Place : Ahmedabad

Date : February 19, 2015

**For and on behalf of the Board of Directors**

Sd/-

**K. M. Thanawalla**

(DIN: 00201749)

Chairman

Sd/-

**Shailesh Wani**

(DIN: 06474766)

Managing Director

Sd/-

**Varsha Adhikari**

(M.No.: A17604)

Company Secretary

Place : Ahmedabad

Date : February 19, 2015

**BANK ACCOUNT PARTICULARS / ECS MANDATE FORM**

I/We..... do hereby authorise **Stovec Industries Limited** to :

- Print the following details on my/our dividend warrant.
- Credit my dividend amount directly to my Bank account by ECS.

(Strike out whichever is not applicable)

**My/our Folio No. .... DP ID No. : ..... Client A/c No. ....**

**Particulars of Bank Account :**

- A. Bank Name
- B. Branch Name, Address (for Mandate only)
- C. 9 DIGIT Code number of the Bank & Branch as appearing on the MICR cheque
- D. Account Type (Saving/Current)
- E. Account No. as appearing on the cheque book
- F. STD Code & Telephone No.

I/We shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinue(s) the ECS, for any reason.

**Mail to :**

Link Intime India Pvt. Ltd.  
Unit No. 303, 3<sup>rd</sup> Floor, Shoppers Plaza - V, Opp. Municipal Market,  
Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad – 380 009.

.....  
(Signature of the Shareholder)

Please attach the copy of a cheque or a blank cancelled cheque issues by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

**In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank account particulars/ECS mandate.**

**Form No. SH-13****Nomination Form**

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,  
Stovec Industries Limited  
N.I.D.C., Nr. Lambha Village, Post: Narol,  
Ahmedabad – 382 405, Gujarat, India.

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following person(s) in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) Particulars of the Securities (in respect of which nomination is being made)

<b>Nature of Securities</b>	<b>Folio No.</b>	<b>No. of Securities</b>	<b>Certificate No.</b>	<b>Distinctive No.</b>

(2) Particulars of Nominee/s

- (a) Name : \_\_\_\_\_
- (b) Date of Birth : \_\_\_\_\_
- (c) Father's/Mother's/Spouse Name : \_\_\_\_\_
- (d) Occupation : \_\_\_\_\_
- (e) Nationality : \_\_\_\_\_
- (f) Address : \_\_\_\_\_
- (g) E-mail id : \_\_\_\_\_
- (h) Relationship with the security holder : \_\_\_\_\_

(3) In case Nominee is a Minor

- (a) Date of birth : \_\_\_\_\_
- (b) Date of attaining majority : \_\_\_\_\_
- (c) Name of guardian : \_\_\_\_\_
- (d) Address of guardian : \_\_\_\_\_

Name and Address of the Shareholder(s): \_\_\_\_\_

Signature of the Shareholder(s) \_\_\_\_\_

Name and Address of Witnesses: \_\_\_\_\_

Signature of Witnesses: \_\_\_\_\_

# STOVEC INDUSTRIES LIMITED

Regd. Office: N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad – 382 405, Gujarat, India

Tel: +91 (0) 79 3041 2300, Fax: +91 (0) 79 2571 0406, E-mail: [secretarial@stovec.com](mailto:secretarial@stovec.com),

CIN.: L45200GJ1973PLC050790 Website: [www.stovec.com](http://www.stovec.com)

## ATTENDANCE SLIP

**41<sup>ST</sup> ANNUAL GENERAL MEETING, 7<sup>TH</sup> DAY OF MAY, 2015 AT 11.00 A.M.**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE VENUE OF MEETING**

DP ID & CLIENT ID/FOLIO NO.	
NO. OF SHARES	
NAME AND ADDRESS OF THE REGISTERED MEMBERS	

I hereby record my presence at the 41<sup>st</sup> Annual General Meeting of the Company to be held on 7<sup>th</sup> May, 2015 at 11.00 a.m. at the Registered Office of the Company at N.I.D.C., Near Lambha Village, Post: Narol, Ahmedabad – 382 405, Gujarat, India.

Full name of the Proxy, if attending the Meeting:

Signature of the Member / Joint Member / Proxy attending the Meeting : \_\_\_\_\_

EVSN (Electronic Voting Sequence Number)	SEQUENCE NUMBER

- Please refer AGM Notice for instructions on e-voting.
- E-voting facility is available during the following period:

Date and time of Commencement of E-voting	April 28, 2015 @ 9.00 a.m. IST
Date and time of End of E-voting	April 29, 2015 @ 6.00 p.m. IST

# STOVEC INDUSTRIES LIMITED

Regd. Office: N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad – 382 405, Gujarat, India

Tel: +91 (0) 79 3041 2300, Fax: +91 (0) 79 2571 0406, E-mail: [secretarial@stovec.com](mailto:secretarial@stovec.com),

CIN.: L45200GJ1973PLC050790 Website: [www.stovec.com](http://www.stovec.com)

**41<sup>ST</sup> ANNUAL GENERAL MEETING, 7<sup>TH</sup> DAY OF MAY, 2015 AT 11.00 A.M.**

**Form No. MGT-11**

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L45200GJ1973PLC050790
Name of the Company	Stovec Industries Limited
Registered Office	N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad – 382 405, Gujarat, India
Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP ID	

I/We, being the holder(s) of \_\_\_\_\_ equity shares of Stovec Industries Limited, hereby appoint

1. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him/her

2. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him/her

3. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 41<sup>st</sup> Annual General Meeting of the Company to be held on Thursday, 7<sup>th</sup> day of May, 2015, at 11.00 a.m. at the registered office of the Company at N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad – 382405, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below :

Sr. No.	Particulars
	<b>ORDINARY BUSINESS</b>
1.	To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended December 31, 2014 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditor's thereon.
2.	To declare dividend on equity shares.
3.	To appoint a Director in place of Mr. Dirk Wim Joustra (DIN: 00481154), who retires by rotation and being eligible offers himself for re-appointment.
4.	Re-appointment of M/s Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), as Statutory Auditors of the Company for a period of 5 Years from the conclusion of this Annual General Meeting till the conclusion of 46 <sup>th</sup> Annual General Meeting of the Company
	<b>SPECIAL BUSINESS</b>
5.	Appointment of Mr. K.M. Thanawalla (DIN: 00201749) as an Independent Director of the Company
6.	Appointment of Mr. Marco Wadia (DIN: 00244357) as an Independent Director of the Company
7.	Appointment of Ms. Everdina Herma Slijkhuis (DIN: 06997013) as a Director of the Company
8.	Increase in ceiling of remuneration payable to Mr. Shailesh Wani (DIN: 06474766), Managing Director of the Company
9.	Adoption of new set of Articles of Association
10.	Approval of Related Party Transactions

Signed \_\_\_\_\_ this day of \_\_\_\_\_ 2015

Affix One  
Rupee  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Proxy holder(s)

\_\_\_\_\_  
Signature of Member(s) across  
Revenue Stamp

### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 41<sup>st</sup> Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.




## COMPANY PROFILE

Stovec has continued to maintain its technology and market leadership position in Rotary Screen Printing Industry. Stovec offers complete programmes for **PentaScreen®**, **Standard Screen**, **NovaScreen®**, **Random Screens**, **Endrings**, **Digital Ink lacquers and chemicals**, that enables highest quality results in Textile Printing. It also offers a wide range of additional products for conventional and digital engraving methods. It is also a preferred supplier to packaging and Graphic printing industry with its products Anilox rollers, Rotamesh and Rotaplate.

Our Modern Manufacturing and R&D facility in Ahmedabad, India ensures high quality standards. State of art effluent treatment Plant ensures a zero effluent discharge and environment friendly processes.

**Stovec Industries Ltd** is a subsidiary of **SPGPrints B.V.**, (Formerly Stork Prints B.V.) the Netherlands. SPGPrints is a global leader in Textile and Graphic Printing Market.



 Team Stovec





**STOVEC<sup>®</sup>**  
INDUSTRIES LIMITED

Regd. Office: N.I.D.C., Near Lambha Village, Post: Narol, Ahmedabad, Gujarat - 382 405, India  
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