

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Stovec Industries Ltd.

Regd. Office and Factory :

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

CIN : L45200GJ1973PLC050790

Telephone : +91 79 30412300
+91 79 25710407 to 410

Fax : +91 79 25710406 (Corporate)
+91 79 25710420 (IMD)

E-mail : admin@stovec.com

Reference : Scrip Code.:- 504959
Date : May 30, 2016
Subject : Annual Report for the financial year 2015

Dear Sir/Madam,

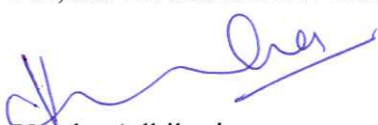
Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year ended December 31, 2015.

We request you to take the above on your records and acknowledge the receipt.

Thanking you,

Yours sincerely,

For, **Stovec Industries Limited**

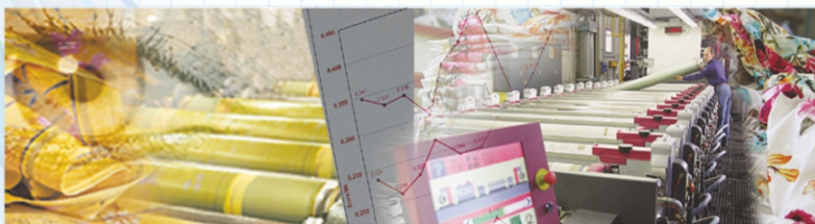


Varsha Adhikari

Company Secretary & General Manager (Finance & Legal)



Encl.: As above



42ND ANNUAL REPORT 2015

STOVEC[®]
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

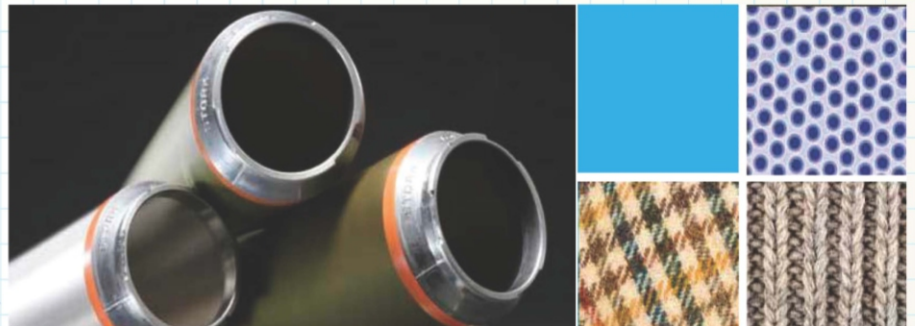
- Textile Printing and Processor
- Packaging and Label Printers and Converters
- Industrial/Security Printers
- Sugar Mills

Market Position

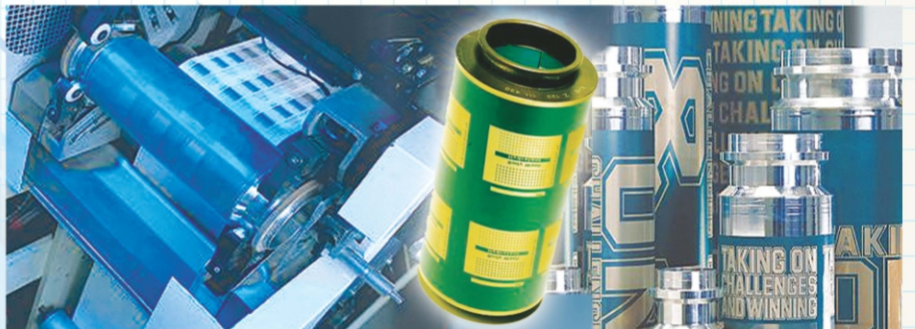
- Technology and Market Leadership in Rotary Screen and Printing Machinery



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. Eiko Ris	Additional Director w.e.f. February 16, 2016
Ms. Everdina Herma Slijkhuis	
Mr. Marco Philippus A. Wadia	
Mr. Shailesh Wani	Managing Director

CHIEF FINANCIAL OFFICER

Mr. Paras Mehta

COMPANY SECRETARY

Mrs. Varsha Adhikari

AUDITORS

Price Waterhouse
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
Unit No. 303, 3rd 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.

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LETTER FROM CHAIRMAN



Dear Shareholders,

It is my privilege to present the 42nd Annual Report of your company for the year ended December 31, 2015.

India is still a positive spot in the midst of a weak global economy. Despite of pessimistic global scenario and decline in exports, the Indian economy in 2015 grew by about 7.6 % driven by improved macro-economic indicators. The public investment and urban consumption were the major drivers of growth in FY 2015.

The growth of Indian Manufacturing sector was a concern area for later half of 2015, which was lower by almost 10 % as compared to first half of 2015 and has been taking toll on overall economic growth. The share of Indian manufacturing industry to country's GDP is quite low compared to other emerging economies like South Korea, Thailand, Malaysia and Indonesia. Economic Growth of India, may dip marginally at 7.5 percent in FY 2016 due to slowdown in public investment, stressed corporate balance sheets and declining exports. India's near-term growth prospects remain favorable, especially given the faster-than-expected decline in inflation. India's economic growth may benefit from recent policy reforms, a consequent pickup in investment, and lower commodity prices. The ability to pass significant reforms depends on the willingness of India's political parties to reach agreement on big-ticket items such as GST. Various policy initiatives taken by the Central and State Governments are also expected to provide a boost to the textile industry. The Government of India had notified the amended Textile Upgradation Fund Scheme (TUFS) which may give a boost to employment generation and exports in the textile sector. Recent developments in the global market provide for encouraging signals towards increased global demand for textile products. These developments augur well and present the Company with growth opportunities in future.

For Stovec, F.Y. 2015 has been a year of Success, Growth and Consistency. Inspite of mediocre performance of manufacturing sector in general, your Company has outshined all its previous records for revenue by recording standalone revenue from operations of Rs. 1,567.02 Million (Previous year Rs. 949.09 Million), a tremendous growth of about 65 % in comparison to prior year. The increase in revenue is contributed by growth in sales of all product lines and more particularly Rotary Screen Printing Machine and its Spare Parts, Nickel Perforated Rotary Screens and Sugar Screens. The Standalone Profit before Tax stood at Rs. 310.66 Million (Previous year Rs. 165.15 Million), an excellent growth of about 88 % in comparison to prior year. The consolidated revenue from operations stood at Rs. 1621.98 Million (Previous year Rs. 1023.44 Million), an impressive increase of about 58 % in the consolidated revenue. The consolidated Profit before Tax for the financial year 2015 stood at Rs. 331.79 Million (Previous year Rs. 172.52 Million)

Our growth strategy and highly engaged work-force allowed us to maintain and reinforce our strong position across our markets. We made good progress with our cost leadership initiatives, streamlining our production infrastructure and extending our reach and customer service while reducing cost. In short, the progress we made in 2015 combined with portfolio of quality products, positions us well for future growth.

Finally, on behalf of the Board, I would like to thank all employees for their tremendous efforts and passion. It is their commitment and focus that enables our substantial progress. I would also like to thank the stakeholders and 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 SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF STOVEC INDUSTRIES LIMITED (CIN: L45200GJ1973PLC050790) will be held on Wednesday, 25th day of May, 2016 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, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a) the Audited Financial Statements of the Company for the financial year ended December 31, 2015, together with the Report of the Board of Directors and the Auditor's thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended December 31, 2015 and the Report of the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mrs. Everdina Herma Slijkhuis (DIN: 06997013), who retires by rotation and being eligible offers herself 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 provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the approval of Members at the 41st Annual General Meeting, the re-appointment of M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), as Statutory Auditors of the Company, be and is hereby ratified to hold office as such from the conclusion of 42nd Annual General Meeting until the conclusion of next Annual General Meeting 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. Eiko Ris (DIN: 07428696) 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 Mr. Eiko Ris (DIN: 07428696) who was appointed by the Board of Directors as an Additional Director w.e.f. February 16, 2016 and who holds office upto the date of 42nd 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 his candidature for the office of Director, be and is hereby elected and appointed as a Director of the Company, liable to retire by rotation."

6. Re-appointment of Mr. Shailesh Wani (DIN: 06474766) as a 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 of the Companies Act, 2013 ("the Act"), if any, read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), and subject to the approval of Central Government, if required, and such other approval as may be necessary, the consent of the Members of the Company, be and is hereby accorded for the re-appointment and remuneration payable to Mr. Shailesh Wani (DIN: 06474766), as the Managing Director of the Company, with effect from October 1, 2016, for a period of 3 (three) years, on the terms and conditions including those relating to remuneration as set out in the Agreement executed with the Managing Director and initialed by the Company Secretary of the Company for

the purpose of identification and as mentioned in the explanatory statement attached to this notice, with liberty to the Board of Directors or a Committee thereof to alter and/or vary the terms and conditions of said re-appointment and remuneration in such manner as may be agreed to between the Board of Directors and Mr. Shailesh Wani and subject to such statutory approvals as may be necessary."

"RESOLVED FURTHER THAT subject to the approval of Central Government, if required, and such other approvals as may be necessary, consent of the Members of the Company, be and is hereby accorded to pay gross remuneration (including variable pay) not exceeding Rs. 20 Million (Rupees Twenty Million only) per annum to Mr. Shailesh Wani, Managing Director, during the tenure of his employment till 30th September, 2019, 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. 20 Million (Rupees Twenty Million only)."

"RESOLVED FURTHER THAT the Board of Directors (including its committees thereof) be and are hereby authorized to alter, vary, increase, enhance or widen the scope of remuneration and perquisites, in accordance with Schedule V and other applicable provisions, if any, of the Act (including any amendment, modification, variation or re-enactment thereof) and within the aforesaid overall ceiling of Rs. 20 Million (Rupees Twenty Million only)."

"RESOLVED FURTHER THAT the said remuneration shall be payable to Mr. Shailesh Wani 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 as it may in its sole and absolute discretion deem fit, to give effect to this resolution."

7. Payment of remuneration to M/s Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), the Cost Auditors of the Company for the financial year 2016

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 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), M/s Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending on December 31, 2016, in respect of products/activities of the Company covered under The Companies (Cost Records and Audit) Amendment Rules, 2014, be paid a remuneration of Rs. 1,00,000/- (Rupees One Lakh Only) per annum plus applicable service tax and out of pocket expenses, if any, that may be incurred during the course of audit.

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

8. Approval of Related Party Transactions

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 Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (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 2015 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 Regulation 2(zb) of the Listing Regulations), 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/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing Proxy as per the format included in the Annual Report, duly completed, stamped and signed 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 on 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 205C 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. 155,182/- being unclaimed dividend amount for the financial year 2007 to the Investor Education and Protection Fund of the Central Government. The shareholders who have not claimed their dividend for the financial year 2008 are requested to claim their unclaimed dividend before May 10, 2016. 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. The details of unclaimed dividends are available on the Company's website at www.stovec.com and Ministry of Corporate Affairs website at www.mca.gov.in.
5. The Register of Members and Share Transfer Book shall remain closed from May 19, 2016 to May 25, 2016 (both days inclusive). If the final dividend on equity shares, as recommended by the Board of Directors is declared at the 42nd Annual General Meeting, payment of such dividend will be made on or after May 30, 2016 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 May 18, 2016.
 - 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 May 18, 2016.
6. Members/Proxies should bring the attendance slip sent herewith duly filled in & signed for attending the Meeting. The copies of the Annual Report or Attendance Slips will not be distributed at 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). Members are requested to avail NECS facility as it is quick and much convenient way of getting dividend directly in your bank account. Members desirous of availing NECS facility are requested to submit bank particulars in ECS Mandate Form, the format of which is annexed at the end of this Annual Report.**
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 only. 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**, Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad – 380 009.

9. Brief profile of Directors seeking appointment/re-appointment at the 42nd Annual General Meeting, is annexed and forms integral part of the Notice.
10. As per Securities and Exchange Board of India (SEBI) norms, 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. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective December 1, 2015), for registration of transfer of shares, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to Company's Registrar and Share Transfer Agent.
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 or secretarial@stovec.com. 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 financial year 2015 together with Notice of the 42nd Annual General Meeting, Attendance Slip, Proxy Form and Route Map will also be available on the website of the Company viz. www.stovec.com for their download.
12. In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Report of the Company for the Financial Year 2015 and this Notice inter-alia indicating the process and manner of remote e-voting along with Attendance Slip, Proxy Form and Route Map are being sent by email, unless any Member has requested for a physical copy of the same, to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories. For members who have not registered their e-mail address, physical copies of the Annual Report for the Financial Year 2015 and this Notice of 42nd Annual General Meeting of the Company inter-alia indicating the process and manner of remote e-voting along with Attendance Slip, Proxy Form and Route map are being sent through the permitted mode.
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 2.00 p.m. up to the date of the 42nd 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. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact Company's Registrar and Share Transfer Agent for assistance in this regard.
17. As per the provisions of Section 72 of the Act 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. Voting through electronic means

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, as amended, and as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to cast their vote by electronic means i.e. remote e-voting, 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,
Website: www.stovec.com

By Order of the Board of Directors

Sd/-
Varsha Adhikari
Company Secretary
Membership No. A17604

Date: February 16, 2016

Place: Mumbai

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

The Board of Directors based on the recommendation of Nomination and Remuneration Committee has appointed Mr. Eiko Ris (DIN: 07428696), aged 57 years, as an Additional Director on the Board of Directors of the Company with effect from February 16, 2016. Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act"), Mr. Eiko Ris 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 Mr. Eiko Ris as a Director of the Company. Mr. Eiko Ris holds the degree of MSc (RA) from The Netherlands Institute for Registered Accountants, The Netherlands. He is Chief Financial Officer and a Member of the Executive Board of SPGPrints B.V., the Holding Company of the Company, since 2016. He has a rich experience of more than 36 years in Finance. Brief Profile of Mr. Eiko Ris is provided in this Notice. The Board of Directors is confident that his knowledge and experience will be of immense value to the Company and hence recommends the Resolution at Item No. 5 of this Notice for your approval.

Mr. Eiko Ris is the Member of Corporate Social Responsibility Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Eiko Ris is not related to any Directors or Key Managerial Personnel of the Company. Mr. Eiko Ris has attended the Board Meeting held on February 16, 2016.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Eiko Ris, are in any way concerned or interested, financially or otherwise, in the resolution at Item No. 5 of this Notice.

Item No. 6

Mr. Shailesh Wani, aged 48 years, was 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. The present tenure of Mr. Shailesh Wani, Managing Director is expiring on September 30, 2016. Based on the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors at its meeting held on February 16, 2016, have subject to the approval of Shareholders and that of the Central Government, if required, have approved the re-appointment and remuneration payable to Mr. Shailesh Wani, Managing Director, for a further period of 3 (three) years w.e.f. October 1, 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. 6 of this notice for the approval of Members.

Mr. Shailesh Wani is the Chairman of Corporate Social Responsibility Committee and a Member of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Mr. Shailesh Wani has attended all the Meetings of Board of Directors held during the financial year 2015 except Board Meeting held on June 27, 2015.

Mr. Shailesh Wani is not related to any Director, Promoters or Key Managerial Personnel of the Company nor does he hold any shares in the Company.

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

- i. Mr. Shailesh Wani has been re-appointed as a Managing Director at a gross remuneration of Rs. 9,440,580/- per annum. Over and above the gross remuneration he is also entitled to variable pay of minimum 37.5% and maximum of 52.5% of annual fixed salary (as per the scheme applicable to Managing Directors' of SPGPrints Operating Companies) based on the targets achieved. One-third of the above referred variable amount is towards retention bonus. If for any personal reason, Managing Director leaves the employment of the Company on or before September 30, 2018, he shall within 60 days from his last day at work in the Company, return to the Company all the retention bonus granted and paid to him, either by repaying the sum to the Company or his salary payout shall be reduced to the extent of such retention bonus or a combination of both the above options. The Managing Director shall on the day which he resigns as Managing Director of the Company specify his preferred options from any of the above options for returning retention bonus to the Company. He shall also be entitled to family health insurance of Rs. 5,50,000/-.
- ii. The re-appointment is for a period of 3 (three) years w.e.f. October 1, 2016.
- iii. He is re-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 re-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 December 31, 2015	Turnover : Rs. 1567.02 Million Profit Before Tax : Rs. 310.66 Million
4)	Export Performance	For the year ended December 31, 2015, the Company has achieved export turnover of FOB value of Rs. 92.19 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 28 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*
01.01.2015 to 31.12.2015	12,881,869*

*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 a record Revenue from Operations of Rs. 1,567.02 Million during the financial year 2015, a growth of about 65 % in comparison to prior year and Profit before Tax of Rs. 310.66 Million as against 165.15 Million in previous year. The Company achieved milestone in its history under his leadership and crossed the mark of Rs. 1,500 Million during the financial year 2015, recording consolidated revenue from operations of Rs. 1,621.98 Million, an impressive growth of about 58 % 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. 20 (Twenty) Million per annum during the tenure of his employment till September 30, 2019.

6. Comparative Remuneration, Profile with respect of industry, size of the Company:

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

7. Pecuniary Relationship directly or indirectly with the Company or relationship with managerial personnel, if any:

- Mr. Shailesh Wani is not related to any Director, Promoters or Key Managerial Personnel 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 the remuneration to Mr. Shailesh Wani, as mentioned here above, during its tenure till September 30, 2019, may or 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 thereunder, and therefore the Company is seeking approval of Members of the Company by way of Special Resolution. The Company has been consistently delivering good results and is hopeful to continue good performance in terms of turnover and profitability in the coming years as well.

IV. Disclosures:**(1) Remuneration Package:**

Total remuneration of Mr. Shailesh Wani, Managing Director of the Company shall not exceed Rs. 20 (Twenty) Million per annum including variable pay which is maximum 52.5 % of annual fixed salary, based on the targets achieved by the Managing Director. His Contract as a Managing Director is for a period of 3 years commencing from October 1, 2016 to September 30, 2019, 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, Promoters or Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Shailesh Wani, are in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 6 of this Notice.

Item No. 7

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending December 31, 2016.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly consent of the Members is sought by way of an ordinary resolution as set out at Item No. 7 of the Notice, for ratification of the remuneration amounting to Rs. 1,00,000/- plus applicable service tax and out of pocket expenses, if any, payable to the Cost Auditors for Cost Audit for the financial year ending on December 31, 2016, in respect of products/activities of the Company covered under The Companies (Cost Records and Audit) Amendment Rules, 2014.

The Board accordingly recommends the resolution at Item No. 7 of this Notice for the approval of Members.

None of the Directors, Key Managerial Personnel and relatives thereof, are in any way concerned or interested, financially or otherwise, in the resolution at Item No. 7 of this Notice.

Item No. 8

As per Regulation 23 of Listing Regulations (effective from December 1, 2015) 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 and shall require approval of the shareholders through resolution in General Meeting. Accordingly transactions with M/s SPGPrints B.V. (a 'Related Party' as defined under Section 2 (76) of Companies Act, 2013 and Regulation 2 (zb) of the Listing Regulations) has been placed before the Members for their approval by way of Ordinary 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. Eiko Ris
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 2015	INR 128,703,750/- (12.58 % of Annual Consolidated Turnover of the Company for the financial year 2014)
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 and also played a significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution set forth in Item No. 8 of the Notice for the approval of the Members in terms of Regulation 23 (4) of the Listing Regulations.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Dirk Joustra and Mr. Eiko Ris, are in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 8 of 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,
Website: www.stovec.com

By Order of the Board of Directors

Sd/-
Varsha Adhikari
Company Secretary
Membership No. A17604

Date: February 16, 2016

Place: Mumbai

Brief profile of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting of the company pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India read with disclosures made in the Notice of 42nd AGM

Name of Director	Mr. Shailesh Wani	Mr. Eiko Ris	Mrs. Everdina Herma Slijkhuis
Date of Birth	February 2, 1968	October 17, 1958	May 16, 1968
Date of Appointment	October 1, 2013	February 16, 2016	February 19, 2015
Expertise in specific functional areas	Sales, Marketing, Operations Management and Finance.	Finance & General Management	Finance
Qualifications	He 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.	He holds the degree of MSc (RA) from the Netherlands Institute of Registered Accountants.	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.
Details of Relationship between Director's inter-se	None	None	None
Details of shares held in the company	Nil	Nil	Nil
List of other companies in which directorship held as on 31.12.2015 [excluding Pvt. Companies, Foreign Companies & Companies under Section 8 of the Companies Act, 2013 (Erstwhile Section 25 of the Companies Act, 1956)].	None	None	None
Chairman/Member of the *Committees of other companies as on December 31, 2015	None	None	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 **May 21, 2016 @ 10.00 hours** (IST) and ends on **May 24, 2016 @ 17 hours** (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form as on **May 18, 2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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 and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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"> 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. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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"> 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).

- (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 and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (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, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions

1. The Members who have not casted their vote by remote e-voting prior to the Annual General Meeting ("AGM") can exercise their voting rights at the AGM. The Members who have already exercised their right to vote by remote e-voting may attend the AGM but shall not be entitled to vote at the AGM. If a Member casts vote again at the AGM, then votes casts through remote e-voting facility shall prevail and voting at the Meeting will be treated invalid.
2. The Voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date, Wednesday, May 18, 2016.**
3. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA/Depositories, as the case may be, as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM. Any person who has ceased to be the Member of the Company as on the cut-off date will not be entitled for remote e-voting or voting at the AGM and should treat this Notice for information purpose only. Any person, who becomes Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at ahmedabad@linkintime.co.in or to the Company at secretarial@stovec.com. However, if you are already registered with CDSL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
4. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
5. Mr. Sandip Sheth of M/s Sandip Sheth and Associates, Practicing Company Secretaries (Membership No. 5467, CP No. 4354), has been appointed as the Scrutinizer to scrutinize the voting process (electronically and otherwise) in a fair and transparent manner.
6. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of ballot or polling paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
7. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
8. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.stovec.com and on the website of CDSL www.cdslindia.com within 48 hours of the passing of the resolutions at the 42nd 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 42nd Annual Report and the Audited Financial Statement of the Company for the year ended December 31, 2015.

1. FINANCIAL RESULTS

Particulars	Current Year 31.12.2015 (₹ in Millions)	Previous Year 31.12.2014 (₹ in Millions)
Revenue from Operations	1,567.02	949.09
Other Income	35.55	31.40
(a) Total Income:	1,602.57	980.49
(b) Total Expenditure:	1,240.34	789.19
Gross Profit before Depreciation and Amortisation expenses	362.23	191.30
Less: Depreciation & Amortization expenses	51.57	26.15
Operational Profit/Profit Before Tax	310.66	165.15
Less: Current Tax	104.65	50.59
Deferred tax	2.06	3.55
Excess provision of income tax of earlier years (Net)	(1.44)	-
Profit After Tax	205.39	111.01
Add: Profit brought forward from previous year	314.00	253.48
Profit available for appropriation	519.38	364.49
Dividend on equity shares	60.55	32.36
Tax on Dividend	12.33	6.63
Amount transferred to General Reserves.	21.00	11.50
Short (Excess) Provision on earlier year's Dividend Distribution Tax	(0.038)	-
Profit carried forward to Balance Sheet	425.54	314.00

2. PERFORMANCE OVERVIEW

Standalone

Your Company has demonstrated excellent performance during the year and outshined all its previous records for revenue by recording standalone revenue from operations of Rs. 1,567.02 Million (Previous year Rs. 949.09 Million), a growth of about 65 % in comparison to prior year. The increase in revenue was contributed by growth in sales of all product lines and more particularly Rotary Screen Printing Machine and its Spare Parts, Nickel Perforated Rotary Screens and Sugar Screens and was driven by increased market presence. The Company has achieved standalone Profit before Tax of Rs. 310.66 Million (Previous year Rs. 165.15 Million), a remarkable growth of about 88 % in comparison to prior year.

Consolidated

The consolidated revenue from operations stood at Rs. 1621.98 Million (Previous year Rs. 1023.44 Million), an impressive increase of about 58 % in comparison to prior year. The Company's consolidated Profit before Tax for the financial year 2015 stood at Rs. 331.79 Million (Previous year Rs. 172.52 Million).

3. RESERVES AND SURPLUS

Out of the Net Profit of Rs. 205.39 Million for the year under report, an amount of Rs. 21 Million is transferred to the General Reserve.

4. DIVIDEND

Considering the Company's financial performance, the Board of Directors have recommended payment of Final Dividend of Rs. 29/- per equity share (290 %) for the financial year ended on December 31, 2015. This Final Dividend is subject to the approval of Members in the 42nd Annual General Meeting.

5. SUBSIDIARY COMPANY

Atul Sugar Screens Private Limited ("ASSPL") is a Wholly Owned Subsidiary of the Company. Your Company has obtained a certificate from the Statutory Auditors of the Company certifying that the Company is in compliance with the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 with respect to the downstream investments made in Atul Sugar Screens Private Limited.

A Summary of Performance of ASSPL is provided below:

The revenue from operations of ASSPL during the financial year 2015 stood at Rs. 154.88 Million [Previous year (For 9 months from April 1, 2014 to December 31, 2014) Rs.106.53 Million]. ASSPL recorded Profit before tax of Rs. 22.96 Million (Previous year Rs. 8.8 Million).

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 ("Act"), a statement containing the salient features of financial statements of ASSPL in the prescribed Form AOC-1 is provided in **Annexure-I** forming part of this report. The Audited Financial Statements of ASSPL are available on the Company's website at www.stovec.com and the same are also available for inspection at the registered office of the Company as per the details mentioned in the Notice of 42nd Annual General Meeting. Your Company will also make available these documents upon written request by any Member of the Company interested in obtaining the same.

The Annual Audited Consolidated Financial Statements together with the Report of Auditor's thereon forms part of this Annual Report.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required to be given under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in **Annexure II** forming part of this Report.

7. FINANCIAL YEAR

The application made by the Company and its Indian wholly owned subsidiary M/s Atul Sugar Screens Pvt. Ltd., to the Company Law Board, seeking approval for continue to follow calendar year as financial year was approved and accordingly the Company and its Indian wholly owned subsidiary would follow the calendar year (i.e. January 1 to December 31) as financial year.

8. FIXED DEPOSITS

For the year ending December 31, 2015, the Company has not accepted any deposits falling within the purview of Section 73 of the Act and rules made there under.

9. CORPORATE GOVERNANCE

A separate report on Corporate Governance Compliance and a Management Discussion and Analysis Report as stipulated in Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") forms part of the Director's Report as **Annexure-III and IV** respectively along with the required Certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance.

10. AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of requirements of the Act read with rules framed thereunder and Listing Regulations. The details relating to the Audit Committee are given in the Corporate Governance Report forming part of this report. The recommendations of Audit Committee were duly accepted by the Board of Directors.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors ("Board") in its meeting held on February 16, 2016 has appointed Mr. Eiko Ris, as an Additional Director on the Board of the Company w.e.f. February 16, 2016, 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 Board welcomed Mr. Eiko Ris on the Board of Directors of the Company.

Mr. Aschwin Nicolai Hollander, due to his other pre-occupations has resigned from the Board of the Company w.e.f. February 16, 2016. The Board placed on record its appreciation for the outstanding contribution made by him in the growth of the Company.

At the 42nd Annual General Meeting, Mrs. Everdina Herma Slijkhuis retires by rotation and being eligible, offers herself for re-appointment.

The Members at the 41st Annual General Meeting, appointed Mr. Khurshed. M. Thanawalla (DIN: 00201749) and Mr. Marco Wadia (DIN: 00244357) as an Independent Director of the Company for a consecutive term of five years as per requirement of the Act. The abovenamed Independent Directors have furnished declarations to the Company, confirming that they meet the criteria prescribed for Independent Directors under Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

The tenure of Mr. Shailesh Chandrakrishna Wani, as a Managing Director of the Company expires on September 30, 2016. The Board of Directors in its meeting held on February 16, 2016, noted that Company has grown under his leadership and it will be in the interest of the Company to re-appoint him. The Board has re-appointed Mr. Shailesh Chandrakrishna Wani, as a Managing Director of the Company for a further period of three years w.e.f. October 1, 2016, subject to the approval of Members of the Company and of the Central Government, if required.

Mr. Girish Deshpande, Chief Financial Officer retired from the Company w.e.f. July 1, 2015 and Mr. Paras Mehta was appointed as the Chief Financial Officer of the Company w.e.f. July 1, 2015. The Board placed on record its appreciation for the contribution made by Mr. Girish Deshpande in his role as a Chief Financial Officer of the Company.

12. BOARD MEETING

During the financial year ended December 31, 2015, five meetings of the Board of Directors were held. The details of the attendance of Directors at the Board Meeting are mentioned in the Corporate Governance Report annexed hereto.

13. PERFORMANCE EVALUATION

The details of Annual Performance Evaluation of Individual Directors including Chairperson, Board of Directors and Committees of Board of Directors are mentioned in the Corporate Governance Report.

14. CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act and Rules framed thereunder, the Company has constituted a Corporate Social Responsibility ("CSR") Committee of Directors. The details of composition of CSR Committee are given in the Corporate Governance Report. The details of CSR policy and CSR spending by the Company have been provided as **Annexure-V** to this report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

15. REMUNERATION POLICY

The details of the Remuneration Policy are mentioned in the Corporate Governance Report. A Statement of Disclosure of Remuneration pursuant to Section 197 of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as **Annexure VI** forming part of this Report.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope of Internal Audit is well defined in the organization. The Internal Audit report regularly placed before the Audit Committee of the Board. The Management monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthening the controls continuously. Significant audit observations, if any, and corrective actions suggested and taken are presented to the Audit Committee of the Board.

17. EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, forms part of this Report as **Annexure VII**.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

During the year under review, all the Related Party Transactions were entered into by the Company in the ordinary course of business and on arm's length basis. Hence reporting in Form AOC-2 is not applicable to the Company.

19. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

A statement providing particulars of Loans, Guarantees or Investments under Section 186 of the Act is provided as **Annexure VIII** forming part of this Report.

20. VIGIL MECHANISM

As per the provisions of Section 177(9) of the Act, the Company is required to establish an Vigil Mechanism for Directors and Employees to report genuine concerns. The Company has a Whistle Blower Policy (also known as Vigil Mechanism) in place and the details of the Whistle Blower Policy are provided in the Report on Corporate Governance forming part of this Report.

The Company has disclosed information about the establishment of the Whistleblower Policy on its website at www.stovec.com at http://www.spqprints.com/include/files/About_us/Stovec/Policies/Whistle_Blower_Policy.pdf.

21. RISK MANAGEMENT

The Company has formulated Risk Management Policy in order to monitor the risks and to address/mitigate those risks associated with the Company. The Board of Directors do not foresee any elements of risk, which in its opinion, may threaten the existence of the Company.

22. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3)(c) and 134 (5) of the Act, your directors confirm, to the best of their knowledge and belief that:

- a) in the preparation of the annual financial statements for the year ended December 31, 2015, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied consistently and made judgment and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at December 31, 2015 and of the profit of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual financial statements for the year ended December 31, 2015, on a going concern basis;
- e) proper internal financial controls are in place in the Company and that such internal financial controls are adequate and are operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

23. POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place a Policy on Prevention of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder and Internal Complaints Committee has also been set up to redress complaints regarding sexual harassment. During the year, no complaint with allegations of sexual harassment was received by the Company.

24. REPORTING OF FRAUDS

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder, either to the Company or to the Central Government.

25. STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Act and rules framed thereunder, M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 301112E) were re-appointed as Statutory Auditors of the Company for a term of five years to hold office from the conclusion of Forty first (41st) Annual General Meeting until the conclusion of the Forty sixth (46th) Annual General Meeting of the Company to be held in the calendar year 2020, subject to ratification of their appointment by Members at every subsequent Annual General Meeting. A certificate from Statutory Auditors has been received to the effect that their appointment as Statutory Auditors of the Company, if ratified at the ensuing Annual General Meeting, 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 ratification of re-appointment of M/s. Price Waterhouse as the Statutory Auditors of the Company from the conclusion of 42nd Annual General Meeting until the conclusion of next Annual General Meeting.

A resolution seeking ratification of their re-appointment, forms part of the Notice convening the 42nd Annual General Meeting and the same is recommended for consideration and approval of Members.

26. COST RECORDS AND COST AUDITORS

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors on the recommendation of the Audit Committee, have 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 2016, for conducting the audit of the cost records maintained by the Company for the various Company's products as mandated by the Central Government, pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014, and amendment thereof, at a remuneration as mentioned in the Notice convening the 42nd Annual General Meeting and subject to the approval of the Members on the remuneration to be paid to the Cost Auditor. A certificate has been received from the Cost Auditors to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder. A resolution seeking Member's approval for the remuneration payable to Cost Auditors forms part of the Notice of 42nd Annual General Meeting of the Company and the same is recommended for the consideration and approval of Members. The Company has filed the Cost Audit Report for financial year 2014 on June 26, 2015, which is within the time limit prescribed under The Companies (Cost Audit Report) Rules, 2011.

27. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sandip Sheth & Associates, Practicing Company Secretaries (COP No. 4354), for conducting Secretarial Audit of the Company for the financial year ended on December 31, 2015. The Secretarial Audit Report is provided as **Annexure-IX** to this report.

28. AUDITORS REPORT

There are no qualifications, reservations or adverse remarks made by M/s. Price Waterhouse, Chartered Accountants, Statutory Auditors, in their audit report and by M/s. Sandip Sheth & Associates, Practicing Company Secretaries, Secretarial Auditors in their secretarial audit report and therefore need not require any comments under section 134(3)(f) of the Act.

29. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR AND TILL THE END OF THIS REPORT.

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

As on date of this report, there are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in future.

31. PARTICULARS OF EMPLOYEES

Your Directors place on record their deep appreciation for the contribution made by the employees of the Company at all levels.

The information on employees particulars as required under Section 197 (12) of the Act read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding aforesaid Annexure. The said information is available for inspection by the Members at the Registered Office of the Company as per the details mentioned in the Notice of 42nd Annual General Meeting, on any working day (except Saturday, Sunday and Public Holidays) up to the date of the 42nd Annual General Meeting. Any Member interested in obtaining a copy of the same may write to the Company Secretary of the Company.

32. 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 : Mumbai
Date : February 16, 2016

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

Annexure-I**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 of the Act read with Rule 5 of The Companies Accounts Rules, 2014)

Part "A" : Subsidiaries

(Amount in INR)

Name of Subsidiary	Atul Sugar Screens Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January 1, 2015 to December 31, 2015
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
Share capital	1,00,000
Reserves & Surplus	21,273,273
Total assets	99,918,302
Total Liabilities	99,918,302
Investments	Nil
Turnover	154,884,725
Profit / (Loss) before taxation	22,963,683
Provision for taxation	7,689,785
Profit / (Loss) after taxation	15,273,898
Proposed Dividend	Nil
% of shareholding	100% Equity Shares are held by Stovec Industries Limited

Part "B": Associates and Joint Ventures: Not Applicable

Annexure – II**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014).

A. Conservation of Energy

(i)	The steps taken or impact on conservation of energy	<ol style="list-style-type: none"> 1. Usage of Energy data acquisition system for effective and efficient monitoring and control systems for overall electricity consumption. 2. Nickel bath efficiency maintained by keeping operating voltage at optimum levels. 3. Installed new energy efficient rectifiers and also replaced the old ones. 4. Replacement of old utility equipments with new energy efficient equipments. 5. Effective preventive maintenance helped in increasing energy efficiency of equipment.
(ii)	The steps taken by the company for utilizing alternate sources of energy.	Not Applicable
(iii)	The capital investment on energy conservation equipment's	<ul style="list-style-type: none"> • Replaced old overhead crane with new efficient crane. • Used energy efficient rectifiers in all the new installation and replacements made during the year. • Replaced old utility equipments (Chiller/Compressors) with latest extremely efficient utility equipments. • Replaced conventional rectifier power supply system with the compact, easy to connect and efficient bus-trunking power supply system.

B. Technology Absorption

(i)	The efforts made towards technology absorption	The Company continues to perform R&D activities to improve quality of products and to reduce production cost to serve its customer better.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> • Development of new Products • Reduction of Product cost • Product and Process improvement
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Manufacturing of Nova Screen 2015 The above technology have been fully absorbed. Not Applicable
(iv)	The expenditure incurred on Research and Development	Capital Expenditure – Nil Revenue Expenditure – Rs. 6,134,250

FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Amount (in ₹)
Earnings in foreign exchange on account of Goods and Services exported, Commission etc.	106,007,174
Value of imports of raw materials, components, stores, spares, Commission, technical know-how fees, royalty etc.	541,855,518

Annexure-III

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 (DIN: 00201749)	Non- Executive & Independent (Chairman)	4	-	2
Mr. Marco Wadia (DIN: 00244357)	Non-Executive & Independent	7	6	3
Mr. Dirk Wim Joustra (DIN: 00481154)	Non-Executive	-	-	-
Mr. Eiko Ris (DIN: 07428696) (Appointed as an Additional Director w.e.f. February 16, 2016)	Non-Executive	-	-	-
Mr. Aschwin Hollander (DIN: 00356415) (Ceased to be Director w.e.f. February 16, 2016)	Non-Executive	-	-	-
Mrs. Everdina Herma Slijkhuis (DIN: 06997013)	Non-Executive	-	-	-
Mr. Shailesh Wani (DIN: 06474766)	Executive (Managing Director)	-	-	-

The Board met 5 (five) times during the year i.e. February 19, 2015, May 7, 2015, June 27, 2015, August 13, 2015, and November 6, 2015 and maximum time gap between any two consecutive meetings was not more than 120 days.

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 Board Meetings attended	Attendance at the AGM
Mr. K.M. Thanawalla	05	05	Yes
Mr. Marco Wadia	05	05	Yes
Mr. Dirk Wim Joustra	05	01	Yes
Mr. Aschwin Hollander	05	02	Yes
Mrs. Everdina Herma Slijkhuis	05	01	Yes
Mr. Shailesh Wani	05	04	Yes

Notes:

1. None of the Directors are related to any other director.
2. Outside directorship does not include Alternate Directorship, Directorship of Private Limited 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, 2015 are as follows:

Directors	No. of Shares held	% of total shares of the Company
Mr. K.M. Thanawalla	Nil	Nil
Mr. Marco Wadia	2150	0.1029
Mr. Dirk Wim Joustra	Nil	Nil
Mr. Aschwin Hollander	Nil	Nil
Mrs. Everdina Herma Slijkhuis	Nil	Nil

Appointment / Re-appointment of Directors:

The Board of Directors ("Board") in its meeting held on February 16, 2016 has appointed Mr. Eiko Ris, as an Additional Director on the Board of the Company w.e.f. February 16, 2016, who holds office up to the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director of the Company. Mr. Aschwin Nicolai Hollander, due to his other pre-occupations has resigned from the Board of the Company w.e.f. February 16, 2016. At the 42nd Annual General Meeting, Mrs. Everdina Herma Slijkhuis retires by rotation and being eligible, offers herself for re-appointment.

The tenure of Mr. Shailesh Chandrakrishna Wani, as a Managing Director of the Company expires on September 30, 2016. The Board in its meeting held on February 16, 2016, noted that Company has grown under his leadership and it will be in the interest of the Company to re-appoint him. The Board has re-appointed Mr. Shailesh Chandrakrishna Wani, as a Managing Director of the Company for a further period of three years w.e.f. October 1, 2016, subject to the approval of Members of the Company and of the Central Government, if required.

Brief resume of the Directors seeking appointment/re-appointment has been disclosed and annexed to the Notice of 42nd Annual General Meeting.

Annual Performance Evaluation

The Annual Performance Evaluation of Board, Committees of Board and each Director including Chairman of the Board was carried out through a structured questionnaire. Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors/Independent Directors/Nomination and Remuneration Committee (as applicable) has undertaken an evaluation of their own performance, the performance of Committees of Board and of all the individual Directors including Chairman of the Board of Directors based on various parameters relating to roles, responsibilities, obligations, level and effectiveness of participation e.g. inputs provided by the Director based on his/her knowledge, skills and experience, independence in judgment, understanding of the Company's business and strategy, guidance on corporate strategy, sharing knowledge and experience in their respective areas, contribution of Directors at meetings and functioning of Committees. The result of above performance evaluation was presented to the Nomination and Remuneration Committee and the Board of Directors (as applicable).

The Board of Directors (excluding the Director being evaluated) 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 Directors.

The Independent Directors in their meeting assessed the quality, sufficiency and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors found the same satisfactory.

Familiarization Programme for Independent Directors

The familiarization programme was organized for Independent Directors on February 19, 2015 and on November 6, 2015. The details of familiarization Programme is available at the website of the Company www.stovec.com at http://www.spgprints.com/about+us/major+companies/stovec+industries+ltd.?company_id=6&content=profile.

3. COMMITTEES OF THE BOARD

The Committees of the Board are constituted as per the Companies Act, 2013 and Listing Regulations.

3.1 AUDIT COMMITTEE:

The terms of reference of the Audit Committee are in line with the requirement of Section 177 of the Companies Act, 2013 and rules framed thereunder and as per Listing Regulations.

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 2015 are given below:

Directors	Position held in Committee	Independent/ Executive / Non-Executive Director	No. of Meetings held	No. of Meetings attended
Mr. K.M. Thanawalla	Chairman	Independent & Non-Executive Director	05	05
Mr. Marco Wadia	Member	Independent & Non-Executive Director	05	05
Mr. Shailesh Wani	Member	Managing Director	05	04

The Committee met 5 (five) times during the year i.e. February 19, 2015; May 7, 2015, June 27, 2015, August 13, 2015 and November 6, 2015 .

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:

The terms of reference of the Nomination and Remuneration Committee have been formulated in line with the requirement of Section 178 of the Companies Act, 2013 and rules framed thereunder and as per Listing Regulations.

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 2015 are given below:

Directors	Position held in Committee	Independent/ Executive / Non-Executive Director	No. of Committee Meetings held	No. of Meetings attended
Mr. Marco Wadia	Chairman	Independent & Non-Executive Director	3	3
Mr. K.M. Thanawalla	Member	Independent & Non-Executive Director	3	3
Mr. Aschwin Hollander (Ceased to be Member w.e.f. February 16, 2016)	Member	Non-Executive Director	3	1

Mr. Eiko Ris has been appointed as a Member of Nomination and Remuneration Committee w.e.f. February 16, 2016.

The Nomination and Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director / Executive Director's and retirement benefits to be paid to them.

The Nomination and Remuneration Committee met 3 (three) times during the year on February 19, 2015, May 7, 2015 and June 27, 2015.

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, in order to retain the talent in the company and stimulate excellence in their performance.

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 Components viz. salary, perquisites and allowances and a variable component comprising of Gross Bonus of minimum 37.5% and maximum of 52.5% of annual fixed salary (as per the scheme applicable to Managing Directors' of SPGPrints Operating Companies) based on the targets achieved.

The Nomination & Remuneration Policy of the Company is available on the Website of the Company at www.stovec.com.

The Directors' remuneration and sitting fees paid/payable in respect of the financial year 2015 are given below:-

(A) Managing Director Remuneration:

The details of remuneration to Managing Director are as follows:

(in Rs.)

Managing Director	Salary & Allowances	Perquisites & Benefits	Contribution to Provident and Other Funds	Total
Mr. Shailesh Wani	11,638,448	701,298	542,123	12,881,869

* 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.

Meetings	Sitting Fees per Meeting
Board of Directors	Rs. 54,000/-
Audit Committee	Rs. 27,000/-
Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Committee of Directors	Rs. 13,500/-
Stakeholders Relationship Committee	Nil

i. The details of the sitting fees paid during the year 2015 to the Non-Executive Directors are as follows:

Directors	Amount of sitting fees paid for attending Board and Committee Meetings (in Rs.)
Mr. K.M. Thanawalla	4,72,500/-
Mr. Marco Wadia	4,45,500/-
Mr. Dirk Wim Joustra (1)	Nil
Mr. Aschwin Hollander(1)	Nil
Mrs. Everdina Herma Slijkhuis(1)	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.

3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE

The terms of reference of the Stakeholder's Relationship Committee have been formulated in line with the requirement of Section 178 of the Companies Act, 2013 and rules framed thereunder and as per Listing Regulations.

Terms of Reference:

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

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

Composition

The composition of the Stakeholder's Relationship Committee is as under:

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

During the year under report, the committee met on February 19, 2015 and all the members were present at the meeting.

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

Compliance Officer:

Mrs. 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 shares related 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 2015 are as follows:-

Complaints received	Pending as on 31.12.2015
8	NIL

3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**Composition**

The composition of the Corporate Social Responsibility Committee is as under:

Directors	Position held in Committee	Independent/ Executive / Non-Executive Director	No. of Meetings held	No. of Meetings attended
Mr. Shailesh Wani	Chairman	Managing Director	2	2
Mr. K.M. Thanawalla	Member	Independent & Non-Executive Director	2	2
Mr. Aschwin Hollander (Ceased to be Member w.e.f February 16, 2016)	Member	Non-Executive Director	2	1

Mr. Eiko Ris has been appointed as a Member of Corporate Social Responsibility Committee w.e.f. February 16, 2016.

During the year, the Corporate Social Responsibility Committee met 2 (two) times i.e. on February 19, 2015 and August 13, 2015.

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 at http://www.spgprints.com/include/files/About_us/Stovec/Policies/CSR_Policy.pdf link.

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

3.5 OTHER COMMITTEES**Committee of Directors**

Directors	Position held in Committee	Independent/Executive / Non-Executive Director
Mr. K.M. Thanawalla	Chairman	Independent & Non-Executive Director
Mr. Marco Wadia	Member	Independent & Non-Executive Director

During the year 2015, no meeting of Committee of Directors was held.

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:

Year	Type	Location	Date	Time
2014	Annual	Stovec Industries Limited N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad – 382405	May 7, 2015	11.00 am
2013	General		May 13, 2014	11.00 am
2012	Meeting		June 11, 2013	11.00 am

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

Date of Meeting	Summary
May 7, 2015	1. Increase in ceiling of remuneration payable to Mr. Shailesh Wani, Managing Director of the Company 2. Adoption of new set of Articles of Association 3. Approval of Related Party Transactions
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.

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 Regulation 17 (8) of the Listing Regulations, the Managing Director and the Chief Financial Officer have issued a certificate to the Board for the financial year ended December 31, 2015.

6.4 Whistle Blower Policy:

The Company has 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. No personnel has been denied access to the Audit Committee to report its genuine concerns or grievances.

6.5 Related Party Transactions

There were no materially significant related party transactions 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 42nd Annual General Meeting and will be placed before the shareholders for their approval by way of Ordinary Resolution. 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 at http://www.spgprints.com/include/files/About_us/Stovec/Policies/Related_Party_Transaction_Policy.pdf link.

6.6 Risk Management

As required by Listing Regulations, the Risk Management Policy has been formulated and the same is available at the website of the Company at www.stovec.com.

6.7 Policy for Prohibition of Insider Trading and Code of Conduct for Fair Disclosures

The Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Conduct for fair disclosures pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, which became effective from May 15, 2015.

6.8 Policy for determining Material Subsidiaries

The Company has formulated Policy for determining Material Subsidiaries and the same is available at the website of the Company at www.stovec.com at http://www.spgprints.com/include/files/About_us/Stovec/Policies/Policy_for_determining_Material_Subsidiaries.pdf.

6.9 Policy for determining Material Information

As required by Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have approved the Policy for determining Material Information, which is effective from December 1, 2015 and is available at the website of the Company at www.stovec.com at http://www.spgprints.com/include/files/About_us/Stovec/Policy_for_determining_Material_Information.pdf.

6.10 Policy for Preservation of Documents and Archival Policy

As required by Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have approved the Policy for Preservation of Documents and Archival Policy and the same is available at the website of the Company at www.stovec.com at http://www.spgprints.com/include/files/About_us/Stovec/Policies/Policy_for_Preservation_of_Documents_Archival_Policy.pdf.

6.11 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.

6.12 Disclosure of Commodity Price Risks, Foreign Exchange Risk and Commodity Hedging Activities

High quality Nickel, which is the principal raw material for the Company is imported regularly, as per Purchase guidelines of the Company. The Company's performance may get impacted in case of substantial change in prices of Nickel or Foreign Exchange rate fluctuations. The Company does not undertake commodity hedging activities.

6.13 Adoption of Non-Mandatory Requirements of Listing Regulations

The Company has separate persons for the position 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 is the Wholly Owned Subsidiary of the Company. The provisions of Regulation 24 of the Listing Regulations, 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, 2015	May 9, 2015	Business Standard	Loksatta Jansatta
Quarterly of June 30, 2015	August 14, 2015	Business Standard	Jaihind
Quarterly of September 30, 2015	November 7, 2015	Business Standard	Jaihind
Annual as on December 31, 2015	February 18, 2016	Business Standard	Jaihind

The quarterly and annual financial results of the company are also updated on the company's website viz. www.stovec.com and of the website of BSE viz. www.bseindia.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	25 th day of May, 2016 at 11.00 A.M.
Venue	Stovec Industries Limited N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad-382405.

9.2 Financial Calendar:

Financial Year	Ending December 31, 2015
Date of Book Closure	May 19, 2016 to May 25, 2016 (both days inclusive)
Dividend Payment Date	Amount of Dividend will be deposited with the bank within 5 days of approval of Dividend 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 BSE 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 2015-2016.

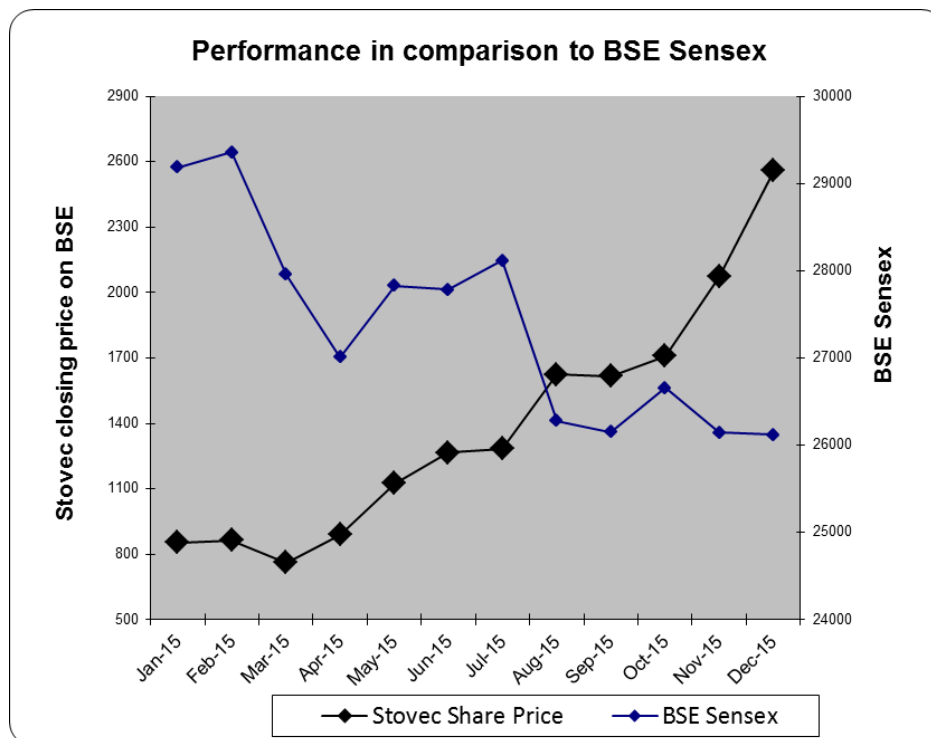
9.4 The following are the listing details of the Company's Shares

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	BSE		
	High (₹)	Low (₹)	No. of Shares
Jan-15	875.00	807.00	8,784
Feb-15	920.00	720.00	15,409
Mar-15	918.50	745.00	31,084
Apr-15	1050.00	751.00	23,919
May-15	1226.00	802.50	18,935
Jun-15	1325.00	1010.00	16,164
Jul-15	1348.00	1180.00	8,757
Aug-15	1993.00	1280.00	78,952
Sep-15	1995.00	1525.00	12,567
Oct-15	1880.00	1615.00	15,302
Nov-15	2080.00	1638.25	53,321
Dec-15	2572.00	1962.00	45,118

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

*source: 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, 3rd 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:

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 erstwhile 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 Compliance of conditions of Corporate Governance is attached as annexure to the Report.

9.10 Shareholding Pattern of the Company

Category	As on 31.12.2015		As on 31.12.2014		% Variance 15 v/s 14
	No. of Shares	%	No. of Shares	%	
Promoters & Promoter Group	1,483,777	71.06	1,482,493	71.00	0.06
Mutual Funds/UTI	200	0.01	200	0.01	-
Financial Institutions/Banks	2,051	0.10	2,051	0.10	-
Bodies Corporate	32,156	1.54	59,141	2.83	(1.29)
NRIs (Repatriable)	4,738	0.23	4,160	0.20	0.03
NRIs (Non-Repatriable)	8,813	0.42	8,064	0.39	0.03
Clearing Members	10,219	0.49	3,371	0.16	0.33
Directors & their Relatives	5,864	0.28	5,864	0.28	-
Individuals/HUF	5,40,198	25.87	522,672	25.03	0.84
Total	2,088,016	100.00	2,088,016	100.00	-

9.11 Distribution of Shareholding as on December 31, 2015

Range of Shares	Number of Shareholders	Percentage of Total Shareholders	Number of Shares	Percentage of Total Shares
1 - 500	7,041	97.82	340,654	16.32
501 - 1000	88	1.22	64,987	3.11
1001 - 2000	42	0.58	59,296	2.84
2001 - 3000	7	0.10	16,788	0.80
3001 - 4000	7	0.10	24,075	1.15
4001 - 5000	5	0.07	22,684	1.09
5001 - 10000	5	0.07	28,234	1.35
10001 or more	3	0.04	1,531,298	73.34
TOTAL	7,198	100	2,088,016	100.00

9.12 Top shareholders (holding in excess of 1% of capital) as on December 31, 2015

Name of Shareholder	No. of Shares held	% age of Share Capital
SPGPrints B.V. (Formerly Stork Prints B.V.)	14,83,777	71.06
Amit Shantilal Motla	31,000	1.48

9.13 Dematerialization of Shares & Liquidity

As on December 31, 2015, shares comprising 93.59 % 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 PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel, as applicable to them, for the financial year ended December 31, 2015.

For, Stovec Industries Limited

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

CIN: - 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.

We 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 erstwhile listing agreement with Stock Exchanges, applicable to the Company till 30th November 2015 and para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, applicable from 1st December 2015 till the accounting year ended on 31st December, 2015. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our 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 our examination of the records produced, explanation and information furnished, We certify that the Company has complied with all the mandatory conditions of the said clause 49 of the listing agreement till 30th November 2015 and para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, applicable from 1st December 2015, till the accounting year ended on 31st December, 2015;

Place: Ahmedabad
Date: February 15, 2016

For, Sandip Sheth & Associates
Practicing Company Secretaries

Sd/-
Sandip Sheth
Partner
FCS: 5467
CP No.: 4354

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT:

Stovec is a part of SPGPrints Group, The Netherlands 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.

The large part of Stovec's product portfolio caters to textile industry. Textile Industry has a prominent place in the Indian manufacturing sector. Employing around 35 million people, textiles industry stands as a major foreign currency revenue generator, generating around 16% of export revenues for the country and holds 14% share of industrial production. Thus, growth and all round development of this industry has a direct bearing on the improvement of the India's economy.

Indian Graphic Industry and more specifically Label Printing Industry is developing strongly and is growing consistently. 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 also growing its Sugar Screen business, 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. 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 excellent performance during the year and has achieved revenue from operations of Rs. 1567.02 Million (Previous year Rs. 949.09 Million); a growth of about 65 % in comparison to previous year, contributed by growth in sales of all product lines driven by increased market presence. The Company has achieved Profit before Tax of Rs. 310.66 Million (Previous year Rs. 165.15 Million), a growth of about 88% in comparison to previous year.

The Company achieved revenue from Exports of Rs. 92.19 Million during the financial year 2015.

Consolidated:

The Company has achieved consolidated revenue from operations of Rs. 1621.98 Million and Profit before Tax of Rs. 331.79 Million during the financial year 2015.

SEGMENT-WISE PERFORMANCE:

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

(Amount in Millions)

Particulars	2015	2014
Textile Consumables & Textile Machinery	1286.36	791.87
Graphic Products	80.13	56.62
Galvanic	186.71	92.62

The Company has achieved growth in revenue in all business segments led by Textile Machinery and Consumable segment to achieve highest ever sales in the history of the Company.

OPERATIONS PERFORMANCE

The Company has its manufacturing facility in Ahmedabad. With the strength of 162 permanent employees, Stovec Industries Limited drives its operations facility with best-in-class manufacturing practices. Operations excellence tools such as Six Sigma, have been progressively used to drive the operational efficiency.

PARTICIPATION IN TRADE SHOWS & EXHIBITIONS:

The Company participated and made its presence felt in various trade shows and exhibitions such as Label Expo, Brussels; ITMA, Milan, Italy; Shanghai Tex, China and STAI (Sugar Technologists Association of India) Exhibition held in Goa

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

OUTLOOK & OPPORTUNITIES:

The International Monetary Fund (IMF) in its World Economic Outlook forecast India's economic growth at about 7.5 percent during 2016. Resilient domestic demand and a limited reliance on the external sector has fueled a pickup in growth for India in fiscal year 2015. In contrast to other major developing countries, growth in India remained robust, buoyed by strong investor sentiment and the positive effect on real incomes of the recent fall in oil prices.

From the Global front, the growth is expected to remain at about 3.4 % in 2016. The pickup in global activity is projected to be more gradual, especially in emerging market and developing economies. Overall, financial conditions within advanced economies remain very accommodative.

The Government of India had notified the amended Textile Upgradation Fund Scheme (TUFS) which may give a boost to employment generation and exports in the textile sector. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players into the Indian market. The organized apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a period of 10 years. The Government of India is expected to soon announce a new National Textile Policy, which aims at creating 35 million new jobs by way of increased investments by foreign companies, which in turn may increase the business prospects for industries related to textiles. The future of Indian Textile Industry which is a key business industry for your Company looks promising.

RISKS AND CONCERNS:

Economic challenges being faced by the world including India, may slow down the growth rate forecast which might adversely affect 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 emphasize on employees training and development. The Company intends to attract, retain and develop talent through good HR practices.

The Company had 162 permanent employees on the rolls of the Company as on December 31, 2015.

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.

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

In alignment with vision of the Company, the Company through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as *Socially Responsible Corporate*, with environmental concern.

OBJECTIVE OF CSR POLICY:

- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- Demonstrate commitment to the common good through responsible business practices and good governance.
- To directly or indirectly take up the programmes that benefits the Society at large and communities in and around its work center over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- Support Governments' development agenda to ensure sustainable change.

PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN:

In accordance with this CSR Policy and the specified activities under the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and any amendment(s) thereof, the CSR activities of the Company will have the following thrust areas:

- i. Skill Development for sustainable income generation & Livelihood for marginalized population
- ii. Literacy / Education
- iii. Basic Infrastructure facilities like Safe Drinking Water, Health care & Sanitation
- iv. Protection and safeguard of environment and maintenance of ecological balance.
- v. To respond to emergency situations/disasters/Other national cause by providing Contribution to State Funds for such cause
- vi. Socio- economic development, relief and welfare of Children, Women and those who are Physically and Mentally challenged.

These will be undertaken in collaboration with State Governments, district administrations, local administrations as well as Central Government, Departments/Agencies, NGOs, Self Help Groups etc. The Company will implement its CSR programs through Government Funds, Registered Trust, Society or otherwise.

- A.** The Board of Directors of the Company may decide to undertake CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act or otherwise. Provided that:
 - i. If such trust, society or company is not established by the Company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
 - ii. The company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- B.** The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- C.** The Company may also contribute to the recognized fund established by Central / State Government.

More details on the CSR Policy and Projects are available on the Company's website as per the link given below:

http://www.spgprints.com/include/files/About_us/Stovec/Policies/CSR_Policy.pdf

2. Composition of the CSR Committee:

Sr. No.	Name of Member	Position held in CSR Committee
1	Mr. Shailesh Wani	Chairman
2	Mr. K. M. Thanawalla	Member
3	Mr. Eiko Ris (Appointed as Member w.e.f. February 16, 2016)	Member
4	Mr. Aschwin Hollander (Ceased to be Member w.e.f. February 16, 2016)	Member

3. Average net profit of the Company for last three financial years: INR 14,13,12,966/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): INR 28,26,259/-

5. Details of CSR spent during the financial year

a) Total amount to be spent for the financial year: INR 28,26,259/-

b) Amount unspent, if any: Nil

c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) overheads.	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency.
1	Contribution to Prime Minister's National Relief Fund	Not Applicable	Contribution to Prime Minister's National Relief Fund	INR 29,00,000/-	INR 29,00,000/-	INR 29,00,000/-	Direct
	Total			INR 29,00,000/-	INR 29,00,000/-	INR 29,00,000/-	-

6. In case of company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – Not applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

The CSR Committee ensures that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

For, Stovec Industries Limited

Sd/-

Shailesh Wani

Managing Director

DIN: 06474766

For and on behalf of CSR Committee

For, Stovec Industries Limited

Sd/-

Shailesh Wani

Chairman - Corporate Social Responsibility Committee

DIN: 06474766

Annexure-VI

STATEMENT OF DISCLOSURE OF REMUNERATION

(Pursuant to Section 197 of the Act and Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

- (i) **Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2015, the percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the financial year 2015.**

Sr. No.	Name of Director / Key Managerial Personnel	Designation	Ratio of Remuneration of each Director to median remuneration of employees	Percentage increase in Remuneration
1	Mr. Shailesh Wani	Managing Director	32.37:1	12.50 %
2	Mr. Girish Deshpande	Chief Financial Officer (Upto June 30, 2015)	Not Applicable	10.00 %
2	Mr. Paras Mehta	Chief Financial Officer (w.e.f. July 1, 2015)	Not Applicable	Not Applicable, as he has been appointed w.e.f July 1, 2015.
3	Mrs. Varsha Adhikari	Company Secretary	Not Applicable	13.50 %

Note:

The Company is paying sitting fees to Independent Directors. Other Non-Executive Directors of the Company opted not to accept any sitting fees. The details of sitting fees to Independent Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Director's Remuneration is therefore not considered for the above purpose.

- (ii) The percentage increase in the median remuneration of employees for the financial year 2015 was 12%.
- (iii) The Company had 162 permanent employees on the rolls of the Company as on December 31, 2015.
- (iv) **Relationship between average increase in remuneration and Company's performance:**

The remuneration paid is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance and review of remuneration packages of employees/managerial personnel of other organizations. During the year, similar approach was followed to establish the remuneration increases to the employees. Variable compensation is an integral part of Company's total remuneration package and is directly linked to business performance. Salary increases during the year were in line with the Company's performance as well as that of the Company's market competitiveness.

- (v) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

In line with Company's remuneration philosophy, merit increases and annual variable pay-outs of its Key Managerial Personnel are directly linked to respective KMP's performance as well as business performance. Considering the respective KMP's performance and business performance of the Company, appropriate reward by way of merit increase and/or salary increase and/or variable pay have been awarded to the Key Managerial Personnel for the current year.

- (vi) **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Sr. No.	Particulars	As at December 31, 2015	As at December 31, 2014
1	Market Capitalization	At BSE: 534.22 crores	At BSE: 173.31 crores
2	Price Earnings Ratio (with exceptional items)	26.01	15.61
	Price Earnings Ratio (without exceptional items)	26.01	15.61
3	Closing Market Price of equity shares of the Company	2,558.50	830
4	<p>The Company's last Public Offer (Right issue) was made in the year 1993 at a price of Rs.100 per equity share of face value of Rs. 10 each.</p> <p>The closing price of the equity shares of the Company at BSE on December 31, 2015, have grown 2558.50 %, since the last Public Offer as mentioned above.</p>		

- (vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 12.16 %, whereas the increase in the managerial remuneration was 12.50 %. The average increase every year is an outcome of the Company's market competitiveness and business performance. Keeping in mind our Nomination and Remuneration policy and benchmarking results, the increases this year reflect the market practice.
- (viii) **The key parameters for any variable component of remuneration:** Variable compensation is an integral part of our total remuneration package for all employees including Managing Directors/ Whole-time Directors. Variable Pay is directly linked to business performance. At the start of the year, the Management sets business and financial targets for the Company. These are drawn from the organizational strategic plan and are then reviewed for consistency and stretch.
- (ix) The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year : **Not applicable.**
- (x) It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

K.M.Thanawalla
Chairman
DIN: 00201749

Date : February 16, 2016
Place : Mumbai

FORM No. MGT-9**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2015**

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L45200GJ1973PLC050790
Registration Date	:	June 5, 1973
Name of the Company	:	Stovec Industries Limited
Category of the Company	:	Company limited by shares
Sub Category of the Company	:	Indian Non-Government Company.
Address	:	N.I.D.C., Near Lambha Village, Post: Narol, Ahmedabad - 382 405, Gujarat, India.
Contact Details	:	+91 (0) 79 3041 2300
Whether Shares Listed	:	Yes

Details of Registrar and Transfer Agent

Name	:	Link Intime India Pvt. Ltd.
Address	:	Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad - 380 009, Gujarat, India.
Contact Details	:	Telefax. : +91 (0) 79 26465179 E-mail id : ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and description of main products /services	NIC code of the product/service	% of total turnover of the company
1.	Perforated Rotary Screens	32909	31.70
2.	Automatic Rotary Screen Printing Machine	28262	31.23

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

[No. of Companies for which information is being filled] - 1

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section
1.	Atul Sugar Screens Pvt. Ltd.	U28999PN2013PTC148896	Subsidiary Company	100%	2 (87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**(i) CATEGORY-WISE SHARE HOLDING:**

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A)	Promoters & Promoters Group									
1)	Indian									
a)	Individual/HUF	0	0	0	0	0	0	0	0	0
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	0	0	0	0	0	0	0	0	0
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any Other...	0	0	0	0	0	0	0	0	0
	Sub-total (A) (1)	0	0	0	0	0	0	0	0	0
2)	Foreign									
a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
b)	Other - Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	1482493	0	1482493	71.00	1483777	0	1483777	71.06	0.06
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any Other...	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2)	1482493	0	1482493	71.00	1483777	0	1483777	71.06	0.06
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1482493	0	1482493	71.00	1483777	0	1483777	71.06	0.06
B)	Public Shareholding									
1)	Institutions:									
a)	Mutual Funds	0	200	200	0.01	0	200	200	0.01	0.00
b)	Banks / FI	362	1689	2051	0.10	362	1689	2051	0.10	0.00
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIIIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others (specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B)(1)	362	1889	2251	0.11	362	1889	2251	0.11	0.00
2)	Non Institutions									
a)	Bodies Corp.									
i)	Indian	57738	1403	59141	2.83	30753	1403	32156	1.54	-1.29
ii)	Overseas	0	0	0	0					
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	340217	140433	480650	23.02	344981	126417	471398	22.58	0.44
ii)	Individual Shareholder holding nominal share capital in excess of Rs 1 lakh	41972	0	41972	2.01	47521	0	47521	2.28	0.27
c)	Others(specify)									
i)	Clearing Member	3371	0	3371	0.16	10219	0	10219	0.49	0.33
ii)	NRI (Repat)	2737	1423	4160	0.20	3315	1423	4738	0.23	0.03
iii)	NRI (Non-Repat)	8064	0	8064	0.39	8813	0	8813	0.42	0.04
iv)	Director's/Director's Relatives	3310	2554	5864	0.28	3310	2554	5864	0.28	0.00
	Hindu Undivided Family (HUF)	0	50	50	0.00	21229	50	21279	1.02	1.02
	Trust	0	0	0	0.00	0	0	0	0	0
	Sub-total (B)(2)	457409	145863	603272	28.89	470141	131847	601988	28.83	-0.06
	Total Public Shareholding (B) = (B)(1) + (B)(2)	457771	147752	605523	29.00	470503	133736	604239	28.94	-0.06
C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	1940264	147752	2088016	100.00	1954280	133736	2088016	100.00	0

(ii) SHAREHOLDING OF PROMOTERS:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	SPGPrints B.V.	14,82,493	71%	0.00	14,83,777	71.06 %	0.00	0.06 %

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SPGPrints B.V.				
	At the beginning of the year	14,82,493	71%	14,83,777	71.06%
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc.)	1,284 Equity shares transferred to SPGPrints B.V. on January 5, 2015 pursuant to Open Offer under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 vide letter of offer dated: November 10, 2014.			
	At the End of the year	14,83,777	71.06%	14,83,777	71.06%

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	AMIT SHANTILAL MOTLA	30771	1.4737			30771	1.4737
	Purchase			16 Jan 2015	53	30824	1.4762
	Purchase			30 Jan 2015	201	31025	1.4859
	Purchase			06 Feb 2015	450	31475	1.5074
	Purchase			13 Feb 2015	276	31751	1.5206
	Purchase			06 Mar 2015	249	32000	1.5326
	Purchase			10 Apr 2015	115	32115	1.5381
	Purchase			29 May 2015	1015	33130	1.5867
	Sale			07 Aug 2015	(165)	32965	1.5788
	Sale			14 Aug 2015	(1515)	31450	1.5062
	Purchase			25 Sep 2015	31450	62900	3.0124
	Sale			30 Sep 2015	(31450)	31450	1.5062
	Sale			04 Dec 2015	(428)	31022	1.4857
	Sale			25 Dec 2015	(22)	31000	1.4847
	AT THE END OF THE YEAR					31000	1.4847
2	BHAVNA GOVINDBHAI DESAI	5320	0.2548			5320	0.2548
	Purchase			27 Feb 2015	11201	16521	0.7912
	Purchase			25 Sep 2015	16521	33042	1.5825
	Sale			30 Sep 2015	(16521)	16521	0.7912
	AT THE END OF THE YEAR					16521	0.7912
3	RAMESH MANOHAR KASBEKAR	7266	0.3480			7266	0.3480
	Purchase			25 Sep 2015	7266	14532	0.6960
	Sale			30 Sep 2015	(7266)	7266	0.3480
	AT THE END OF THE YEAR					7266	0.3480

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Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
4	KAMAL KUMAR GOYAL	6075	0.2909			6075	0.2909
	Sale			02 Jan 2015	(100)	5975	0.2862
	Purchase			25 Sep 2015	5975	11950	0.5723
	Sale			30 Sep 2015	(5975)	5975	0.2862
	AT THE END OF THE YEAR					6075	0.2909
5	RAJ KISHORE	950	0.0455			950	0.0455
	Purchase			27 Mar 2015	10000	10950	0.5244
	Sale			31 Mar 2015	(5000)	5950	0.2850
	Purchase			25 Sep 2015	5950	11900	0.5699
	Sale			30 Sep 2015	(5950)	5950	0.2850
	AT THE END OF THE YEAR					5950	0.2850
6	MSPL LIMITED	5816	0.2785			5816	0.2785
	Sale			16 Jan 2015	(220)	5596	0.2680
	Purchase			24 Apr 2015	600	6196	0.2967
	Purchase			01 May 2015	110	6306	0.3020
	Sale			15 May 2015	(745)	5561	0.2663
	Purchase			29 May 2015	175	5736	0.2747
	Purchase			12 Jun 2015	90	5826	0.2790
	Sale			26 Jun 2015	(195)	5631	0.2697
	Sale			03 Jul 2015	(150)	5481	0.2625
	Purchase			14 Aug 2015	70	5551	0.2659
	Purchase			21 Aug 2015	315	5866	0.2809
	Purchase			28 Aug 2015	315	6181	0.2960
	Sale			18 Sep 2015	(129)	6052	0.2898
	Sale			23 Oct 2015	(406)	5646	0.2704
	Sale			06 Nov 2015	(251)	5395	0.2584
	Purchase			25 Dec 2015	225	5620	0.2692
	Purchase			31 Dec 2015	40	5660	0.2711
	AT THE END OF THE YEAR					5660	0.2711
7	KISHOR BHAGWATI	5599	0.2681			5599	0.2681
	AT THE END OF THE YEAR					5599	0.2681
8	KINJAL R. MANIAR	5500	0.2634			5500	0.2634
	Purchase			25 Sep 2015	5500	11000	0.5268
	Sale			30 Sep 2015	(5500)	5500	0.2634
	AT THE END OF THE YEAR					5500	0.2634
9	KISHAN GOPAL MOHTA	2933	0.1405			2933	0.1405
	Sale			23 Jan 2015	(385)	2548	0.1220
	Sale			06 Feb 2015	(1104)	1444	0.0692
	Sale			13 Feb 2015	(1369)	75	0.0036
	Purchase			20 Feb 2015	2	77	0.0037
	Sale			27 Feb 2015	(29)	48	0.0023
	Purchase			13 Mar 2015	5452	5500	0.2634
	Purchase			10 Jul 2015	473	5973	0.2861
	Purchase			24 Jul 2015	27	6000	0.2874
	Purchase			07 Aug 2015	30	6030	0.2888
	Sale			14 Aug 2015	(4600)	1430	0.0685
	Purchase			21 Aug 2015	1678	3108	0.1488
	Purchase			28 Aug 2015	110	3218	0.1541
	Purchase			04 Sep 2015	20	3238	0.1551
	Purchase			18 Sep 2015	486	3724	0.1784
	Purchase			25 Sep 2015	3864	7588	0.3634
	Sale			30 Sep 2015	(3788)	3800	0.1820
	Purchase			09 Oct 2015	209	4009	0.1920
	Purchase			30 Oct 2015	2	4011	0.1921
	Purchase			04 Dec 2015	1035	5046	0.2417
	Purchase			18 Dec 2015	233	5279	0.2528
	Purchase			31 Dec 2015	221	5500	0.2634
	AT THE END OF THE YEAR					5500	0.2634

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Sr No.		Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
	Name & Type of Transaction	No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
10	KANCHAN SUNIL SINGHANIA	6462	0.3095			6462	0.3095
	Sale			14 Aug 2015	(1462)	5000	0.2395
	Purchase			25 Sep 2015	5000	10000	0.4789
	Sale			30 Sep 2015	(5000)	5000	0.2395
	AT THE END OF THE YEAR					5000	0.2395

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Marco Wadia				
	At the beginning of the year	2,150	0.1029	2,150	0.1029
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil			
	At the End of the year (or on the date of separation, if separated during the year)	2,150	0.1029	2,150	0.1029

V. INDEBTEDNESS:

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole Time Director and/or Manager.**

Sr. No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Mr. Shailesh Wani	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. (b) Value of perquisites u/s 17(2) Income-tax Act, 1961. (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	12,881,869 - -	12,881,869 - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - Others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	12,881,869*	12,881,869*
	Ceiling as per the Act	16,159,017	16,159,017

*Includes variable pay on provisional basis.

B. Remuneration to Other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Khurshed M. Thanawalla	Mr. Marco Wadia	
	1. Independent Directors • Fee for attending Board /Committee meetings • Commission • Others, please specify	4,72,500 - -	4,45,500 - -	9,18,000 - -
	Total (1)	4,72,500	4,45,500	9,18,000
	2. Other Non-Executive Directors • Fee for attending board /committee meetings • Commission • Others, please specify	- - -	- - -	- - -
	Total (2)	-	-	-
	Total (B)=(1+2)	4,72,500	4,45,500	9,18,000
	Total Managerial Remuneration	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			
		Mr. Girish Deshpande (CFO till June 30, 2015)	Mr. Paras Mehta (CFO w.e.f July 1, 2015.	Mrs. Varsha Adhikari (Company Secretary)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,593,203	1,524,471	2,557,196	6,674,870
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	2,593,203*	1,524,471*	2,557,196*	6,674,870*

*Includes variable pay on provisional basis.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES - NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY :					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS :					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT :					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Annexure-VIII**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:**

Sr. No.	Nature of transaction (loans given/investments made/guarantee given/security provided)	Purpose for which loans/guarantees/ security is proposed to be utilized by the recipient	As at 31 st December, 2015	As at 31 st December, 2014	Maximum outstanding during the year
1	Unsecured Loan Atul Sugar Screens Private Limited (Wholly Owned Subsidiary of the Company)	For Principal Business activities of the Company.	Nil	5,00,00,000	5,00,00,000

Annexure - IX

FORM NO. MR 3

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st December, 2015

To,
The Members,
Stovec Industries Limited
CIN: L45200GJ1973PLC050790
N.I.D.C, Near Lambha Village,
Post: Narol, Ahmedabad – 382 405, Gujarat, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Stovec Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st December, 2015 (hereinafter referred to as "Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(Not applicable to the Company during Audit Period)*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 as may be applicable from time to time;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

During period under report, no specific law is applicable to the Company.

We have also examined compliance with the applicable clauses/regulations of the following, to the extent applicable to the Company during the audit period:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange i.e. BSE Limited and Ahmedabad Stock Exchange Limited.

(iii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

We further report that, there were no actions/ events in pursuance of:

- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

requiring compliance thereof by the Company during the financial year.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by Tax auditor/other designated professionals.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period, there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Ahmedabad

Date: February 15, 2016

For, Sandip Sheth & Associates
Practicing Company Secretaries

Sd/-
Sandip Sheth
Partner
FCS: 5467
CP No.: 4354

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

"Annexure – A"

To,
The Members,
Stovec Industries Limited
CIN: L45200GJ1973PLC050790
N.I.D.C, Near Lambha Village,
Post: Narol, Ahmedabad- 382 405, Gujarat, India

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the representations from the Management and respective departmental heads about the Compliance of laws, rules and regulations and happening of events etc. during the audit period.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis, for the purpose of issuing Secretarial Audit Report.
6. The Secretarial Audit 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.
7. We conducted our audit in the manner specified under Section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

Place: Ahmedabad
Date: February 15, 2016

For, Sandip Sheth & Associates
Practicing Company Secretaries

Sd/-
Sandip Sheth
Partner
FCS: 5467
CP No.: 4354

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STOVEC INDUSTRIES LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Stovec Industries Limited** ("the Company"), which comprise the Balance Sheet as at December 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on December 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at December 31, 2015 on its financial position in its standalone financial statements;
 - ii. The Company has long-term contracts including derivative contracts as at December 31, 2015 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended December 31, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-
Priyanshu Gundana
Partner
Membership Number: 109553

Place : Mumbai
Date : February 16, 2016

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the standalone financial statements as of and for the year ended December 31, 2015.

- 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.
- 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. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said 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. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. 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 specified under sub-section (1) of Section 148 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.
- vii. (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, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, duty of customs and value added tax which have not been deposited on account of any dispute. The Particulars of dues of

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the standalone financial statements as of and for the year ended December 31, 2015.

income tax, service tax and duty of excise as at December 31, 2015 which have not been deposited on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount* (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Tax Liability Including Interest	5,100,601	Assessment year 2007 – 2008	Income Tax Appellate 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

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. 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.
- ix. 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 3(ix) of the Order are not applicable to the Company.
- x. 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 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. 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 : Mumbai
Date : February 16, 2016

BALANCE SHEET AS AT DECEMBER 31, 2015

	Note	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	20,880,160	20,880,160
Reserves and surplus	4	687,805,926	555,263,911
		<u>708,686,086</u>	<u>576,144,071</u>
Non-current liabilities			
Deferred tax liabilities (Net)	5	13,759,808	11,690,484
Other long-term liabilities	6	1,158,597	1,157,666
Long-term provisions	7	18,403,265	19,828,763
		<u>33,321,670</u>	<u>32,676,913</u>
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	8	2,263,315	4,166,967
- total outstanding dues of creditors other than micro enterprises and small enterprises	8	194,150,982	131,595,686
Other current liabilities	9	154,126,332	89,338,687
Short-term provisions	10	83,358,193	43,887,490
		<u>433,898,822</u>	<u>268,988,830</u>
		<u>1,175,906,578</u>	<u>877,809,814</u>
<u>ASSETS</u>			
Non-current assets			
Fixed Assets			
Tangible assets	11	197,072,152	178,691,579
Intangible assets	11	55,291,406	70,309,419
Capital work-in-progress		2,653,462	144,744
		<u>255,017,020</u>	<u>249,145,742</u>
Non-current investments	12	103,000	103,000
Long-term loans and advances	13	14,299,738	18,100,439
Other non-current assets	14	19,128,011	5,819,664
		<u>288,547,769</u>	<u>273,168,845</u>
Current assets			
Inventories	15	280,329,717	195,325,604
Trade receivables	16	298,525,513	198,110,838
Cash and Bank Balances	17	265,144,770	133,508,565
Short-term loans and advances	18	36,530,957	72,145,782
Other current assets	19	6,827,852	5,550,180
		<u>887,358,809</u>	<u>604,640,969</u>
		<u>1,175,906,578</u>	<u>877,809,814</u>
Statement of significant accounting policies	2		

The accompanying notes 1 to 39 are an integral part of the Standalone 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

For and on behalf of the Board of Directors

Sd/-
K. M. Thanawalla
Chairman
(DIN: 00201749)

Sd/-
Paras Mehta
Chief Financial Officer

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

Sd/-
Varsha Adhikari
Company Secretary

Place : Mumbai
Date : February 16, 2016

Place : Mumbai
Date : February 16, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
<u>INCOME</u>			
Revenue from operations	20	1,567,024,431	949,088,603
Other Income	21	35,545,212	31,399,313
		1,602,569,643	980,487,916
<u>EXPENDITURE</u>			
Cost of materials consumed	22	804,665,560	454,800,994
Purchase of stock-in-trade	23	133,606,436	95,480,402
Changes in Inventories of Finished Goods, Work-in-Progress and stock-in-trade	24	(41,971,585)	(24,688,172)
Employee Benefits Expense	25	133,538,799	115,405,876
Finance Cost	26	1,753,082	630,353
Depreciation and amortisation Expense	11	51,568,307	26,149,348
Other Expense	27	208,747,207	147,562,977
Total expenses		1,291,907,806	815,341,778
Profit Before Tax		310,661,837	165,146,138
<u>Tax Expenses</u>			
- Current Tax		104,646,914	50,592,887
- Excess provision of income tax of earlier years (Net)		(1,439,489)	-
- Deferred Tax		2,069,324	3,545,591
		105,276,749	54,138,478
Profit for the year		205,385,088	111,007,660
Earnings Per Share (Refer Note 31)			
Basic and Diluted Earnings Per Share (in ₹)		98.36	53.16
Nominal Value Per Equity Share (in ₹)		10.00	10.00

Statement of significant accounting policies 2

The accompanying notes 1 to 39 are an integral part of the Standalone 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

For and on behalf of the Board of Directors

Sd/-
K. M. Thanawalla
Chairman
(DIN: 00201749)

Sd/-
Paras Mehta
Chief Financial Officer

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

Sd/-
Varsha Adhikari
Company Secretary

Place : Mumbai
Date : February 16, 2016

Place : Mumbai
Date : February 16, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Taxation	310,661,837	165,146,138
Adjustments for:		
Depreciation / Amortisation	51,568,307	26,149,348
Finance Cost	1,753,082	630,353
Interest Income	(16,638,373)	(17,461,729)
Unrealised Foreign Exchange Loss	(478,384)	259,185
Loss on sale of assets	(363,367)	404,447
Provision for Doubtful Debts (Net)	(376,777)	(246,010)
Provision for Obsolescence of Inventory (Net)	284,246	1,186,286
Provision for Contingencies	(356,920)	(68,451)
Provision for Warranty (Net)	10,970,618	545,284
Liabilities no longer required written back	(221,514)	(17,672)
Operating Profit Before Working Capital Changes	356,802,755	176,527,179
Adjustments For Changes In Working Capital:		
(Increase) In Inventories	(85,288,359)	(87,754,742)
(Increase) / Decrease In Other non-current assets	(13,308,347)	(3,941,139)
(Increase) / Decrease In Long term loans and advances	(1,920,424)	4,034,628
(Increase) In Trade receivables	(99,073,758)	(65,204,342)
(Increase) In Short term Loans and Advances	(14,385,175)	(10,998,793)
(Decrease) / Increase In Trade and Other Payables	117,611,148	90,898,658
Cash Generated From Operations	260,437,840	103,561,449
Direct Taxes Refund / (Paid) (Net)	(97,486,300)	(56,233,743)
A. Net Cash From Operating Activities	162,951,540	47,327,706
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(58,247,399)	(144,451,983)
Proceeds from Sale of Fixed Assets	1,171,181	131,852
Purchase of Investments	-	(100,000)
Sale of Investments	-	29,368,400
Loan to Wholly-owned Subsidiary	50,000,000	(50,000,000)
Receipt / (Payment) of Bank Deposits with maturity more than 3 months but less than 12 months	(122,600,000)	35,889,731
Interest Income	15,360,701	22,014,218
B. Net Cash Generated / (Used In) Investing Activities	(114,315,517)	(107,147,782)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend Paid	(32,364,248)	(31,320,240)
Dividend Tax Paid	(6,588,600)	(5,322,875)
Interest Expense	(1,753,082)	(630,353)
C. Net Cash (Used In) Financing Activities	(40,705,930)	(37,273,468)
Net Increase in cash and cash equivalents (A+B+C)	7,930,093	(97,093,544)
Cash and Cash Equivalents as at the beginning of the year	79,514,649	176,608,193
Cash and Cash Equivalents as at the end of the year	87,444,742	79,514,649

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
Cash and Cash Equivalents :		
Cash on hand	353,586	305,710
Cheques on hand	2,448,463	5,992,859
Bank Balances :		
- In Current Accounts	34,642,693	35,416,080
- Short term deposits with maturity less than 3 months	50,000,000	37,800,000
	87,444,742	79,514,649

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

For and on behalf of the Board of Directors

Sd/-

K. M. Thanawalla

Chairman

(DIN: 00201749)

Sd/-

Paras Mehta

Chief Financial Officer

Sd/-

Shailesh Wani

Managing Director

(DIN: 06474766)

Sd/-

Varsha Adhikari

Company Secretary

Place : Mumbai

Date : February 16, 2016

Place : Mumbai

Date : February 16, 2016

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. The Company has three major Business Profile divisions : Textile Machinery, Graphics and Galvanic Screens. It manufactures and markets Perforated Rotary and Engraved Cylindrical Screens, Galvano Consumables and Screen Printing Machines.

2) Statement of significant accounting policies

a) Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, till the standards 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 Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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 — 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 as prescribed in Schedule II to the Companies Act 2013 or as per technical evaluation.

NOTES TO THE FINANCIAL STATEMENTS

Revised estimated useful life of the assets are as mentioned below:

Description of the asset	Useful Life (Years)
Building	5 to 60
Plant and Equipment	7.5 to 15
Computers	3 to 6
Furniture and Fixtures	10
Office Equipments, Air Conditioners and Cooler etc.	5
Vehicles	8

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

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset / liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

- 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, 2015 (₹)	As at December 31, 2014 (₹)
3) Share Capital		
Authorised:		
2,900,000 (December 31, 2014: 2,900,000)		
Equity Shares of ₹ 10/- each	29,000,000	29,000,000
10,000 (December 31, 2014: 10,000)		
Preference Shares of ₹ 100/- each	1,000,000	1,000,000
	30,000,000	30,000,000
Issued, Subscribed and Paid-up:		
2,088,016 (December 31, 2014: 2,088,016)		
Equity Shares of ₹ 10/- each fully paid-up	20,880,160	20,880,160
	20,880,160	20,880,160

a) Reconciliation of number of shares

Particulars	For the year ended December 31, 2015		For the year ended December 31, 2014	
	(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

1,483,777 (December 31, 2014: 1,482,493)		
Equity shares of ₹ 10/- each fully paid up are held by SPGPrints B.V. The Netherlands, the Holding Company.	14,837,770	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	1,483,777	1,482,493
SPGPrints B.V. - The Netherlands, the Holding Company	71.06%	71.00%

NOTES TO THE FINANCIAL STATEMENTS

		As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
4) Reserves and Surplus			
Capital Reserve		346,115	346,115
Capital Redemption Reserve		350,000	350,000
Securities Premium Account		79,618,502	79,618,502
General Reserve			
At the beginning of the year	160,954,416		149,454,416
Add: Transfer from Surplus in Statement of Profit and Loss	21,000,000		11,500,000
At the end of the year		181,954,416	160,954,416
Surplus in Statement of Profit and Loss			
At the beginning of the year	313,994,878		253,477,939
Add : Profit for the year	205,385,088		111,007,660
	519,379,966		364,485,599
Less : Appropriations			
Transfer to General Reserve	21,000,000		11,500,000
Proposed Dividend	60,552,464		32,364,248
Tax on Proposed Dividend	12,328,482		6,626,473
Short Provision on earlier year's Dividend	(37,873)		-
	93,843,073		50,490,721
At the end of the year		425,536,893	313,994,878
		687,805,926	555,263,911
5) Deferred Tax Liabilities (Net)			
Deferred tax liability			
(a) Depreciation	23,214,831		22,880,504
		23,214,831	22,880,504
Deferred tax assets			
(a) Provision for doubtful debts	218,575		342,739
(b) Provision for contingency	2,495,910		3,311,477
(c) Other timing differences allowable on payment basis	6,740,538		7,535,804
		9,455,023	11,190,020
		13,759,808	11,690,484
6) Other Long-term Liabilities			
Security Deposits		1,158,597	1,157,666
		1,158,597	1,157,666
7) Long-term Provisions			
Provision for Contingencies (Refer Note 33)		11,241,415	13,771,974
Provision for Leave Encashment		7,161,850	6,056,789
		18,403,265	19,828,763

NOTES TO THE FINANCIAL STATEMENTS

	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
8) Trade Payables		
a) Micro, Small and Medium Enterprises (Refer Note below)	2,263,315	4,166,967
b) Others	194,150,982	131,595,686
	196,414,297	135,762,653
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, 2015 (₹)	Year ended December 31, 2014 (₹)
a) Principal Amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end.	1,269,896	3,244,092
b) Interest due to suppliers registered under MSMED Act and remaining unpaid as at the year end.	993,419	922,875
c) Principal Amount paid to suppliers registered under MSMED Act, beyond the appointed day during the year.	5,514,863	3,445,869
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.	43,259	95,287
f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	531,501	-
g) Further interest remaining due and payable for earlier years.	879,616	772,151
	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
9) Other Current Liabilities		
Advances from Customers	97,338,697	46,683,112
Unpaid Dividend (See note below)	5,100,028	3,993,916
Employee Benefits Payable	27,600,077	23,997,505
Security Deposit	100,000	-
Statutory dues (including Provident Fund and Tax deducted at Source)	23,987,530	14,664,154
Note:		
There is no amount due and outstanding as at December 31, 2015 to be credited to Investor Education and Protection Fund.		
	154,126,332	89,338,687
10) Short-term Provisions		
Employee Benefits (Refer Notes 2(g) and 25B)		
- Provision for Gratuity	-	674,794
- Provision for Leave Encashment	1,505,727	2,452,969
Provision for Warranty (Refer Notes 2(k) and 33)	8,971,520	1,769,006
Proposed Dividend	60,552,464	32,364,248
Tax on Proposed Dividend	12,328,482	6,626,473
	83,358,193	43,887,490

NOTES TO THE FINANCIAL STATEMENTS

11.1 Fixed Assets
(Refer Notes 2 (d), 2 (I) and 37)

Particulars	Gross Block (At Cost)				Depreciation / Amortisation			Net Block
	As at December 31, 2014	Additions during the year	Deletions during the year	As at December 31, 2015	Upto December 31, 2014	For the year	On Deletions	As at December 31, 2015
Tangible Assets								
Own Assets								
Land- Freehold (Refer Note 1 below)	303,323	-	-	303,323	-	-	-	303,323
Buildings	38,230,485	1,994,609	-	40,225,094	10,677,070	4,562,376	-	24,985,648
Plant and Equipment	213,394,399	46,884,329	2,199,290	258,079,438	82,560,684	24,894,037	2,093,633	152,718,350
Computers	9,707,559	3,587,359	715,010	12,579,908	6,155,019	2,003,184	680,774	5,102,479
Furniture and Fixtures	12,993,147	154,623	-	13,147,770	8,585,206	1,122,151	-	3,440,413
Office Equipments, Air Conditioners and Cooler etc.	4,287,037	1,357,780	130,850	5,513,967	3,553,362	204,030	15,923	1,772,498
Vehicles	6,448,174	70,018	1,038,898	5,479,294	2,899,185	468,290	485,904	2,597,723
Assets given on Operating Lease								
Land- Freehold (Refer Note 1 below)	165,737	-	-	165,737	-	-	-	165,737
Buildings	19,520,044	-	-	19,520,044	11,927,800	1,606,263	-	5,985,981
Sub-Total (A)	305,049,905	54,048,718	4,084,048	355,014,575	126,358,326	34,860,331	3,276,234	197,072,152
Intangible Assets								
Goodwill	105,000	-	-	105,000	105,000	-	-	-
Trademark (Refer Note 2 below)	39,384,800	-	-	39,384,800	4,658,417	7,876,960	-	26,849,423
Technical/ Commercial Know-how and Non-compete Fees	63,804,036	-	-	63,804,036	29,682,337	7,739,800	-	26,381,899
Computer Software	9,080,264	1,689,963	-	10,770,227	7,618,927	1,091,216	-	2,060,084
Sub-Total (B)	112,374,100	1,689,963	-	114,064,063	42,064,681	16,707,976	-	55,291,406
Total (A+B)	417,424,005	55,738,681	4,084,048	469,078,638	168,423,007	51,568,307	3,276,234	252,363,558

NOTES TO THE FINANCIAL STATEMENTS

1.1) Fixed Assets
(Refer Notes 2 (d), 2 (l) and 37)

(₹)

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
Tangible Assets								
Own Assets								
Land- Freehold (Refer Note 1 below)	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
Plant and Equipment	155,258,763	58,740,800	605,164	213,394,399	72,184,664	10,950,926	574,906	130,833,715
Computers	8,728,948	2,227,279	1,248,668	9,707,559	6,384,685	935,035	1,164,701	3,552,540
Furniture and Fixtures	12,806,021	280,428	93,302	12,993,147	7,549,616	1,124,227	88,637	4,407,941
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
Vehicles	3,876,786	2,571,388	-	6,448,174	1,895,633	1,003,552	-	3,548,989
Assets given on Operating Lease								
Land- Freehold (Refer Note 1 below)	165,737	-	-	165,737	-	-	-	165,737
Buildings	19,520,044	-	-	19,520,044	11,356,086	571,714	-	7,592,244
Sub-Total (A)	238,015,888	69,467,024	2,433,007	305,049,905	112,367,454	15,887,580	1,896,708	178,691,579
Intangible Assets								
Goodwill	-	105,000	-	105,000	-	105,000	-	-
Trademark (Refer Note 2 below)	-	39,384,800	-	39,384,800	-	4,658,417	-	34,726,383
Technical/ Commercial Know-how and Non-compete Fees	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
Sub-Total (B)	32,903,548	79,470,552	-	112,374,100	31,802,913	10,261,768	-	70,309,419
Total (A+B)	270,919,436	148,937,576	2,433,007	417,424,005	144,170,367	26,149,348	1,896,708	249,000,998

Note:

- (1) Freehold Land includes Rs. 10,000/- being face value of 100 shares of Gujarat Vepari Mahamadal Sahakari Audhyogik Vasahat Ltd.
- (2) Trademark is in the process of transfer in the name of the company.
- (3) Consequent to the enactment of the Companies Act 2013, (the Act) and its applicability to the Company from accounting periods commencing from January 1, 2015, the Company has realigned the remaining useful lives of its fixed assets in accordance with the provisions prescribed under Schedule II to the Act. Accordingly, in case of assets which have completed their useful lives (prescribed under Schedule II to the Act) are fully depreciated and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives. Consequently, the depreciation and amortization expenses charge for the year ended December 31, 2015 is higher by Rs. 11,456,921.

NOTES TO THE FINANCIAL STATEMENTS

	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
12) Non-current Investments (Long Term, Non Trade and Unquoted)		
Investment in Equity Shares		
30 Shares (Previous Year 30 Shares) of Rs. 100/- each fully paid-up of Gujarat Vepari Mahamandal Sahakari Audhyogik Vasahat Ltd. (Long Term, Trade and Unquoted)	3,000	3,000
Investment in Subsidiary		
1,000 Shares (Previous Year 1,000 Shares) of Rs. 100/- each fully paid-up of Atul Sugar Screens Private Limited	100,000	100,000
	103,000	103,000
Aggregate amount of Unquoted investment Rs. 103,000 (Previous Year Rs. 103,000)		
13) Long-term Loans and Advances (Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	4,210,893	4,210,893
Sundry Deposits	7,689,700	5,769,276
Advance Tax and Tax Deducted at Source [Net of Provision Rs. 398,272,432 (Previous Year Rs. 293,874,225)]	2,399,145	8,120,270
	14,299,738	18,100,439
14) Other Non-current Assets (Unsecured, Considered Good)		
Long term deposits with maturity more than 12 months	14,300,000	-
Margin Money Deposit	4,828,011	5,819,664
	19,128,011	5,819,664
15) Inventories (Refer Note 2 (b))		
Raw Materials [Includes Goods-in-transit Rs. 17,069,676 (Previous Year Rs. 11,164,476)]	137,873,640	99,785,953
Packing Material, Stores, Spares and Tools	8,364,419	5,956,877
Work -in-Process	63,103,344	37,602,241
Finished Goods	40,602,862	36,013,203
Traded Goods	30,385,452	15,967,330
	280,329,717	195,325,604

NOTES TO THE FINANCIAL STATEMENTS

	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
16) Trade Receivables		
(Unsecured)		
Outstanding for a period exceeding Six Months from the date they are due for payment		
- Considered Good	1,092,490	713,604
- Considered Doubtful	631,574	1,008,351
	<u>1,724,064</u>	<u>1,721,955</u>
Others Considered Good		
- From Related Parties	68,470,718	33,974,708
- From Others	228,962,305	163,422,526
	<u>297,433,023</u>	<u>197,397,234</u>
Less: Provision for Doubtful Debts	631,574	1,008,351
	<u>298,525,513</u>	<u>198,110,838</u>
17) Cash and Bank Balances		
A. Cash and Cash Equivalents :		
Cash on hand	353,586	305,710
Cheques on hand	2,448,463	5,992,859
Bank Balances :		
- In Current Accounts	34,642,693	35,416,080
- Short term deposits with maturity less than 3 months	<u>50,000,000</u>	<u>37,800,000</u>
	<u>87,444,742</u>	<u>79,514,649</u>
B. Other Bank Balances		
Long term deposits with maturity more than 3 months but less than 12 months	172,600,000	50,000,000
Unpaid Dividend Accounts	<u>5,100,028</u>	<u>3,993,916</u>
	<u>177,700,028</u>	<u>53,993,916</u>
	<u>265,144,770</u>	<u>133,508,565</u>
18) Short-term Loans and Advances		
(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	34,553,231	17,672,747
Balance with Central Excise and Customs Authorities	<u>1,977,726</u>	<u>4,473,035</u>
	<u>36,530,957</u>	<u>72,145,782</u>
19) Other Current Assets		
Interest Accrued but not Due		
- on Deposits	6,827,852	4,687,979
- on Loan to Wholly-owned Subsidiary	-	862,201
	<u>6,827,852</u>	<u>5,550,180</u>

NOTES TO THE FINANCIAL STATEMENTS

	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
20) Revenue from operations		
Sales and Services (Gross)	1,681,421,814	1,015,738,233
Less: Excise Duty	128,219,271	74,627,825
	1,553,202,543	941,110,408
Other Operating Income :		
Commission Income	13,821,888	7,978,195
	1,567,024,431	949,088,603
Details of Revenue from operations		
a) Sales of Goods Manufactured :		
Perforated Rotary Screens	496,675,137	429,988,536
Anilox Rollers for printing	48,590,966	29,251,701
Automatic Rotary Screen Printing Machines	489,432,535	157,539,958
Spareparts for Machine	91,423,915	55,366,127
Engraving Chemicals	22,999,543	18,226,158
Rotamash screens for label printing	28,223,867	24,237,431
Sugar sieves and segments	144,501,197	69,803,430
Other Manufacturing Scrap	62,128,210	42,024,714
	1,383,975,370	826,438,055
b) Sales of Traded Goods :		
Digital Ink	52,853,968	25,720,520
Perforated Rotary Screens	111,977,502	84,790,326
Others	2,163,304	2,107,890
	166,994,774	112,618,736
c) Sale of Services	2,232,399	2,053,617
	2,232,399	2,053,617
	1,553,202,543	941,110,408
21) Other income		
Interest on :		
- Long-term Investments	-	378,345
- Deposits	13,057,029	16,125,383
- Others	3,581,344	958,001
	16,638,373	17,461,729
Liabilities no longer required written back	221,514	17,672
Provision for Doubtful Debts written back (Net)	376,777	246,010
Provision for Contingencies written back (Net) (Refer Note 33)	356,920	68,451
Lease rentals	11,605,260	11,605,260
Profit on Sale of Fixed Assets (Net)	363,367	-
Net Gain on Foreign Currency Transactions and Translation	1,855,988	-
Miscellaneous Income	4,127,013	2,000,191
	35,545,212	31,399,313

NOTES TO THE FINANCIAL STATEMENTS

		Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)	
22) a) Cost of Materials Consumed				
Raw Materials and Components Consumed		788,520,377	442,339,044	
Packing Materials Consumed		16,145,183	12,461,950	
		804,665,560	454,800,994	
(Cost of Materials Consumed is based on derived values)				
b) Details of Materials Consumed				
Nickel		304,826,609	247,154,951	
Components and Hardware Items		436,529,298	157,288,437	
Others		47,164,470	37,895,656	
		788,520,377	442,339,044	
c) Value of Imported and Indigenous Materials Consumed				
	in %		in %	
Imported	54%	424,730,607	66%	293,266,068
Indigenous	46%	363,789,770	34%	149,072,976
Total	100%	788,520,377	100%	442,339,044
23) Purchases of traded goods				
Digital Ink		42,441,943	28,616,174	
Perforated Rotary Screens		86,754,504	63,401,422	
Others		4,409,989	3,462,806	
		133,606,436	95,480,402	
24) Changes in inventories of finished Goods, work-in-process and traded goods				
<u>Opening 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	
<u>Closing Stock</u>				
- Work-in-process	63,103,344		37,602,241	
- Finished Goods	40,602,862		36,013,203	
- Traded Goods	30,385,452		15,967,330	
		134,091,658	89,582,774	
Decrease / (Increase) in Stock		(44,508,884)	(26,929,838)	
Increase/(Decrease) in Excise Duty on Finished Goods		2,537,299	2,241,666	
		(41,971,585)	(24,688,172)	
25) A. Employee benefits expenses				
Salaries, Wages and Bonus		119,050,156	102,243,062	
Contribution to Provident and Other Funds		3,263,429	2,805,981	
Gratuity		1,502,863	2,259,796	
Welfare Expenses		9,722,351	8,097,037	
		133,538,799	115,405,876	

NOTES TO THE FINANCIAL STATEMENTS

25) 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:

Particulars	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
Employers' Contribution to Provident Fund and Employee's Pension Scheme*	2,985,288	2,602,398
Employers' Contribution to Employee's State Insurance*	275,876	201,636

* Included in Contribution to Provident and Other Funds Note 25A

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:-

Particulars	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
Discount Rate (per annum)	8.17%	8.11%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.17%	8.70%
Expected Weighted Average remaining working lives of employees (years)	20	19

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

Particulars	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
Present value of obligation at the beginning of the year	12,582,674	10,126,636
Interest Cost	1,020,455	962,030
Current Service Cost	811,160	649,478
Benefits Paid	(2,943,431)	(490,838)
Actuarial (gain) / loss on obligations	704,957	1,335,368
Present value of obligation at the end of the year	12,175,815	12,582,674

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

Particulars	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
Fair value of Plan Assets at the beginning of the year	11,907,880	10,511,638
Expected Return on Plan Assets	1,035,986	914,513
Actuarial Gains and (Loss) on Plan Assets	(2,277)	(227,433)
Contributions	1,000,000	1,200,000
Benefits Paid	(1,616,623)	(490,838)
Fair value of Plan Assets at the end of the year	12,324,966	11,907,880

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, 2015 (₹)	As at December 31, 2014 (₹)
Present Value of funded obligation at the end of the year	12,175,815	12,582,674
Fair Value of Plan Assets at the end of the year	12,324,966	11,907,880
Funded Status	12,324,966	11,907,880
Present Value of unfunded Obligation at the end of the year	(149,151)	674,794
Unfunded Net Assets / (Liability) Recognised in Balance Sheet*	149,151	(674,794)

*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, 2015 (₹)	As at December 31, 2014 (₹)
Present Value of Obligation at the end of the year	(12,175,815)	(12,582,674)
Fair Value of Plan Assets at the end of the year	12,324,966	11,907,880
Assets / (Liability) recognised in the Balance Sheet**	149,151	(674,794)

**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, 2015 (₹)	Year ended December 31, 2014 (₹)
Current Service Cost	811,160	649,478
Interest Cost	1,020,455	962,030
Expected Return on Plan Assets	(1,035,986)	(914,513)
Optra Premium and other taxes	-	-
Net actuarial (gain) / loss recognised in the Year	707,234	1,562,801
Total Expenses recognised in the Statement of Profit and Loss	1,502,863	2,259,796

f. Experience Adjustment (₹)

Particulars	For the year ended December 31, 2015	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
Defined Benefit Obligation	12,175,815	12,582,674	10,126,636	10,627,312	9,219,936
Plan Assets	12,324,966	11,907,880	10,511,638	9,677,732	6,065,626
(Surplus) / Deficit	(149,151)	674,794	(385,002)	949,580	3,154,310
Experience Adjustment on plan liabilities (gain)/ loss	752,004	927,959	783,814	290,716	(196,981)
Experience Adjustment on plan assets gain/ (loss)	(2,277)	(227,433)	228,415	(138,937)	(712,351)

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, 2015	Year ended December 31, 2014
Cash Accumulation Scheme with Life Insurance Corporation of India	93%	81%
Bank Balances	7%	19%

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. 817,783 (Previous Year Rs. 1,485,954) for gratuity.

III. The liability for leave encashment and compensated absences as at the year end is Rs. 8,667,577 (Previous Year Rs. 8,509,758).

	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
26) Finance cost		
Other Borrowing Cost	1,753,082	630,353
	1,753,082	630,353
27) Other expenses		
Consumption of Stores and Spares	6,921,270	6,931,538
Rent	384,000	-
Rates and Taxes	4,435,001	2,091,551
Power and Fuel	84,308,041	62,745,677
Repairs To :		
- Buildings	3,972,739	3,334,827
- Plant and Equipment	5,633,816	3,834,508
- Others	4,212,282	12,248,678
	13,818,837	19,418,013
Erection and Commissioning charges	2,151,868	-
Insurance	2,386,507	1,526,564
Legal and Professional Fees	7,097,852	7,994,926
Auditors' Remuneration for :		
- Statutory Audit Fees	1,500,000	1,500,000
- Tax Audit Fees	325,000	381,000
- Others	810,000	775,000
- Out - of - Pocket Expenses	77,800	83,838
	2,712,800	2,739,838
Directors' Sitting Fees	918,000	841,500
Travelling and Conveyance	14,463,910	11,958,473
Vehicle Expenses	2,415,798	2,022,916
Communication Expenses	4,774,251	5,007,374
Royalty	16,591,852	2,291,374
Bad Debts written off	536,064	-
Provision for Obsolescence of Inventory	284,246	1,186,286
Provision for Warranty (Net) (Refer Note 33)	10,970,618	545,284
Net Loss on Foreign Currency Transactions and Translation	-	784,462
Loss on Sale of Fixed Assets (Net)	-	404,447
Commission / Service Charges	8,365,968	2,784,732
Freight and Forwarding	7,412,328	4,565,966
Sales Promotion Expenses	8,678,662	6,586,793
Contribution towards Corporate Social Responsibility activities (Refer Note 38)	2,900,000	-
Miscellaneous Expenses	6,219,334	5,135,263
	208,747,207	147,562,977

NOTES TO THE FINANCIAL STATEMENTS**28) a) Contingent Liabilities not provided for in respect of :**

Particulars	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
Disputed claims made by workers for re-instatement	854,244	903,680
Disputed income tax liability including interest	6,441,741	10,907,214
Disputed excise and service tax liability including penalty	4,611,245	4,611,245
Guarantees given by the Company	4,450,000	5,819,664
Total	16,357,230	22,241,803

b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at December 31, 2015 is Rs. 6,851,554 (Previous Year Rs. 147,578).

29) a) C.I.F. value of imports

Particulars	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
Raw Materials	406,420,380	302,927,188
Components Stores and Spares	2,202,098	2,536,370
Capital Goods	10,575,834	15,609,726
Traded Goods	94,882,886	70,589,779

b) Expenditure in foreign currency and earnings in foreign Currency

Particulars	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
i) Expenditure in foreign currency		
Finder Fees / Commission	4,191,232	-
Erection and Commissioning charges	1,317,386	-
Communication Expenses	2,039,238	2,389,781
Travelling Expenses	470,017	-
Warranty Expenses	3,085,277	630,761
Royalty	16,591,852	1,833,099
Others	79,318	-
ii) Earnings in foreign currency		
Export of goods and services calculated on F.O.B. basis	92,185,286	51,563,716
Commission Income	13,821,888	7,978,195
Others	-	80,266

30) Dividend remitted in foreign currency

Particulars	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
Amount remitted (₹)	22,998,544	22,237,395
Dividend related to financial year December 31, 2014		December 31, 2013
Number of non-resident shareholders	1	1
Number of shares	1,483,777	1,482,493

NOTES TO THE FINANCIAL STATEMENTS

31) 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, 2015 (₹)	Year ended December 31, 2014 (₹)
Profit for the year	205,385,088	111,007,660
Weighted average number of shares outstanding during the year (Nos.)	2,088,016	2,088,016
Earnings Per Share (Basic and Diluted)	98.36	53.16
Nominal value of an equity share	10	10

32) 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.	Holding Company of SPGPrints B.V.
Print II 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
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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, 2015	Year ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014
Sale of Products								
SPGPrints B.V.	15,476,890	48,725,503	-	-	-	-	15,476,890	48,725,503
Atul Sugar Screens Private Limited	99,933,557	27,306,326	-	-	-	-	99,933,557	27,306,326
Sub - Total	115,410,447	76,031,829	-	-	-	-	115,410,447	76,031,829
Sale of Services								
SPGPrints B.V.	748,833	-	-	-	-	-	748,833	-
SPGPrints Austria GMBH	-	-	365,664	-	-	-	365,664	-
Sub - Total	748,833	-	365,664	-	-	-	1,114,497	-
Purchase of Raw Material and Components								
SPGPrints B.V.	128,703,750	115,605,172	-	-	-	-	128,703,750	115,605,172
Veco B.V.	-	-	18,682,665	8,214,584	-	-	18,682,665	8,214,584
Spg Prints Brasil Ltda	-	-	29,408,978	-	-	-	29,408,978	-
SPGPrints Printing Systems Wuxi Co Ltd.	-	-	408,026	173,700	-	-	408,026	173,700
Sub - Total	128,703,750	115,605,172	48,499,669	8,388,284	-	-	177,203,419	123,993,456
Loan Given to Wholly-owned Subsidiary								
Atul Sugar Screens Private Limited	-	50,000,000	-	-	-	-	-	50,000,000
Sub - Total	-	50,000,000	-	-	-	-	-	50,000,000
Loan Repayment from Wholly-owned Subsidiary								
Atul Sugar Screens Private Limited	50,000,000	-	-	-	-	-	50,000,000	-
Sub - Total	50,000,000	-	-	-	-	-	50,000,000	-
Purchase of Fixed Assets								
SPGPrints B.V.	10,910,206	1,490,283	-	-	-	-	10,910,206	1,490,283
Veco B.V.	-	-	1,521,400	12,540,515	-	-	1,521,400	12,540,515
Sub - Total	10,910,206	1,490,283	1,521,400	12,540,515	-	-	12,431,606	14,030,798
Expenses Recovered from other companies								
SPGPrints B.V.	316,583	128,386	-	-	-	-	316,583	128,386
SPGPrints Austria GMBH	-	-	67,363	89,667	-	-	67,363	89,667
Sub - Total	316,583	128,386	67,363	89,667	-	-	383,946	218,053
Remuneration								
Mr. Shailesh C Wani	-	-	-	-	12,881,869	11,516,973	12,881,869	11,516,973
Sub - Total	-	-	-	-	12,881,869	11,516,973	12,881,869	11,516,973
Purchase of Services								
SPGPrints B.V.	1,066,535	-	-	-	-	-	1,066,535	-
Sub - Total	1,066,535	-	-	-	-	-	1,066,535	-
Communication Expenses								
SPGPrints B.V.	2,039,238	2,389,781	-	-	-	-	2,039,238	2,389,781
Sub - Total	2,039,238	2,389,781	-	-	-	-	2,039,238	2,389,781
Travelling and Other Expenses								
SPGPrints B.V.	873,456	38,663	-	-	-	-	873,456	38,663
Sub - Total	873,456	38,663	-	-	-	-	873,456	38,663
Royalty Expense								
SPGPrints B.V.	9,453,892	-	-	-	-	-	9,453,892	-
Veco B.V.	-	-	7,137,963	2,291,374	-	-	7,137,963	2,291,374
Sub - Total	9,453,892	-	7,137,963	2,291,374	-	-	16,591,855	2,291,374
Dividend Paid								
SPGPrints B.V.	22,998,544	22,237,395	-	-	-	-	22,998,544	22,237,395
Sub - Total	22,998,544	22,237,395	-	-	-	-	22,998,544	22,237,395
Interest Income on Loan to Wholly-owned Subsidiary								
Atul Sugar Screens Private Limited	3,192,679	958,001	-	-	-	-	3,192,679	958,001
Sub - Total	3,192,679	958,001	-	-	-	-	3,192,679	958,001
Commission Received								
SPGPrints B.V.	754,814	1,842,342	-	-	-	-	754,814	1,842,342
SPGPrints Austria GMBH	-	-	13,067,074	6,135,853	-	-	13,067,074	6,135,853
Sub - Total	754,814	1,842,342	13,067,074	6,135,853	-	-	13,821,888	7,978,195
Balance payable at the year-end								
SPGPrints B.V.	36,582,085	21,456,136	-	-	-	-	36,582,085	21,456,136
Spg Prints Brasil Ltda	-	-	15,225,000	-	-	-	15,225,000	-
Veco B.V.	-	-	7,924,396	3,909,744	-	-	7,924,396	3,909,744
Sub - Total	36,582,085	21,456,136	23,149,396	3,909,744	-	-	59,731,481	25,365,880
Balance receivable at the year-end								
SPGPrints B.V.	3,833,016	5,002,640	-	-	-	-	3,833,016	5,002,640
SPGPrints Austria GMBH	-	-	6,113,657	1,665,742	-	-	6,113,657	1,665,742
Atul Sugar Screens Private Limited - Trade Receivables	58,524,045	27,306,326	-	-	-	-	58,524,045	27,306,326
Atul Sugar Screens Private Limited - Loan and Interest	-	50,862,201	-	-	-	-	-	50,862,201
Sub - Total	62,357,061	83,171,167	6,113,657	1,665,742	-	-	68,470,718	84,836,909

NOTES TO THE FINANCIAL STATEMENTS

33) 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 estimates made for probable liabilities arising out of pending disputes / litigations with various regulatory 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, 2015 (₹)		For the year ended December 31, 2014 (₹)	
	Warranty	Contingency	Warranty	Contingency
Opening Balance	1,769,006	13,771,974	1,583,832	22,063,454
Additions during the Year	12,147,166	393,951	1,813,296	3,465,767
Provision written back during the Year	1,176,548	750,871	1,268,012	3,534,218
Provision utilised during the Year	3,768,104	2,173,639	360,110	8,223,029
Closing Balance	8,971,520	11,241,415	1,769,006	13,771,974

34) Research and Development Expenses:

Particulars	For the year ended December 31, 2015 (₹)	For the year ended December 31, 2014 (₹)
Capital Expenditure	-	1,795,577
Revenue Expenditure	6,134,250	4,524,933
Total	6,134,250	6,320,510

35) Derivative Instruments and Unhedged Foreign Currency Exposures:

a) Hedge of Receivables:

Particulars	Purpose	Foreign Currency Denomination	Foreign Currency Amount	Amount Rupees
Forward Contract to Sell USD	Hedge of Receivables	USD	390,000	26,336,700
			(-)	(-)

* Mark to Market Losses on the above Rs. Nil.

b) Particulars of Unhedged Foreign Currency Exposures:

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (₹)
Trade Receivables	EURO	137,195 (86,602)	9,946,674 (6,668,382)
	USD	- (23,710)	- (1,501,554)
Short-term Loans and Advances	EURO	33,033 (-)	2,394,884 (-)
	USD	8,581 (210)	569,178 (13,299)
Trade Payables	EURO	953,425 (353,232)	69,123,264 (27,198,852)
	USD	- (9,622)	- (609,361)
Other Current Liabilities	EURO	61,200 (-)	4,437,000 (-)
	USD	145,734 (192,500)	9,665,953 (12,191,025)

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

NOTES TO THE FINANCIAL STATEMENTS

36) Segment Reporting

a) Information about primary business segments

(₹)

Particulars	For the year ended December 31, 2015					For the year ended December 31, 2014				
	Textile Consumables and Textile Machinery	Graphics Product	Galvanic	Unallocated	Total	Textile Consumables and Textile Machinery	Graphics Product	Galvanic	Unallocated	Total
Revenue										
External Sales and Services (Net)	1,286,361,769	80,133,473	186,707,301	-	1,553,202,543	791,873,370	56,621,081	92,615,957	-	941,110,408
Total Revenue	1,286,361,769	80,133,473	186,707,301	-	1,553,202,543	791,873,370	56,621,081	92,615,957	-	941,110,408
Results										
Segment result	310,243,232	37,898,216	(22,455,597)	-	325,685,851	173,955,075	20,219,543	(14,866,932)	-	179,307,686
Interest Income										
net of expense	(228,007)	-	(25,826)	15,139,124	14,885,291	(341,132)	(3,503)	(8,707)	17,184,718	16,831,376
Unallocated										
Expenditure net of unallocated income	-	-	-	(29,909,305)	(29,909,305)	-	-	-	(30,992,924)	(30,992,924)
Profit before tax	310,015,225	37,898,216	(22,481,423)	(14,770,181)	310,661,837	173,613,943	20,216,040	(14,875,639)	(13,808,206)	165,146,138
Other Information										
Segment Assets	527,681,885	30,723,390	271,725,258	345,776,045	1,175,906,578	362,985,028	30,681,803	237,805,447	246,337,536	877,809,814
Segment Liabilities	316,430,112	4,917,256	17,964,439	127,908,685	467,220,492	191,070,181	7,143,940	11,136,296	92,315,326	301,665,743
Capital Expenditure	46,170,178	714,739	4,543,739	6,818,743	58,247,399	16,635,535	3,683,375	117,369,468	6,763,605	144,451,983
Depreciation	17,005,745	1,744,710	27,219,225	5,598,627	51,568,307	7,856,732	1,084,321	13,548,781	3,659,514	26,149,348

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

Particulars	For the year ended December 31, 2015 (₹)			For the year ended December 31, 2014 (₹)		
	India	Outside India	Total	India	Outside India	Total
Revenue from external customers	1,461,017,257	92,185,286	1,553,202,543	889,546,692	51,563,716	941,110,408
Carrying amount of Segment Assets	1,165,959,904	9,946,674	1,175,906,578	869,639,878	8,169,936	877,809,814
Addition to Fixed Assets during the Year	58,247,399	-	58,247,399	144,451,983	-	144,451,983

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

37) Leases**Operating Lease : As a Lessor**

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, 2015 (₹)	As at December 31, 2014 (₹)
Not later than one year	11,605,260	11,605,260
Later than one year and not later than five years	17,407,890	29,013,150
Later than five years	-	-

Operating Lease : As a Lessee

The Company has entered into cancellable lease agreements for premises for a period of three years. The lease rentals aggregating Rs. 384,000 (Previous Year Rs. Nil) have been included under the head "Other Expenses" Note 27 "Rent" of Statement of Profit and Loss.

38) Expenditure towards Corporate Social Responsibility (CSR) activities

- (a) Gross amount required to be spent by the company during the year : Rs. 2,826,259
- (b) Amount spent during the year:

Particulars	In Cash	Yet to be paid in Cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above*	2,900,000	-	2,900,000

* Contribution made to Prime Minister's National Relief Fund.

NOTES TO THE FINANCIAL STATEMENTS

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

Signatures to Notes 1 to 39 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

For and on behalf of the Board of Directors

Sd/-

K. M. Thanawalla

Chairman

(DIN: 00201749)

Sd/-

Paras Mehta

Chief Financial Officer

Sd/-

Shailesh Wani

Managing Director

(DIN: 06474766)

Sd/-

Varsha Adhikari

Company Secretary

Place : Mumbai

Date : February 16, 2016

Place : Mumbai

Date : February 16, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STOVEC INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Stovec Industries Limited ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") (refer Note 2 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at December 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
5. 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 auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at December 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India (Refer Note 2 to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, and its subsidiary included in the Group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and its subsidiary Company.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary included in the Group, including relevant records relating to the preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on December 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on December 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at December 31, 2015 on the consolidated financial position of the Group.
 - ii. The Group had long-term contracts including derivative contracts as at December 31, 2015 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended December 31, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-
Priyanshu Gundana
Partner
Membership Number: 109553

Place : Mumbai
Date : February 16, 2016

Annexure to Independent Auditors' Report

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the consolidated financial statements as of and for the year ended December 31, 2015

- i. (a) The Holding Company and its subsidiary are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the respective Managements of the Holding Company, and its subsidiary 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 aforesaid Holding Company and its subsidiary. Pursuant to the programme, a portion of the fixed assets has been physically verified by the respective Managements of the aforesaid Holding Company and its subsidiary during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the respective Managements of the Holding Company and its subsidiary during the year. In respect of inventory of the aforesaid Holding Company and its subsidiary 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 respective Managements of the Holding Company and its subsidiary are reasonable and adequate in relation to the size of the aforesaid Holding Company and its subsidiary and the nature of their respective businesses.
(c) On the basis of our examination of the inventory records and the reports of the other auditors, in our opinion, the Holding Company and its subsidiary are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company and its subsidiary as compared to the respective book records were not material.
- iii. The Holding Company and its subsidiary have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the aforesaid Holding Company and its subsidiary.
- 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 Holding Company and its subsidiary and the nature of their respective businesses 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 aforesaid Holding Company and its subsidiary, 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. The Holding Company and its subsidiary have not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Holding Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, 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.

The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Subsidiary.
- vii. (a) In our opinion, and according to the information and explanations given to us and the records of the Holding Company and its subsidiary examined by us, the Holding Company and its subsidiary are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Holding Company and its subsidiary examined by us, there are no dues of sales-tax, wealth-tax, duty of customs and value

Annexure to Independent Auditors' Report

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the consolidated financial statements as of and for the year ended December 31, 2015

added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and duty of excise as at December 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name Of the Company	Relationship	Name of the statute	Nature of dues	Amount* (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Stovec Industries Limited	Holding Company	The Income Tax Act, 1961	Tax Liability Including Interest	5,100,601	Assessment year 2007 – 2008	Income Tax Appellate Tribunal
Stovec Industries Limited	Holding Company	Service Tax The Finance Act, 1994	Tax Including Interest and Penalty	444,777	2003 – 2004	Custom, Excise and service Tax appellate Tribunal
Stovec Industries Limited	Holding Company	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

- (c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder. There are no amounts required to be transferred by the subsidiary Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Holding Company have no accumulated losses as at the end of the financial year and they have not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year. As the Subsidiary Company was registered for a period less than five years, the provisions of Clause 3(viii) of the Order are not applicable to the Subsidiary Company.
- ix. As the Holding Company and its subsidiary do not have any borrowings from any financial institution or bank nor have they issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the aforesaid Holding Company and its subsidiary.
- x. In our opinion, and according to the information and explanations given to us, the Holding Company and its subsidiary have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the aforesaid Holding Company and its subsidiary.
- xi. The Holding Company and its subsidiary have not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the aforesaid Holding Company and its subsidiary.
- xii. During the course of our examination of the books and records of the Holding 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 Holding Company and its subsidiary noticed or reported during the year, nor have we been informed of any such case by the respective Managements of the aforesaid Holding Company and its subsidiary.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-
Priyanshu Gundana
Partner
Membership Number: 109553

Place : Mumbai
Date : February 16, 2016

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2015

	Note	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	5	20,880,160	20,880,160
Reserves and surplus	6	706,725,234	560,746,341
		727,605,394	581,626,501
Non-current liabilities			
Deferred tax liabilities (Net)	7	13,757,475	11,558,548
Other long-term liabilities	8	1,175,019	1,161,700
Long-term provisions	9	18,403,265	19,828,763
		33,335,759	32,549,011
Current liabilities			
Trade payables	10	211,722,711	170,159,033
Other current liabilities	11	158,445,925	93,663,181
Short-term provisions	12	83,462,043	44,659,760
		453,630,679	308,481,974
		1,214,571,832	922,657,486
<u>ASSETS</u>			
Non-current assets			
Fixed Assets			
Tangible assets	13	199,146,694	180,369,922
Intangible assets	13	56,481,501	71,849,243
Capital work-in-progress		2,653,462	158,244
		258,281,657	252,377,409
Non-current investments	14	3,000	3,000
Long-term loans and advances	15	18,025,830	17,527,546
Other non-current assets	16	19,228,011	6,504,664
		295,538,498	276,412,619
Current assets			
Inventories	17	301,116,005	222,956,710
Trade receivables	18	281,798,375	226,894,319
Cash and Bank Balances	19	277,391,895	148,258,250
Short-term loans and advances	20	51,738,628	43,400,832
Other current assets	21	6,988,431	4,734,756
		919,033,334	646,244,867
		1,214,571,832	922,657,486

Statement of significant accounting policies 4

The accompanying notes 1 to 35 are an integral part of the Consolidated 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

For and on behalf of the Board of Directors

Sd/-

K. M. Thanawalla

Chairman

(DIN: 00201749)

Sd/-

Paras Mehta

Chief Financial Officer

Sd/-

Shailesh Wani

Managing Director

(DIN: 06474766)

Sd/-

Varsha Adhikari

Company Secretary

Place : Mumbai

Date : February 16, 2016

Place : Mumbai

Date : February 16, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
<u>INCOME</u>			
Revenue from operations	22	1,621,975,599	1,023,436,643
Other Income	23	33,325,257	31,231,531
		1,655,300,856	1,054,668,174
<u>EXPENDITURE</u>			
Cost of materials consumed	24	803,602,256	505,175,717
Purchase of stock-in-trade	25	133,606,436	95,480,402
Changes in Inventories of Finished Goods, Work-in-Progress and stock-in-trade	26	(38,463,568)	(26,069,866)
Employee Benefits Expense	27	138,752,750	117,257,333
Finance Cost	28	2,244,980	821,926
Depreciation and amortisation Expense	13	52,277,413	26,464,246
Other Expense	29	231,492,089	163,019,976
Total expenses		1,323,512,356	882,149,734
Profit Before Tax		331,788,500	172,518,440
<u>Tax Expenses</u>			
- Current Tax		112,070,015	53,057,322
- Excess provision of income tax of earlier years (Net)		(1,302,408)	-
- Deferred Tax		2,198,927	3,428,099
		112,966,534	56,485,421
Profit for the year		218,821,966	116,033,019
Earnings Per Share (Refer Note 31)			
Basic and Diluted Earnings Per Share (in ₹)		104.80	55.57
Nominal Value Per Equity Share (in ₹)		10.00	10.00

Statement of significant accounting policies 4

The accompanying notes 1 to 35 are an integral part of the Consolidated 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

For and on behalf of the Board of Directors

Sd/-

K. M. Thanawalla
Chairman
(DIN: 00201749)

Sd/-

Paras Mehta
Chief Financial Officer

Sd/-

Shailesh Wani
Managing Director
(DIN: 06474766)

Sd/-

Varsha Adhikari
Company Secretary

Place : Mumbai
Date : February 16, 2016

Place : Mumbai
Date : February 16, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Taxation	331,788,500	172,518,440
<u>Adjustments for:</u>		
Depreciation / Amortisation	52,277,413	26,464,246
Finance Cost	2,244,980	821,926
Interest Income	(13,658,132)	(16,543,244)
Unrealised Foreign Exchange Loss	(317,397)	146,826
Loss on sale of assets	(363,367)	404,447
Provision for Doubtful Debts (Net)	(168,982)	(244,933)
Provision for Obsolescence of Inventory (Net)	284,246	1,186,286
Provision for Contingencies	(1,129,190)	703,819
Provision for Warranty (Net)	10,970,618	545,284
Liabilities no longer required written back	(221,514)	(17,672)
Operating Profit Before Working Capital Changes	381,707,175	185,985,425
<u>Adjustments For Changes In Working Capital:</u>		
(Increase) In Inventories	(78,443,541)	(115,385,848)
(Increase) / Decrease In Other non-current assets	891,653	(3,941,139)
(Increase) / Decrease In Long term loans and advances	(5,509,029)	3,624,436
(Increase) In Trade receivables	(53,931,921)	(84,249,522)
(Increase) In Short term Loans and Advances	(8,337,796)	(28,136,635)
(Decrease) / Increase In Trade and Other Payables	98,634,519	112,834,899
Cash Generated From Operations	335,011,060	70,731,616
Direct Taxes Refund / (Paid) (Net)	(105,756,862)	(57,992,293)
A. Net Cash From Operating Activities	229,254,198	12,739,323
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(58,989,475)	(146,386,748)
Proceeds from Sale of Fixed Assets	1,171,181	131,852
Purchase of Investments	-	(100,000)
Sale of Investments	-	29,368,400
Receipt / (Payment) of Bank Deposits with maturity more than 3 months but less than 12 months	(123,980,000)	35,889,731
Receipt / (Payment) of Bank Deposits with maturity more than 12 months	(13,615,000)	(310,000)
Interest Income	11,404,457	21,911,157
B. Net Cash Generated / (Used In) Investing Activities	(184,008,837)	(59,495,608)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend Paid	(32,364,248)	(31,320,240)
Dividend Tax Paid	(6,588,600)	(5,322,875)
Interest Expense	(2,244,980)	(821,926)
C. Net Cash (Used In) Financing Activities	(41,197,828)	(37,465,041)
Net Increase in cash and cash equivalents (A+B+C)	4,047,533	(84,221,326)
Cash and Cash Equivalents as at the beginning of the year	94,264,334	176,608,193
Add : Cash and Cash Equivalents transfer upon acquisition of Subsidiary	-	1,877,467
Cash and Cash Equivalents as at the end of the year	98,311,867	94,264,334

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
Cash and Cash Equivalents :		
Cash on hand	408,835	340,743
Cheques on hand	2,448,463	5,992,859
Bank Balances :		
- In Current Accounts	45,199,569	50,130,732
- Short term deposits with maturity less than 3 months	50,255,000	37,800,000
	98,311,867	94,264,334

Note :

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

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 : Mumbai

Date : February 16, 2016

For and on behalf of the Board of Directors

Sd/-

K. M. Thanawalla

Chairman

(DIN: 00201749)

Sd/-

Paras Mehta

Chief Financial Officer

Place : Mumbai

Date : February 16, 2016

Sd/-

Shailesh Wani

Managing Director

(DIN: 06474766)

Sd/-

Varsha Adhikari

Company Secretary

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, as amended.
- 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 the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, till the standards 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 Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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 — 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 as prescribed in Schedule II to the Companies Act 2013 or as per technical evaluation. Revised estimated useful life of the assets are as mentioned below:

Description of the asset	Useful Life (Years)
Building	5 to 60
Plant and Equipment	7.5 to 15
Computers	3 to 6
Furniture and Fixtures	10
Office Equipments, Air Conditioners and Cooler etc.	5
Vehicles	8

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

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset / liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

- 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, 2015 (₹)	As at December 31, 2014 (₹)
5) Share Capital		
Authorised:		
2,900,000 (December 31, 2014: 2,900,000)		
Equity Shares of ₹ 10/- each	29,000,000	29,000,000
10,000 (December 31, 2014: 10,000)		
Preference Shares of ₹ 100/- each	1,000,000	1,000,000
	30,000,000	30,000,000
Issued, Subscribed and Paid-up:		
2,088,016 (December 31, 2014: 2,088,016)		
Equity Shares of ₹ 10/- each fully paid-up	20,880,160	20,880,160
	20,880,160	20,880,160

a) Reconciliation of number of shares

Particulars	For the year ended December 31, 2015		For the year ended December 31, 2014	
	(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

1,483,777 (December 31, 2014: 1,482,493)		
Equity shares of ₹ 10/- each fully paid up are held by SPGPrints B.V. The Netherlands, the Holding Company.	14,837,770	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	1,483,777	1,482,493
SPGPrints B.V. - The Netherlands, the Holding Company	71.06%	71.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
6) Reserves and Surplus			
Capital Reserve		346,115	346,115
Capital Redemption Reserve		350,000	350,000
Securities Premium Account		79,618,502	79,618,502
General Reserve			
At the beginning of the year	161,746,416		149,454,416
Add: Pre acquisition Reserve	-		232,000
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	21,000,000		12,060,000
At the end of the year		182,746,416	161,746,416
Surplus in Statement of Profit and Loss			
At the beginning of the year	318,685,308		253,477,939
Add: Pre acquisition Profit	-		225,071
Add : Profit for the year	218,821,966		116,033,019
	537,507,274		369,736,029
Less : Appropriations			
Transfer to General Reserve	21,000,000		12,060,000
Proposed Dividend	60,552,464		32,364,248
Tax on Proposed Dividend	12,328,482		6,626,473
Short Provision on earlier year's Dividend	(37,873)		-
	93,843,073		51,050,721
At the end of the year		443,664,201	318,685,308
		706,725,234	560,746,341
7) Deferred Tax Liabilities (Net)			
Deferred tax liability			
(a) Depreciation	23,358,498		22,994,392
		23,358,498	22,994,392
Deferred tax assets			
(a) Provision for doubtful debts	218,575		342,739
(b) Provision for contingency	2,641,910		3,557,301
(c) Other timing differences allowable on payment basis	6,740,538		7,535,804
		9,601,023	11,435,844
		13,757,475	11,558,548
8) Other Long-term Liabilities			
Security Deposits		1,175,019	1,161,700
		1,175,019	1,161,700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
9) Long-term Provisions		
Provision for Contingencies	11,241,415	13,771,974
Provision for Leave Encashment	7,161,850	6,056,789
	18,403,265	19,828,763
10) Trade Payables		
a) Micro, Small and Medium Enterprises	2,263,315	4,260,883
b) Others	209,459,396	165,898,150
	211,722,711	170,159,033
11) Other Current Liabilities		
Advances from Customers	97,338,697	46,683,112
Unpaid Dividend (See note below)	5,100,028	3,993,916
Employee Benefits Payable	28,583,156	24,442,156
Security Deposit	100,000	-
Statutory dues (including Provident Fund and Tax deducted at Source)	27,324,044	18,543,997
Note:		
There is no amount due and outstanding as at December 31, 2015 to be credited to Investor Education and Protection Fund.	158,445,925	93,663,181
12) Short-term Provisions		
Employee Benefits (Refer Notes 4(g))		
- Provision for Gratuity	-	674,794
- Provision for Leave Encashment	1,609,577	2,452,969
Provision for Warranty (Refer Notes 4(k))	8,971,520	1,769,006
Provision for Contingencies	-	772,270
Proposed Dividend	60,552,464	32,364,248
Tax on Proposed Dividend	12,328,482	6,626,473
	83,462,043	44,659,760

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	Gross Block (At Cost)						Depreciation / Amortisation					Net Block	
	As at December 31, 2014	Additions during the year	Deletions during the year	Adjustment (Refer Note 3 below)	As at December 31, 2015	Upto December 31, 2014	For the year	On Deletions	Adjustment (Refer Note 3 below)	As at December 31, 2015	As at December 31, 2015		
Tangible Assets													
Own Assets													
Land- Freehold (Refer Note 1 below)	303,323	-	-	-	303,323	-	-	-	-	-	-	303,323	
Buildings	38,230,485	1,994,609	-	-	40,225,094	10,677,070	4,562,376	-	-	15,239,446	24,985,648		
Plant and Equipment	214,101,653	47,046,477	2,199,290	-	258,948,840	82,599,991	24,934,335	2,093,633	-	105,440,693	153,508,147		
Computers	9,944,459	3,681,046	715,010	-	12,910,495	6,186,467	2,097,215	680,774	-	7,602,908	5,307,587		
Furniture and Fixtures	13,624,532	274,017	-	-	13,898,549	8,632,831	1,242,108	-	-	9,874,939	4,023,610		
Office Equipments, Air Conditioners and Cooler etc.	4,523,811	1,705,571	130,850	-	6,098,532	3,568,952	281,501	15,923	-	3,834,530	2,264,002		
Vehicles	6,448,174	75,018	1,038,898	-	5,484,294	2,899,185	468,354	485,904	-	2,881,635	2,602,659		
Assets given on Operating Lease													
Land- Freehold (Refer Note 1 below)	165,737	-	-	-	165,737	-	-	-	-	-	-	165,737	
Buildings	19,520,044	-	-	-	19,520,044	11,927,800	1,606,263	-	-	13,534,063	5,985,981		
Sub-Total (A)	306,862,218	54,776,738	4,084,048	-	357,554,908	126,492,296	35,192,152	3,276,234	-	158,408,214	199,146,694		
Intangible Assets													
Goodwill	105,000	-	-	-	105,000	105,000	-	-	-	105,000	-		
Trademark (Refer Note 2 below)	39,384,800	-	-	-	39,384,800	4,658,417	7,876,960	-	-	12,535,377	26,849,423		
Technical/ Commercial Know-how and Non-compete Fees	65,415,836	-	-	-	65,415,836	29,873,067	8,063,079	-	-	37,936,146	27,479,690		
Computer Software	9,218,170	1,717,519	-	-	10,935,689	7,638,079	1,145,222	-	-	8,783,301	2,152,388		
Sub-Total (B)	114,123,806	1,717,519	-	-	115,841,325	42,274,563	17,085,261	-	-	59,359,824	56,481,501		
Total (A+B)	420,986,024	56,494,257	4,084,048	-	473,396,233	168,766,859	52,277,413	3,276,234	-	217,768,038	255,628,195		

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 3 below)	As at December 31, 2014	Upto December 31, 2013	For the year	On Deletions	Adjustment (Refer Note 3 below)	As at December 31, 2014
Tangible Assets										
Own Assets										
Land- Freehold (Refer Note 1 below)	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
Plant and Equipment	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
Computers	8,728,948	2,464,179	1,248,668	-	9,944,459	6,384,685	966,483	1,164,701	-	3,757,992
Furniture and Fixtures	12,806,021	911,813	93,302	-	13,624,532	7,549,616	1,171,852	88,637	-	4,991,701
Office Equipments, Air Conditioners and Cooler etc.	4,160,740	428,861	65,790	-	4,523,811	3,239,818	352,809	23,675	-	954,859
Vehicles	3,876,786	2,571,388	-	-	6,448,174	1,895,633	1,003,552	-	-	3,548,989
Assets given on Operating Lease										
Land- Freehold (Refer Note 1 below)	165,737	-	-	-	165,737	-	-	-	-	165,737
Buildings	19,520,044	-	-	-	19,520,044	11,356,086	571,714	-	-	7,592,244
Sub-Total (A)	238,015,888	71,250,383	2,433,007	28,954	306,862,218	112,367,454	15,992,596	1,896,708	28,954	180,369,922
Intangible Assets										
Goodwill	-	105,000	-	-	105,000	-	105,000	-	-	-
Trademark (Refer Note 2 below)	-	39,384,800	-	-	39,384,800	-	4,658,417	-	-	34,726,383
Technical/ Commercial Know- how and Non-compete Fees	25,105,036	38,699,000	-	1,611,800	65,415,836	25,105,036	4,768,031	-	-	35,542,769
Computer Software	7,798,512	1,419,658	-	-	9,218,170	6,697,877	940,202	-	-	1,580,091
Sub-Total (B)	32,903,548	79,608,458	-	1,611,800	114,123,806	31,802,913	10,471,650	-	-	71,849,243
Total (A+B)	270,919,436	150,858,841	2,433,007	1,640,754	420,986,024	144,170,367	26,464,246	1,896,708	28,954	168,766,859

Note:

- (1) Freehold Land includes Rs. 10,000/- being face value of 100 shares of Gujarat Vepari Mahamadal Sahakari Audhyogik Vasahat Ltd.
 (2) Trademark is in the process of transfer in the name of the company.
 (3) 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, 2015 (₹)	As at December 31, 2014 (₹)
14) Non-current Investments		
(Long Term, Non Trade and Unquoted)		
Investment in Equity Shares		
30 Shares (Previous Year 30 Shares) of Rs. 100/- each fully paid-up of Gujarat Vepari Mahamandal Sahakari Audhyogik Vasahat Ltd.	3,000	3,000
	3,000	3,000
Aggregate amount of Unquoted investment Rs. 3,000 (Previous Year Rs. 3,000)		
15) Long-term Loans and Advances		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	7,768,844	4,210,893
Sundry Deposits	8,130,546	6,179,468
Advance Tax and Tax Deducted at Source [Net of Provision Rs. 409,563,518 (Previous Year Rs. 296,733,775)]	2,126,440	7,137,185
	18,025,830	17,527,546
16) Other Non-current Assets		
(Unsecured, Considered Good)		
Margin Money Deposit	4,928,011	5,819,664
Long term deposits with banks with maturity period more than 12 months	14,300,000	685,000
	19,228,011	6,504,664
17) Inventories		
(Refer Note 4 (b))		
Raw Materials	160,334,363	125,600,448
[Includes Goods-in-transit Rs. 17,069,676 (Previous Year Rs. 11,164,476)]		
Packing Material, Stores, Spares and Tools	8,417,461	6,110,263
Work -in-Process	63,103,344	37,602,241
Finished Goods	38,490,824	37,676,428
Traded Goods	30,770,013	15,967,330
	301,116,005	222,956,710

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
18) Trade Receivables		
(Unsecured)		
Outstanding for a period exceeding Six Months from the date they are due for payment		
- Considered Good	1,820,901	2,859,525
- Considered Doubtful	840,446	1,009,428
	<u>2,661,347</u>	<u>3,868,953</u>
Others Considered Good		
- From Related Parties	9,946,673	6,668,382
- From Others	270,030,801	217,366,412
	<u>279,977,474</u>	<u>224,034,794</u>
Less: Provision for Doubtful Debts	840,446	1,009,428
	<u>281,798,375</u>	<u>226,894,319</u>
19) Cash and Bank Balances		
A. Cash and Cash Equivalents :		
Cash on hand	408,835	340,743
Cheques on hand	2,448,463	5,992,859
Bank Balances :		
- In Current Accounts	45,199,569	50,130,732
- Short term deposits with maturity less than 3 months	50,255,000	37,800,000
	<u>98,311,867</u>	<u>94,264,334</u>
B. Other Bank Balances		
Long term deposits with maturity more than 3 months but less than 12 months	173,980,000	50,000,000
Unpaid Dividend Accounts	5,100,028	3,993,916
	<u>179,080,028</u>	<u>53,993,916</u>
	<u>277,391,895</u>	<u>148,258,250</u>
20) Short-term Loans and Advances		
(Unsecured and Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	45,807,365	31,466,377
Balance with Central Excise and Customs Authorities	5,931,263	11,934,455
	<u>51,738,628</u>	<u>43,400,832</u>
21) Other Current Assets		
Interest Accrued but not Due		
- on Deposits	6,988,431	4,734,756
	<u>6,988,431</u>	<u>4,734,756</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
22) Revenue from operations		
Sales and Services (Gross)	1,747,791,898	1,097,510,236
Less: Excise Duty	<u>139,638,187</u>	<u>82,051,788</u>
	1,608,153,711	1,015,458,448
Other Operating Income :		
Commission Income	<u>13,821,888</u>	<u>7,978,195</u>
	<u>1,621,975,599</u>	<u>1,023,436,643</u>
Details of Revenue from operations		
a) Sales of Goods Manufactured :		
Perforated Rotary Screens	496,675,139	429,988,536
Anilox Rollers for printing	48,590,966	29,251,701
Automatic Rotary Screen Printing Machines	489,432,533	157,539,958
Spareparts for Machine	91,423,915	55,366,127
Engraving Chemicals	22,999,543	18,226,158
Rotamash screens for label printing	28,223,867	24,237,431
Sugar sieves and segments	199,452,365	144,151,470
Other Manufacturing Scrap	<u>62,128,210</u>	<u>42,024,714</u>
	<u>1,438,926,538</u>	<u>900,786,095</u>
b) Sales of Traded Goods :		
Digital Ink	52,853,968	25,720,520
Perforated Rotary Screens	111,977,502	84,790,326
Others	<u>2,163,304</u>	<u>2,107,890</u>
	<u>166,994,774</u>	<u>112,618,736</u>
c) Sale of Services	<u>2,232,399</u>	<u>2,053,617</u>
	<u>2,232,399</u>	<u>2,053,617</u>
	<u>1,608,153,711</u>	<u>1,015,458,448</u>
23) Other income		
Interest on :		
- Long-term Investments	-	378,345
- Deposits	13,269,467	16,164,899
- Others	<u>388,665</u>	<u>-</u>
	13,658,132	16,543,244
Liabilities no longer required written back	221,514	17,672
Provision for Doubtful Debts written back (Net)	168,982	244,933
Provision for Contingencies written back (Net)	1,129,190	-
Lease Rentals	11,605,260	11,605,260
Profit on Sale of Fixed Assets (Net)	1,967,515	-
Net Gain on Foreign Currency Transactions and Translation	363,367	-
Miscellaneous Income	<u>4,211,297</u>	<u>2,820,422</u>
	<u>33,325,257</u>	<u>31,231,531</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
24) Cost of Materials Consumed		
Raw Materials and Components Consumed	786,723,336	492,254,220
Packing Materials Consumed	16,878,920	12,921,497
	803,602,256	505,175,717
(Cost of Materials Consumed is based on derived values)		
25) Purchase of stock-in-trade		
Digital Ink	42,441,943	28,616,174
Perforated Rotary Screens	86,754,504	63,401,422
Others	4,409,989	3,462,806
	133,606,436	95,480,402
26) Changes in inventories of finished Goods, work-in-progress and stock-in-trade		
<u>Opening 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
<u>Closing Stock</u>		
- Work-in-process	63,103,344	37,602,241
- Finished Goods	38,490,824	37,676,428
- Traded Goods	30,770,013	15,967,330
	132,364,181	91,245,999
Decrease / (Increase) in Stock	(41,118,182)	(28,593,063)
Increase/(Decrease) in Excise Duty on Finished Goods	2,654,614	2,523,197
	(38,463,568)	(26,069,866)
27) Employee benefits expenses		
Salaries, Wages and Bonus	123,641,258	103,769,210
Contribution to Provident and Other Funds	3,263,429	2,805,981
Gratuity	1,502,863	2,259,796
Welfare Expenses	10,345,200	8,422,346
	138,752,750	117,257,333
28) Finance cost		
Other Borrowing Cost	2,244,980	821,926
	2,244,980	821,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended December 31, 2015 (₹)	Year ended December 31, 2014 (₹)
29) Other expenses		
Consumption of Stores and Spares	6,921,270	6,931,538
Rent	972,000	-
Rates and Taxes	4,334,431	2,441,152
Power and Fuel	84,448,851	62,802,007
Repairs To :		
- Buildings	3,972,739	3,334,827
- Plant and Equipment	5,633,816	3,834,508
- Others	4,342,640	12,909,652
	13,949,195	20,078,987
Erection and Commissioning charges	2,151,868	-
Insurance	2,657,564	1,706,274
Legal and Professional Fees	7,392,349	9,329,468
Auditors' Remuneration for :		
- Statutory Audit Fees	1,700,000	1,605,000
- Tax Audit Fees	325,000	406,000
- Others	810,000	775,000
- Out - of - Pocket Expenses	94,881	83,838
	2,929,881	2,869,838
Directors' Sitting Fees	918,000	856,500
Travelling and Conveyance	15,564,265	12,812,561
Vehicle Expenses	2,604,837	2,141,010
Communication Expenses	5,175,392	5,144,617
Royalty	16,591,852	2,291,374
Bad Debts written off	536,064	-
Provision for Obsolescence of Inventory	284,246	1,186,286
Provision for Warranty (Net)	10,970,618	545,284
Provision for Contingencies (Net)	-	703,819
Net Loss on Foreign Currency Transactions and Translation	-	692,665
Loss on Sale of Fixed Assets (Net)	-	404,447
Commission / Service Charges	22,664,115	11,896,922
Freight and Forwarding	9,346,621	5,390,892
Sales Promotion Expenses	10,697,479	7,493,108
Contribution towards Corporate Social Responsibility activities	2,900,000	-
Miscellaneous Expenses	7,481,191	5,301,227
	231,492,089	163,019,976

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**30) a) Contingent Liabilities not provided for in respect of:**

Particulars	As at December 31, 2015 (₹)	As at December 31, 2014 (₹)
Disputed claims made by workers for re-instatement	854,244	903,680
Disputed income tax liability including interest	6,441,741	10,907,214
Disputed excise and service tax liability including penalty	4,611,245	4,611,245
Guarantees given by the Company	4,550,000	5,819,664
Total	16,457,230	22,241,803

b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at December 31, 2015 is Rs. 6,851,554 (Previous Year Rs. 430,947).

31) 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, 2015 (₹)	Year ended December 31, 2014 (₹)
Profit for the year	218,821,966	116,033,019
Weighted average number of shares outstanding during the year (Nos.)	2,088,016	2,088,016
Earnings Per Share (Basic and Diluted)	104.80	55.57
Nominal value of an equity share	10	10

32) 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.	Holding Company of SPGPrints B.V.
Print II 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
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In Atul Sugar Screens Private Limited

Mr. Sandeep Khot	Executive 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, 2015	Year ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014
Sale of Products								
SPGPrints B.V.	15,476,890	48,725,503	-	-	-	-	15,476,890	48,725,503
Sub - Total	15,476,890	48,725,503	-	-	-	-	15,476,890	48,725,503
Sale of Services								
SPGPrints B.V.	748,833	-	-	-	-	-	748,833	-
SPGPrints Austria GMBH	-	-	365,664	-	-	-	365,664	-
Sub - Total	748,833	-	365,664	-	-	-	1,114,497	-
Purchase of Raw Material and Components								
SPGPrints B.V.	128,703,750	115,605,172	-	-	-	-	128,703,750	115,605,172
Veco B.V.	-	-	18,682,665	8,214,584	-	-	18,682,665	8,214,584
Spg Prints Brasil Ltda	-	-	29,408,978	-	-	-	29,408,978	-
SPGPrints Printing Systems Wuxi Co Ltd.	-	-	408,026	173,700	-	-	408,026	173,700
Sub - Total	128,703,750	115,605,172	48,499,669	8,388,284	-	-	177,203,419	123,993,456
Purchase of Fixed Assets								
SPGPrints B.V.	10,910,206	1,490,283	-	-	-	-	10,910,206	1,490,283
Veco B.V.	-	-	1,521,400	12,540,515	-	-	1,521,400	12,540,515
Sub - Total	10,910,206	1,490,283	1,521,400	12,540,515	-	-	12,431,606	14,030,798
Expenses Recovered from other companies								
SPGPrints B.V.	316,583	128,386	-	-	-	-	316,583	128,386
SPGPrints Austria GMBH	-	-	67,363	89,667	-	-	67,363	89,667
Sub - Total	316,583	128,386	67,363	89,667	-	-	383,946	218,053
Remuneration								
Mr. Shailesh C Wani	-	-	-	-	12,881,869	11,516,973	12,881,869	11,516,973
Mr. Sandeep Khot	-	-	-	-	1,521,868	774,381	1,521,868	774,381
Sub - Total	-	-	-	-	14,403,737	12,291,354	14,403,737	12,291,354
Purchase of Services								
SPGPrints B.V.	1,066,535	-	-	-	-	-	1,066,535	-
Sub - Total	1,066,535	-	-	-	-	-	1,066,535	-
Communication Expenses								
SPGPrints B.V.	2,039,238	2,389,781	-	-	-	-	2,039,238	2,389,781
Sub - Total	2,039,238	2,389,781	-	-	-	-	2,039,238	2,389,781
Travelling and Other Expenses								
SPGPrints B.V.	873,456	38,663	-	-	-	-	873,456	38,663
Sub - Total	873,456	38,663	-	-	-	-	873,456	38,663
Royalty Expense								
SPGPrints B.V.	9,453,892	-	-	-	-	-	9,453,892	-
Veco B.V.	-	-	7,137,963	2,291,374	-	-	7,137,963	2,291,374
Sub - Total	9,453,892	-	7,137,963	2,291,374	-	-	16,591,855	2,291,374
Dividend Paid								
SPGPrints B.V.	22,998,544	22,237,395	-	-	-	-	22,998,544	22,237,395
Sub - Total	22,998,544	22,237,395	-	-	-	-	22,998,544	22,237,395
Commission Received								
SPGPrints B.V.	754,814	1,842,342	-	-	-	-	754,814	1,842,342
SPGPrints Austria GMBH	-	-	13,067,074	6,135,853	-	-	13,067,074	6,135,853
Sub - Total	754,814	1,842,342	13,067,074	6,135,853	-	-	13,821,888	7,978,195
Balance payable at the year-end								
SPGPrints B.V.	36,582,085	21,456,136	-	-	-	-	36,582,085	21,456,136
Spg Prints Brasil Ltda	-	-	15,225,000	-	-	-	15,225,000	-
Veco B.V.	-	-	7,924,396	3,909,744	-	-	7,924,396	3,909,744
Sub - Total	36,582,085	21,456,136	23,149,396	3,909,744	-	-	59,731,481	25,365,880
Balance receivable at the year-end								
SPGPrints B.V.	3,833,016	5,002,640	-	-	-	-	3,833,016	5,002,640
SPGPrints Austria GMBH	-	-	6,113,657	1,665,742	-	-	6,113,657	1,665,742
Sub - Total	3,833,016	5,002,640	6,113,657	1,665,742	-	-	9,946,673	6,668,382

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**33) Derivative Instruments and Unhedged Foreign Currency Exposures:****a) Hedge of Receivables:**

Particulars	Purpose	Foreign Currency Denomination	Foreign Currency Amount	Amount Rupees
Forward Contract to Sell USD	Hedge of Receivables	USD	390,000	26,336,700
			(-)	(-)

* Mark to Market Losses on the above Rs. Nil.

b) Particulars of Unhedged Foreign Currency Exposures:

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (₹)
Trade Receivables	EURO	137,195 (92,328)	9,946,674 (7,109,284)
	USD	102,304 (162,055)	6,785,810 (10,262,943)
Short-term Loans and Advances	EURO	33,033 (-)	2,394,884 (-)
	USD	8,581 (210)	569,178 (13,299)
Trade Payables	EURO	953,425 (353,232)	69,123,264 (27,198,852)
	USD	- (9,622)	- (609,361)
Other Current Liabilities	EURO	61,200 (21,459)	4,437,000 (1,652,324)
	USD	152,184 (192,500)	10,093,782 (12,191,025)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34) Segment Reporting

a) Information about primary business segments

(₹)

Particulars	For the year ended December 31, 2015					For the year ended December 31, 2014				
	Textile Consumables and Textile Machinery	Graphics Product	Galvanic	Unallocated	Total	Textile Consumables and Textile Machinery	Graphics Product	Galvanic	Unallocated	Total
Revenue										
External Sales and Services (Net)	1,286,361,769	80,133,473	241,658,469	-	1,608,153,711	791,873,370	56,621,081	166,963,997	-	1,015,458,448
Total Revenue	1,286,361,769	80,133,473	241,658,469	-	1,608,153,711	791,873,370	56,621,081	166,963,997	-	1,015,458,448
Results										
Segment result	310,243,232	37,898,216	2,143,205	-	350,284,653	173,955,075	20,219,543	(6,384,572)	-	187,790,046
Interest Income net of expense	(228,007)	-	(25,826)	11,666,985	11,413,152	(341,132)	(3,503)	(8,707)	16,074,660	15,721,318
Unallocated Expenditure net of unallocated income	-	-	-	(29,909,305)	(29,909,305)	-	-	-	(30,992,924)	(30,992,924)
Profit before tax	310,015,225	37,898,216	2,117,379	(18,242,320)	331,788,500	173,613,943	20,216,040	(6,393,279)	(14,918,264)	172,518,440
Other Information										
Segment Assets	527,681,885	30,723,390	310,390,512	345,776,045	1,214,571,832	362,985,028	30,681,803	282,653,119	246,337,536	922,657,486
Segment Liabilities	316,430,112	4,917,256	37,710,385	127,908,685	486,966,438	191,070,181	7,143,940	50,501,538	92,315,326	341,030,985
Capital Expenditure	46,170,178	714,739	5,285,815	6,818,743	58,989,475	16,635,535	3,683,375	119,304,233	6,763,605	146,386,748
Depreciation	17,005,745	1,744,710	27,928,331	5,598,627	52,277,413	7,856,732	1,084,321	13,863,679	3,659,514	26,464,246

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) Information of Geographical Segments:

Particulars	For the year ended December 31, 2015 (₹)			For the year ended December 31, 2014 (₹)		
	India	Outside India	Total	India	Outside India	Total
Revenue from external customers	1,455,477,019	152,676,692	1,608,153,711	924,720,555	90,737,893	1,015,458,448
Carrying amount of Segment Assets	1,197,839,348	16,732,484	1,214,571,832	905,285,259	17,372,227	922,657,486
Addition to Fixed Assets during the Year	58,989,475	-	58,989,475	146,386,748	-	146,386,748

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

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

Signatures to Notes 1 to 35 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 : Mumbai

Date : February 16, 2016

For and on behalf of the Board of Directors

Sd/-

K. M. Thanawalla

Chairman
(DIN: 00201749)

Sd/-

Paras Mehta

Chief Financial Officer

Place : Mumbai

Date : February 16, 2016

Sd/-

Shailesh Wani

Managing Director
(DIN: 06474766)

Sd/-

Varsha Adhikari

Company Secretary

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)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

(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: _____

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 :

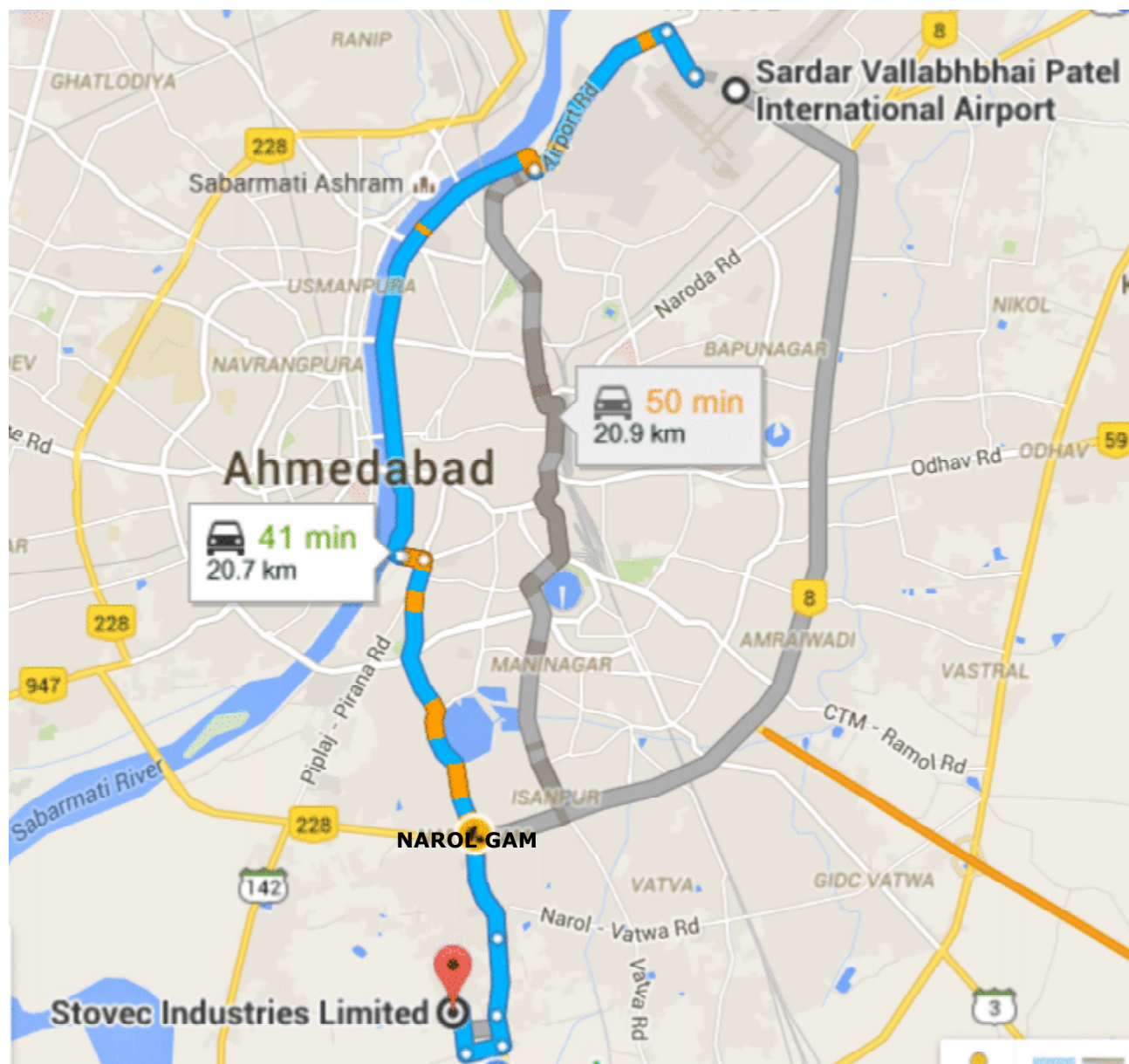
Link Intime India Pvt. Ltd.
Unit No. 303, 3rd Floor, Shoppers Plaza - V, Opp. Municipal Market,
Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad – 380 009.

.....
(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.

ROUTE MAP



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,

CIN.: L45200GJ1973PLC050790 Website: www.stovec.com

ATTENDANCE SLIP

42ND ANNUAL GENERAL MEETING, WEDNESDAY, 25TH DAY OF MAY, 2016 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 42nd Annual General Meeting of the Company to be held on Wednesday, 25th May, 2016 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 42nd AGM Notice for instructions on remote e-voting.
- Remote e-voting facility is available during the following period:

Date and time of Commencement of Remote e-voting	May 21, 2016 @ 10.00 hours (IST)
Date and time of end of Remote e-voting	May 24, 2016 @ 17.00 hours (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,

CIN.: L45200GJ1973PLC050790 Website: www.stovec.com

42ND ANNUAL GENERAL MEETING, WEDNESDAY, 25TH DAY OF MAY, 2016 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	
DPID	

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

- Name : _____ E-mail Id : _____
Address : _____
Signature: _____ or failing him/her
- Name : _____ E-mail Id : _____
Address : _____
Signature: _____ or failing him/her
- 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 42nd Annual General Meeting of the Company to be held on Wednesday, 25th day of May, 2016, 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	Optional*	
		For	Against
	ORDINARY BUSINESS		
1.	To receive, consider and adopt		
	a) the Audited Financial Statements of the Company for the financial year ended December 31, 2015, together with the Report of the Board of Directors and the Auditor's thereon; and		
	b) the Audited Consolidated Financial Statements of the Company for the financial year ended December 31, 2015 and the Report of the Auditors thereon.		
2.	To declare dividend on Equity Shares.		
3.	To appoint a Director in place of Mrs. Everdina Herma Slijkhuis (DIN: 06997013), who retires by rotation and being eligible offers herself for re-appointment.		
4.	Ratification of re-appointment of M/s Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), as Statutory Auditors of the Company.		
	SPECIAL BUSINESS		
5.	Appointment of Mr. Eiko Ris (DIN: 07428696) as a Director of the Company		
6.	Re-appointment of Mr. Shailesh Wani (DIN: 06474766) as a Managing Director of the Company		
7.	Payment of remuneration to M/s Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), the Cost Auditors of the Company for the financial year 2016		
8.	Approval of Related Party Transactions		

Signed _____ this day of _____ 2016

Affix One
Rupee
Revenue
Stamp

Signature of Proxy holder(s)

Signature of Member(s)
across Revenue Stamp

Notes:

- 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.
- For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 42nd Annual General Meeting.
- 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.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

COMPANY PROFILE

Stovec has continued to maintain its technology and market leadership position in Rotary Screen Printing Industry by supplying Best-in-Class Rotary Printing Systems. 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. Stovec is also a preferred supplier of electroformed products for Sugar Industry as well as Packaging and Graphic Printing Industry.

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.





STOVEC[®]
INDUSTRIES LIMITED

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