

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 22, 2017
Subject : Annual Report for the financial year 2016

Dear Sir/Madam,

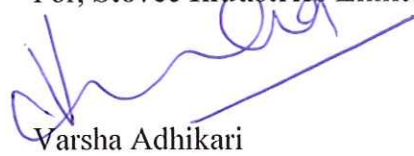
Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year ended December 31, 2016.

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

43rd ANNUAL
Report 2016

2016

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

Market/Customers

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

Market Position

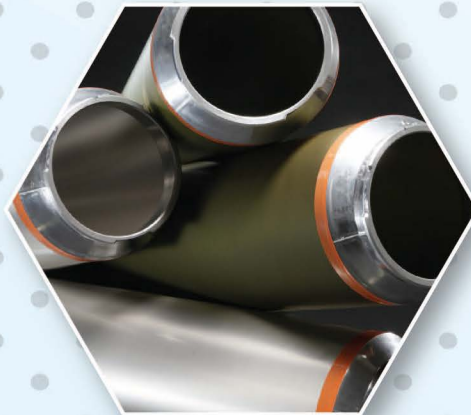
- Technology and Market Leadership in Rotary Screen and Printing Machinery



Pegasus Evo
Rotary Screen
Printing Machine



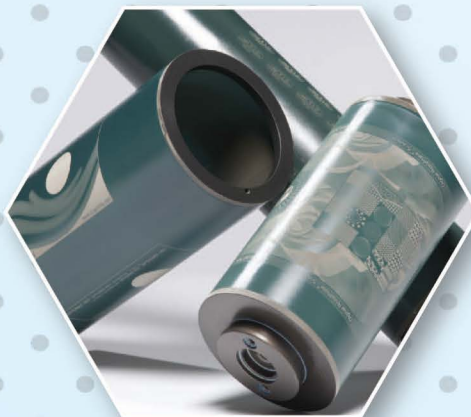
RD8 Rotary Screen
Printing Machine



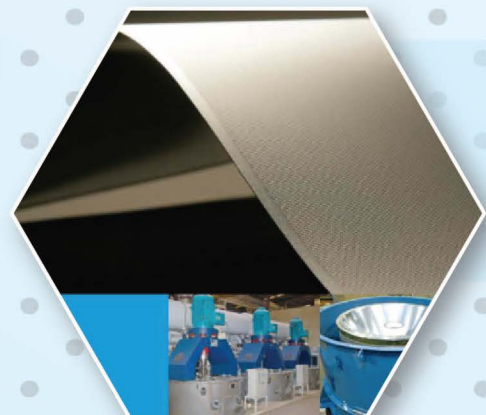
Rotary Screens and
Consumables for
Textile Printing



Digital Textile
Printing Ink



Anilox and Screens
for Graphic Printing



Sugar Screens

BOARD OF DIRECTORS

Mr. K. M. Thanawalla	Chairman
Mr. Dirk W. Joustra	
Mr. Eiko Ris	
Mrs. Everdina Herma Slijkhuis	
Mr. Marco Philippus A. Wadia	
Mr. Shailesh Wani	Managing Director

CHIEF FINANCIAL OFFICER

Mr. Paras Mehta

COMPANY SECRETARY

Mrs. Varsha Adhikari

STATUTORY AUDITOR

Price Waterhouse
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
5th Floor, 506 to 508, Amarnath Business Center –I (ABC-I),
Besides Gala Business Center, Nr. St. Xavier's College Corner,
Off. C.G. Road, Navrangpura, Ahmedabad – 380 009, Gujarat.

BANKERS

Axis Bank Limited
Citibank N.A
Yes 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 43rd Annual Report of your Company for the year ended December 31, 2016.

India still stands out as a promising emerging economy and is expected to remain the fastest growing large economy, as it benefits from strong private consumption and gradual introduction of significant domestic reforms by the Government. Despite increase in oil prices, rising fiscal deficits, impaired commercial bank's balance sheet especially public sector banks and high non-performing bank loans, the India's economic growth in 2017 is estimated to still be a robust 7.2 percent, with continued solid agricultural output.

On the Global front, stalling global trade, weak investment and heightened policy uncertainty have depressed world economic activity in 2016. After a lackluster outturn in 2016, world economic growth and growth in number of emerging economies and developing economies is expected to pick up pace in 2017. As per International Monetary Fund world GDP is expected to grow at 3.4 % in 2017 from 3.1 % in 2016. However, US Federal Reserve stance to increase policy rates more than once in 2017, uncertainty in crude oil prices and protectionist measures in several parts of the world may impact the world economic growth.

In 2017, Investment demand in India is expected to improve, helped by monetary easing, government efforts towards infrastructure investments and public-private partnerships and the implementation of domestic reforms such as the introduction of the Goods and Services Tax (GST) Bill. The Government of India's decision to further incentivize Garmenting Units by way of additional incentive over and above Capital Investment Subsidy under Amended Textile Upgradation Fund Scheme (ATUFS) is expected to give a boost to employment generation and increased production capacity and exports in the textile sector. Government plans to set up apparel parks, Free trade with ASEAN countries and proposed agreement with European Union may help boost exports of Indian textiles.

In financial year 2016, your Company moved forward strongly, Sustained the performance and attained double digit growth in revenue. Your Company achieved standalone revenue from operations of Rs. 1,885.13 Million (Previous year Rs.1,567.02 Million), which marks growth of about 20 % in comparison to prior year. The increase in revenue is contributed by growth in sales of almost all product lines and more particularly Rotary Screen Printing Machine and Nickel Perforated Rotary Screens. The Standalone Profit before Tax stood at Rs. 339.78 Million (Previous year Rs. 310.66 Million). The consolidated revenue from operations stood at Rs. 1946.43 Million (Previous year Rs. 1621.98 Million), an impressive increase of about 20 % in the consolidated revenue. The consolidated Profit before Tax for the financial year 2016 stood at Rs. 377.85 Million (Previous year Rs. 331.79 Million).

The progress we made in streamlining our production infrastructure and extending our reach and customer service while reducing cost with our cost leadership initiatives has helped Company to maintain its growth trajectory. Our focused approach, customer relationship building, value add to customer's business with our quality products, highly engaged and dedicated work-force allowed us to maintain and reinforce our strong position across our markets.

In conclusion, I would like to sincerely thank our Customers, Stakeholders, Suppliers and other business partners for their continued support, co-operation, commitment and understanding. I would also like to thank our dedicated employees for their tremendous efforts and passion that enables continuous improvement and growth.

With Warm Regards,

K. M. Thanawalla
Chairman

NOTICE

NOTICE is hereby given that the FORTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF STOVEC INDUSTRIES LIMITED (CIN: L45200GJ1973PLC050790) will be held on Thursday, 11th day of May, 2017 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, 2016, 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, 2016 and the Report of the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Eiko Ris (DIN: 07428696), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass 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), M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), be and is hereby appointed as Statutory Auditors of the Company in place of retiring auditor M/s Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), [who have shown their unwillingness to be re-appointed], to hold office as such from the conclusion of 43rd Annual General Meeting (subject to ratification of their appointment by Members at every Annual General Meeting to be held after 43rd Annual General Meeting) until the conclusion of 48th Annual General Meeting of the Company to be held in the calendar year 2022, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee(s) of the Board), 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. Payment of Commission to Independent Directors of the Company

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

"RESOLVED THAT pursuant to Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to the payment of Commission to Independent Directors, on annual basis, in addition to sitting fees and reimbursement of expenses incurred for attending the meetings of the Board of Directors of the Company and its Committee(s) thereof, within the overall ceiling of 1% (one percent) per annum or such other percentage as may be specified by the Act from time to time in this regards, of the net profits of the Company (computed in the manner provided in Section 198 of the Act or as may be prescribed by the Act or Rules framed thereunder from time to time) for each financial year, for a period of three financial years commencing from January 1, 2017, with powers to the Board of Director's or its Committee(s) thereof, to decide from time to time the percentage of net profit for each financial year be paid as Commission to Independent Directors, within the above referred overall ceiling of Commission."

"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 considered necessary, desirable or expedient to give effect to this resolution."

6. Payment of remuneration to M/s Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), the Cost Auditors of the Company for the financial year 2017

To consider and, if thought fit, to pass 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, 2017, in respect of products/activities of the Company covered under the Companies (Cost Records and Audit) Amendment Rules, 2014/2016, be paid a remuneration of Rs. 1,10,000/- (Rupees One Lakh Ten Thousand Only) per annum plus applicable Service Tax/Goods & Service Tax (as may be applicable) 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 Committee(s) of the Board), 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."

7. Approval of Related Party Transactions with M/s SPGPrints B.V. for the financial year 2016

To consider and, if thought fit, to pass 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 2016 with M/s SPGPrints B.V., the Holding Company of the Company, (a 'Related Party' as defined under Section 2 (76) of the 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."

8. Approval of Related Party Transactions with M/s SPGPrints B.V. for the financial year 2017 and 2018

To consider and, if thought fit, to pass 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 to the Board of Directors (including Committee(s) of the Board), to enter into material contract(s)/arrangement(s)/transaction(s) for a period of 2 (two) financial years i.e. from January 1, 2017 to December 31, 2018, with M/s SPGPrints B.V., the Holding Company of the Company, (a 'Related Party' as defined under Section 2 (76) of the 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 true 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 124 of the Companies Act, 2013, 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 ("IEPF") established by the Central Government. The Company during the year has transferred a sum of Rs. 8,39,040/- being unclaimed dividend amount for the financial year 2008 to the Investor Education and Protection Fund of the Central Government. The shareholders who have not claimed their dividend for the financial year 2009 and all subsequent years are requested to claim their dividend as early as possible failing which it would be transferred to IEPF as per the (tentative) dates mentioned below 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.

Financial Year	Final Dividend/Interim Dividend	Tentative Date for transfer to IEPF
2009	Final Dividend	4 th May, 2017
2010	Final Dividend	14 th June, 2018
2011	Final Dividend	8 th June, 2019
2012	Final Dividend	17 th July, 2020
2013	Final Dividend	15 th June, 2021
2014	Final Dividend	7 th June, 2022
2015	Final Dividend	28 th June, 2023

Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to an IEPF suspense account. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. All such Shareholders are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to IEPF suspense Account and no claim shall lie against the Company. The Shareholders thereafter need to claim their shares from IEPF Authority by filing E-Form-5 and by following such procedures as prescribed in the IEPF Rules (as may be amended from time to time).

5. The Register of Members and Share Transfer Book shall remain closed from May 5, 2017 to May 11, 2017 (both days inclusive). If the final dividend on equity shares, as recommended by the Board of Directors is declared at the 43rd Annual General Meeting, payment of such dividend will be made on or after May 18, 2017 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 4, 2017.
 - 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 4, 2017.
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). **It is in Members interest 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**, 5th Floor, 506 to 508, Amarnath Business Center-I (ABC-I), Besides Gala Business Center, Nr. St. Xavier's College Corner, Off. C.G. Road, Navrangpura, Ahmedabad – 380 009, Gujarat.
9. Brief profile of Director(s) seeking re-appointment at the 43rd 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 from December 1, 2015), for registration of transfer of shares, the transferee(s) as well as transferor(s) are required to 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 thereunder. 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 2016 together with Notice of the 43rd 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 2016 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 2016 and this Notice of 43rd 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 43rd 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: March 25, 2017

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 Ordinary Business at Item No. 4 and Special Business at Item No. 5 to 8 of the Notice is annexed hereto and forms part of this Notice.

Item No. 4

M/s Price Waterhouse, Chartered Accountants, were appointed as Statutory Auditors of the Company in the 36th Annual General Meeting of the Company held on March 30, 2010. Thereafter due to commencement of Companies Act, 2013, they were re-appointed in terms of Section 139 of the Companies Act, 2013 for a consecutive term of 5 years from the conclusion of 41st Annual General Meeting till the conclusion of 46th Annual General Meeting to be held in the calendar year 2020 (subject to ratification of their re-appointment by Members at every subsequent Annual General Meeting). The re-appointment of Statutory Auditor's was lastly ratified in the 42nd Annual General Meeting. M/s Price Waterhouse, Chartered Accountants have intimated the Company showing their unwillingness for ratification of their re-appointment in the forthcoming Annual General Meeting.

On recommendation of Audit Committee, the Board of Directors in its meeting held on February 23, 2017, subject to the approval of Members, has appointed M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company in place of retiring auditors M/s Price Waterhouse, Chartered Accountants, to hold office as such from the conclusion of 43rd Annual General Meeting (subject to ratification of their appointment by Members at every Annual General Meeting to be held after 43rd Annual General Meeting) until the conclusion of 48th Annual General Meeting of the Company to be held in the calendar year 2022, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors.

The Board accordingly recommends the resolution at Item No. 4 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. 4 of this Notice.

Although not mandatorily required to be given, the above Explanatory Statement is given as a part of good Corporate Governance Practice.

Item No. 5

In terms of Section 197 of the Act, the approval of the Members is not required for the payment of commission to the non-executive directors up to 1% of the net profits of the Company. However, as per Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to Non-executive Directors' (including Independent Director's) compensation and disclosures, all fees / compensation, payable to non-executive directors requires approval of the Members by means of an ordinary resolution.

Dynamic business environment and good corporate governance requires the Independent Directors to play a more pro-active role alongwith greater involvement in Board's decision making process. The Board of Director's in its meeting held on March 25, 2017, subject to the approval of Members in General Meeting, have decided to remunerate the Independent Directors by way of Commission and accordingly approval of Members is hereby sought by way of an Ordinary resolution for the payment of Commission to Independent Directors for a period of three financial years commencing from January 1, 2017, as set out at Item No. 5 of this Notice. The Commission shall be in addition to the payment of sitting fees and reimbursement of expenses incurred for attending the meetings of the Board of Directors of the Company and its Committee(s) thereof.

The Board of Directors recommends the resolution at Item No. 5 of this Notice for the approval of Members.

Mr. K.M. Thanawalla and Mr. Marco Wadia, Independent Directors and their relatives are deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of the remuneration that may be received by them. None of the other Directors, Key Managerial Personnel and relatives thereof, are in anyway concerned or interested, financially or otherwise, in the resolution at Item No. 5 of this Notice.

Item No. 6

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, 2017.

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. 6 of this Notice, for ratification of the remuneration amounting to Rs. 1,10,000/- plus applicable service tax/goods and 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, 2017, in respect of products/ activities of the Company covered under the Companies (Cost Records and Audit) Amendment Rules, 2014/2016.

The Board accordingly recommends the resolution at Item No. 6 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. 6 of this Notice.

Item No. 7 & 8

SPGPrints B.V. ("SPGPrints"), based out at Netherlands, is a global leader in the textile and graphics printing market and known for its quality products. In order to meet the quality standards prescribed by SPGPrints and considering the business needs in India, Company needs to import certain raw materials and components from SPGPrints. 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 entered during the financial year 2016 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) as set out at Item No. 7 of this Notice, has been placed before the Members for their approval by way of Ordinary Resolution.

Further, taking into consideration the past trends, it is likely that transactions with SPGPrints during the financial year 2017 & 2018, may cross the materiality threshold prescribed under Listing Regulations and thus would require approval of shareholders by Ordinary Resolution. Accordingly transactions entered/ to be entered with SPGPrints during the financial year 2017 & 2018, as set out at Item No. 8 of this Notice, 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	In the ordinary course of business and on arm's length basis.
Duration of Related Party Transactions	These transactions are on-going depending upon the needs of business.
Value of Related Party Transaction during the financial year 2016	INR 166,577,585/- (10.27 % of Annual Consolidated Turnover of the Company for the financial year 2015)
Estimated Related Party Transaction for the financial year 2017 & 2018, as a % of Annual Consolidated Turnover of the Company.	During mentioned financial year, Related Party Transaction with SPGPrints B.V. with respect to purchase of raw materials and components shall not exceed 20 % of Annual Consolidated Turnover of the Company as per last audited financial statements of the Company. Note : For determining Material Related Party Transactions for the financial year 2017, the Annual Consolidated Turnover of the Company for the financial year 2016 will be considered and for determining Material Related Party Transactions for the financial year 2018, the Annual Consolidated Turnover of the Company for the financial year 2017 will be considered.
Any other information relevant or important for the Members to make a decision.	None

The Related Party Transactions as mentioned above are/were necessary, normal and incidental to business and also play/played a significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution as set forth in Item No. 7 & 8 of this Notice for the approval of the Members in terms of Regulation 23 (4) of the Listing Regulations.

None of the Director's, 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. 7 & 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: March 25, 2017
Place: Mumbai

Brief profile of Director(s) seeking 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.

Name of Director	Mr. Eiko Ris
Date of Birth	October 17, 1958
Date of Appointment	February 16, 2016
Expertise in specific functional areas	Finance & General Management
Qualifications	MsC (RA) from The Netherlands Institute of Registered Accountants.
Details of relationship between Directors inter-se	None
Details of shares held in the Company	Nil
List of companies in which directorship held as on December 31, 2016 [excluding Pvt. Companies, Foreign Companies & Companies under Section 8 of the Companies Act, 2013 (Erstwhile Section 25 of the Companies Act, 1956)].	None
Chairman/Member of the *Committees of other Companies as on December 31, 2016	None

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

INSTRUCTIONS FOR REMOTE E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday, **May 7, 2017 @ 9.00 hours** (IST) and ends on Wednesday, **May 10, 2017 @ 17.00 hours** (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form as on the **cut off date i.e. May 4, 2017**, 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 Sequence Number which is printed on Attendance Slip in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

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, Thursday, May 4, 2017**.
3. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Ownership 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 alongwith 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 43rd Annual General Meeting of the Company and shall also be communicated to BSE Limited, where the shares of the Company are listed.

DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors are pleased to present the 43rd Annual Report and the Audited Financial Statement of the Company for the year ended December 31, 2016.

1. FINANCIAL RESULTS

Particulars	Current Year 31.12.2016 (₹ in Millions)	Previous Year 31.12.2015 (₹ in Millions)
Revenue from Operations (net)	1885.13	1,567.02
Other Income	39.48	35.55
(a) Total Income:	1924.61	1,602.57
(b) Total Expenditure:	1533.58	1,240.34
Gross Profit before Depreciation and Amortisation expenses	391.03	362.23
Less: Depreciation & Amortisation expenses	51.25	51.57
Operational Profit/Profit Before Tax	339.78	310.66
Less: Current Tax	120.48	104.65
Deferred tax	(4.87)	2.06
Excess provision of income tax of earlier years (Net)	0.23	(1.44)
Profit After Tax	223.94	205.39
Add: Profit brought forward from previous year	425.54	313.99
Profit available for appropriation	649.48	519.38
Dividend on equity shares	64.73	60.55
Tax on Dividend	13.18	12.33
Amount transferred to General Reserves	—	21.00
Short (Excess) Provision on earlier year's Dividend Distribution Tax	—	(0.04)
Profit carried forward to Balance Sheet	571.57	425.54

2. PERFORMANCE OVERVIEW

Standalone

In financial year 2016, your Company moved forward strongly, sustained the performance and attained double digit growth in revenue. Your Company has demonstrated good performance during the year and recorded standalone revenue from operations of Rs. 1885.13 Million (Previous year Rs. 1567.02 Million), a growth of about 20 % in comparison to prior year. The increase in revenue was contributed by growth in sales of almost all product lines and more particularly Rotary Screen Printing Machine and Nickel Perforated Screens and was driven by increased market presence. The Company has achieved standalone Profit before tax of Rs. 339.78 Million (Previous year Rs. 310.66 Million), a growth of about 9 % in comparison to prior year.

Consolidated

The consolidated revenue from operations stood at Rs. 1946.43 Million (Previous year Rs. 1621.98 Million), an increase of about 20% in comparison to prior year. The Company's consolidated Profit before tax for the financial year 2016 stood at Rs. 377.85 Million (Previous year Rs. 331.79 Million).

3. RESERVES AND SURPLUS

The Company has not transferred any amount to General Reserves for the financial year 2016.

4. DIVIDEND

Considering the Company's financial performance, the Board of Directors have recommended payment of Final Dividend of Rs. 31/- per equity share having face value of Rs. 10/- each (i.e. 310%) for the financial year ended on December 31, 2016. This Final Dividend is subject to the approval of Members in the 43rd 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 2016 stood at Rs. 162.02 Million [Previous year Rs. 154.88 Million]. ASSPL recorded Profit before tax of Rs. 37.41 Million (Previous year Rs. 22.96 Million).

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 ("the 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 43rd 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. FIXED DEPOSITS

For the year ending December 31, 2016, the Company has not accepted any deposits falling within the purview of Section 73 of the Act and rules made thereunder.

8. COMMUNICATION FROM AHMEDABAD STOCK EXCHANGE LIMITED

The Company has received communication from Ahmedabad Stock Exchange Limited ("ASE") informing about its exit Policy. It has requested Company not to do compliance with ASE and to continue compliance with stock exchange where the securities of the Company are further listed (i.e. BSE Ltd for your Company). Accordingly the Company is now not required to do compliance with ASE.

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

At the 43rd Annual General Meeting, Mr. Eiko Ris (DIN: 07428696) retires by rotation and being eligible, offers himself 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.

12. BOARD MEETING

During the financial year ended December 31, 2016, six 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 is 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 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (as amended) is provided as **Annexure VI** forming part of this Report.

16. REMUNERATION TO INDEPENDENT DIRECTORS

Based on the recommendation from Nomination and Remuneration Committee and subject to the approval of Members in the forthcoming General Meeting, the Board of Directors have approved profit linked Commission (in addition to the payment of sitting fees and reimbursement of expenses incurred for attending the meetings of the Board and its Committee(s) thereof) to Independent Directors of not exceeding 1% (one percent) per annum, of the net profits of the Company (computed as per Section 198 of the Act) for each financial year, for a period of three financial years commencing from January 1, 2017.

17. 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.

18. 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 (as amended), forms part of this Report as **Annexure VII**.

19. 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.

20. 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.

21. VIGIL MECHANISM

As per the provisions of Section 177(9) of the Act, the Company is required to establish a 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.spgpriests.com/uploads/documents/Stovec/Stovec-policies/Whistle_Blower_Policy.pdf.

22. 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.

23. 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:

- a) that in the preparation of the annual financial statements for the year ended December 31, 2016, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at December 31, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken 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) that the annual financial statements for the year ended December 31, 2016, have been prepared on a going concern basis;
- e) that proper internal financial controls are in place in the Company and that such internal financial controls are adequate and are operating effectively; and
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

24. 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.

25. 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.

26. STATUTORY AUDITORS

Pursuant to the 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 consecutive 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 re-appointment by Members at every subsequent Annual General Meeting.

The Company has received a letter from M/s. Price Waterhouse, Chartered Accountants, showing their unwillingness for ratification of their re-appointment as a Statutory Auditors of the Company in the forthcoming Annual General Meeting. The Company has received letter from M/s Deloitte Haskins & Sells LLP, Chartered Accountants, to the effect that if their appointment is considered as Statutory Auditors of the Company at the ensuing Annual General Meeting, then the same would be according to the terms and conditions prescribed under Sections 139 and 141 of the Act and rules framed thereunder.

The Board of Directors on recommendation of the Audit Committee appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company from the conclusion of 43rd Annual General Meeting until the conclusion of 48th Annual General Meeting (subject to ratification by Members at every subsequent Annual General Meeting).

A resolution seeking approval of appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as statutory auditors of the Company forms part of the Notice convening the 43rd Annual General Meeting and the same is recommended for consideration and approval of Members.

27. COST RECORDS AND COST AUDITORS

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 2017, at a remuneration as mentioned in the Notice convening the 43rd Annual General Meeting. 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 convening 43rd Annual General Meeting of the Company and the same is recommended for the consideration and approval of Members. The Company will file the Cost Audit Report for the financial year 2016, within the time limit as prescribed under the Companies (Cost Records and Audit) Amendment Rules, 2014/2016.

28. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), 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, 2016. The Secretarial Audit Report is provided as **Annexure-IX** to this report.

29. 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.

30. 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.

31. 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.

32. 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 (as amended), 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 43rd Annual General Meeting, on any working day (except Saturday, Sunday and Public Holidays) up to the date of the 43rd Annual General Meeting. Any Member interested in obtaining a copy of the same may write to the Company Secretary of the Company.

33. ACKNOWLEDGEMENT

The Board of Directors express its deep sense of appreciation for the contribution, co-operation and confidence reposed in the Company by SPGPrints B.V. – the Parent Company. The Board of Directors also extend its gratitude to its valued shareholders, employees, customers, bankers, suppliers and other stakeholders for their continued co-operation and support.

For and on behalf of Board of Directors

Place: Mumbai
Date: March 25, 2017

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, 2016 to December 31, 2016
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	46,120,995
Total assets	109,730,697
Total Liabilities	109,730,697
Investments	Nil
Turnover	162,017,193
Profit / (Loss) before taxation	37,411,523
Provision for taxation	12,563,801
Profit / (Loss) after taxation	24,847,722
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 the 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"> Continual usage of energy data acquisition system for effective and efficient monitoring and control system for overall electricity consumption. Kept operating voltage at optimum levels that enhanced Nickel bath efficiency. Maintained & improved power factor by installing additional capacitor banks. Installed new energy efficient rectifiers and also replaced the old ones. Use of energy efficient LED lights in all new constructions. 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	<ol style="list-style-type: none"> Used energy efficient rectifiers in all the new installation and replacements made during the year. All new constructed areas are installed with LED lights which are more energy efficient compare to conventional lights. Replaced old overhead cranes with new efficient cranes. In new production facility all rectifiers are connected with compact, easy to connect and efficient bustrunking 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. 5,403,225/-

FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Amount (in ₹)
Earnings in foreign exchange on account of Goods and Services exported, Commission etc.	175,206,892
Value of imports of raw materials, components, stores, spares, Commission, technical know-how fees, royalty etc.	604,616,661

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 Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). 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)	1	-	-
Mr. Marco Wadia (DIN: 00244357)	Non-Executive & Independent	7	5	4
Mr. Dirk Wim Joustra (DIN: 00481154)	Non-Executive	-	-	-
Mr. Eiko Ris (DIN: 07428696)	Non-Executive	-	-	-
Mrs.Everdina Herma Slijkhuis (DIN: 06997013)	Non-Executive	-	-	-
Mr. Shailesh Wani (DIN: 06474766)	Executive (Managing Director)	-	-	-

The Board met 6 (six) times during the year i.e. February 16, 2016, March 17, 2016, May 5, 2016, August 11, 2016, November 10, 2016 and November 16, 2016 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	06	02	Yes
Mr. Marco Wadia	06	04	No
Mr. Dirk Wim Joustra	06	02	Yes
Mr. Eiko Ris	06	04	Yes
Mrs. Everdina Herma Slijkhuis	06	02	Yes
Mr. Shailesh Wani	06	06	Yes

Notes:

- None of the Directors are related to any other director.

2. Outside directorship does not include Alternate Directorship, Directorship of Private Ltd. Companies, Section 8 Company and of Companies incorporated outside India. The Number of outside committee position held includes Audit Committee and Stakeholders' Relationship Committee only.

Shareholding of Non-Executive Director

The shareholding of Non-Executive Directors in the Company as on December 31, 2016 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. Eiko Ris	Nil	Nil
Mrs. Everdina Herma Slijkhuis	Nil	Nil

Appointment / Re-appointment of Directors:

At the 43rd Annual General Meeting, Mr. Eiko Ris retires by rotation and being eligible, offers himself for re-appointment.

Brief resume of the Director(s) seeking re-appointment has been disclosed and annexed to the Notice of 43rd 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, Listing Regulations and Guidance Note on Board Evaluation issued by SEBI, 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, Independent Directors 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 terms and conditions of appointment of Independent Director(s) are available at the website of the Company at www.stovec.com.

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 December 30, 2016. The details of familiarization Programme is available at the website of the Company www.stovec.com at http://www.spgprints.com/uploads/documents/Stovec/News/Familiarization_Programme_2016.pdf.

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 2016 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	04	04
Mr. Marco Wadia	Member	Independent & Non-Executive Director	04	04
Mr. Shailesh Wani	Member	Managing Director	04	02

The Committee met 4 (four) times during the year i.e. February 16, 2016; May 5, 2016, August 5, 2016 and November 1, 2016.

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 2016 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	2	2
Mr. K.M. Thanawalla	Member	Independent & Non-Executive Director	2	2
Mr. Eiko Ris	Member	Non-Executive Director	2	1 *

The Nomination and Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director, Key Managerial Personnel & Senior Management team of the Company.

The Nomination and Remuneration Committee met 2 (two) times during the year on February 16, 2016, and May 5, 2016.

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

*Attended Meeting as an Invitee.

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 2016 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	12,787,686	761,456	592,553	14,141,695

* Includes remuneration and 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, 2016 to September 30, 2019, 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 2016 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	2,56,500/-
Mr. Marco Wadia	3,64,500/-
Mr. Dirk Wim Joustra ⁽¹⁾	Nil
Mr. Eiko Ris ⁽¹⁾	Nil
Mrs. Everdina Herma Slijkhuis ⁽¹⁾	Nil

Besides above, based on the recommendation from Nomination and Remuneration Committee and subject to the approval of Members in the forthcoming General Meeting, the Board of Directors have approved profit linked Commission to Independent Directors of not exceeding 1 % (one percent) per annum, of the net profits of the Company (computed as per Section 198 of the Act) for each financial year, for a period of three financial years commencing from January 1, 2017. The Commission shall be in addition to the payment of sitting fees and reimbursement of expenses incurred for attending the meetings of the Board of Directors of the Company and its Committee(s) thereof.

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 Stakeholders 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 16, 2016 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 - 382 405, Gujarat, 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 2016 are as follows:-

Complaints received	Pending as on 31.12.2016
2	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	1
Mr. Eiko Ris	Member	Non-Executive Director	2	1*
Mr. Marco Wadia	Member	Independent & Non-Executive Director	2	1

Mr. Marco Wadia has been appointed as a Member of Corporate Social Responsibility Committee w.e.f. November 10, 2016 and ceased to be member of the Committee w.e.f. November 11, 2016.

During the year, the Corporate Social Responsibility Committee met 2 (two) times i.e. on February 16, 2016 and November 10, 2016.

*Attended Meeting as Invitee

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/uploads/documents/Stovec/Stovec-policies/CSR_Policy.pdf.

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 2016, no meeting of Committee of Directors was held.

3.6 SEPARATE INDEPENDENT DIRECTOR'S MEETING

Pursuant to requirements of the Act and Regulation 25 of Listing Regulations, the Company's Independent Directors during the year under review met on February 16, 2016, without the presence of Non-Independent Directors and members of the Management.

4. CODE OF BUSINESS CONDUCT AND ETHICS

The Company has in place, a Code of Business Conduct and Ethics for its Board Members, Senior Management and Employees. The Board and the Senior Management affirms 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
2015	Annual	Stovec Industries Limited N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad – 382405	May 25, 2016	11.00 am
2014	General		May 7, 2015	11.00 am
2013	Meeting		May 13, 2014	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 25, 2016	1. Re-appointment of Mr. Shailesh Wani as a Managing Director of the Company
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.

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, 2016.

6.4 During the year under review, the Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 of Listing Regulations.

6.5 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.

6.6 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 43rd Annual General Meeting and is 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/uploads/documents/Stovec/Stovec-policies/Related_Party_Transaction_Policy.pdf.

6.7 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.

6.8 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.

6.9 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/uploads/documents/Stovec/Stovec-policies/Policy_for_determining_Material_Subsidiaries.pdf.

6.10 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/uploads/documents/Stovec/Stovec-policies/Policy_for_determining_Material_Information.pdf.

6.11 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/uploads/documents/Stovec/Stovec-policies/Policy_for_Preservation_of_Documents_Archival_Policy.pdf.

6.12 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 on the Company's financial statements for the year under review.

6.13 Disclosure of Commodity Price Risks, Foreign Exchange Risk and 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 takes forward cover as per its forex risk coverage policy. The Company does not undertake commodity hedging activities.

6.14 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, 2016	May 6, 2016	Business Standard	Jaihind
Quarterly of June 30, 2016	August 13, 2016	Business Standard	Jaihind
Quarterly of September 30, 2016	November 12, 2016	Business Standard	Jaihind
Annual as on December 31, 2016	February 24, 2017	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:

Day, Date and Time	Thursday, May 11, 2017 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, 2016
Date of Book Closure	May 5, 2017 to May 11, 2017 (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 on or after May 18, 2017 but within 30 days of dividend 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 BSE in respect of the year 2016-2017.

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

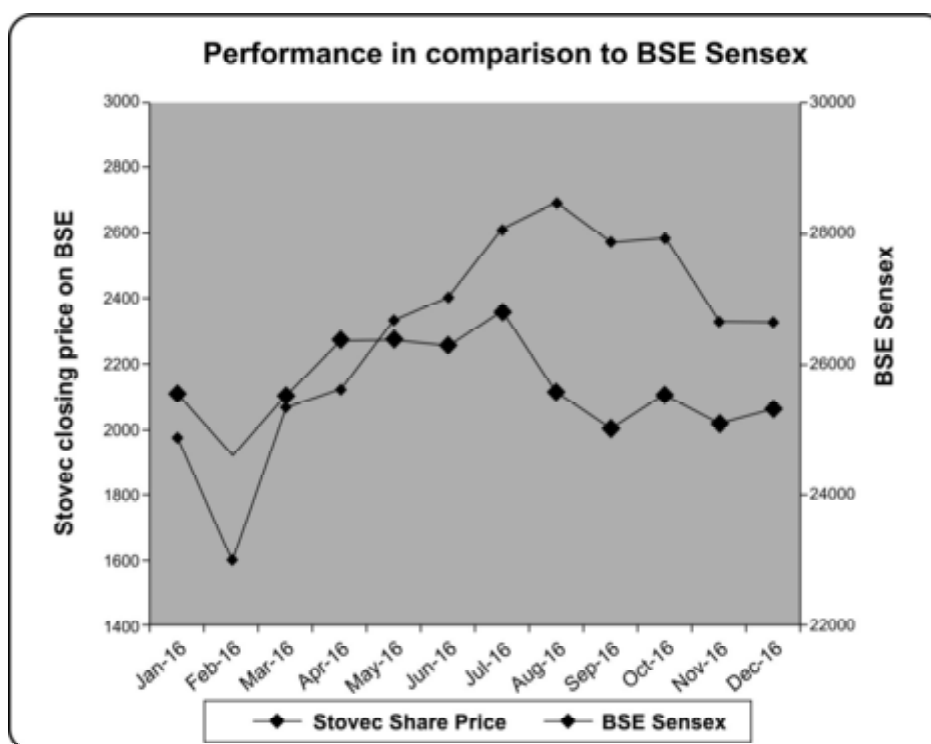
Type of Shares	ISIN No.	Stock Code	
		BSE	ASE
Ordinary Share	INE755D01015	504959	57410

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-16	2572.00	1915.50	26,679
Feb-16	2250.00	1840.00	19,891
Mar-16	2149.75	1915.00	11,536
Apr-16	2350.00	2062.00	7,330
May-16	2580.00	2233.05	19,487
Jun-16	2399.00	2080.00	14,455
Jul-16	2369.95	2100.00	15,070
Aug-16	2368.95	2000.00	16,229
Sep-16	2213.00	1950.00	11,251
Oct-16	2250.00	1940.00	12,145
Nov-16	2235.00	1860.00	16,904
Dec-16	2139.00	1951.00	3,924

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, 5th Floor, 506 to 508, Amarnath Business Center –I (ABC-I), Besides Gala Business Center, Nr. St. Xavier's College Corner, Off. C.G. Road, Navrangpura, Ahmedabad – 380 009, Gujarat.
Telefax: +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 Regulation 40 (9) of Listing Regulations:

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 the Regulation 40(9) of Listing Regulations, 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 31.12.2016		As on 31.12.2015		%
	No. of Shares	%	No. of Shares	%	Variance 16 v/s 15
Promoters & Promoter Group	1,483,777	71.06	1,483,777	71.06	-
Mutual Funds/UTI	200	0.01	200	0.01	-
Financial Institutions/Banks	2,051	0.10	2,051	0.10	-
Bodies Corporate	27,751	1.32	32,156	1.54	(0.22)
NRIs (Repatriable)	7,249	0.35	4,738	0.23	0.12
NRIs (Non-Repatriable)	9,360	0.45	8,813	0.42	0.03
Clearing Members	6,385	0.31	10,219	0.49	(0.18)
Directors & their Relatives	5,864	0.28	5,864	0.28	-
Individuals/HUF	5,45,279	26.11	5,40,198	25.87	0.24
Trusts	100	0.0048	-	-	-
Total	2,088,016	100.00	2,088,016	100.00	-

9.11 Distribution of Shareholding as on December 31, 2016:

Range of Shares	Number of Shareholders	Percentage of Total Shareholders	Number of Shares	Percentage of Total Shares
1 - 500	7376	97.9288	346079	16.5745
501 - 1000	90	1.1949	65848	3.1536
1001 - 2000	40	0.5311	54802	2.6246
2001 - 3000	8	0.1062	19953	0.9556
3001 - 4000	5	0.0664	17878	0.8562
4001 - 5000	4	0.0531	17586	0.8422
5001 - 10000	6	0.0797	34672	1.6605
10001 or more	3	0.04	1531198	73.3327
TOTAL	7,532	100	2,088,016	100.00

9.12 Top shareholders (holding in excess of 1% of capital) as on December 31, 2016:

Name of Shareholder	No. of Shares held	% age of Share Capital
SPGPrints B.V.	14,83,777	71.06
Amit Shantilal Motla	30,900	1.48

9.13 Dematerialization of Shares & Liquidity:

As on December 31, 2016, shares comprising 93.81 % 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 – 382 405, Gujarat, 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, Senior Management & Employees, as applicable to them, for the financial year ended December 31, 2016.

For, Stovec Industries Limited

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

Place: Mumbai
Date: March 25, 2017

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 para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for the year ended on 31st December, 2016. 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 para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

Place: Ahmedabad
Date: February 23, 2017

For, Sandip Sheth & Associates
Practicing Company Secretaries

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

Annexure-IV

MANAGEMENT DISCUSSION AND 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 (Rotary & Digital), Graphics Printing and Sugar Filtration.

Textiles

Textile Printing Segment is the most prominent customer segment for Stovec. The textile industry is undergoing a major transformation in terms of product development and technological upgradation. Being one of the major contributor in India's GDP, Textile Industry has an important place in the Indian manufacturing sector and is the second largest employer after agriculture sector employing around 45 million people. Textiles industry stands as a major foreign currency revenue generator for India, generating around 11% of export revenues for the country and holds 14% share of industrial production, making India as one of the largest exporters of readymade garments to the world and the second most preferred sourcing destination for major global retailers. The textile sector is witnessing spurt in investment since last few years driven by Export Promotion Policies and Make in India initiative of Government of India. The organized apparel segment is expected to grow at a Compounded Annual Growth Rate (CAGR) of above 13 % over a period of 10 years.

Digital textile printing market in India is growing very fast and is gaining popularity. The fashion keeps changing and with the result, the run lengths have reduced which makes Digital textile printing interesting & viable. Besides reduced run lengths, there are many other factors which are contributing to the surge in Digital Printing such as increased productivity of printers, Lower ink prices & increased economic viability. The high end printers have started considering digital printing, in order to add to their capabilities and service the customers with better products.

Graphics Printing

Indian Packaging and Label Industry continues to grow strongly and is also attracting international attention. However, it has still not grown to the level of international packaging & label industries. The increasing competition has driven printers to invest in newer and diverse printing and converting technologies. In years to come, Printers who have technology and resources will be at added advantage and can cater to a demanding consumer oriented market.

Sugar Filtration

Growing population, high demand from food and beverages industry are the key drivers of Sugar 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 delivered good performance during the year and has achieved revenue from operations of Rs. 1885.13 Million (Previous year Rs. 1567.02 Million); a growth of about 20 % in comparison to previous year, contributed by growth in sales of almost all product lines and driven by increased market presence. The Company has achieved Profit before Tax of Rs. 339.78 Million (Previous year Rs. 310.66 Million), a growth of about 9 % in comparison to previous year.

During the financial year 2016, your Company achieved revenue from Exports of Rs. 158.45 Million (previous year Rs. 92.19 Million), a growth of about 72 % in comparison to prior year.

Consolidated:

The Company has achieved consolidated revenue from operations of Rs. 1946.43 Million and Profit before Tax of Rs. 377.85 Million during the financial year 2016.

SEGMENT-WISE PERFORMANCE

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

(₹ in Millions)

Particulars	2016	2015
Textile Consumables & Textile Machinery	1608.09	1300.18
Graphic Products	87.58	80.13
Galvanic	189.46	186.71

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 state of the art manufacturing facility in Ahmedabad. It follows best-in-class manufacturing practices and several operational excellence initiatives are taken by the Company to drive the operational efficiency.

PARTICIPATION IN TRADE SHOWS & EXHIBITIONS

The Company participated and made impressive presence in various trade shows and exhibitions such as ITME India 2016, held in Mumbai, India and Label Expo, held in Noida, India.

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 7.2 percent in 2017, which is trimmed by 0.4 % compared to early projected growth of 7.6%. For India, moderate inflation and a civil service pay hike may support real incomes and consumption, assisted by bumper harvest after favorable monsoon rains. Government Policy and structural reforms initiative and implementation thereof will be a key factor to drive India's growth. Demonetization of high denominated currency notes may benefit in the medium term for liquidity expansion in the banking system, helping lower lending rates and to lift economic activity.

On the Global front, stalling global trade, weak investment and heightened policy uncertainty have depressed world economic activity. Global growth is estimated to have fallen down to about 3.1 % in 2016 – the weakest performance since global financial crisis. However, as per International Monetary Fund, the global growth is expected to pick up in 2017 and may post growth of about 3.4 % in 2017.

India is the world's second largest exporter of textiles and clothing. Rising government focus and favorable policies by Government encouraging investments like TUFs, is expected to increase growth in the textile industry. Increased penetration of organized retail segment, favourable demographics and rising income levels are likely to drive demand for textiles. Government is also planning to set up apparel parks to promote apparel exports. Free trade with ASEAN countries and proposed agreement with European Union may also help boost exports of Indian textiles. With the GST coming into force in near future, taxation of textile sector under the GST will play a key role in driving the growth of textile industry.

RISKS AND CONCERNS

From Global perspective, the recent political development highlights a distressing consensus about the benefits of cross border economic integration. A political widening of global imbalances coupled with sharp exchange rate movements, could further intensify protectionist pressures. Increased restriction on global trade and migration may hurt productivities and incomes and might take an immediate toll on overall global market sentiment.

For India, increase in oil prices, rising fiscal deficits, impaired commercial bank's balance sheet especially public sector banks, high non-performing bank loans might contribute to financial strain. Further, 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 continues to remain 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 total 177 permanent employees on the rolls of the Company as on December 31, 2016.

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.

Note: Some parts of the content of this annual report are taken from sources like www.worldbank.org, www.imf.org, www.ibef.org.

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 the 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, 2013 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/uploads/documents/Stovec/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. Khurshed M. Thanawalla	Member
3	Mr. Eiko Ris	Member

3. Average net profit of the Company for last three financial years: INR 20,91,09,839/-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): INR 41,82,197/-
5. Details of CSR spent during the financial year
- a) Total amount to be spent for the financial year: INR 41,82,197/-
- 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 42,00,000/-	INR 42,00,000/-	INR 42,00,000/-	Direct
	Total			INR 42,00,000/-	INR 42,00,000/-	INR 42,00,000/-	-

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)

Date: March 25, 2017
Place: Mumbai

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 2016, the percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the financial year 2016.

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	32.80:1*	08.90 %
2	Mr. Paras Mehta	Chief Financial Officer	Not Applicable	15.00 %
3	Mrs. Varsha Adhikari	Company Secretary	Not Applicable	13.50 %

*Considering the remuneration and variable pay on provisional basis.

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.

Further, based on the recommendation from Nomination and Remuneration Committee and subject to the approval of Members in the forthcoming General Meeting, the Board of Directors have approved profit linked Commission to Independent Directors of not exceeding 1% (one percent) per annum, of the net profits of the Company (computed as per Section 198 of the Act) for each financial year, for a period of three financial years commencing from January 1, 2017. The Commission shall be in addition to the payment of sitting fees and reimbursement of expenses incurred for attending the meetings of the Board of Directors of the Company and its Committee(s) thereof.

- (ii) The percentage increase in the median remuneration of employees for the financial year 2016 was 15%.
- (iii) The Company had 177 permanent employees on the rolls of the Company as on December 31, 2016.
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 14.13% whereas the increase in the managerial remuneration was 08.90%. 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.
- (v) **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.
- (vi) 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

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

Date: March 25, 2017
Place: Mumbai

FORM No. MGT-9**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2016****[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	:	5th Floor, 506 to 508, Amarnath Business Center-I (ABC-I), Besides Gala Business Center, Nr. St. Xavier's College Corner, Off. C.G. Road, Navrangpura, Ahmedabad - 380 009, Gujarat.
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	28.93
2.	Rotary Screen Printing Machine	28262	37.80

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

[No. of Companies for which information is being filled] - 2

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	SPGPrints B.V. Raamstraat 1-3, 5831 AT, Boxmeer, The Netherlands.	Not Applicable	Holding Company	71.06 %	2 (46)
2.	Atul Sugar Screens Pvt. Ltd. Dangat Industrial Estate, House No. 657, Hissa No. 3/1, S. No. 81, Shivane, Pune-411023, Maharashtra, India.	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 2016				No. of shares held at the end of the year 2016				% 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.	1483777	0	1483777	71.06	1483777	0	1483777	71.06	0.00
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)	1483777	0	1483777	71.06	1483777	0	1483777	71.06	0.00
	Total shareholding of Promoter & Promoter Group (A) = (A) (1) + (A) (2)	1483777	0	1483777	71.06	1483777	0	1483777	71.06	0.00
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)	FII's	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	30753	1403	32156	1.54	26398	1353	27751	1.33	-0.21
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	344981	126417	471398	22.58	354916	121944	476860	22.84	0.26
ii)	Individual Shareholder holding nominal share capital in excess of Rs 1 lakh	47,521	0	47,521	2.28	47,421	0	47,421	2.27	-0.01
c)	Others(specify)									
i)	Clearing Member	10219	0	10219	0.49	6385	0	6385	0.31	-0.18
ii)	NRI (Repat)	3315	1423	4738	0.23	5826	1423	7249	0.35	0.12
iii)	NRI (Non-Repat)	8813	0	8813	0.42	9360	0	9360	0.45	0.03
iv)	Director's/Director's Relatives	3310	2554	5864	0.28	3310	2554	5864	0.28	0.00
	Hindu Undivided Family (HUF)	21229	50	21279	1.02	20948	50	20998	1.01	-0.01
	Trust	0	0	0	0	100	0	100	0.00	0.00
	Sub-total (B) (2)	470141	131847	601988	28.83	474664	127324	601988	28.83	0.00
	Total Public Shareholding (B) = (B) (1) + (B) (2)	470503	133736	604239	28.94	475026	129213	604239	28.94	0.00
C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	1954280	133736	2088016	100.00	1958803	129213	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.	14,83,777	71.06	0.00	14,83,777	71.06	0.00	0.00

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE): 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	14,83,777	71.06	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.)	Not Applicable			
	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 - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	AMIT SHANTILAL MOTLA	31000	1.4847			31000	1.4847
	Sale			01 Jan 2016	(100)	30900	1.4799
	AT THE END OF THE YEAR					30900	1.4799
2	BHAVNA GOVINDBHAI DESAI	16521	0.7912			16521	0.7912
	AT THE END OF THE YEAR					16521	0.7912
3	KAMAL KUMAR GOYAL	6075	0.2909			6075	0.2909
	Purchase			30 Dec 2016	3475	9550	0.4574
	AT THE END OF THE YEAR					9550	0.4574
4	RAMESH MANOHAR KASBEKAR	7266	0.3480			7266	0.3480
	AT THE END OF THE YEAR					7266	0.3480
5	KISHAN GOPAL MOHTA	5500	0.2634			5500	0.2634
	Purchase			29 Jan 2016	31	5531	0.2649
	Purchase			18 Mar 2016	50	5581	0.2673
	Purchase			31 Mar 2016	19	5600	0.2682
	Purchase			17 Jun 2016	123	5723	0.2741
	Purchase			15 Jul 2016	209	5932	0.2841
	Purchase			22 Jul 2016	68	6000	0.2874
	Purchase			29 Jul 2016	430	6430	0.3079
	Purchase			05 Aug 2016	70	6500	0.3113

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Purchase			30 Sep 2016	44	6544	0.3134
	Purchase			21 Oct 2016	5	6549	0.3136
	Purchase			28 Oct 2016	167	6716	0.3216
	Sale			11 Nov 2016	(16)	6700	0.3209
	Purchase			18 Nov 2016	50	6750	0.3233
	Purchase			25 Nov 2016	121	6871	0.3291
	Purchase			02 Dec 2016	147	7018	0.3361
	AT THE END OF THE YEAR					7018	0.3361
6	HEIDE CHRISTEL BHAGWATI	0	0.0000			0	0.0000
	Purchase			07 Oct 2016	5599	5599	0.2681
	AT THE END OF THE YEAR					5599	0.2681
7	MSPL LIMITED	5660	0.2711			5660	0.2711
	Purchase			22 Jan 2016	95	5755	0.2756
	Purchase			29 Jan 2016	10	5765	0.2761
	Purchase			05 Feb 2016	140	5905	0.2828
	Purchase			12 Feb 2016	45	5950	0.2850
	Purchase			19 Feb 2016	50	6000	0.2874
	Sale			04 Mar 2016	(300)	5700	0.2730
	Sale			08 Apr 2016	(150)	5550	0.2658
	Sale			22 Apr 2016	(150)	5400	0.2586
	Purchase			25 Nov 2016	95	5495	0.2632
	Purchase			16 Dec 2016	50	5545	0.2656
	AT THE END OF THE YEAR					5545	0.2656
8	KINJAL R. MANIAR	5500	0.2634			5500	0.2634
	AT THE END OF THE YEAR					5500	0.2634
9	RAJ KISHORE	5950	0.2850			5950	0.2850
	Sale			18 Mar 2016	(200)	5750	0.2754
	Sale			25 Mar 2016	(300)	5450	0.2610
	Sale			31 Mar 2016	(200)	5250	0.2514
	AT THE END OF THE YEAR					5250	0.2514
10	NEELAMMITAL	4233	0.2027			4233	0.2027
	Purchase			04 Mar 2016	45	4278	0.2049
	Purchase			08 Apr 2016	43	4321	0.2069
	Purchase			15 Apr 2016	58	4379	0.2097
	Purchase			22 Apr 2016	25	4404	0.2109
	Purchase			06 May 2016	185	4589	0.2198
	Purchase			13 May 2016	479	5068	0.2427
	Purchase			27 May 2016	65	5133	0.2458
	Sale			03 Jun 2016	(67)	5066	0.2426
	Purchase			10 Jun 2016	40	5106	0.2445
	Sale			24 Jun 2016	(244)	4862	0.2329
	Purchase			08 Jul 2016	10	4872	0.2333
	Purchase			15 Jul 2016	157	5029	0.2409
	Sale			29 Jul 2016	(6)	5023	0.2406
	Sale			05 Aug 2016	(4)	5019	0.2404
	Purchase			02 Sep 2016	15	5034	0.2411
	Purchase			02 Dec 2016	1	5035	0.2411
	AT THE END OF THE YEAR					5035	0.2411

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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.	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 (in ₹)
		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.	14,141,695	14,141,695
		-	-
		-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - Others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	14,141,695*	14,141,695*
	Ceiling as per the Act	17,703,933	17,703,933

*Includes remuneration and variable pay on provisional basis.

B. Remuneration to Other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount (in ₹)
		Mr. Khurshed M. Thanawalla	Mr. Marco Wadia	
	1. Independent Directors			
	• Fee for attending board /committee meetings	2,56,500	3,64,500	6,21,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	2,56,500	3,64,500	6,21,000
	2. Other Non-Executive Directors			
	• Fee for attending board /committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)			
	Total (B)=(1+2)	2,56,500	3,64,500	6,21,000
	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 MANAGING DIRECTOR/ MANAGER/WHOLE TIME DIRECTOR:

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Mr. Paras Mehta (Chief Financial Officer)	Mrs. Varsha Adhikari (Company Secretary)	Total (in ₹)
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 7(3) Income-tax Act, 1961	3,391,918	2,902,413	6,294,331
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-
5.	Others, please specify			
	Total	3,391,918*	2,902,413*	6,294,331*

*Includes remuneration and 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, 2016 (in ₹)	As at 31 st December, 2015 (in ₹)	Maximum outstanding during the year
1	Investment: Atul Sugar Screens Pvt. Ltd.	Equity Investment	100,000	100,000	Not Applicable
2	Investment: Jaysynth Dyestuff (India) Limited	Equity Investment	10,583,354	Nil	Not Applicable

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, 2016

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, 2016 (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, 2016 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 23, 2017

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. Where ever 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.

For, Sandip Sheth & Associates
Practicing Company Secretaries

Sd/-
(Sandip Sheth)
Partner
FCS No:- 5467
COP No.: 4354

Date: February 23, 2017
Place: Ahmedabad

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, 2016, 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. 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, 2016, 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, 2016', 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 B 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) 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, 2016 on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts as at December 31, 2016;
 - 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, 2016.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Sd/-

Priyanshu Gundana

Partner

Membership Number: 109553

Place: Mumbai

Date: February 23, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the standalone financial statements for the year ended December 31, 2016.

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the standalone financial statements for the year ended December 31, 2016.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Sd/-

Priyanshu Gundana

Partner

Membership Number: 109553

Place: Mumbai

Date: February 23, 2017

Annexure B 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, 2016.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them.
- 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, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- 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. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, 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, 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, duty of customs and value 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, 2016 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
Service Tax The Finance Act, 1994	Tax Including Penalty	1,019,316	2013 – 2015	Commissioner of Central Excise – Appeals

*Net of payments made

Annexure B 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, 2016.

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Sd/-

Priyanshu Gundana

Partner

Membership Number: 109553

Place: Mumbai

Date: February 23, 2017

BALANCE SHEET AS AT DECEMBER 31, 2016

	Note	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	20,880,160	20,880,160
Reserves and surplus	4	833,844,190	687,805,926
		<u>854,724,350</u>	<u>708,686,086</u>
Non-current liabilities			
Deferred tax liabilities (Net)	5	8,885,699	13,759,808
Other long-term liabilities	6	2,658,597	1,158,597
Long-term provisions	7	21,452,157	18,403,265
		<u>32,996,453</u>	<u>33,321,670</u>
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	8	2,685,492	2,263,315
- total outstanding dues of creditors other than micro enterprises and small enterprises	8	223,423,123	193,641,258
Other current liabilities	9	189,375,790	154,636,056
Short-term provisions	10	105,713,693	83,358,193
		<u>521,198,098</u>	<u>433,898,822</u>
		<u>1,408,918,901</u>	<u>1,175,906,578</u>
<u>ASSETS</u>			
Non-current assets			
Fixed Assets			
Tangible assets	11	192,500,478	197,072,152
Intangible assets	11	41,466,362	55,291,406
Capital work-in-progress		59,904,999	2,653,462
		<u>293,871,839</u>	<u>255,017,020</u>
Non-current investments	12	10,686,354	103,000
Long-term loans and advances	13	22,863,112	14,299,738
Other non-current assets	14	161,628,011	19,128,011
		<u>489,049,316</u>	<u>288,547,769</u>
Current assets			
Inventories	15	368,117,206	280,329,717
Trade receivables	16	256,620,802	298,525,513
Cash and Bank Balances	17	236,182,793	265,144,770
Short-term loans and advances	18	40,973,352	36,530,957
Other current assets	19	17,975,432	6,827,852
		<u>919,869,585</u>	<u>887,358,809</u>
		<u>1,408,918,901</u>	<u>1,175,906,578</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 23, 2017

Place : Mumbai

Date : February 23, 2017

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

	Note	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
<u>INCOME</u>			
Revenue from operations (gross)	20	2,032,514,653	1,695,243,702
Less: Excise Duty		147,380,557	128,219,271
Revenue from operations (net)		1,885,134,096	1,567,024,431
Other Income	21	39,476,682	35,545,212
		1,924,610,778	1,602,569,643
<u>EXPENSES</u>			
Cost of materials consumed	22	1,013,086,057	804,665,560
Purchase of stock-in-trade	23	127,028,285	133,606,436
Changes in Inventories of Finished Goods, Work-in-Progress and stock-in-trade	24	(66,477,237)	(41,971,585)
Employee Benefits Expense	25	163,739,315	133,538,799
Finance Cost	26	3,056,205	1,753,082
Depreciation and amortisation Expense	11	51,253,503	51,568,307
Other Expense	27	293,141,555	208,747,207
Total expenses		1,584,827,683	1,291,907,806
Profit Before Tax		339,783,095	310,661,837
<u>Tax Expenses</u>			
- Current Tax		120,483,626	104,646,914
- Excess provision of income tax of earlier years (Net)		228,096	(1,439,489)
- Deferred Tax		(4,874,109)	2,069,324
		115,837,613	105,276,749
Profit for the year		223,945,482	205,385,088
Earnings Per Share (Refer Note 31)			
Basic and Diluted Earnings Per Share (in ₹)		107.25	98.36
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 23, 2017

Place : Mumbai
Date : February 23, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Taxation	339,783,095	310,661,837
<u>Adjustments for:</u>		
Depreciation / Amortisation	51,253,503	51,568,307
Finance Cost	3,056,205	1,753,082
Interest Income	(24,742,341)	(16,638,373)
Unrealised Foreign Exchange Loss / (Profit)	148,744	(478,384)
Loss on sale of assets	153,872	(363,367)
Provision for Doubtful Debts (Net)	5,005,326	(376,777)
Provision for Obsolescence of Inventory (Net)	(199,475)	284,246
Provision for Contingencies	2,189,936	(356,920)
Provision for Warranty (Net)	16,162,647	10,970,618
Liabilities no longer required written back	-	(221,514)
Operating Profit Before Working Capital Changes	392,811,512	356,802,755
<u>Adjustments For Changes In Working Capital:</u>		
(Increase) In Inventories	(87,588,014)	(85,288,359)
(Increase) In Long term loans and advances	(1,088,564)	(1,920,424)
(Increase) / Decrease In Trade receivables	36,813,212	(99,073,758)
(Increase) In Short term Loans and Advances	(4,442,395)	(14,385,175)
(Increase) / Decrease In Other current assets	(5,590,090)	-
Increase In Trade and Other Payables	50,831,316	117,611,148
Cash Generated From Operations	381,746,977	273,746,187
Direct Taxes Refund / (Paid) (Net)	(128,186,532)	(97,486,300)
A. Net Cash From Operating Activities	253,560,445	176,259,887
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(73,315,179)	(58,247,399)
Proceeds from Sale of Fixed Assets	326,709	1,171,181
Purchase of Investments	(10,583,354)	-
Loan to Wholly-owned Subsidiary	-	50,000,000
Investments in Bank Deposits	(124,400,000)	(135,908,347)
Interest Income	19,184,851	15,360,701
B. Net Cash Generated / (Used In) Investing Activities	(188,786,973)	(127,623,864)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend	(60,552,464)	(32,364,248)
Dividend Tax	(12,328,482)	(6,588,600)
Interest	(3,056,205)	(1,753,082)
C. Net Cash Used In Financing Activities	(75,937,151)	(40,705,930)
Net Increase in cash and cash equivalents (A+B+C)	(11,163,679)	7,930,093

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
Cash and Cash Equivalents as at the beginning of the year	87,444,742	79,514,649
Cash and Cash Equivalents as at the end of the year	76,281,063	87,444,742
Cash and Cash Equivalents :		
Cash on hand	278,950	353,586
Cheques on hand	-	2,448,463
Bank Balances :		
- In Current Accounts	56,002,113	34,642,693
- Short term deposits with maturity less than 3 months	20,000,000	50,000,000
	76,281,063	87,444,742

Note :

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

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-
Priyanshu Gundana
Partner
Membership Number: 109553

Place : Mumbai
Date : February 23, 2017

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 23, 2017

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

Sd/-
Varsha Adhikari
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1) General Information

Stovec Industries Limited ("the Company") was incorporated on 5th June, 1973. The Company's factory and registered office is presently located in Ahmedabad, Gujarat. The Company is listed on BSE Ltd and Ahmedabad Stock Exchange Ltd. The Company has three major Business Segments: Textile Machinery & Consumables, Graphics Consumables and Galvanic. The Company is a Technology and Market leader in Rotary Screen Printing Industry in India.

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

i) Sale of Goods and Services

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.

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.

ii) Other Revenue

Commission income is recognised and accounted on accrual basis.

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

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Lease rental income is recognised on accrual basis.

Dividend income is accounted for in the year in which the right to receive the same is established.

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 STANDALONE FINANCIAL STATEMENTS

The 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	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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

 ii) Long Term Employee Benefits:
Defined Contribution Plans

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

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

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

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

Defined Benefit Plans

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

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

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 STANDALONE FINANCIAL STATEMENTS

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
3) Share Capital		
Authorised:		
2,900,000 (December 31, 2015: 2,900,000)		
Equity Shares of ₹ 10/- each	29,000,000	29,000,000
10,000 (December 31, 2015: 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, 2015: 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, 2016		For the year ended December 31, 2015	
	(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, 2015 : 1,483,777) Equity shares of Rs. 10/- each fully paid up are held by SPGPrints B.V., The Netherlands, the Holding Company.	14,837,770	14,837,770
--	------------	------------

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	1,483,777
SPGPrints B.V. - The Netherlands, the Holding Company	71.06%	71.06%

e) There are no shares allotted either as fully paid up by way of Bonus Shares or under any contract without payment being received in cash during five years immediately preceding December 31, 2016.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

		As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
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	181,954,416		160,954,416
Add: Transfer from Surplus in Statement of Profit and Loss	-		21,000,000
At the end of the year		181,954,416	181,954,416
Surplus in Statement of Profit and Loss			
At the beginning of the year	425,536,893		313,994,878
Add : Profit for the year	223,945,482		205,385,088
	649,482,375		519,379,966
Less : Appropriations			
Transfer to General Reserve	-		21,000,000
Proposed Dividend	64,728,496		60,552,464
Tax on Proposed Dividend	13,178,722		12,328,482
Excess Provision on earlier year's Dividend Distribution Tax	-		(37,873)
	77,907,218		93,843,073
At the end of the year		571,575,157	425,536,893
		833,844,190	687,805,926
5) Deferred Tax Liabilities (Net)			
Deferred tax liability			
(a) Depreciation	21,764,333		23,214,831
		21,764,333	23,214,831
Deferred tax assets			
(a) Provision for doubtful debts	1,950,818		218,575
(b) Provision for contingency	3,024,469		2,495,910
(c) Other timing differences allowable on payment basis	7,903,347		6,740,538
		12,878,634	9,455,023
		8,885,699	13,759,808
6) Other Long-term Liabilities			
Security Deposits		2,658,597	1,158,597
		2,658,597	1,158,597
7) Long-term Provisions			
Provision for Contingencies (Refer Note 33)		12,768,691	11,241,415
Provision for Leave Encashment		8,683,466	7,161,850
		21,452,157	18,403,265

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
8) Trade Payables		
a) Micro, Small and Medium Enterprises (Refer Note below)	2,685,492	2,263,315
b) Others	223,423,123	193,641,258
	226,108,615	195,904,573

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, 2016 (₹)	Year ended December 31, 2015 (₹)
a) Principal Amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end.	1,691,450	1,269,896
b) Interest due to suppliers registered under MSMED Act and remaining unpaid as at the year end.	994,042	993,419
c) Principal Amount paid to suppliers registered under MSMED Act, beyond the appointed day during the year.	191,515	5,514,863
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
f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	531,501	531,501
g) Further interest remaining due and payable for earlier years.	993,419	879,616

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
9) Other Current Liabilities		
Advances from Customers	101,778,913	97,338,697
Unpaid Dividend (See note below)	5,401,730	5,100,028
Employee Benefits Payable	36,354,338	27,600,077
Security Deposit	-	100,000
Statutory dues (including Provident Fund and Tax deducted at Source)	28,057,361	23,987,530
Creditors for Capital Goods	17,783,448	509,724

Note:

There is no amount due and outstanding as at December 31, 2016 to be credited to Investor Education and Protection Fund.

	189,375,790	154,636,056
10) Short-term Provisions		
Employee Benefits (Refer Notes 2(g) and 25B)		
- Provision for Gratuity	532,062	-
- Provision for Leave Encashment	2,140,246	1,505,727
Provision for Warranty (Refer Notes 2(k) and 33)	25,134,167	8,971,520
Proposed Dividend	64,728,496	60,552,464
Tax on Proposed Dividend	13,178,722	12,328,482
	105,713,693	83,358,193

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	Gross Block (At Cost)			Depreciation / Amortisation				Net Block
	As at December 31, 2015	Additions during the year	Deletions during the year	As at December 31, 2016	Upto December 31, 2015	For the year	On Deletions	As at December 31, 2016
Tangible Assets								
Own Assets								
Land- Freehold (Refer Note 1 below)	303,323	-	-	303,323	-	-	-	303,323
Buildings	40,225,094	905,103	-	41,130,197	15,239,446	1,485,946	-	24,404,805
Plant and Equipment	258,079,438	21,923,032	3,035,555	276,966,915	105,361,088	28,062,820	2,748,310	146,291,317
Computers	12,579,908	4,853,479	47,355	17,386,032	7,477,429	1,955,278	44,987	7,998,312
Furniture and Fixtures	13,147,770	146,400	-	13,294,170	9,707,357	1,082,910	-	2,503,903
Office Equipments	5,513,967	2,100,576	730,661	6,883,882	3,741,469	509,233	539,693	3,172,873
Vehicles	5,479,294	-	-	5,479,294	2,881,571	401,651	-	2,196,072
Assets given on Operating Lease								
Land - Freehold (Refer Note 1 below)	165,737	-	-	165,737	-	-	-	165,737
Buildings	19,520,044	-	-	19,520,044	13,534,063	521,845	-	5,464,136
Sub-Total (A)	355,014,575	29,928,590	3,813,571	381,129,594	157,942,423	34,019,683	3,332,990	192,500,478
Intangible Assets								
Goodwill	105,000	-	-	105,000	105,000	-	-	-
Trademark (Refer Note 2 below)	39,384,800	-	-	39,384,800	12,535,377	7,876,960	-	18,972,463
Technical/Commercial Know-how and Non-compete Fees	63,804,036	-	-	63,804,036	37,422,137	7,739,800	-	18,642,099
Computer Software	10,770,227	3,408,776	-	14,179,003	8,710,143	1,617,060	-	3,851,800
Sub-Total (B)	114,064,063	3,408,776	-	117,472,839	58,772,657	17,233,820	-	41,466,362
Total (A+B)	469,078,638	33,337,366	3,813,571	498,602,433	216,715,080	51,253,503	3,332,990	233,966,840

Notes:

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹)

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	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	157,942,423
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:

- (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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
12) Non-current Investments		
<u>(Long Term, Non Trade and Unquoted)</u>		
Investment in Equity Shares		
30 Shares of ₹ 100/- each fully paid-up of Gujarat Vepari Mahamandal Sahakari Audhyogik Vasahat Ltd.	3,000	3,000
<u>(Long Term, Trade and Quoted)</u>		
Investment in Equity Shares *		
134,872 Shares (Previous Year Nil) of Re. 1/- each fully paid-up of Jaysynth Dyestuff (India) Ltd.	10,583,354	-
* Aggregate Market value of Shares as at December 31, 2016 is ₹ 10,998,812 (Previous Year ₹ Nil).		
<u>(Long Term, Trade and Unquoted)</u>		
Investment in Subsidiary **		
1,000 Shares of ₹ 100/- each fully paid-up of Atul Sugar Screens Private Limited	100,000	100,000
** Aggregate amount of Unquoted investment ₹ 103,000 (Previous Year ₹ 103,000)		
	10,686,354	103,000
13) Long-term Loans and Advances		
<u>(Unsecured, Considered Good)</u>		
Advances Recoverable in Cash or in Kind or for Value to be Received	4,285,477	4,210,893
Sundry Deposits	8,703,680	7,689,700
Advance Tax and Tax Deducted at Source [Net of Provision ₹ 519,830,184 (Previous Year ₹ 398,272,432)]	9,873,955	2,399,145
	22,863,112	14,299,738
14) Other Non-current Assets		
<u>(Unsecured, Considered Good)</u>		
Long term deposits with maturity more than 12 months	156,800,000	14,300,000
Margin Money Deposit	4,828,011	4,828,011
	161,628,011	19,128,011
15) Inventories		
<u>(Refer Note 2(b))</u>		
Raw Materials	150,685,250	137,873,640
[Includes Goods-in-transit ₹ 9,422,787 (Previous Year ₹ 17,069,676)]		
Packing Material, Stores, Spares and Tools	10,209,454	8,364,419
Work-in-Process	52,915,127	63,103,344
Finished Goods	130,081,488	40,602,862
Traded Goods	24,225,887	30,385,452
	368,117,206	280,329,717

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
16) Trade Receivables		
(Unsecured)		
Outstanding for a period exceeding Six Months from the date they are due for payment		
- Considered Good	2,875,223	1,092,490
- Considered Doubtful	5,636,900	631,574
	<u>8,512,123</u>	<u>1,724,064</u>
Others Considered Good		
- From Related Parties	52,069,574	68,470,718
- From Others	201,676,005	228,962,305
	<u>253,745,579</u>	<u>297,433,023</u>
Less: Provision for Doubtful Debts	5,636,900	631,574
	<u>256,620,802</u>	<u>298,525,513</u>
17) Cash and Bank Balances		
A. Cash and Cash Equivalents :		
Cash on hand	278,950	353,586
Cheques on hand	-	2,448,463
Bank Balances :		
- In Current Accounts	56,002,113	34,642,693
- Short term deposits with maturity less than 3 months	20,000,000	50,000,000
	<u>76,281,063</u>	<u>87,444,742</u>
B. Other Bank Balances		
Long term deposits with maturity more than 3 months but less than 12 months	154,500,000	172,600,000
Unpaid Dividend Accounts	5,401,730	5,100,028
	<u>159,901,730</u>	<u>177,700,028</u>
	<u>236,182,793</u>	<u>265,144,770</u>
18) Short-term Loans and Advances		
(Unsecured and Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	32,549,660	34,553,231
Balance with Central Excise and Customs Authorities	8,423,692	1,977,726
	<u>40,973,352</u>	<u>36,530,957</u>
19) Other Current Assets		
Interest Accrued but not Due		
- on Deposits	12,385,342	6,827,852
Export Incentive Receivables	5,590,090	-
	<u>17,975,432</u>	<u>6,827,852</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
20) Revenue from operations		
Sales and Services	2,010,342,657	1,681,421,814
Other Operating Income :		
Commission Income	16,581,906	13,821,888
Export Incentives	5,590,090	-
	<u>2,032,514,653</u>	<u>1,695,243,702</u>
Less: Excise Duty	<u>147,380,557</u>	<u>128,219,271</u>
	<u>1,885,134,096</u>	<u>1,567,024,431</u>
Details of Revenue from operations		
a) Sales of Goods Manufactured :		
Perforated Rotary Screens and Textile Machines	1,305,988,402	999,929,560
Sugar sieves and segments	148,225,280	144,501,197
Others	<u>249,048,555</u>	<u>253,366,501</u>
	<u>1,703,262,237</u>	<u>1,397,797,258</u>
b) Sales of Traded Goods :		
Perforated Rotary Screens	118,959,417	111,977,502
Others	<u>59,493,453</u>	<u>55,017,272</u>
	<u>178,452,870</u>	<u>166,994,774</u>
c) Sale of Services	<u>3,418,989</u>	<u>2,232,399</u>
	<u>3,418,989</u>	<u>2,232,399</u>
	<u>1,885,134,096</u>	<u>1,567,024,431</u>
21) Other income		
Interest on :		
- Deposits	24,150,048	13,057,029
- Others	<u>592,293</u>	<u>3,581,344</u>
	24,742,341	16,638,373
Liabilities no longer required written back	-	221,514
Provision for Doubtful Debts written back (Net)	-	376,777
Provision for Contingencies written back (Net) (Refer Note 33)	-	356,920
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	<u>3,129,081</u>	<u>4,127,013</u>
	<u>39,476,682</u>	<u>35,545,212</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
22) a) Cost of Materials Consumed		
Raw Materials and Components Consumed	996,729,083	788,520,377
Packing Materials Consumed	16,356,974	16,145,183
	1,013,086,057	804,665,560
(Cost of Materials Consumed is based on derived values)		
b) Details of Materials Consumed		
Nickel	259,277,094	304,826,609
Components and Hardware Items	669,149,787	436,529,298
Others	84,659,176	63,309,653
	1,013,086,057	804,665,560
c) Value of Imported and Indigenous Materials Consumed		
	in %	in %
Imported	49% 495,089,507	53% 424,730,607
Indigenous	51% 517,996,550	47% 379,934,953
Total	100% 1,013,086,057	100% 804,665,560
23) Purchase of stock-in-trade		
Perforated Rotary Screens	78,717,235	86,754,504
Others	48,311,050	46,851,932
	127,028,285	133,606,436
24) Changes in inventories of finished Goods, work-in-progress and stock-in-trade		
<u>Opening 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
<u>Closing Stock</u>		
- Work-in-process	52,915,127	63,103,344
- Finished Goods	130,081,488	40,602,862
- Traded Goods	24,225,887	30,385,452
	207,222,502	134,091,658
Decrease/(Increase) in Stock	(73,130,844)	(44,508,884)
Increase/(Decrease) in Excise Duty on Finished Goods	6,653,607	2,537,299
	(66,477,237)	(41,971,585)
25) A. Employee benefits expenses		
Salaries, Wages and Bonus	142,665,062	119,050,156
Contribution to Provident and Other Funds	3,953,505	3,263,429
Gratuity	3,184,097	1,502,863
Welfare Expenses	13,936,651	9,722,351
	163,739,315	133,538,799

NOTES TO THE STANDALONE 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, 2016 (₹)	Year ended December 31, 2015 (₹)
Employers' Contribution to Provident Fund and Employee's Pension Scheme*	3,555,798	2,985,288
Employers' Contribution to Employee's State Insurance*	392,023	275,876

* 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, 2016 (₹)	As at December 31, 2015 (₹)
Discount Rate (per annum)	7.02%	8.17%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	7.02%	8.17%
Expected Weighted Average remaining working lives of employees (years)	21	20

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

Particulars	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
Present value of obligation at the beginning of the year	12,175,815	12,582,674
Interest Cost	994,764	1,020,455
Current Service Cost	966,934	811,160
Benefits Paid	(2,502,884)	(2,943,431)
Actuarial (gain) / loss on obligations	1,922,104	704,957
Present value of obligation at the end of the year	13,556,733	12,175,815

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

Particulars	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
Fair value of Plan Assets at the beginning of the year	12,324,966	11,907,880
Expected Return on Plan Assets	1,006,950	1,035,986
Actuarial Gains and (Loss) on Plan Assets	(307,245)	(2,277)
Contributions	-	1,000,000
Benefits Paid	-	(1,616,623)
Fair value of Plan Assets at the end of the year	13,024,671	12,324,966

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

c. Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

Particulars	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
Present Value of funded obligation at the end of the year	13,556,733	12,175,815
Fair Value of Plan Assets at the end of the year	13,024,671	12,324,966
Funded Status	13,024,671	12,324,966
Present Value of unfunded Obligation at the end of the year	532,062	(149,151)
Unfunded Net Assets/(Liability) Recognised in Balance Sheet*	(532,062)	149,151

*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, 2016 (₹)	As at December 31, 2015 (₹)
Present Value of Obligation at the end of the year	(13,556,733)	(12,175,815)
Fair Value of Plan Assets at the end of the year	13,024,671	12,324,966
Assets / (Liability) recognised in the Balance Sheet**	(532,062)	149,151

**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, 2016 (₹)	Year ended December 31, 2015 (₹)
Current Service Cost	966,934	811,160
Interest Cost	(12,186)	(15,531)
Net actuarial (gain) / loss recognised in the Year	2,229,349	707,234
Total Expenses recognised in the Statement of Profit and Loss	3,184,097	1,502,863

f. Experience Adjustment (₹)

Particulars	For the year ended December 31, 2016	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
Defined Benefit Obligation	13,556,733	12,175,815	12,582,674	10,126,636	10,627,312
Plan Assets	13,024,671	12,324,966	11,907,880	10,511,638	9,677,732
(Surplus) / Deficit	532,062	(149,151)	674,794	(385,002)	949,580
Experience Adjustment on plan liabilities (gain)/loss	950,754	752,004	927,959	783,814	290,716
Experience Adjustment on plan assets gain/(loss)	(307,245)	(2,277)	(227,433)	228,415	(138,937)

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 STANDALONE FINANCIAL STATEMENTS

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

Particulars	Year ended December 31, 2016	Year ended December 31, 2015
Cash Accumulation Scheme with Life Insurance Corporation of India	93%	93%
Bank Balances	7%	7%

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. 738,112 (Previous Year Rs. 817,783) for gratuity.

III. The liability for leave encashment and compensated absences as at the year end is Rs. 10,823,712 (Previous Year Rs. 8,667,577).

	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
26) Finance cost		
Other Borrowing Cost	3,056,205	1,753,082
	3,056,205	1,753,082
27) Other expenses		
Consumption of Stores and Spares	12,986,644	6,921,270
Rent	1,681,800	384,000
Rates and Taxes	5,412,967	4,435,001
Power and Fuel	93,369,832	84,308,041
Repairs To :		
- Buildings	4,856,914	3,972,739
- Plant and Equipment	4,852,717	5,633,816
- Others	6,217,533	4,212,282
	15,927,164	13,818,837
Insurance	2,227,877	2,386,507
Auditors' Remuneration for :		
- Statutory Audit Fees	1,620,000	1,500,000
- Tax Audit Fees	456,250	325,000
- Others	1,175,000	810,000
- Out - of - Pocket Expenses	72,640	77,800
	3,323,890	2,712,800
Travelling and Conveyance	21,289,986	14,463,910
Royalty	27,535,113	16,591,852
Provision for Doubtful Debts (Net)	5,005,326	-
Bad Debts written off	298,765	536,064
	5,304,091	536,064
Provision for Warranty (Net) (Refer Note 33)	16,162,647	10,970,618
Provision for Contingencies (Net) (Refer Note 33)	2,189,936	-
Net Loss on Foreign Currency Transactions and Translation	2,295,839	-
Loss on Sale of Fixed Assets (Net)	153,872	-
Contribution towards Corporate Social Responsibility activities (Refer Note 38)	4,200,000	2,900,000
Miscellaneous Expenses	79,079,897	48,318,307
	293,141,555	208,747,207

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

Particulars	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
Disputed claims made by workers for re-instatement	408,535	854,244
Disputed income tax liability including interest	6,441,741	6,441,741
Disputed excise and service tax liability including penalty	4,214,297	4,611,245
Guarantees given by the Company	4,200,000	4,450,000
Total	15,264,573	16,357,230

b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at December 31, 2016 is Rs. 33,827,217 (Previous Year Rs. 3,580,486).

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

Particulars	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
Raw Materials	451,760,672	406,420,380
Components Stores and Spares	3,142,983	2,202,098
Capital Goods	2,534,946	10,575,834
Traded Goods	93,722,191	94,882,886

b) Expenditure in foreign currency and earnings in foreign Currency

Particulars	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
i) Expenditure in foreign currency		
Finder Fees / Commission	4,336,146	4,191,232
Erection and Commissioning charges	6,081,453	1,317,386
Communication Expenses	5,265,393	2,039,238
Bank Charges	1,297,928	-
Testing and Technical Expenses	303,160	-
Travelling Expenses	64,243	470,017
Warranty Expenses	8,052,615	3,085,277
Royalty	27,535,113	16,591,852
Others	519,818	79,318
ii) Earnings in foreign currency		
Export of goods and services calculated on F.O.B. basis	158,453,089	92,185,286
Commission Income	16,581,906	13,821,888
Others	171,897	-

30) Dividend remitted in foreign currency

Particulars	Year ended December 31, 2016	Year ended December 31, 2015
Amount remitted (₹)	43,029,533	22,998,544
Dividend related to financial year	December 31, 2015	December 31, 2014
Number of non-resident shareholders	1	1
Number of shares	1,483,777	1,483,777

NOTES TO THE STANDALONE 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, 2016	Year ended December 31, 2015
Profit for the year (₹)	223,945,482	205,385,088
Weighted average number of shares outstanding during the year (Nos.)	2,088,016	2,088,016
Earnings Per Share (Basic and Diluted) (₹)	107.25	98.36
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.
- SPGPrints Mexico S.A. De C.V

III. Key Management Personnel:

Mr. Shailesh Wani	Managing Director
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NOTES TO THE STANDALONE 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, 2016	Year ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
Sale of Products								
SPGPrints B.V.	7,143,655	15,476,890	-	-	-	-	7,143,655	15,476,890
Atul Sugar Screens Private Limited	100,717,127	99,933,557	-	-	-	-	100,717,127	99,933,557
Sub - Total	107,860,782	115,410,447	-	-	-	-	107,860,782	115,410,447
Sale of Services								
SPGPrints B.V.	91,247	748,833	-	-	-	-	91,247	748,833
SPGPrints Austria GMBH	-	-	2,516,619	365,664	-	-	2,516,619	365,664
Sub - Total	91,247	748,833	2,516,619	365,664	-	-	2,607,866	1,114,497
Purchase of Raw Material and Components								
SPGPrints B.V.	166,577,585	128,703,750	-	-	-	-	166,577,585	128,703,750
Veco B.V.	-	-	4,216,445	18,682,665	-	-	4,216,445	18,682,665
Spg Prints Brasil Ltda	-	-	54,442,630	29,408,978	-	-	54,442,630	29,408,978
SPGPrints Printing Systems	-	-	-	-	-	-	-	-
Wuxi Co Ltd.	-	-	565,562	408,026	-	-	565,562	408,026
Sub - Total	166,577,585	128,703,750	59,224,637	48,499,669	-	-	225,802,222	177,203,419
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.	911,334	10,910,206	-	-	-	-	911,334	10,910,206
Veco B.V.	-	-	887,189	1,521,400	-	-	887,189	1,521,400
Sub - Total	911,334	10,910,206	887,189	1,521,400	-	-	1,798,523	12,431,606
Expenses Recovered from other companies								
SPGPrints B.V.	742,971	316,583	-	-	-	-	742,971	316,583
SPGPrints Austria GMBH	-	-	159,986	67,363	-	-	159,986	67,363
Sub - Total	742,971	316,583	159,986	67,363	-	-	902,957	383,946
Remuneration								
Mr. Shailesh C Wani	-	-	-	-	14,141,695	12,881,869	14,141,695	12,881,869
Sub - Total	-	-	-	-	14,141,695	12,881,869	14,141,695	12,881,869
Purchase of Services								
SPGPrints B.V.	3,237,107	1,066,535	-	-	-	-	3,237,107	1,066,535
SPGPrints Printing Systems Wuxi Co Ltd.	-	-	1,605,257	-	-	-	1,605,257	-
SPG Prints Mexico S.A. De C.V	-	-	564,412	-	-	-	564,412	-
Sub - Total	3,237,107	1,066,535	2,169,669	-	-	-	5,406,776	1,066,535
Communication Expenses								
SPGPrints B.V.	5,265,393	2,039,238	-	-	-	-	5,265,393	2,039,238
Sub - Total	5,265,393	2,039,238	-	-	-	-	5,265,393	2,039,238
Travelling and Other Expenses								
SPGPrints B.V.	240,466	873,456	-	-	-	-	240,466	873,456
Sub - Total	240,466	873,456	-	-	-	-	240,466	873,456
Commission Expense								
SPG Prints Mexico S.A. De C.V	-	-	1,359,000	-	-	-	1,359,000	-
Sub - Total	-	-	1,359,000	-	-	-	1,359,000	-
Royalty Expense								
SPGPrints B.V.	20,317,528	9,453,892	-	-	-	-	20,317,528	9,453,892
Veco B.V.	-	-	7,217,718	7,137,963	-	-	7,217,718	7,137,963
Sub - Total	20,317,528	9,453,892	7,217,718	7,137,963	-	-	27,535,246	16,591,855
Dividend Paid								
SPGPrints B.V.	43,029,533	22,998,544	-	-	-	-	43,029,533	22,998,544
Sub - Total	43,029,533	22,998,544	-	-	-	-	43,029,533	22,998,544
Interest Income on Loan to Wholly-owned Subsidiary								
Atul Sugar Screens Private Limited	-	3,192,679	-	-	-	-	-	3,192,679
Sub - Total	-	3,192,679	-	-	-	-	-	3,192,679
Commission Received								
SPGPrints B.V.	1,604,698	754,814	-	-	-	-	1,604,698	754,814
SPGPrints Austria GMBH	-	-	14,977,208	13,067,074	-	-	14,977,208	13,067,074
Sub - Total	1,604,698	754,814	14,977,208	13,067,074	-	-	16,581,906	13,821,888
Balance payable at the year-end								
SPGPrints B.V.	39,205,388	36,582,085	-	-	-	-	39,205,388	36,582,085
SPGPrints Printing Systems Wuxi Co Ltd.	-	-	1,440,763	-	-	-	1,440,763	-
SPG Prints Mexico S.A. De C.V	-	-	1,870,635	-	-	-	1,870,635	-
Spg Prints Brasil Ltda	-	-	-	15,225,000	-	-	-	15,225,000
Veco B.V.	-	-	6,715,083	7,924,396	-	-	6,715,083	7,924,396
Remuneration Payable to Shailesh Wani	-	-	-	-	179,333	-	179,333	-
Sub - Total	39,205,388	36,582,085	10,026,481	23,149,396	179,333	-	49,411,202	59,731,481
Balance receivable at the year-end								
SPGPrints B.V.	1,925,514	3,833,016	-	-	-	-	1,925,514	3,833,016
SPGPrints Austria GMBH	-	-	4,042,123	6,113,657	-	-	4,042,123	6,113,657
Atul Sugar Screens Private Limited - Trade Receivables	46,101,937	58,524,045	-	-	-	-	46,101,937	58,524,045
Sub - Total	48,027,451	62,357,061	4,042,123	6,113,657	-	-	52,069,574	68,470,718

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

33) Provision for Warranty and Contingency

A provision is recognised for expected warranty claims on products sold during the 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, 2016 (₹)		For the year ended December 31, 2015 (₹)	
	Warranty	Contingency	Warranty	Contingency
Opening Balance	8,971,520	11,241,415	1,769,006	13,771,974
Additions during the Year	22,121,431	4,427,322	12,147,166	393,951
Provision written back during the Year	2,529,215	2,237,386	1,176,548	750,871
Provision utilised during the Year	3,429,569	662,660	3,768,104	2,173,639
Closing Balance	25,134,167	12,768,691	8,971,520	11,241,415

34) Research and Development Expenses:

Particulars	For the year ended December 31, 2016 (₹)	For the year ended December 31, 2015 (₹)
Revenue Expenditure	5,403,225	6,134,250
Total	5,403,225	6,134,250

35) Derivative Instruments and Unhedged Foreign Currency Exposures:

a) Hedge of Receivables:

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

b) Particulars of Unhedged Foreign Currency Exposures:

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (₹)
Trade Receivables	EURO	83,324 (137,195)	5,967,637 (9,946,674)
	USD	4,858 -	330,101 -
Short-term Loans and Advances	EURO	7,310 (33,033)	523,577 (2,394,884)
	USD	11,544 (8,581)	784,415 (569,178)
Trade Payables	EURO	607,072 (953,425)	43,478,480 (69,123,264)
	USD	102,354 (-)	6,954,967 (-)
Other Current Liabilities	EURO	70,000 (61,200)	5,013,400 (4,437,000)
	USD	8,687 (145,734)	590,275 (9,665,953)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36) Segment Reporting

a) Information about primary business segments

(₹)

Particulars	For the year ended December 31, 2016					For the year ended December 31, 2015				
	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)	1,608,091,924	87,582,875	189,459,297	-	1,885,134,096	1,300,183,657	80,133,473	186,707,301	-	1,567,024,431
Total Revenue	1,608,091,924	87,582,875	189,459,297	-	1,885,134,096	1,300,183,657	80,133,473	186,707,301	-	1,567,024,431
Results										
Segment result	335,252,227	34,486,505	(10,078,640)	-	359,660,092	310,243,232	37,898,216	(22,455,597)	-	325,685,851
Interest Income net of expense	(1,605,984)	-	(12,760)	23,304,880	21,686,136	(228,007)	-	(25,826)	15,139,124	14,885,291
Unallocated Expenditure net of unallocated income										
Profit before tax	333,646,243	34,486,505	(10,091,400)	(41,563,133)	339,783,095	310,015,225	37,898,216	(22,481,423)	(29,909,305)	310,661,837
Other Information										
Segment Assets	652,903,470	33,582,081	222,898,802	499,534,548	1,408,918,901	527,681,885	30,723,390	271,725,258	345,776,045	1,175,906,578
Segment Liabilities	326,346,246	5,317,757	14,684,537	207,846,011	554,194,551	316,430,112	4,917,256	17,964,439	127,908,685	467,220,492
Capital Expenditure	77,280,039	1,536,969	1,296,125	10,475,770	90,588,903	46,170,178	714,739	4,543,739	6,818,743	58,247,399
Depreciation	16,759,017	1,707,836	27,751,782	5,034,868	51,253,503	17,005,745	1,744,710	27,219,225	5,598,627	51,568,307

b) Information of Geographical Segments:

Particulars	For the year ended December 31, 2016 (₹)			For the year ended December 31, 2015 (₹)		
	India	Outside India	Total	India	Outside India	Total
Revenue from external customers	1,710,099,101	175,034,995	1,885,134,096	1,461,017,257	106,007,174	1,567,024,431
Carrying amount of Segment Assets	1,401,313,171	7,605,730	1,408,918,901	1,165,959,904	9,946,674	1,175,906,578
Addition to Fixed Assets during the Year	90,588,903	-	90,588,903	58,247,399	-	58,247,399

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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, Lacquer & Auxiliary Chemicals, Rotary Screen Printing Machine, Engraving Equipment, Components and Spares, Digital Ink
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, 2016 (₹)	As at December 31, 2015 (₹)
Not later than one year	11,605,260	11,605,260
Later than one year and not later than five years	5,802,630	17,407,890
Later than five years	-	-

Operating Lease : As a Lessee

The Company has entered into cancellable lease agreements for premises for a period of one year. The lease rentals aggregating Rs. 1,681,800 (Previous Year Rs. 384,000) 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

Particulars	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
(a) Gross amount required to be spent by the company:	4,182,197	2,826,259
(b) Amount spent :		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	4,200,000	2,900,000

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 23, 2017

Place : Mumbai

Date : February 23, 2017

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 Company (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, 2016, 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 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. 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, 2016, 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 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 Company 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 Company, 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, 2016 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 is disqualified as on December 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary Company, and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g. 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, 2016 on the consolidated financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts as at December 31, 2016.
 - 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 Company during the year ended December 31, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-
Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
Date: February 23, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the consolidated financial statements for the year ended December 31, 2016.

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended December 31, 2016, we have audited the internal financial controls over financial reporting of Stovec Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of Stovec Industries Limited on the consolidated financial statements for the year ended December 31, 2016.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-
Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
Date: February 23, 2017

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2016

	Note	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	5	20,880,160	20,880,160
Reserves and surplus	6	878,266,878	706,725,234
		<u>899,147,038</u>	<u>727,605,394</u>
Non-current liabilities			
Deferred tax liabilities (Net)	7	8,756,014	13,757,475
Other long-term liabilities	8	2,685,846	1,175,019
Long-term provisions	9	21,452,157	18,403,265
		<u>32,894,017</u>	<u>33,335,759</u>
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	10	2,728,634	2,263,315
- total outstanding dues of creditors other than micro enterprises and small enterprises	10	236,742,126	208,949,672
Other current liabilities	11	193,305,768	158,955,649
Short-term provisions	12	105,802,085	83,462,043
		<u>538,578,613</u>	<u>453,630,679</u>
		<u>1,470,619,668</u>	<u>1,214,571,832</u>
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	13	194,276,593	199,146,694
Intangible assets	13	42,277,914	56,481,501
Capital work-in-progress		59,904,999	2,653,462
		<u>296,459,506</u>	<u>258,281,657</u>
Non-current investments	14	10,586,354	3,000
Long-term loans and advances	15	26,514,450	18,025,830
Other non-current assets	16	163,924,139	19,228,011
		<u>497,484,449</u>	<u>295,538,498</u>
Current assets			
Inventories	17	383,360,285	301,116,005
Trade receivables	18	249,189,356	281,798,375
Cash and Bank Balances	19	270,364,764	277,391,895
Short-term loans and advances	20	51,313,482	51,738,628
Other current assets	21	18,907,332	6,988,431
		<u>973,135,219</u>	<u>919,033,334</u>
		<u>1,470,619,668</u>	<u>1,214,571,832</u>
Statement of significant accounting policies	4		

The accompanying notes 1 to 36 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 23, 2017

Place : Mumbai
Date : February 23, 2017

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

	Note	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
<u>INCOME</u>			
Revenue from operations (gross)	22	2,111,083,387	1,761,613,786
Less: Excise Duty		164,649,225	139,638,187
Revenue from operations (net)		1,946,434,162	1,621,975,599
Other Income	23	40,209,275	33,325,257
		<u>1,986,643,437</u>	<u>1,655,300,856</u>
<u>EXPENDITURE</u>			
Cost of materials consumed	24	1,008,130,206	803,602,256
Purchase of stock-in-trade	25	127,028,285	133,606,436
Changes in Inventories of Finished Goods, Work-in-Progress and stock-in-trade	26	(66,877,146)	(38,463,568)
Employee Benefits Expense	27	169,576,339	138,752,750
Finance Cost	28	3,596,953	2,244,980
Depreciation and amortisation Expense	13	52,013,543	52,277,413
Other Expense	29	315,324,981	231,492,089
Total expenses		<u>1,608,793,161</u>	<u>1,323,512,356</u>
Profit Before Tax		377,850,276	331,788,500
<u>Tax Expenses</u>			
- Current Tax		133,026,513	112,070,015
- Excess provision of income tax of earlier years (Net)		376,362	(1,302,408)
- Deferred Tax		(5,001,461)	2,198,927
		<u>128,401,414</u>	<u>112,966,534</u>
Profit for the year		<u>249,448,862</u>	<u>218,821,966</u>
Earnings Per Share (Refer Note 31)			
Basic and Diluted Earnings Per Share (in ₹)		119.47	104.80
Nominal Value Per Equity Share (in ₹)		10.00	10.00

Statement of significant accounting policies 4

The accompanying notes 1 to 36 are an integral part of the Consolidated Financial Statements.
This is the 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 23, 2017

Place : Mumbai
Date : February 23, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Taxation	377,850,276	331,788,500
<u>Adjustments for:</u>		
Depreciation / Amortisation	52,013,543	52,277,413
Finance Cost	3,596,953	2,244,980
Interest Income	(25,418,917)	(13,658,132)
Unrealised Foreign Exchange Loss	90,558	(317,397)
Loss on sale of assets	153,872	(363,367)
Provision for Doubtful Debts (Net)	5,078,792	(168,982)
Provision for Obsolescence of Inventory (Net)	(199,475)	284,246
Provision for Contingencies	2,189,936	(1,129,190)
Provision for Warranty (Net)	16,162,647	10,970,618
Liabilities no longer required written back	-	(221,514)
Operating Profit Before Working Capital Changes	431,518,185	381,707,175
<u>Adjustments For Changes In Working Capital:</u>		
(Increase) In Inventories	(82,044,805)	(78,443,541)
(Increase) / Decrease In Other non-current assets	(690,256)	891,653
(Increase) / Decrease In Long term loans and advances	(614,041)	(5,509,029)
(Increase) In Trade receivables	27,502,240	(53,931,921)
(Increase) In Short term Loans and Advances	425,146	(8,337,796)
(Increase) / Decrease In Other current assets	(6,363,023)	-
(Decrease) / Increase In Trade and Other Payables	48,490,801	98,634,519
Cash Generated From Operations	418,224,247	335,011,060
Direct Taxes Refund / (Paid) (Net)	(141,277,454)	(105,756,862)
A. Net Cash From Operating Activities	276,946,793	229,254,198
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(73,398,249)	(58,989,475)
Proceeds from Sale of Fixed Assets	326,709	1,171,181
Purchase of Non-Current Investments	(10,583,354)	-
Purchase of Current Investments	-	-
Loan to Wholly-owned Subsidiary	-	-
Receipt / (Payment) of Bank Deposits with maturity more than 3 months but less than 12months	-	-
Investment in Fixed Deposits	(130,525,872)	(137,595,000)
Interest Income	19,863,039	11,404,457
B. Net Cash Generated / (Used In) Investing Activities	(194,317,727)	(184,008,837)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend Paid	(60,552,464)	(32,364,248)
Dividend Tax Paid	(12,328,482)	(6,588,600)
Interest Expense	(3,596,953)	(2,244,980)
C. Net Cash (Used In) Financing Activities	(76,477,899)	(41,197,828)
Net Increase in cash and cash equivalents (A+B+C)	6,151,167	4,047,533

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
Cash and Cash Equivalents as at the beginning of the year	98,311,867	94,264,334
Add : 'Cash and Cash Equivalents transfer upon acquisition of Subsidiary	-	-
Cash and Cash Equivalents as at the end of the year	104,463,034	98,311,867
Cash and Cash Equivalents :		
Cash on hand	353,359	408,835
Cheques on hand	-	2,448,463
Bank Balances :		
- In Current Accounts	69,109,675	45,199,569
- Short term deposits with maturity less than 3months	35,000,000	50,255,000
	<u>104,463,034</u>	<u>98,311,867</u>

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

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 23, 2017

Place : Mumbai
Date : February 23, 2017

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 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

i) Sale of Goods and Services

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.

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.

ii) Other Revenue

Commission income is recognised and accounted on accrual basis.

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

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Lease rental income is recognised on accrual basis.

Dividend income is accounted for in the year in which the right to receive the same is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 CONSOLIDATED 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 CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
5) Share Capital		
Authorised:		
2,900,000 (December 31, 2015: 2,900,000)		
Equity Shares of ₹ 10/- each	29,000,000	29,000,000
10,000 (December 31, 2015: 10,000)		
Preference Shares of ₹ 100/- each	1,000,000	1,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
Issued, Subscribed and Paid-up:		
2,088,016 (December 31, 2015: 2,088,016)		
Equity Shares of ₹ 10/- each fully paid-up	20,880,160	20,880,160
	<u>20,880,160</u>	<u>20,880,160</u>

a) Reconciliation of number of shares

Particulars	For the year ended December 31, 2016		For the year ended December 31, 2015	
	(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, 2015: 1,483,777)		
Equity shares of ₹ 10/- each fully paid up are held by SPGPrints B.V. The Netherlands, the Holding Company.	14,837,770	14,837,770

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	1,483,777
SPGPrints B.V. - The Netherlands, the Holding Company	71.06%	71.06%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
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	182,746,416		161,746,416
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	-		21,000,000
At the end of the year		182,746,416	182,746,416
Surplus in Statement of Profit and Loss			
At the beginning of the year	443,664,201		318,685,308
Add : Profit for the year	249,448,862		218,821,966
	693,113,063		537,507,274
Less : Appropriations			
Transfer to General Reserve	-		21,000,000
Proposed Dividend	64,728,496		60,552,464
Tax on Proposed Dividend	13,178,722		12,328,482
Short Provision on earlier year's Dividend	-		(37,873)
	77,907,218		93,843,073
At the end of the year		615,205,845	443,664,201
		878,266,878	706,725,234
7) Deferred Tax Liabilities (Net)			
Deferred tax liability			
(a) Depreciation	21,847,946		23,358,498
		21,847,946	23,358,498
Deferred tax assets			
(a) Provision for doubtful debts	1,950,818		218,575
(b) Provision for contingency	3,237,767		2,641,910
(c) Other timing differences allowable on payment basis	7,903,347		6,740,538
		13,091,932	9,601,023
		8,756,014	13,757,475
8) Other Long-term Liabilities			
Security Deposits		2,685,846	1,175,019
		2,685,846	1,175,019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
9) Long-term Provisions		
Provision for Contingencies	12,768,691	11,241,415
Provision for Leave Encashment	8,683,466	7,161,850
	<u>21,452,157</u>	<u>18,403,265</u>
10) Trade Payables		
a) Micro, Small and Medium Enterprises	2,728,634	2,263,315
b) Others	236,742,126	208,949,672
	<u>239,470,760</u>	<u>211,212,987</u>
11) Other Current Liabilities		
Advances from Customers	101,778,914	97,338,697
Unpaid Dividend (See note below)	5,401,730	5,100,028
Employee Benefits Payable	37,638,704	28,583,156
Security Deposit	-	100,000
Statutory dues (including Provident Fund and Tax deducted at Source)	30,702,972	27,324,044
Creditors for Capital Goods	17,783,448	509,724
<u>Note:</u>		
There is no amount due and outstanding as at December 31, 2016 to be credited to Investor Education and Protection Fund.		
	<u>193,305,768</u>	<u>158,955,649</u>
12) Short-term Provisions		
Employee Benefits (Refer Notes 4(g))		
- Provision for Gratuity	532,062	-
- Provision for Leave Encashment	2,228,638	1,609,577
Provision for Warranty (Refer Notes 4(k))	25,134,167	8,971,520
Proposed Dividend	64,728,496	60,552,464
Tax on Proposed Dividend	13,178,722	12,328,482
	<u>105,802,085</u>	<u>83,462,043</u>

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, 2015	Additions during the year	Deletions during the year	As at December 31, 2016	Upto December 31, 2015	For the year	On Deletions	As at December 31, 2016
Tangible Assets								
Own Assets								
Land- Freehold (Refer Note 1 below)	303,323	-	-	303,323	-	-	-	303,323
Buildings	40,225,094	905,103	-	41,130,197	15,239,446	1,485,946	-	24,404,805
Plant and Equipment	258,948,840	21,923,032	3,035,555	277,836,317	105,440,693	28,113,499	2,748,310	147,030,435
Computers	12,910,495	4,923,949	47,355	17,787,089	7,602,908	2,056,202	44,987	8,172,966
Furniture and Fixtures	13,898,549	159,000	-	14,057,549	9,874,939	1,206,542	-	2,976,068
Office Equipments, Air Conditioners and Cooler etc.	6,098,532	2,100,576	730,661	7,468,447	3,834,530	615,042	539,693	3,558,568
Vehicles	5,484,294	-	-	5,484,294	2,881,635	402,104	-	2,200,555
Assets given on Operating Lease								
Land- Freehold (Refer Note 1 below)	165,737	-	-	165,737	-	-	-	165,737
Buildings	19,520,044	-	-	19,520,044	13,534,063	521,845	-	5,464,136
Sub-Total (A)	357,554,908	30,011,660	3,813,571	383,752,997	158,408,214	34,401,180	3,332,990	194,276,593
Intangible Assets								
Goodwill	105,000	-	-	105,000	105,000	-	-	-
Trademark (Refer Note 2 below)	39,384,800	-	-	39,384,800	12,535,377	7,876,960	-	18,972,463
Technical/ Commercial Know-how and Non-compete Fees	65,415,836	-	-	65,415,836	37,936,146	8,063,044	-	19,416,646
Computer Software	10,935,689	3,408,776	-	14,344,465	8,783,301	1,672,359	-	3,888,805
Sub-Total (B)	115,841,325	3,408,776	-	119,250,101	59,359,824	17,612,363	-	42,277,914
Total (A+B)	473,396,233	33,420,436	3,813,571	503,003,098	217,768,038	52,013,543	3,332,990	236,554,507

Notes:

(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.

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, 2015
	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	303,323	-	-	303,323	-	-	-	-	303,323
Land- Freehold (Refer Note 1 below)	38,230,485	1,994,609	-	40,225,094	10,677,070	4,562,376	-	15,239,446	24,985,648
Buildings	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
Plant and Equipment	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
Computers	13,624,532	274,017	-	13,898,549	8,632,831	1,242,108	-	9,874,939	4,023,610
Furniture and Fixtures									
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:

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
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
*Aggregate amount of Unquoted investment Rs. 3,000 (Previous Year Rs. 3,000)		
(Long Term, Trade and Quoted)		
Investment in Equity Shares **		
134,872 Shares (Previous Year Nil) of Re. 1/- each fully paid-up of Jaysynth Dyestuff (India) Ltd.	10,583,354	-
**Aggregate Market value of Shares as at December 31, 2016 is Rs. 10,998,812 (Previous Year Rs. Nil).		
	<u>10,586,354</u>	<u>3,000</u>
15) Long-term Loans and Advances		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	7,380,509	7,768,844
Sundry Deposits	9,132,922	8,130,546
Advance Tax and Tax Deducted at Source [Net of Provision Rs. 544,224,748 (Previous Year Rs. 409,563,518)]	10,001,019	2,126,440
	<u>26,514,450</u>	<u>18,025,830</u>
16) Other Non-current Assets		
(Unsecured, Considered Good)		
Margin Money Deposit	5,618,267	4,928,011
Long term deposits with banks with maturity period more than 12 months	158,305,872	14,300,000
	<u>163,924,139</u>	<u>19,228,011</u>
17) Inventories		
(Refer Note 4(b))		
Raw Materials	167,237,703	160,334,363
[Includes Goods-in-transit Rs. 9,422,787 (Previous Year Rs. 17,069,676)]		
Packing Material, Stores, Spares and Tools	10,287,271	8,417,461
Work-in-Process	52,915,127	63,103,344
Finished Goods	128,694,297	38,490,824
Traded Goods	24,225,887	30,770,013
	<u>383,360,285</u>	<u>301,116,005</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
18) Trade Receivables (Unsecured) Outstanding for a period exceeding Six Months from the date they are due for payment		
- Considered Good	2,998,990	1,820,901
- Considered Doubtful	5,919,238	840,446
	<u>8,918,228</u>	<u>2,661,347</u>
Others Considered Good		
- From Related Parties	5,967,637	9,946,673
- From Others	240,222,729	270,030,801
	<u>246,190,366</u>	<u>279,977,474</u>
Less: Provision for Doubtful Debts	5,919,238	840,446
	<u>249,189,356</u>	<u>281,798,375</u>
19) Cash and Bank Balances		
A. Cash and Cash Equivalents :		
Cash on hand	353,359	408,835
Cheques on hand	-	2,448,463
Bank Balances :		
- In Current Accounts	69,109,675	45,199,569
- Short term deposits with maturity less than 3 months	35,000,000	50,255,000
	<u>104,463,034</u>	<u>98,311,867</u>
B. Other Bank Balances		
Long term deposits with maturity more than 3 months but less than 12 months	160,500,000	173,980,000
Unpaid Dividend Accounts	5,401,730	5,100,028
	<u>165,901,730</u>	<u>179,080,028</u>
	<u>270,364,764</u>	<u>277,391,895</u>
20) Short-term Loans and Advances (Unsecured and Considered Good) Advances Recoverable in Cash or in Kind or for Value to be Received	41,831,779	45,807,365
Balance with Central Excise and Customs Authorities	9,481,703	5,931,263
	<u>51,313,482</u>	<u>51,738,628</u>
21) Other Current Assets		
Interest Accrued but not Due		
- on Deposits	12,544,309	6,988,431
Export Incentives Receivables	6,363,023	-
	<u>18,907,332</u>	<u>6,988,431</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
22) Revenue from operations		
Sales and Services	2,087,764,588	1,747,791,898
Other Operating Income :		
Commission Income	16,581,906	13,821,888
Export Incentives	6,736,893	-
	<u>2,111,083,387</u>	<u>1,761,613,786</u>
Less: Excise Duty	<u>164,649,225</u>	<u>139,638,187</u>
	<u>1,946,434,162</u>	<u>1,621,975,599</u>
Details of Revenue from operations		
a) Sales of Goods Manufactured :		
Perforated Rotary Screens and Textile Machines	1,305,988,402	1,091,353,475
Sugar sieves and segments	209,525,346	199,452,365
Other Manufacturing Scrap	249,048,555	161,942,586
	<u>1,764,562,303</u>	<u>1,452,748,426</u>
b) Sales of Traded Goods :		
Perforated Rotary Screens	118,959,417	111,977,502
Others	59,493,453	55,017,272
	<u>178,452,870</u>	<u>166,994,774</u>
c) Sale of Services	<u>3,418,989</u>	<u>2,232,399</u>
	<u>3,418,989</u>	<u>2,232,399</u>
	<u>1,946,434,162</u>	<u>1,621,975,599</u>
23) Other income		
Interest on :		
- Deposits	24,826,624	13,269,467
- Others	<u>592,293</u>	<u>388,665</u>
	25,418,917	13,658,132
Liabilities no longer required written back	-	221,514
Provision for Doubtful Debts written back (Net)	-	168,982
Bad Debts written off	<u>-</u>	<u>-</u>
	-	168,982
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>3,185,098</u>	<u>4,211,297</u>
	<u>40,209,275</u>	<u>33,325,257</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
24) Cost of Materials Consumed		
Raw Materials and Components Consumed	991,065,364	786,723,336
Packing Materials Consumed	17,064,842	16,878,920
	<u>1,008,130,206</u>	<u>803,602,256</u>
(Cost of Materials Consumed is based on derived values)		
25) Purchase of stock-in-trade		
Perforated Rotary Screens	78,717,235	86,754,504
Others	48,311,050	46,851,932
	<u>127,028,285</u>	<u>133,606,436</u>
26) Changes in inventories of finished Goods, work-in-progress and stock-in-trade		
<u>Opening Stock</u>		
- Work-in-process	63,103,344	37,602,241
- Finished Goods	38,490,824	37,676,428
- Traded Goods	<u>30,770,013</u>	<u>15,967,330</u>
	132,364,181	91,245,999
<u>Closing Stock</u>		
- Work-in-process	52,915,127	63,103,344
- Finished Goods	128,694,297	38,490,824
- Traded Goods	<u>24,225,887</u>	<u>30,770,013</u>
	205,835,311	132,364,181
Decrease / (Increase) in Stock	(73,471,130)	(41,118,182)
Increase/(Decrease) in Excise Duty on Finished Goods	<u>6,593,984</u>	<u>2,654,614</u>
	<u>(66,877,146)</u>	<u>(38,463,568)</u>
27) Employee benefits expenses		
Salaries, Wages and Bonus	147,876,508	123,641,258
Contribution to Provident and Other Funds	3,953,505	3,263,429
Gratuity	3,184,097	1,502,863
Welfare Expenses	<u>14,562,229</u>	<u>10,345,200</u>
	<u>169,576,339</u>	<u>138,752,750</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended December 31, 2016 (₹)	Year ended December 31, 2015 (₹)
28) Finance cost		
Other Borrowing Cost	3,596,953	2,244,980
	<u>3,596,953</u>	<u>2,244,980</u>
29) Other expenses		
Consumption of Stores and Spares	12,986,644	6,921,270
Rent	2,279,600	972,000
Rates and Taxes	5,782,028	4,334,431
Power and Fuel	93,513,282	84,448,851
Repairs To :		
- Buildings	4,856,914	3,972,739
- Plant and Equipment	4,852,717	5,633,816
- Others	<u>6,478,176</u>	<u>4,342,640</u>
	16,187,807	13,949,195
Insurance	2,455,138	2,657,564
Auditors' Remuneration for :		
- Statutory Audit Fees	1,820,000	1,700,000
- Tax Audit Fees	511,995	325,000
- Others	1,275,000	810,000
- Out-of-Pocket Expenses	<u>80,640</u>	<u>94,881</u>
	3,687,635	2,929,881
Travelling and Conveyance	21,909,422	15,564,265
Royalty	27,535,113	16,591,852
Provision for Doubtful Debts (Net)	5,078,792	-
Bad Debts written off	<u>298,765</u>	<u>536,064</u>
	5,377,557	536,064
Provision for Warranty (Net)	16,162,647	10,970,618
Provision for Contingencies (Net)	2,189,936	-
Net Loss on Foreign Currency Transactions and Translation	2,496,171	-
Loss on Sale of Fixed Assets (Net)	153,872	-
Contribution towards Corporate Social Responsibility activities	4,200,000	2,900,000
Miscellaneous Expenses	<u>98,408,129</u>	<u>68,716,098</u>
	<u>315,324,981</u>	<u>231,492,089</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30) a) Contingent Liabilities not provided for in respect of:

Particulars	As at December 31, 2016 (₹)	As at December 31, 2015 (₹)
Disputed claims made by workers for re-instatement	408,535	854,244
Disputed income tax liability including interest	6,441,741	6,441,741
Disputed excise and service tax liability including penalty	4,214,297	4,611,245
Guarantees given by the Company	4,990,256	4,550,000
Total	16,054,829	16,457,230

b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at December 31, 2016 is Rs. 33,827,217 (Previous Year Rs. 6,851,554).

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, 2016	Year ended December 31, 2015
Profit for the year (₹)	249,448,862	218,821,966
Weighted average number of shares outstanding during the year (Nos.)	2,088,016	2,088,016
Earnings Per Share (Basic and Diluted) (₹)	119.47	104.80
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.
- SPGPrints Mexico S.A. De C.V

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, 2016	Year ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
Sale of Products								
SPGPrints B.V.	7,143,655	15,476,890	-	-	-	-	7,143,655	15,476,890
Veco B.V.	-	-	-	-	-	-	-	-
Sub - Total	7,143,655	15,476,890	-	-	-	-	7,143,655	15,476,890
Sale of Services								
SPGPrints B.V.	91,247	748,833	-	-	-	-	91,247	748,833
SPGPrints Austria GMBH	-	-	2,516,619	365,664	-	-	2,516,619	365,664
Sub - Total	91,247	748,833	2,516,619	365,664	-	-	2,607,866	1,114,497
Purchase of Raw Material and Components								
SPGPrints B.V.	166,577,585	128,703,750	-	-	-	-	166,577,585	128,703,750
Veco B.V.	-	-	4,216,445	18,682,665	-	-	4,216,445	18,682,665
Spg Prints Brasil Ltda	-	-	54,442,630	29,408,978	-	-	54,442,630	29,408,978
SPGPrints Printing Systems								
Wuxi Co Ltd.	-	-	565,562	408,026	-	-	565,562	408,026
Sub - Total	166,577,585	128,703,750	59,224,637	48,499,669	-	-	225,802,222	177,203,419
Purchase of Fixed Assets								
SPGPrints B.V.	911,334	10,910,206	-	-	-	-	911,334	10,910,206
Veco B.V.	-	-	887,189	1,521,400	-	-	887,189	1,521,400
Sub - Total	911,334	10,910,206	887,189	1,521,400	-	-	1,798,523	12,431,606
Expenses Recovered from other companies								
SPGPrints B.V.	742,971	316,583	-	-	-	-	742,971	316,583
SPGPrints Austria GMBH	-	-	159,986	67,363	-	-	159,986	67,363
Sub - Total	742,971	316,583	159,986	67,363	-	-	902,957	383,946
Remuneration								
Mr. Shailesh C Wani	-	-	-	-	14,141,695	12,881,869	14,141,695	12,881,869
Mr. Sandeep Khot	-	-	-	-	1,885,215	1,521,868	1,885,215	1,521,868
Sub - Total	-	-	-	-	16,026,910	14,403,737	16,026,910	14,403,737
Purchase of Services								
SPGPrints B.V.	3,237,107	1,066,535	-	-	-	-	3,237,107	1,066,535
SPGPrints Printing Systems								
Wuxi Co Ltd.	-	-	1,605,257	-	-	-	1,605,257	-
SPG Prints Mexico S.A. De C.V	-	-	564,412	-	-	-	564,412	-
Sub - Total	3,237,107	1,066,535	2,169,669	-	-	-	5,406,776	1,066,535
Communication Expenses								
SPGPrints B.V.	5,265,393	2,039,238	-	-	-	-	5,265,393	2,039,238
Sub - Total	5,265,393	2,039,238	-	-	-	-	5,265,393	2,039,238
Travelling and Other Expenses								
SPGPrints B.V.	240,466	873,456	-	-	-	-	240,466	873,456
Sub - Total	240,466	873,456	-	-	-	-	240,466	873,456
Commission Expense								
SPG Prints Mexico S.A. De C.V	-	-	1,359,000	-	-	-	1,359,000	-
Sub - Total	1,359,000	-	-	-	-	-	1,359,000	-
Royalty Expense								
SPGPrints B.V.	20,317,528	9,453,892	-	-	-	-	20,317,528	9,453,892
Veco B.V.	-	-	7,217,718	7,137,963	-	-	7,217,718	7,137,963
Sub - Total	20,317,528	9,453,892	7,217,718	7,137,963	-	-	27,535,246	16,591,855
Dividend Paid								
SPGPrints B.V.	43,029,533	22,998,544	-	-	-	-	43,029,533	22,998,544
Sub - Total	43,029,533	22,998,544	-	-	-	-	43,029,533	22,998,544
Commission Received								
SPGPrints B.V.	1,604,698	754,814	-	-	-	-	1,604,698	754,814
SPGPrints Austria GMBH	-	-	14,977,208	13,067,074	-	-	14,977,208	13,067,074
Sub - Total	1,604,698	754,814	14,977,208	13,067,074	-	-	16,581,906	13,821,888
Balance payable at the year-end								
SPGPrints B.V.	39,205,388	36,582,085	-	-	-	-	39,205,388	36,582,085
SPGPrints Printing Systems								
Wuxi Co Ltd.	-	-	1,440,763	-	-	-	1,440,763	-
SPG Prints Mexico S.A. De C.V	-	-	1,870,635	-	-	-	1,870,635	-
Spg Prints Brasil Ltda	-	-	-	15,225,000	-	-	-	15,225,000
Veco B.V.	-	-	6,715,083	7,924,396	-	-	6,715,083	7,924,396
Remuneration Payable to Shailesh Wani	-	-	-	-	179,333	-	179,333	-
Remuneration Payable to Sandeep Khot	-	-	-	-	97,482	-	97,482	-
Sub - Total	39,205,388	36,582,085	10,026,481	23,149,396	276,815	-	49,508,684	59,731,481
Balance receivable at the year-end								
SPGPrints B.V.	1,925,514	3,833,016	-	-	-	-	1,925,514	3,833,016
SPGPrints Austria GMBH	-	-	4,042,123	6,113,657	-	-	4,042,123	6,113,657
Sub - Total	1,925,514	3,833,016	4,042,123	6,113,657	-	-	5,967,637	9,946,673

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)

b) Particulars of Unhedged Foreign Currency Exposures:

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (₹)
Trade Receivables	EURO	85,124 (137,195)	6,096,553 (9,946,674)
	USD	90,729 (102,304)	6,165,016 (6,785,810)
Short-term Loans and Advances	EURO	7,310 (33,033)	523,577 (2,394,884)
	USD	11,544 (8,581)	784,415 (569,178)
Trade Payables	EURO	607,072 (953,425)	43,478,480 (69,123,264)
	USD	102,354 -	6,954,967 -
Other Current Liabilities	EURO	70,000 (61,200)	5,013,400 (4,437,000)
	USD	8,791 (152,184)	597,342 (10,093,782)

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, 2016					For the year ended December 31, 2015				
	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)	1,608,091,924	87,582,875	250,759,363	-	1,946,434,162	1,300,183,657	80,133,473	241,658,469	-	1,621,975,599
Total Revenue	1,608,091,924	87,582,875	250,759,363	-	1,946,434,162	1,300,183,657	80,133,473	241,658,469	-	1,621,975,599
Results										
Segment result	335,252,227	34,486,505	27,852,713	-	397,591,445	310,243,232	37,898,216	2,143,205	-	350,284,653
Interest Income net of expense	(1,605,984)	-	123,068	23,304,880	21,821,964	(228,007)	-	186,612	11,454,547	11,413,152
Unallocated Expenditure net of unallocated income	-	-	-	(41,563,133)	(41,563,133)	-	-	-	(29,909,305)	(29,909,305)
Profit before tax	333,646,243	34,486,505	27,975,781	(18,258,253)	377,850,276	310,015,225	37,898,216	2,329,817	(18,454,758)	331,788,500
Other Information										
Segment Assets	652,903,470	33,582,081	284,599,570	499,534,547	1,470,619,668	527,681,885	30,723,390	310,390,512	345,776,045	1,214,571,832
Segment Liabilities	326,346,246	5,317,757	31,962,617	207,846,010	571,472,630	316,430,112	4,917,256	37,710,385	127,908,685	486,966,438
Capital Expenditure	77,280,039	1,536,969	1,296,125	10,558,840	90,671,973	46,170,178	714,739	5,285,815	6,818,743	58,989,475
Depreciation	16,759,017	1,707,836	27,751,782	5,794,908	52,013,543	17,005,745	1,744,710	27,928,331	5,598,627	52,277,413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) Information of Geographical Segments:

Particulars	For the year ended December 31, 2016 (₹)			For the year ended December 31, 2015 (₹)		
	India	Outside India	Total	India	Outside India	Total
Revenue from external customers	1,710,242,735	236,191,427	1,946,434,162	1,455,477,019	166,498,580	1,621,975,599
Carrying amount of Segment Assets	1,458,358,099	12,261,569	1,470,619,668	1,197,839,348	16,732,484	1,214,571,832
Addition to Fixed Assets during the Year	90,671,973	-	90,671,973	58,989,475	-	58,989,475

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, Lacquer & Auxiliary Chemicals, Rotary Screen Printing Machine, Engraving Equipment, Components and Spares, Digital Ink
Graphics Product	Anilox Rollers, Rotamash screens and RotaPlate
Galvanic	Galvano consumables

35) Additional information on subsidiary company

Name of the Company	Net Assets		Share in Profit or Loss	
	As % of Consolidated net assets	Amount (₹)	As % of Consolidated profit or loss	Amount (₹)
Parent				
Stovec Industries Limited	95%	852,926,043	90%	224,601,140
Subsidiary				
Atul Sugar Screens Private Ltd.	5%	46,220,995	10%	24,847,722
Total	100%	899,147,038	100%	249,448,862

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

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-
Priyanshu Gundana
Partner
Membership Number: 109553

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 23, 2017

Place : Mumbai
Date : February 23, 2017

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 Private Limited

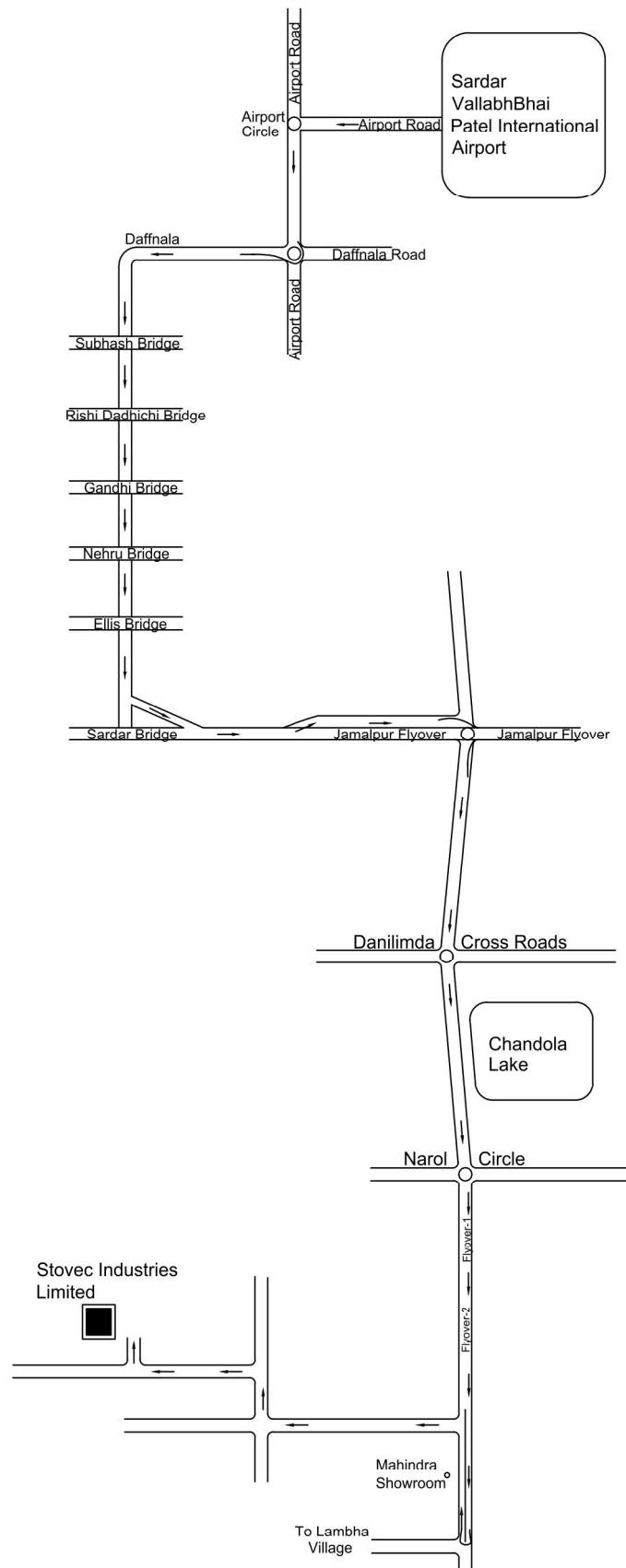
5th Floor, 506 to 508, Amarnath Business Center –I (ABC-I),
Besides Gala Business Center, Nr. St. Xavier's College Corner,
Off. C.G. Road, Navrangpura, Ahmedabad – 380 009, Gujarat.

.....
(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 to the venue of AGM



STOVEC INDUSTRIES LIMITED

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

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

CIN.: L45200GJ1973PLC050790 Website: www.stovec.com

ATTENDANCE SLIP

43RD ANNUAL GENERAL MEETING, THURSDAY, 11TH DAY OF MAY, 2017 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 43rd Annual General Meeting of the Company to be held on Thursday, 11th May, 2017 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
170410001	

- Please refer 43rd 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 7, 2017 @ 9.00 hours (IST)
Date and time of end of Remote e-voting	May 10, 2017 @ 17.00 hours (IST)

STOVEC INDUSTRIES LIMITED

Regd. Office: N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad – 382405, Gujarat, India.

Tel: +91(O) 79 30412300, Fax: +91(O) 79 25710406, E-mail: secretarial@stovec.com,

CIN.: L45200GJ1973PLC050790 Website: www.stovec.com

43RD ANNUAL GENERAL MEETING, THURSDAY, 11TH DAY OF MAY, 2017 AT 11.00 A.M.

Form No. MGT-11

PROXY FORM

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

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

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

- 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 43rd Annual General Meeting of the Company to be held on Thursday, 11th day of May, 2017 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, 2016, 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, 2016, and the Report of the Auditors thereon.		
2	To declare dividend on Equity Shares.		
3	To appoint a Director in place of Mr. Eiko Ris (DIN: 07428696), who retires by rotation and being eligible, offers himself for re-appointment.		
4	Appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as Statutory Auditors of the Company.		
	SPECIAL BUSINESS :		
5	Payment of Commission to Independent Directors of the Company		
6	Payment of remuneration to M/s Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), the Cost Auditors of the Company for the financial year 2017		
7	Approval of Related Party Transactions with M/s SPGPrints B.V. for the financial year 2016		
8	Approval of Related Party Transactions with M/s SPGPrints B.V. for the financial year 2017 and 2018		

Signed _____ this day of _____ 2017

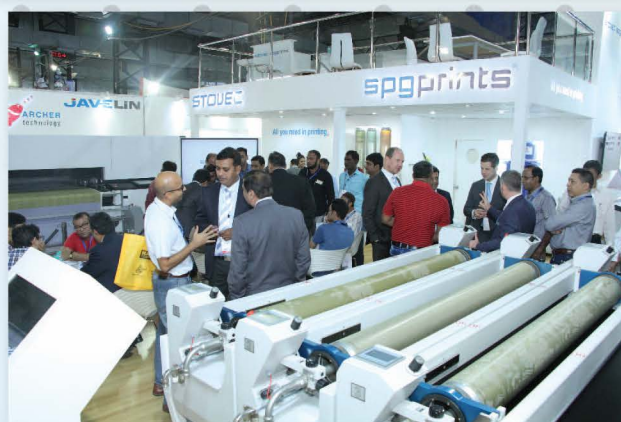
Affix One
Rupee
Revenue
Stamp


Signature of Proxy holder(s)

Signature of Member(s) across
Revenue Stamp

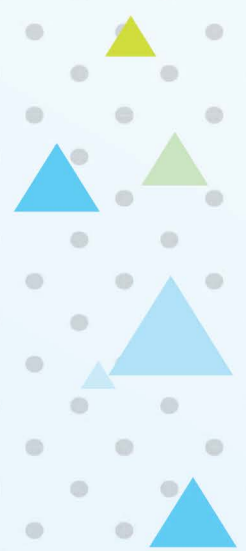
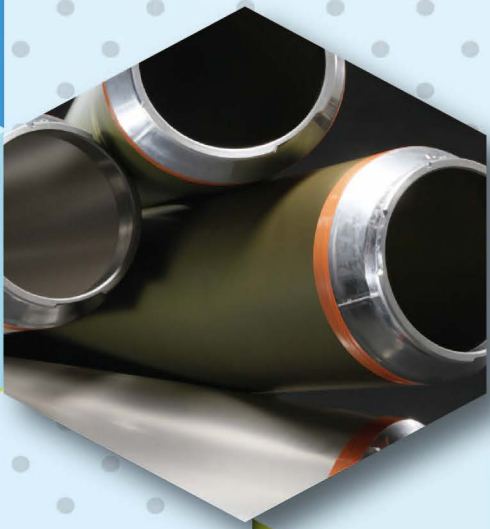
Notes:

- 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 43rd 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.



 Stovec's impressive presence at India International Textile Machinery Exhibition 2016, Mumbai.





STOVEC[®]
INDUSTRIES LIMITED



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