

## 42ND ANNUAL REPORT 2015

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



## Core Activities

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

## Core Competencies

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

## Technologies

- Metal Coating / Plating
- Electroforming

## Products

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

## Market/Customers

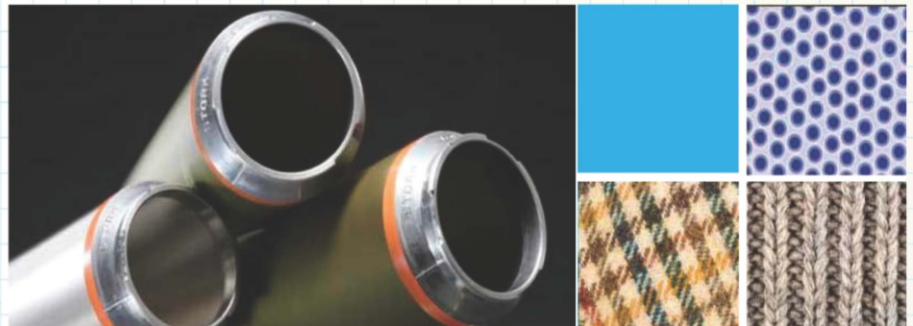
- Textile Printing and Processor
- Packaging and Label Printers and Converters
- Industrial/Security Printers
- Sugar Mills

## Market Position

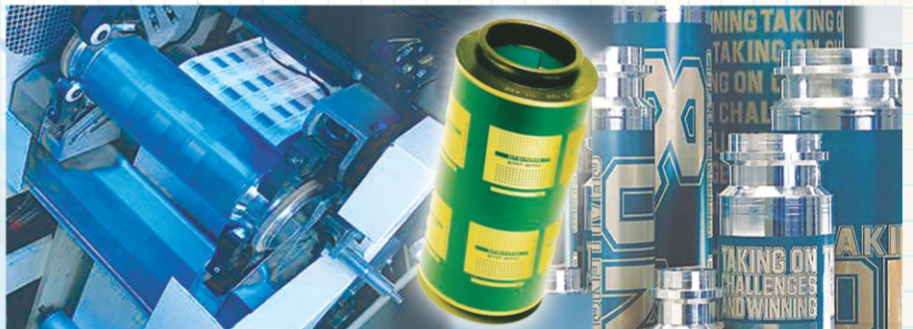
- Technology and Market Leadership in Rotary Screen and Printing Machinery



▲ Rotary Screen Printing Machine - STORMAC RDVI Gold



▲ Rotary Screens and Consumables for Textile Printing



▲ Anilox and Screens for Graphic Printing



▲ Sugar Screens



▲ Digital Textile Printing Ink

**BOARD OF DIRECTORS**

Mr. K. M. Thanawalla	Chairman
Mr. Dirk W. Joustra	
Mr. Eiko Ris	Additional Director w.e.f. February 16, 2016
Ms. Everdina Herma Slijkhuis	
Mr. Marco Philippus A. Wadia	
Mr. Shailesh Wani	Managing Director

**CHIEF FINANCIAL OFFICER**

Mr. Paras Mehta

**COMPANY SECRETARY**

Mrs. Varsha Adhikari

**AUDITORS**

Price Waterhouse  
Chartered Accountants

**REGISTRAR & SHARE TRANSFER AGENTS**

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

**BANKERS**

Axis Bank Limited

**REGISTERED OFFICE AND FACTORY**

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

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## LETTER FROM CHAIRMAN



Dear Shareholders,

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

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

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

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

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

Finally, on behalf of the Board, I would like to thank all employees for their tremendous efforts and passion. It is their commitment and focus that enables our substantial progress. I would also like to thank the stakeholders and all our partners for their support, co-operation and understanding.

With Warm Regards,

**K. M. Thanawalla**  
Chairman

## NOTICE

**NOTICE** is hereby given that the FORTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF STOVEC INDUSTRIES LIMITED (CIN: L45200GJ1973PLC050790) will be held on Wednesday, 25<sup>th</sup> day of May, 2016 at 11.00 a.m. at the registered office of the Company at N.I.D.C., Near Lambha Village, Post: Narol, Ahmedabad – 382 405, Gujarat, India, to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt
  - a) the Audited Financial Statements of the Company for the financial year ended December 31, 2015, together with the Report of the Board of Directors and the Auditor's thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended December 31, 2015 and the Report of the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mrs. Everdina Herma Slijkhuis (DIN: 06997013), who retires by rotation and being eligible offers herself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the approval of Members at the 41<sup>st</sup> Annual General Meeting, the re-appointment of M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), as Statutory Auditors of the Company, be and is hereby ratified to hold office as such from the conclusion of 42<sup>nd</sup> Annual General Meeting until the conclusion of next Annual General Meeting of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors"

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

### **SPECIAL BUSINESS:**

#### **5. Appointment of Mr. Eiko Ris (DIN: 07428696) as a Director of the Company**

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

**"RESOLVED THAT** Mr. Eiko Ris (DIN: 07428696) who was appointed by the Board of Directors as an Additional Director w.e.f. February 16, 2016 and who holds office upto the date of 42<sup>nd</sup> Annual General Meeting of the Company, in terms of Section 161 of the Companies Act, 2013, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby elected and appointed as a Director of the Company, liable to retire by rotation."

#### **6. Re-appointment of Mr. Shailesh Wani (DIN: 06474766) as a Managing Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), and subject to the approval of Central Government, if required, and such other approval as may be necessary, the consent of the Members of the Company, be and is hereby accorded for the re-appointment and remuneration payable to Mr. Shailesh Wani (DIN: 06474766), as the Managing Director of the Company, with effect from October 1, 2016, for a period of 3 (three) years, on the terms and conditions including those relating to remuneration as set out in the Agreement executed with the Managing Director and initialed by the Company Secretary of the Company for



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

**"RESOLVED FURTHER THAT** subject to the approval of Central Government, if required, and such other approvals as may be necessary, consent of the Members of the Company, be and is hereby accorded to pay gross remuneration (including variable pay) not exceeding Rs. 20 Million (Rupees Twenty Million only) per annum to Mr. Shailesh Wani, Managing Director, during the tenure of his employment till 30<sup>th</sup> September, 2019, with liberty to the Board of Directors or a Committee thereof to alter and/or vary, the said remuneration in such manner as may be agreed to between the Board of Directors and Mr. Shailesh Wani, within the said overall ceiling of Rs. 20 Million (Rupees Twenty Million only)."

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

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

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary and as it may in its sole and absolute discretion deem fit, to give effect to this resolution."

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

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

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

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

**8. Approval of Related Party Transactions**

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded with respect to related party transaction(s) entered during the financial year 2015 with M/s SPGPrints B.V., the Holding Company of the Company, (a 'Related Party' as defined under Section 2 (76) of Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations), for purchase of raw materials and components, which are commercial transactions as detailed in the explanatory statement attached to this Notice."

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

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing Proxy as per the format included in the Annual Report, duly completed, stamped and signed should be returned to the Registered Office of the Company not less than **FORTY EIGHT HOURS** before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc., must be supported by appropriate resolution/authority letter/power of attorney, as applicable, issued by the member organization. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
4. Pursuant to Sections 205A (5) and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund established by the Central Government. The Company during the year has transferred a sum of Rs. 155,182/- being unclaimed dividend amount for the financial year 2007 to the Investor Education and Protection Fund of the Central Government. The shareholders who have not claimed their dividend for the financial year 2008 are requested to claim their unclaimed dividend before May 10, 2016. The Company shall thereafter as mentioned above process to transfer the unclaimed dividend amount to the Investor Education and Protection Fund and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred. The details of unclaimed dividends are available on the Company's website at [www.stovec.com](http://www.stovec.com) and Ministry of Corporate Affairs website at [www.mca.gov.in](http://www.mca.gov.in).
5. The Register of Members and Share Transfer Book shall remain closed from May 19, 2016 to May 25, 2016 (both days inclusive). If the final dividend on equity shares, as recommended by the Board of Directors is declared at the 42<sup>nd</sup> Annual General Meeting, payment of such dividend will be made on or after May 30, 2016 as under:
  - i. To all Members in respect of shares held in physical form, after giving effect to valid transfer in respect of transfer request lodged with the Registrar and Transfer Agent on or before the close of business hours on May 18, 2016.
  - ii. To all Beneficial Owners in respect of shares held in electronic form, whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as at the close of business hours on May 18, 2016.
6. Members/Proxies should bring the attendance slip sent herewith duly filled in & signed for attending the Meeting. The copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
7. **To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS). Members are requested to avail NECS facility as it is quick and much convenient way of getting dividend directly in your bank account. Members desirous of availing NECS facility are requested to submit bank particulars in ECS Mandate Form, the format of which is annexed at the end of this Annual Report.**
8. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant only. However, members holding shares in physical mode are required to notify any change pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to Registrar and Share Transfer Agent i.e. **M/s. Link Intime India Private Limited**, Unit No. 303, 3<sup>rd</sup> Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad – 380 009.

9. Brief profile of Directors seeking appointment/re-appointment at the 42<sup>nd</sup> Annual General Meeting, is annexed and forms integral part of the Notice.
10. As per Securities and Exchange Board of India (SEBI) norms, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agents. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective December 1, 2015), for registration of transfer of shares, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to Company's Registrar and Share Transfer Agent.
11. **Green Initiative:**

The Ministry of Corporate Affairs has allowed paperless compliances by companies through electronic mode by providing the same under the Companies Act, 2013 and rules framed there under. The Members can now receive various notices and documents including Annual Reports through electronic mode. Members who have not registered their e-mail address are encouraged to participate in this green initiative by registering their e-mail id for e-communication. Members holding shares in dematerialized form are requested to register/update their e-mail id for e-communication with the Depository Participants, while Members holding shares in physical form are requested to register their e-mail id by sending a request on [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) or [secretarial@stovec.com](mailto:secretarial@stovec.com). Even after registering for e-communication, member(s) are entitled to receive communication(s) including Annual Report in physical form, free of cost, on receipt of written request for the same. Members may also note that the Annual Report for the financial year 2015 together with Notice of the 42<sup>nd</sup> Annual General Meeting, Attendance Slip, Proxy Form and Route Map will also be available on the website of the Company viz. [www.stovec.com](http://www.stovec.com) for their download.
12. In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Report of the Company for the Financial Year 2015 and this Notice inter-alia indicating the process and manner of remote e-voting along with Attendance Slip, Proxy Form and Route Map are being sent by email, unless any Member has requested for a physical copy of the same, to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories. For members who have not registered their e-mail address, physical copies of the Annual Report for the Financial Year 2015 and this Notice of 42<sup>nd</sup> 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 42<sup>nd</sup> Annual General Meeting of the Company.
14. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
15. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company **at least 7 days** before the date of the meeting so that the information required may be made available at the meeting.
16. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. The ISIN No. for the Equity Shares of the Company is INE755D01015. 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](mailto:secretarial@stovec.com),  
Website: [www.stovec.com](http://www.stovec.com)

**By Order of the Board of Directors**

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

**Date: February 16, 2016**

**Place: Mumbai**

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

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

**Item No. 5**

The Board of Directors based on the recommendation of Nomination and Remuneration Committee has appointed Mr. Eiko Ris (DIN: 07428696), aged 57 years, as an Additional Director on the Board of Directors of the Company with effect from February 16, 2016. Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act"), Mr. Eiko Ris holds office of Additional Director up to the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the appointment of Mr. Eiko Ris as a Director of the Company. Mr. Eiko Ris holds the degree of MSc (RA) from The Netherlands Institute for Registered Accountants, The Netherlands. He is Chief Financial Officer and a Member of the Executive Board of SPGPrints B.V., the Holding Company of the Company, since 2016. He has a rich experience of more than 36 years in Finance. Brief Profile of Mr. Eiko Ris is provided in this Notice. The Board of Directors is confident that his knowledge and experience will be of immense value to the Company and hence recommends the Resolution at Item No. 5 of this Notice for your approval.

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

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

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

**Item No. 6**

Mr. Shailesh Wani, aged 48 years, was appointed as a Managing Director of the Company w.e.f. October 1, 2013 for a period of 3 (three) years and his term of appointment and remuneration including payment of variable pay were approved in the Annual General Meeting of the Company held on May 13, 2014. The present tenure of Mr. Shailesh Wani, Managing Director is expiring on September 30, 2016. Based on the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors at its meeting held on February 16, 2016, have subject to the approval of Shareholders and that of the Central Government, if required, have approved the re-appointment and remuneration payable to Mr. Shailesh Wani, Managing Director, for a further period of 3 (three) years w.e.f. October 1, 2016. The Board of Directors is of the opinion that it is in the interest of the Company to receive the benefit of Mr. Shailesh Wani's service and recommend the resolution at Item No. 6 of this notice for the approval of Members.

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

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

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

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

- i. Mr. Shailesh Wani has been re-appointed as a Managing Director at a gross remuneration of Rs. 9,440,580/- per annum. Over and above the gross remuneration he is also entitled to variable pay of minimum 37.5% and maximum of 52.5% of annual fixed salary (as per the scheme applicable to Managing Directors' of SPGPrints Operating Companies) based on the targets achieved. One-third of the above referred variable amount is towards retention bonus. If for any personal reason, Managing Director leaves the employment of the Company on or before September 30, 2018, he shall within 60 days from his last day at work in the Company, return to the Company all the retention bonus granted and paid to him, either by repaying the sum to the Company or his salary payout shall be reduced to the extent of such retention bonus or a combination of both the above options. The Managing Director shall on the day which he resigns as Managing Director of the Company specify his preferred options from any of the above options for returning retention bonus to the Company. He shall also be entitled to family health insurance of Rs. 5,50,000/-.
- ii. The re-appointment is for a period of 3 (three) years w.e.f. October 1, 2016.
- iii. He is re-appointed as a Managing Director of the Company and as such he shall have substantial powers of Management of the Company. He shall perform duties and exercise such powers subject to the superintendence, control and direction of the Board of Directors of the Company.
- iv. The Company has entered into agreement with Mr. Shailesh Wani for his re-appointment as a Managing Director, which may be terminated by either party by giving other party six months' written notice or amount equivalent to six months' salary in lieu thereof.
- v. Mr. Shailesh Wani's appointment is by virtue of his employment in the Company.

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

**I. General Information:**

1)	Nature of Industry	Manufacturing of Perforated Nickel Rotary Screens, Rotary Screen Printing Machines, Anilox Rollers, Engraving Chemicals, Engraving Equipment's, Rotamash Screens, Rotaplate and Sugar Screens at its factory situated at N.I.D.C. Nr. Lambha Village, Post: Narol, Ahmedabad, Gujarat.
2)	Date of Commencement of commercial production	The commercial production has already begun and the Company is not a new Company.
3)	Financial Performance for the financial year ended December 31, 2015	Turnover : Rs. 1567.02 Million Profit Before Tax : Rs. 310.66 Million
4)	Export Performance	For the year ended December 31, 2015, the Company has achieved export turnover of FOB value of Rs. 92.19 Million.
5)	Foreign Investment or Collaboration	a) SPGPrints B.V., The Netherlands (Formerly known as Stork Prints B.V.) are the Promoters of the Company holding 71.06 % of the equity share capital. b) The Plant was established in technical collaboration with the holding company as above.