

To,  
The Corporate Relations Department  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

**Stovec Industries Ltd.**

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Reference : Scrip Code- 504959  
Date : April 9, 2025  
Subject : Notice convening 51<sup>st</sup> Annual General Meeting & Annual Report 2024

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed full Annual Report of the Company for the financial year ended December 31, 2024, including Notice of convening the 51<sup>st</sup> Annual General Meeting scheduled to be held on Monday, 5<sup>th</sup> May, 2025 at 11:30 a.m. via video conferencing/other audio visual means (VC/OAVM).

The full Annual Report is also available on the website of the Company at [www.stovec.com](http://www.stovec.com)

Kindly take the same on your record.

Thanking you,

Yours sincerely,  
For **Stovec Industries Limited**,

Sanjeev Singh Sengar  
**Company Secretary & Compliance Officer**  
Encl: As above

**Printing tomorrow.**



Annual Report 2024

**Printing tomorrow.**



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### **DISCLAIMER**

THIS DOCUMENT CONTAINS STATEMENTS ABOUT EXPECTED FUTURE EVENTS AND FINANCIALS OF STOVEC INDUSTRIES LIMITED, WHICH ARE FORWARD-LOOKING. BY THEIR NATURE, FORWARD-LOOKING STATEMENTS REQUIRE THE COMPANY TO MAKE ASSUMPTIONS AND ARE SUBJECT TO INHERENT RISKS AND UNCERTAINTIES. THERE IS SIGNIFICANT RISK THAT THE ASSUMPTIONS, PREDICTIONS AND OTHER FORWARD-LOOKING STATEMENTS MAY NOT PROVE TO BE ACCURATE. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD-LOOKING STATEMENTS AS SEVERAL FACTORS COULD CAUSE ASSUMPTIONS, ACTUAL FUTURE RESULTS AND EVENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN THE FORWARD-LOOKING STATEMENTS. ACCORDINGLY, THIS DOCUMENT IS SUBJECT TO THE DISCLAIMER AND QUALIFIED IN ITS ENTIRETY BY THE ASSUMPTIONS, QUALIFICATIONS AND RISK FACTORS REFERRED TO IN THE MANAGEMENT DISCUSSION AND ANALYSIS SECTION OF THIS ANNUAL REPORT.

“Printing Tomorrow” serves as the pivotal catalyst for Stovec Industries’ dedication to excellence in textile printing. The organisation not only builds upon its historical achievements but is also proactively preparing to meet future demands.

Stovec Industries boasts a strong foundation of innovative products and global reach. Building upon this robust base, the company enjoys advantageous market positioning.

These strategic advantages, characterised by foundational strength, enable Stovec to forge ahead. Through innovative foresight and strategic mindset, the Company is resolutely committed to remaining a fundamental participant in the ongoing evolution of “Printing Tomorrow.”

## Financial Highlights 2024

2345.70

REVENUE  
(₹ in million)

222.01

EBITDA  
(₹ in million)

129.61

PAT  
(₹ in million)

174.49

PBT  
(₹ in million)

# Statement from the **Chairman's Desk**



“We see a positive future in 2025 and beyond as we consistently strive to balance expertise and experimentation to deliver increasing value to our customers.”

*Dear Shareholders .*

It is my esteemed privilege to address all of you. Despite the challenges posed by a demanding business environment, our proactive and forward-thinking strategies have effectively protected us from adverse market conditions. This approach has been pivotal in shaping our journey over the years.

## **THE ECONOMIC CLIMATE**

The global economy is presently characterised by a significant level of uncertainty. The undeniable ongoing macroeconomic challenges, ranging from climate emergencies and geopolitical imbalances to energy volatility, necessitate continuous preparedness. Furthermore, the risk of trade imbalances due to protectionist policies threatens global stability and may exacerbate inflationary pressures.

Despite the Indian economy's resilience, it has not remained

insulated from prevailing uncertainties. The growth momentum of the fiscal year 2024 was not fully sustained in the fiscal year 2025. Although there was a decline in growth during the initial half of the Fiscal Year 2025, economic growth experienced a notable recovery in the third quarter, with the GDP growth increasing to 6.2%, supported by favourable contributions from the industrial and agricultural sectors.

Looking forward to Fiscal Year 2026, India's economic growth outlook appears positive. This optimism is underpinned by the nation's robust economic fundamentals, encompassing a stable external account, ongoing fiscal consolidation efforts, and consistent strength in private consumer expenditures.

It is particularly noteworthy that India's structural long-term growth narrative continues to be robust, supported by advantageous demographics and stable governance. In the medium term, the

government's strategic investments in infrastructure, coupled with asset-building initiatives, are anticipated to enhance growth multipliers and encourage private sector involvement.

## **TEXTILE INDUSTRY 2024: A YEAR OF CONTRASTS**

The calendar year 2024 presented a complex landscape for the textile industry, characterised by periods of resilience and vulnerability. In the first half of the year, domestic demand remained steady, a positive signal amidst broader economic fluctuations. However, a slowdown was observed in several key export destinations.

Instability in Bangladesh and conflict in the Middle East, including the Red Sea crisis, significantly impacted Indian textile exports in 2024. Disruptions in Bangladesh diminished its manufacturing role, causing material availability delays. Simultaneously, Middle



Eastern conflicts interrupted trade routes, worsening India's export performance.

Despite weak demand from the EU and US, along with supply chain issues in Bangladesh and the Red Sea challenge, India's textile exports rebounded in late 2024. The industry reversed its underperformance by adapting to changing sourcing patterns and logistical challenges and achieved notable growth.

The industry is increasingly focusing on sustainability, adopting eco-friendly fabrics and manufacturing processes that align with consumer preferences. The growth of e-commerce platforms offers manufacturers new opportunities to connect directly with consumers, broadening their market reach and diversifying sales channels. These domestic trends, combined with recovering exports, show an industry adapting to global challenges by leveraging its strengths and responding to consumer demands.

## OUR PERFORMANCE

Stovec's 2024 results mirrored the textile industry's ups and downs as it struggled with shifting export demands and the complexities of the global market.

- Revenue from operations was recorded at ₹2345 million in 2024 and ₹2072 million in 2023.
- Profit before tax for 2024 was ₹174.5 million compared to ₹114 million in 2023.
- Earnings per share in 2024 were ₹62.07 as opposed to ₹43.28 in the previous year.

## OUTLOOK

Despite the unpredictable global business environment in 2024, the stable inventory levels and low order cancellations observed in the latter half of the year provide a source of optimism.

Although Indian cotton is relatively more expensive than its international counterparts, demand is increasing due to several factors. These include the replenishment of inventories by global retailers, anticipated tariffs imposed by the United States on Chinese goods, and rising labour costs in Vietnam.

Furthermore, the ongoing instability in Bangladesh presents a significant short-term opportunity for India, which could potentially contribute an additional US\$200-250 million in monthly export revenues. While cost considerations remain critical for apparel brands, supply reliability is paramount. This shift towards consistent suppliers, as evidenced by the recent surge in India's ready-made garment (RMG) exports, signifies a promising avenue for growth.

The Union Budget for the fiscal year 2025-26 aims to address the challenges faced by the textile industry and to advance its development. Key highlights include:

1. An investment of ₹600 crore over five years in India's Cotton Mission will enhance cotton productivity. The mission will focus on extra-long staple (ELS) varieties and provide scientific and technological assistance to farmers.
2. The budget has removed customs duties on specific Rapier and Air Jet looms to encourage the domestic production of technical textiles by lowering costs and promoting modernisation to produce higher-quality products.
3. To restrict inexpensive imports, the government has raised the Basic Customs Duty on knitted fabrics to 20% or ₹115 per kilogram, whichever is greater.
4. To assist textile micro, small, and medium enterprises (MSMEs), the budget provides improved

access to credit, promotes exports, and introduces the Bharat Trade Net, a digital platform designed to streamline trade processes and enhance access to global markets.

5. Furthermore, the budget allocates ₹1,148 crore to the Production Linked Incentive (PLI) Scheme to boost domestic production and exports, alongside an allocation of ₹635 crore to the Amended Technology Upgradation Fund Scheme (ATUFS) to upgrade textile machinery.

We see a positive future in 2025 and beyond as we consistently strive to balance expertise and experimentation to deliver increasing value to our customers. With a clear vision for strategic growth, we continuously strengthen our foundation for sustained achievement.

## IN CLOSING

Change is the sole constant. Thus, Stovec is also undergoing such transformation. I hereby announce my retirement as Chairman of this esteemed organisation. It has been a distinct honour to lead. Together, we have navigated through challenging times with resilience and composure. We have consistently endeavored to enhance the respect and standing of this Company as a leader within the sector. For this, I shall always remain grateful to the team for their unwavering commitment and steadfast dedication.

Before I close, I extend my sincere gratitude to our valued clients, shareholders, and all stakeholders for their continued trust in Stovec. Looking forward, I am confident that the management will continue to uplift the organisation to greater heights.

Warm regards,  
**Khurshed M. Thanawalla**  
Chairman

## About Stovec Industries Limited



Stovec Industries Ltd., a leader in providing comprehensive printing solutions for the textile industry, boasts one of India's few state-of-the-art, fully air-conditioned manufacturing facilities. This facility guarantees that the highest-quality screens are completely safeguarded from dust.



Founded in the early 1970s in the state of Gujarat (Ahmedabad), Stovec Industries Ltd. has been producing screens for Textile Printing, Rotary Screen Textile and a handful of cutting-edge technologies, putting them prominently on the map in the buzzing market of the textile industry.

Decades of experience in meeting customer demands and driving product innovation have proven beneficial, establishing Stovec as an outstanding provider of products and services and a leader in the global market.

Stovec's effluent treatment plant is a model of environmental protection, ensuring its operating facility enjoys a zero-effluent discharge status.

### About SPGPrints Group

Stovec Industries is a subsidiary of the SPGPrints Group, headquartered in Boxmeer, Netherlands. The group maintains a global network of 9 offices and has manufacturing facilities in China, India, the Netherlands, Brazil, and Austria. Furthermore, the group employs over 900 personnel worldwide who are dedicated to delivering exceptional services. This commitment enables the group to offer its clientele an extensive array of amenities, including pre-press processes, rotary screens, inks, and printing systems.

### Growth of the Group

In 1991, the group was the first in the industry to unveil a digital textile printer and establish a digital ink manufacturing facility. Our commitment to innovation and technological advancement has remained steadfast. Consequently, as of 2021, our portfolio and global footprint have significantly expanded. As a prominent leader in rotary printing, the group has also emerged as a key player in digital printing. The group maintains an international network of competence centers alongside distribution hubs across more than 130 countries.

### Customer Centric Approach

The Group adheres to a customer-first policy in all its endeavors. Its objectives have been accomplished by allowing customers' ambitions to inspire the Group's expertise, resources, and networks. The future is being shaped to create value collaboratively with customers and their clientele.



## Fostering Social Conscience

At Stovec, we recognise the importance of addressing not only our customers' needs but also the community's requirements. We remain committed to our Corporate Social Responsibilities (CSR) and actively collaborate with

implementing agencies registered with the Ministry of Corporate Affairs (MCA). We operate according to Schedule VII of the Companies Act, 2013. Our perspective on Corporate Social Responsibility (CSR) extends beyond mere business success; we

are dedicated to making a significant and enduring contribution to society and the environment. We engage in a variety of multifaceted projects across numerous fields. Below is a concise overview of our community services.

### SKILL DEVELOPMENT PROGRAM

Stovec has maintained its support for ATIRA in recognition of its initiatives aimed at training unskilled labourers and enhancing their competencies in the operation of printing machinery within the textile sector. A key achievement of the Skill Development

Program was successfully training 180 local industrial workers in the Gujarat region. This program provided comprehensive theoretical instruction, supplemented by hands-on training, and certificates were awarded upon completion. The

initiative was designed to foster both financial stability and sustainable prosperity for individuals seeking to participate in the skill development program, and the number of participants serves as a testament to its success.

### REVITALISING SCHOOL INFRASTRUCTURE BY RENOVATING MID-DAY MEAL KITCHEN :

Stovec initiated repairing and renovating the midday meal kitchen at a local government school. This initiative aimed to upgrade the kitchen's infrastructure to ensure a safe, hygienic, and efficient

environment for meal preparation. Enhancing the facilities will improve the quality of meals provided to students, thereby directly supporting their health and well-being. Moreover, the project facilitates

the smooth distribution of nutritious meals and reaffirms our commitment to fostering positive and impactful change within the communities we serve.



Then



Now

### PARTAKING IN THE FUTURE OF OUR YOUNG ENGINEERS

In alignment with our commitment to supporting determined students, we have consistently fulfilled our obligation to provide financial assistance to deserving engineering students in need. We continue to assist the students we previously supported, as it is our fundamental responsibility to remain dedicated to our agreements until the students successfully graduate. Throughout

the year, we supported over fifty students.

We are confident that our scholarships will not only alleviate financial burdens but also represent significant accomplishments that enhance students' resumes. Our vision is to assist aspiring youth in all areas, ensuring no potential opportunities are overlooked. We

believe that knowledge is the key to enlightenment and growth. Consequently, we have partnered with Protean eGov Technologies Limited, which offers the Vidyasarathi Digital Platform, enabling students across India to access scholarships. To date, our scholarships have notably advanced the careers of many promising young individuals.

## FEEDING FUTURES: MID-DAY MEALS FOR SCHOOL-GOING CHILDREN

Stovec has partnered with the Akshaya Patra Foundation to facilitate the distribution of nutritious mid-day meals to over three thousand schoolchildren. This collaboration is designed to combat hunger and promote improved health and educational outcomes among

disadvantaged students. Through this partnership, we are committed to ensuring that children from underserved communities receive wholesome and balanced meals that significantly contribute to their overall well-being and academic development. By supporting the

mission of Akshaya Patra, we are playing a crucial role in empowering future generations with the essential nourishment required for success both inside and outside the classroom



## SUPPORTING THE DIFFERENTLY-ABLED WITH LIFE-CHANGING AID

We continue to extend financial support to Narayan Seva Sansthan (NSS). This organisation specialises in providing artificial limbs to individuals with disabilities who are unable to afford these essential medical devices. This initiative aids

in facilitating the reintegration of these individuals into a customary lifestyle. The primary objective of this contribution is to assist those individuals with disabilities who are facing financial constraints, thereby enabling them to regain mobility and

independence. Stovec is confident that this financial assistance has been utilised effectively, significantly impacting the lives of many. This year, our support has benefited 50 individuals.



Before



After

## ENVIRONMENTAL SUSTAINABILITY INITIATIVE: TREE PLANTATION DRIVE

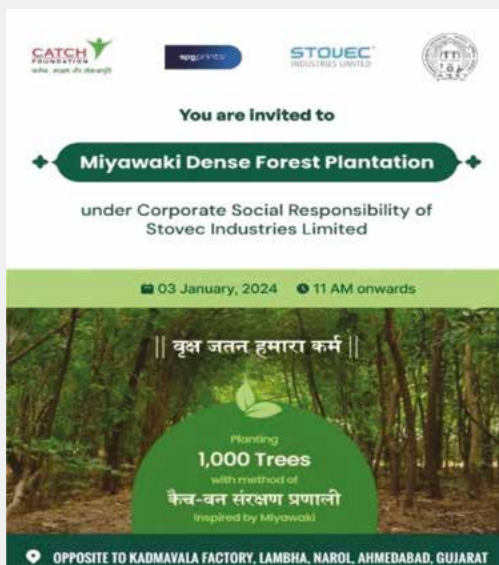
In alignment with our sustainability vision, the Company organised a tree plantation drive in collaboration with the Catch Foundation, a non-governmental organisation committed to restoring urban ecosystems by planting indigenous species. Conducted near our Narol facility, this initiative culminated in planting 1,000 trees using the Miyawaki technique—an innovative methodology that accelerates the

growth of dense, native forests. This technique enhances green cover and promotes biodiversity, thereby creating a more resilient ecosystem.

The drive was strategically designed to heighten awareness among our employees and the local community regarding the critical role of trees in mitigating climate change and conserving biodiversity. Our employees' active participation

underscored their dedication to environmental conservation, significantly contributing to the initiative's success.

This tree plantation drive represents a pivotal aspect of our ongoing commitment to environmental sustainability, and we take pride in the positive impact it will engender for both the local community and the wider environment.



## SUPPORTING THE WELL-BEING OF ELDERLY RESIDENTS

We have collaborated with a non-governmental organisation (NGO) in Ahmedabad to support the well-being of elderly individuals residing in Vrudhashrams (old age homes). The trust also operates an outpatient department (OPD). It provides eye care treatment and serves over 250 individuals abandoned by their families or lacking caretakers.

Our contribution is intended to supply essential items such as food, clothing, medical supplies,

toiletries, and cleaning materials, thus enhancing the living conditions and overall well-being of these elderly individuals. This initiative aligns with our broader objective of promoting dignity, care, and respect for older adults. We are confident that providing this assistance can substantially improve the lives of vulnerable seniors. Through this initiative, we persist in cultivating a compassionate community where the elderly are esteemed and supported.





## EMPOWERING WOMEN THROUGH SKILL DEVELOPMENT PROGRAM

In our continuous efforts to empower women and advance gender equality, Stovec has partnered with the Rotary Club to provide a Sewing and Stitching course for underprivileged women and girls. This initiative seeks to equip these individuals with essential skills that enhance their self-reliance, financial independence, and employability. The program encompasses skill-building training in tailoring and garment making, an entrepreneurship module aimed at facilitating self-employment, direct employment opportunities, and post-training support, including the distribution of stitching machines to each participant upon course completion.

By empowering women with the capacity to create and design garments, the program not only cultivates creativity but also opens new avenues for entrepreneurship and sustainable livelihoods. This initiative exemplifies our commitment to empowering women to overcome



barriers, increase their confidence, and contribute meaningfully to their communities.

Through this collaboration, Stovec is honoured to have made a significant positive impact, enabling women to

achieve financial independence and construct a more promising future for themselves and their families.



# Management Discussion & Analysis



## Global Economy

The global economy is projected to have expanded by 3.2% in 2024. This was driven by rising incomes, and a more accommodative monetary policy across many economies.

While U.S. growth is expected to moderate from its recent pace, it is anticipated to be supported by monetary policy easing, with projections of 2.6% growth in 2024 and 1.6% in 2025.

In the Euro area, growth is projected at 0.7% in 2024, with a projected increase to 1.3% in 2025, driven by recovering incomes and improved credit availability. Slow growth is largely due to continued weakness in manufacturing and goods exports, even as consumption increased.

China's growth is projected to moderate to 4.9% in 2024 and 4.5% in 2025, as policy stimulus is countered by subdued consumer demand and the ongoing correction in the real estate sector.

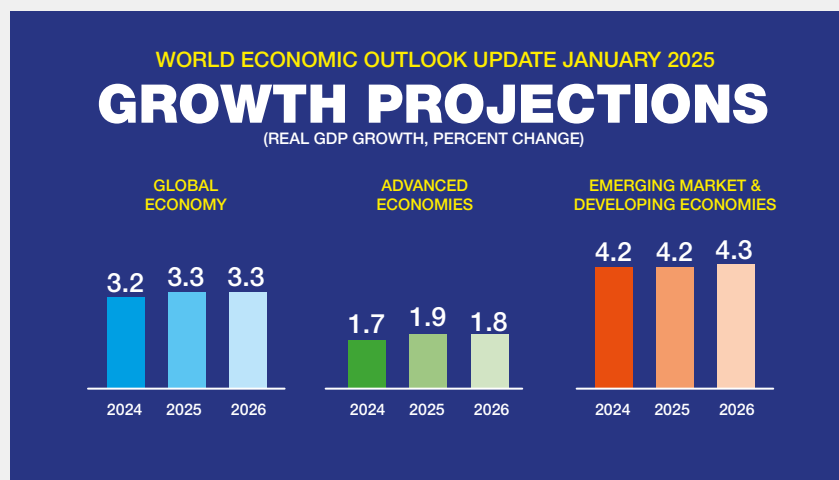
Further monetary policy rate cuts are anticipated as inflation eases and labour market pressures wane.

However, the timing and extent of these reductions will require careful consideration to ensure that inflationary pressures remain controlled, as elevated inflation persists in some countries.

Monetary policy tightening could significantly impact demand more than initially expected. Moreover, any deviation from the anticipated path of declining inflation could instigate instability in financial markets.

Ongoing geopolitical tensions, particularly the conflict in Ukraine and regional instability in the Middle East, present considerable risk. These tensions could reignite inflationary pressures and obstruct global economic activity.

However, there are also potential mitigating factors. Rising real wages could boost consumer confidence and spending, while a further decline in global oil prices could accelerate the disinflationary process.





## Indian Economy

In 2024, India strengthened its position as a rising global economic force. With an anticipated GDP growth of 6.6% for FY25, driven by financial stability, targeted policy reforms, robust domestic demand, and a growing working-age population, the country is poised to outpace many of the world's leading economies.

The Reserve Bank of India's (RBI) Financial Stability Report (FSR) indicates a marked improvement in regulatory compliance within the country's banking and financial sectors. RBI-imposed monetary penalties decreased compared to the previous financial year, signalling stronger adherence to regulatory standards.

The agriculture and allied sector has emerged as a significant contributor. Real GVA growth is projected to reach 3.8% in FY25 compared to 1.4% in FY24, primarily due to favourable monsoons in the latter half of the financial year, increased MSP for rabi crops, and sufficient fertiliser availability.

The construction industry is also poised for strong expansion, with an anticipated growth rate of 8.6%, supported by a surge in infrastructure development. Likewise, the financial, real estate, and professional services sectors are expected to grow by 7.3%, reflecting robust performance in business and real estate activities.

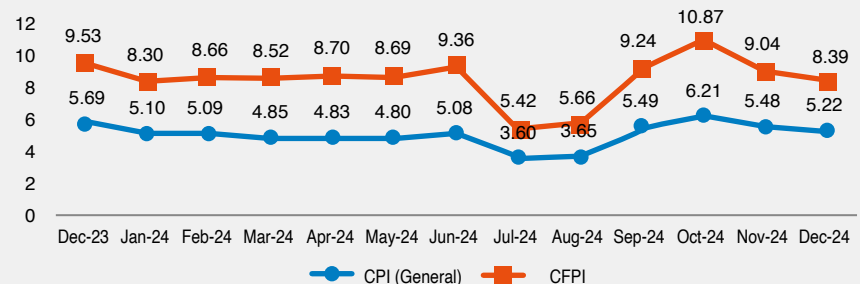
However, with the sole exception of finished goods stocks, all final index readings for the HSBC India Manufacturing PMI survey fell below their estimates. December data revealed that at 56.4, the seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index (PMI) reached a 12-month low, indicating a weaker improvement in operational conditions.

Regarding inflation, following December 2023, the rates for both the CPI (Consumer Price Index) and the CPFI (Consumer Price Food

8%. Tax collection's importance is underscored by its role in enabling the government to meet its fiscal deficit target. As outlined in the July budget, the central government has set a fiscal deficit goal of 4.9% for fiscal year 2025.

According to sources from the Ministry of Commerce and Industry, India's exports of goods and services are anticipated to exceed \$800 billion in this fiscal year (FY25), marking a record, particularly in light of global economic uncertainties.

**All India Inflation Rates for CPI (General) and CPFI**



Index) declined until May 2024. The CPI (General) reached its lowest point in July 2024. However, by December 2024, CPI (General) and food inflation had attained their lowest levels in the past four months.

Private consumption has increased significantly, with Private Final Consumption Expenditure (PFCE) projected to rise by 7.3% in fiscal year 2025, compared to 4% in the preceding fiscal year. This advancement reflects heightened consumer confidence and spending capacity, vital for recovering domestic demand.

Government expenditure has also shown improvement, with Government Final Consumption Expenditure (GFCE) increasing by 4.1%, in contrast to 2.5% in fiscal year 2024.

While non-corporate tax collection surged by 21.5% in advance tax, corporate tax experienced a more modest increase of only

Outlook: Economic growth in India decelerated more than anticipated in fiscal year 2025, driven by a sharper-than-expected slowdown in industrial activity compared to fiscal year 2024.

Nevertheless, as per the Federation of Indian Chambers of Commerce and Industry (FICCI) and the International Monetary Fund (IMF), the growth rate of the Indian economy is expected to stabilise at or above 6.5% in fiscal years 2026 and 2027, thereby maintaining its status as the fastest-growing major economy globally.

Easing inflationary pressures, a continued emphasis on capital expenditure (capex), and an anticipated increase in consumer spending are projected to support this growth. However, strengthening dollar values and rising crude oil prices may adversely affect this growth trajectory.

## Textile Industry

The textile industry is crucial to India's economy and cultural heritage. With a rich history, it employs millions of people across the nation.

The textile sector of India predominantly comprises decentralised power looms, hosiery, and knitting, which collectively constitute the largest segment of the industry. These segments are intricately linked to agriculture, particularly concerning procuring raw materials such as cotton.

Traditionally, the Indian textile industry has been dominated by small and medium enterprises (SMEs) and informal players. However, there has been a shift toward consolidation in recent years, with larger corporations investing in modern manufacturing facilities and embracing advanced technologies.



India's textile industry heavily depends on a diverse range of crops for raw materials. This sector's fundamental strength is its incorporation of advanced technologies coupled with a robust production foundation that

encompasses a broad spectrum of fibres and yarns. These include natural fibres such as cotton, jute, silk, and wool, as well as synthetic fibres like polyester, viscose, nylon, and acrylic.

## Performance in 2024

In light of the challenges presented by geopolitical tensions, India has successfully capitalised on the opportunities generated by the adversities faced by competing nations.

According to Crisil's analysis, the organised retail apparel sector is projected to experience revenue growth of 8-10% in the current fiscal year. This growth is propelled by several factors, such as a returning normal monsoon, decreasing inflation, and the forthcoming festive and wedding seasons.

Textile exports have witnessed an increase of 4.01%, amounting to US\$ 11.988 billion during the first seven months of the fiscal year 2024-25, compared to US\$ 11.526

billion during the corresponding period of the previous fiscal year. Notably, apparel exports have risen by 11.60%, reaching US\$ 8.732 billion, up from US\$ 7.825 billion in the same timeframe of the preceding fiscal year. Furthermore, the share of textiles and apparel (T&A) in India's total merchandise exports has also ascended, achieving 8.21%, as reported by the Ministry of Commerce and Trade.

In the textile industry, cotton yarn exports, fabrics, made ups, and

handloom products grew by 1.66%, totalling US\$6.991 billion in the initial seven months of FY 2024-25. Simultaneously, exports of man-made yarn, fabrics, and made ups increased by 4.36%, reaching US\$2.843 billion, while carpet exports experienced a significant rise of 12.26%, totalling US\$892.51 million.





## Government Initiatives

Prime Minister Narendra Modi has ceremoniously laid the foundational stone for the PM MITRA Park in Amaravati, Maharashtra. This event signifies a critical advancement in the government's ambitious initiative to establish seven integrated textile parks nationwide. Each park is anticipated to attract significant investment, surpassing ₹10,000 crores, and generate considerable employment opportunities, with an estimated 100,000 direct and 200,000 indirect jobs upon completion. The PM MITRA Parks are expected to play a pivotal role in transforming India's textile sector, enhancing its global competitiveness, and promoting sustainable growth within the industry.

Exporters have also benefited from the ongoing Scheme for Rebate of State and Central Taxes and Levies (RoSCTL), which applies to exporting apparel, garments, and made ups until 31 March 2026. This initiative has significantly enhanced India's competitiveness in global markets, resulting in a 10% increase in shipments to regions such as Africa and Southeast Asia.

India has officially announced its Textile Policy for the year 2024, designed to reinforce the textile

sector through various financial incentives. The Indian Textile Policy 2024 articulates a comprehensive strategy aimed at revitalising the sector, with particular emphasis on high-growth domains such as technical textiles and apparel. Acknowledging the critical role of manufacturing capabilities and human capital, the policy introduces a substantial package of financial incentives. These incentives encompass capital subsidies, credit-linked interest subsidies, electricity subsidies for enterprises, and wage assistance targeted towards workers, particularly women.

The policy specifically prioritises labour-intensive units employing a significant female workforce, offering enhanced subsidies and support to foster job creation and facilitate inclusive growth within the sector. By promoting innovation, improving competitiveness, and establishing a favourable environment for businesses, the Textile Policy 2024 aims to position India as a leading global force in the textile industry.

To enhance the handloom sector and promote public appreciation, the government has implemented a specialised initiative known as 'Handloom Pakhwada', which will take place from August 1st to

15th. This initiative is designed to provide substantial support to handloom weavers by highlighting their exceptional craftsmanship and motivating consumers to adopt these distinctive and sustainable products textiles.

Bharat Tex 2024, a prominent textile event orchestrated by the Indian Export Promotion Councils, served as a global platform for the exhibition of India's textile proficiency. By convening manufacturers, designers, and buyers, the event facilitated international collaborations, advocated sustainable practices, and underscored India's strengths throughout the entire textile value chain. Consequently, it effectively fostered export growth and reinforced the country's status as a preeminent player in the textile industry.

Confronted with mounting pressure from the agricultural sector to permit extensive glyphosate utilisation, the government is advocating for the implementation of Herbicide-tolerant BT (HT-BT) cotton. This strategy is perceived as a means to modernise cotton production, augment yields, and ultimately bolster the competitiveness of the Indian textile industry in the global marketplace.

## Opportunities for Rotary and Digital Textile Printing

Both digital and rotary screen printing are vital in India's textile printing industry acknowledging their unique strengths and enduring relevance. This coexistence is not a matter of competition, but rather a recognition of complementary capabilities. There is strong trend of conventional printing on woven fabric (reactive & disperse printing) is shifting towards digital due to narrowing gap in the production costs and possibility of short run lengths. Therefore, both technologies carve out distinct spaces within the market, ensuring their continued viability and contributing to the overall diversity and innovation of India's textile industry.

Digital textile printing has revolutionised the industry by enabling on-demand production of unique and customised designs,

perfectly aligning with the growing consumer demand for individuality. This technology empowers designers and brands to cater to diverse tastes with flexibility, from intricate patterns to personalised designs. By eliminating the need for large-scale production runs and minimising waste, digital printing offers a sustainable and efficient approach to textile manufacturing, reducing environmental impact and fostering a more agile and responsive industry.

Digital textile printing technology is perpetually advancing, characterised by enhancements in print speed, colour accuracy, and image resolution. These developments are broadening the spectrum of applications for digital printing, rendering it a more viable and appealing choice for a diverse array of textile products.

Rotary screen printing offers substantial advantages to the textile industry by facilitating the application of an extensive array of special effects. This adaptability enables manufacturers to produce distinctive and visually captivating fabrics with enhanced dimensionality. By incorporating elements such as glitter, adhesives, sequins, pearlescent pigments, metallic inks, and even three-dimensional particles, rotary printing elevates the aesthetic quality of textiles, thereby opening new pathways for creativity and innovation in fashion, home décor, and other applications. This capability to augment value and visual intrigue within fabrics enhances the marketability of textile products, which, in turn, contributes to heightened demand and stimulates growth within the industry.





In India's textile landscape, where digital printing's advancements in speed and precision are expanding its reach, rotary screen printing retains its vital role, particularly for knitted / hosiery apparel, mass production and home textiles. This market reality is reflected in a strategic approach that offers both Rotary Printing Machines (RPM) for specialised effects like glitter and metallic inks, and Digital Printing Machines (DPM) for Direct to fabric & transfer printing applications in apparel. By providing a comprehensive portfolio, including equipment, consumables, and services, a "one-stop shop" model emerges, ensuring that both digital and rotary technologies can be effectively leveraged.

### Advantage of digital:

#### Change in Apparel Supply Chain:

Digitalisation has significantly transformed the apparel industry. Consumers exhibit increased comfort with online shopping, enjoying a broader array of options from the latest collections. Fashion brands respond to this shift by providing a diverse selection of designs that align with rapidly evolving trends. Garment suppliers are mandated to be equipped to fulfil new orders promptly, independent of the minimum order quantity. Furthermore, digital printing technology assists processing houses in enhancing the context of their operations.

#### More Freedom for Designers:

Creativity should be the sole constraint. All prominent apparel brands striving to excel in the competitive fashion industry aspire to give their designers the freedom to conceive any design, unencumbered by restrictive colour options or complex design patterns. This ambition can only be realised by utilising a Digital Textile Printer.

#### Sustainability in focus:

Sustainability has become a requirement for consumers, urging manufacturers to embrace sustainable printing practices. At first glance, digital textile ink may seem more expensive than traditional rotary dyes; however, the cost savings associated with reduced water and energy usage will counterbalance this initial investment. The sophisticated technology of digital printers significantly decreases ink consumption for identical designs compared to conventional printing methods. Furthermore, this advanced technology minimises chemical waste, contributing to a healthier environment for workers.

**Growing demand in APAC:** The Asia Pacific region is anticipated to experience substantial growth in the textile printing market in the foreseeable future, primarily attributed to the region's financial stability and governmental support. Emerging economies, particularly India and China, are projected to demonstrate significant advancements in textile printing on a global scale in the forthcoming years.



## Growth Drivers

**The China Factor:** The phenomenon known as the 'China Factor' has significantly contributed to the growth narrative of the textile industry in India. The prohibition of Xinjiang cotton has redirected buyers' focus on alternative sourcing countries, thereby presenting India with a valuable opportunity in the global marketplace.

**Stable Raw Material Prices:** The textile industry in India is anticipated to maintain stable raw material prices, especially concerning cotton, during the fiscal year 2025. The majority of analysts forecast a fairly consistent price range of approximately ₹160-164 per kilogram, which is expected to bolster profitability within the textile sector.

**Political instability in Bangladesh:** The Indian textile industry may see potential benefits in fiscal year 2025 as global brands evaluate sourcing strategies in response to regional political developments. If sourcing patterns shift, India could become a more attractive option, potentially influencing export orders for its garment manufacturers within the



broader global apparel market. This is particularly noteworthy in the context of Bangladesh's prevailing dominance in the global apparel market.

**Growing Demand for Lifestyle Products:** The increasing demand for lifestyle products has substantially benefited India's textile industry by broadening domestic and international market opportunities. As consumers progressively seek a confluence of comfort, style, and functionality in their everyday apparel and home goods, the demand for a diverse array of textile products, including casual wear, athleisure, and home textiles, has experienced

significant growth.

**Growth of E-Retail and Organised Retail in Rural Areas:** The expansion of e-retail and organised retail in smaller towns and rural areas has significantly enhanced India's textile industry by enlarging its consumer base and facilitating access to a diverse array of products. The advent of online shopping platforms, coupled with the proliferation of organised retail chains in tier-2 and tier-3 cities, has rendered textiles and apparel more accessible to consumers who previously faced limitations in obtaining branded or quality products.

## Trends

**The Growth of Fusion Wear:** India's growing internationalisation is manifest in the burgeoning popularity of fusion wear. By amalgamating sophisticated Indian prints with Western textures and silhouettes, garments emerge that are both comfortable and culturally representative. This versatility attracts a diverse audience, cultivating a global market for Indian craftsmanship through innovative combinations and arrangements.

**Sustainable and Eco-Friendly Fashion:** Sustainability has become increasingly pivotal within the fashion industry. The heightened consumer awareness regarding environmental degradation associated with fast

fashion has resulted in a significant surge in demand for eco-friendly practices. Consequently, there has been an upsurge in the use of organically farmed fabrics, recycled materials, and animal-friendly dyes.

**Role of Influencers and Technology:** Contemporary social media influencers possess the capacity to significantly impact vast audiences and promote local talents as well as environmentally sustainable brands. Platforms such as Instagram and YouTube have facilitated the ongoing dissemination of trends, enabling consumers to remain updated with the latest fashion developments.

**Role of AI in Buying Behaviour:** Artificial intelligence-powered tools are increasingly being used to predict trends and optimise supply chain management. Companies employ algorithms to anticipate consumer preferences, which enables them to develop apparel that aligns with emerging trends and effectively meets evolving market demands.





## Challenges

### Subdued overseas economy:

The declining economic conditions in the United States and Europe have resulted in a reduced propensity for consumers to allocate expenditure towards clothing. Consequently, this leads to a diminished volume of orders for Indian textile manufacturers. In light of the reduced demand, purchasers within these markets may engage in negotiations for lower prices, thereby exerting pressure on the profit margins of Indian exporters. Additionally, competition from other nations is further affecting India's market share in these regions.

### Cheap textile imports from China:

This factor is significantly affecting the Indian textile industry by flooding the market with lower-priced products. This situation is causing a decline in demand for domestically produced textiles, which is leading to reduced production, job losses, and difficulties for Indian

manufacturers to compete on price. Ultimately, this situation is harming the overall growth of the Indian textile sector.

### Fall in the foreign direct investment in the textile sector:

Notwithstanding the increase in foreign direct investment (FDI) within India's textile sector in recent years, the cumulative value of such investment remains below the pre-pandemic levels. This observation signifies that the sector has yet to achieve full recovery to the investment levels observed prior to the COVID-19 pandemic.

**Volatile raw material prices:** The volatility of raw material prices poses a significant challenge to the textile industry. The fluctuating costs of cotton, synthetic fibers, dyes, and chemicals directly impact production expenses, exerting pressure on manufacturers' profit margins. This unpredictability impedes accurate forecasting of production costs and the establishment of competitive

pricing, thereby obstructing long-term planning and investment decisions.

**Fragmentation:** The textile industry in India is characterised by a high degree of fragmentation, predominantly influenced by the numerous small and medium-sized enterprises that comprise the sector. This fragmentation poses obstacles to achieving economies of scale, restricts access to financing opportunities, and complicates initiatives to implement comprehensive improvements across the industry.

### Compliance with Regulations:

Stringent environmental regulations and compliance standards exert increased pressure on manufacturers to adopt sustainable practices. While the shift towards environmentally friendly operations is imperative, it necessitates substantial investment and adjustments in production processes.

## Company Overview

Stovec Industries, part of the renowned SPGPrints Group based in Boxmeer, Netherlands, is globally recognised for its pioneering innovations in advanced printing technology for the textile industry. Stovec offers a wide range of technology-driven textile printing solutions to leading

textile companies in India and internationally.

The company specialises in rotary printing systems, digital textile printing machines, and related consumables. In line with its parent company, Stovec distinguishes itself through its commitment to developing cutting-edge machines that cater to the evolving needs of its

customers. Its ability to stay ahead of industry trends has established Stovec as a leader in fabric printing technology. Headquartered in Ahmedabad, Gujarat, the company is led by Mr. Shailesh Wani, Managing Director, and managed by a highly skilled team of professionals. Stovec's equity is listed on the BSE in India.

## Financial Performance

### Key in financial ratios & changes over last year

| Financial ratios               | 2024  | 2023 | Change (%) | Explanation for change                                                                                                                                   |
|--------------------------------|-------|------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| EBITDA Margin (%)              | 9.46  | 7.31 | 29.45%     | EBITDA increased on account of increase in margin and revenue compared to previous year.                                                                 |
| Net Profit Margin (%)          | 5.53  | 4.36 | 26.72%     | Net profit margin Increased on account of better margin and lower expenses compared to previous year.                                                    |
| Return on Net Worth (%)        | 9.78  | 5.76 | 69.81%     | Return on net worth increased due to better profitability compared to previous year combined with lower net worth (dividend distribution).               |
| Return on capital employed (%) | 14.21 | 8.23 | 72.64%     | Return on capital employed increased due to better profitability compared to previous year combined with lower capital employed (dividend distribution). |

## Segment-wise performance

The Company's segment-wise revenue performances are as follows:

(₹ in Million)

| Particulars                     | 2024     | 2023     |
|---------------------------------|----------|----------|
| Textile consumables & machinery | 2,230.50 | 1,951.90 |
| Graphic products                | 115.20   | 120.66   |



### Participation in Exhibitions

Stovec has actively participated in Knit tech & ITMA Asia exhibitions held in Tirupur and Shanghai focused on the textile and label markets to

showcase the latest advancements in the industry. The event proved to be an invaluable opportunity for networking, exchanging knowledge,

and fostering lasting relationships with industry professionals and experts.

### Risks and Concerns

Stovec has an effective risk management strategy that addresses risks, exposures and events that may leave the company vulnerable. This approach ensures

profitable and sustainable growth while strengthening the business strategy. The framework involves all key managers and incorporates a comprehensive risk assessment

system and mitigation plan. Relevant metrics are regularly presented to the company's board for continuous evaluation and improvement.

### Internal Control System

The Company's internal controls are essential for maintaining financial integrity and minimising risks. These mechanisms include segregation of

duties, regular audits, and proper documentation. Internal controls safeguard against fraud and errors by ensuring transparency and

accountability and promote overall organisational stability.

### Human Resources & Internal Management

Stovec's strength lies in cultivating a talented workforce and promoting a culture where innovation and collaboration flourish. The company's HR initiatives are strategically designed to drive growth and enhance stakeholder value. It focuses

on creating a value-driven culture and ensuring individual goals align with those of the organisation.

The HR team continuously creates engagement platforms to boost motivation and strengthen teamwork. Additionally, Stovec has implemented

employee-centric HR policies that encourage personal and professional growth, maintain organisational harmony, facilitate communication across all levels, and prioritise the overall well-being of its team members.



# Corporate Information

## BOARD OF DIRECTORS

**Mr. Khurshed M. Thanawalla**, *Chairman & Independent Director*

**Mr. Shailesh Wani**, *Managing Director*

**Mr. Garrett Forde**, *Non-executive Director*

**Mr. Eiko Ris**, *Non-executive Director*

**Mr. Marco Wadia**, *Independent Director*

**Mrs. Kiran Dhingra**, *Independent Director*

## CHIEF FINANCIAL OFFICER

Mr. Paras Mehta

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sanjeev Singh Sengar

## STATUTORY AUDITOR

SRBC & CO LLP, Chartered Accountants (upto 9th May, 2024)

Price Waterhouse Chartered Accountants LLP (w.e.f. 28th June, 2024)

## SECRETARIAL AUDITOR

Sandip Sheth & Associates, Company Secretaries

## REGISTRAR & SHARE TRANSFER AGENTS

MUFG Intime India Private Limited

(formerly known as Link Intime India Private Limited)

5th Floor, 506 to 508, Amarnath Business Center-I (ABC-I),  
Besides Gala Business Center, Near St. Xavier's College Corner,

Off. C.G. Road, Navrangpura, Ahmedabad 380 009, Gujarat

Phone: +91 79 26465179/86/87, Fax: +91 79 26465179

Email: ahmedabad@linkintime.co.in

## BANKERS

Axis Bank Limited

HDFC Bank Limited

## REGISTERED OFFICE AND FACTORY

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

## INVESTOR'S HELPDESK

Email: secretarial@stovec.com

Phone: +91 79 6157 2300/470

## INVESTOR INFORMATION:

**AGM:** Monday, 5th May, 2025 at 11:30 a.m.

**AGM venue:** Through VC/OAVM

**Remote e-voting:**

begins on 2nd May, 2025 @ 9:00 a.m.

ends on 4th May, 2025 @ 5:00 p.m.

**Cut-off date:** Monday, 28th April, 2025 for AGM

**CIN:** L45200GJ1973PLC050790

**BSE Code:** STOVACQ (504959)

**Website:** www.stovec.com

## NOTICE

**NOTICE** is hereby given that the 51<sup>st</sup> Annual General Meeting ("AGM") of the members of STOVEC INDUSTRIES LIMITED will be held on Monday, 5<sup>th</sup> May, 2025 at 11:30 am (IST) through video conferencing ("VC")/other audio-visual means ("OAVM") from the registered office of the Company at NIDC, Near Lambha Village, Post Narol, Ahmedabad – 382 405 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone audited financial statements of the Company for the financial year ended 31<sup>st</sup> December, 2024, together with the report of the Board of Directors and the Auditor's thereon;
2. To confirm payment of interim dividend of ₹ 115/- per equity share as final dividend for the financial year ended on 31<sup>st</sup> December, 2024
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 approve appointment of M/s. Price Waterhouse Chartered Accountants LLP, (FRN 012754N/N500016) as Statutory Auditor of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Price Waterhouse Chartered Accountants LLP, (FRN 012754N/N500016), be and is hereby appointed as the Statutory Auditor of the Company for a term of 5 (five) years i.e. from the conclusion of this 51<sup>st</sup> Annual General Meeting until the conclusion of 56<sup>th</sup> Annual General Meeting of the Company at a remuneration as described in the explanatory statement annexed to this notice.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby further authorized to vary, revise/ alter/ modify/ amend the terms and conditions and/ or remuneration of the said Auditor, as may be mutually agreed to by and between the Auditor and the Board, during the tenure of their appointment and do all such acts and things as may be necessary to this matter."

### SPECIAL BUSINESS:

5. **To approve commission payable to Mr. Khurshed M. Thanawalla, Chairman for FY2024 in excess of the prescribed limit**

To consider and, if thought fit, to pass the following resolution as a Special Resolution-

**"RESOLVED THAT** pursuant to Regulation 17(6) (ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, or re-enactment thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 2013 and the recommendation of Board of Directors of the Company, approval of members be and is hereby accorded for commission of ₹ 7.43 Lacs (Rupees Seven Lacs Forty Three Thousand Only) payable to Mr. Khurshed M. Thanawalla, Chairman, for the financial year 2024, that exceed fifty per cent of the total commission payable to all the non-executive directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters as may be deemed necessary and expedient in this regard."

6. **To approve re-appointment of Mrs. Kiran Dhingra (DIN 00425602), as an Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution-

**"RESOLVED THAT** in accordance with the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Kiran Dhingra (DIN 00425602) who is completing her first term on 31<sup>st</sup> March, 2025 as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 (five) years with effect from 1<sup>st</sup> April, 2025;



**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts and things as may be necessary, proper or expedient to give effect to this resolution.”

**7. To approve the appointment of Mr. Bhanu Bhai Patel (DIN: 00223115) as an Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution-

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Bhanu Bhai Patel (DIN: 00223115), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board with effective from 5<sup>th</sup> May 2025 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for a period of three years with effect from the said date.

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient in the above matter.”

**8. To approve the appointment of Mr. Abhay Jadeja (DIN: 03319142) as an Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution-

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Abhay Jadeja (DIN: 03319142), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board with effective from

5<sup>th</sup> May 2025 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for a period of three years with effect from the said date.

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper, or expedient in the above matter.”

**9. To ratify remuneration of Cost Auditor of the Company payable for FY2025**

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), the Company hereby ratifies the remuneration of ₹ 1.75 Lacs (Rupees One Lac Seventy Five Thousand only) plus applicable taxes payable to M/s Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending 31<sup>st</sup> December, 2025 and the reimbursement of out-of-pocket expenses..

**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.”

**10. To approve the appointment of M/s. Sandip Sheth & Associates, a firm of Practicing Company Secretaries (Firm Regn. No. P2001GJ041000), as the Secretarial Auditor of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014 (including any re-enactment or modification thereof) and such other applicable provisions, if any, M/s. Sandip Sheth & Associates, a firm of Practicing Company Secretaries (Firm Regn. No. P2001GJ041000), being eligible, be and is hereby appointed as Secretarial Auditor of the Company for a term of 5 years from the financial year 2025 to the financial year 2029 at a remuneration as described in the explanatory statement annexed to this notice.

**RESOLVED FURTHER THAT** any of the Director and/ or Company Secretary 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”.

By Order of the Board,  
**For Stovec Industries Limited**

**Sanjeev Singh Sengar**

Company Secretary

Membership No. FCS7835

Place: Ahmedabad

Date: 31<sup>st</sup> March, 2025

#### Notes:

1. Ministry of Corporate Affairs in India (**MCA**) vide its General Circular No. 09/2024 dated 19<sup>th</sup> September, 2024, extended the relaxation to the companies to conduct their AGM due in the financial year 2025 through video conferencing (VC) or other audio-visual means (OAVM) dispensing personal presence of the members at the meeting provided that such companies shall follow the procedures as prescribed in MCA General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 (**'MCA Circulars'**). Pursuant to such MCA circulars and to encouraging wider participation of the shareholders at the AGM, the meeting is being held through VC and Company is pleased to providing facility to attend and participate in the AGM through VC/OAVM. Members can attend and participate in the meeting through VC/OAVM from their respective locations following the instructions given herein and Annual Report of the Company for the financial year 2024 is being sent through electronic mode only to the members whose email addresses are registered/ available with the Company/ Depositories.
2. SEBI vide its circular dated 3<sup>rd</sup> October, 2024 also relaxed from the requirement of sending hard copy of annual report to shareholders whose email are not registered with the Company. The full Annual Report together with the Notice of convening this AGM is available on the website of the Company at [www.stovec.com](http://www.stovec.com); Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of MUFG Intime India Private Limited (agency for providing the e-Voting facility) at i.e. <https://instavote.linkintime.co.in>.

In case the shareholder/s has not registered his/her email address with the Company/ RTA/Depositories or wish to make Register or change or update the same, he/she can do so by following below instructions.

3. SEBI has through relevant circulars issued in this regard, mandated furnishing of PAN, KYC details (i.e., postal address with pin code, email id, mobile number, bank account details) and nomination details by shareholders holding securities in physical form. In view of the same, concerned shareholders are requested to furnish the requisite documents/ information to the RTA at the earliest. Any service requests or complaints received from the shareholder, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. Dividend payments in respect of such folios wherein PAN or KYC details are not available shall only be made electronically, upon registering all the required details. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: [https://www.sebi.gov.in/sebi\\_data/faqfiles/sep-2024/1727418250017.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/sep-2024/1727418250017.pdf)

Investor may visit the Company/RTA website for registering/changing/updating all or any of the above details by furnishing required documents along with the duly filled appropriate form/s viz. ISR-1 (for KYC), ISR-2 (for signature verifications), ISR-3 (for opting out from nomination) and Nomination forms SH-13/14, as the case may be.

4. SEBI vide its circular dated 31<sup>st</sup> July, 2023 (updated as on 11<sup>th</sup> August, 2023), introduced an Online Dispute Resolution Portal (ODR Portal) for resolving disputes of the investors in the Indian Securities Market. The ODR Portal integrates timebound online conciliation and arbitration methods to facilitate dispute resolution effectively. Investors are encouraged to initially address their concerns with market participants and may escalate to the Company through the SEBI SCORES guidelines, if not satisfied with the resolution provided. If they remain unsatisfied with the resolutions exhausting all options, they can seek resolution through the ODR Portal. The ODR Portal is available only when complaint is not under consideration with market participants or the Company or pending before the judicial or quasi-judicial body. Investor may please refer the above circular for detailed information.
5. Sections 124 of the Companies Act, 2013 (“the Act”) provides that dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account required to be transferred to Investor Education and Protection Fund (“IEPF”) established by the Central Government. During the year, the Company has



transferred unclaimed dividend of ₹ 1.64 Million pertaining to the financial year 2015 to IEPF. Shareholders who have not claimed their dividend pertaining to financial year 2015 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) date mentioned below. 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.iepf.gov.in](http://www.iepf.gov.in).

| Relating to FY        | Unclaimed dividend amount (₹ in Million) | Tentative date of transfer      |
|-----------------------|------------------------------------------|---------------------------------|
| Final Dividend 2017   | 1.14                                     | 3 <sup>rd</sup> June, 2025      |
| Final Dividend 2018   | 1.73                                     | 11 <sup>th</sup> June, 2026     |
| Final Dividend 2019   | 1.49                                     | 15 <sup>th</sup> October, 2027  |
| Final Dividend 2020   | 0.65                                     | 8 <sup>th</sup> June, 2028      |
| Final Dividend 2021   | 1.43                                     | 3 <sup>rd</sup> June, 2029      |
| Final Dividend 2022   | 1.11                                     | 6 <sup>th</sup> June, 2030      |
| Interim Dividend 2023 | 2.85                                     | 7 <sup>th</sup> September, 2030 |
| Final Dividend 2023   | 0.71                                     | 24 <sup>th</sup> May, 2031      |
| Interim Dividend 2024 | 4.07                                     | 6 <sup>th</sup> June, 2031      |

Further, pursuant to Section 124(6) of the Act read with relevant rule of 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 Demat Account of IEPF. Company would be sending individual communications to all such shareholders whose dividend has not been paid or claimed for any year during the said seven consecutive years requesting them to claim their dividend before the due date of transfer failing which their shares would be transferred to the IEPF. The Shareholders whose shares are transferred to the IEPF Authority can claim their shares back from such authority by filing form IEPF-5 and following such procedures as may be prescribed in the IEPF Rules from time to time.

6. The Register of Members and Share Transfer Book shall remain closed from 29<sup>th</sup> April, 2025, to 5<sup>th</sup> May, 2025 (both days inclusive) for the purpose of AGM and the voting rights of Members shall be in proportion to their share held in the paid-up equity share capital of the Company as on the cut-off date i.e. 28<sup>th</sup> April, 2025.
7. 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 ("DP") 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. MUFG Intime India Private Limited, 5<sup>th</sup> 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.
8. The explanatory statement pursuant to Section 102 of the Act, in respect of special businesses and brief profile of Director(s) seeking appointment/re-appointment in the annual general meeting is annexed herewith and forms integral part of the Notice.
9. The documents and registers that are required to be open for inspection by the members of the company, 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 4.00 p.m. up to the date of the AGM and also available electronically for which you may write to the Company at [secretarial@stovec.com](mailto:secretarial@stovec.com).
10. 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 5 days before the date of the meeting so that the information required may be made available at the meeting.
11. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) latest by 26<sup>th</sup> April, 2025. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20% excluding surcharge & cess.  
  
Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents, i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an e-mail to [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) latest by that date.
12. Providing route map of the venue of the meeting is not applicable in case of VC meeting.

### 13. INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING:

- a) Pursuant to the provisions of Section 108 and other applicable provisions of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations and MCA Circulars the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be passed in the AGM by electronic means.
- b) The Company has engaged the services of MUFG Intime India Private Limited to provide remote e-voting facility as well as e-voting during the AGM to the Members.
- c) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- d) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting through VC or OAVM but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by the members, the members shall not be allowed to change it subsequently.
- e) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- f) Since the AGM is being held through VC/OAVM in accordance with MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the proxy form and attendance slip are not annexed to this Annual Report. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- g) The Notice calling the AGM has been uploaded on the website of the Company at

[www.stovec.com](http://www.stovec.com). The Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of MUFG Intime India Private Limited (agency for providing the Remote e-Voting facility and e-voting system during the meeting) at <https://instavote.linkintime.co.in>.

- h) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act, read with MCA Circulars.
- i) M/s. Sandip Sheth & Associates, Practicing Company Secretaries, Ahmedabad (Firm Regn. No. P2001GJ041000), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting system on the date of AGM in a fair and transparent manner.
- j) The voting results will be declared on receipt of scrutinizer's report. The voting results along with the Scrutinizer's Report will be placed on the website of the agency at <https://instavote.linkintime.co.in> and also on the website of the Company at [www.stovec.com](http://www.stovec.com), within two working days of the conclusion of the AGM of the Company and will also be submitted to the Bombay Stock Exchange (BSE) where the shares of the Company are listed.

### 14. INSTRUCTIONS RELATING TO REMOTE E-VOTING:

The remote e-voting period begins on 2<sup>nd</sup> May, 2025 @ 9.00 hours (IST) and ends on 4<sup>th</sup> May, 2025 @ 17.00 hours (IST). During this period, shareholders of the Company, holding shares either in physical or dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by the agency for voting thereafter.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of the aforesaid period.

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11<sup>th</sup> July, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.

#### ❖ LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:

- INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH NSDL

**METHOD 1 - Individual Shareholders registered with NSDL IDeAS facility****Shareholders who have registered for NSDL IDeAS facility:**

- Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- Enter User ID and Password. Click on "Login".
- After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**OR****Shareholders who have not registered for NSDL IDeAS facility:**

- To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Proceed with updating the required fields.
- Post successful registration, user will be provided with Login ID and password.
- After successful login, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of NSDL**

- Visit URL: <https://www.evoting.nsdl.com>
- Click on the "Login" tab available under 'Shareholder/Member' section.
- Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added

services. Click on "Access to e-Voting" under e-Voting services.

- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**➤ INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH CDSL****METHOD 1 – Individual Shareholders registered with CDSL Easi/ Easiest facility****Shareholders who have registered/ opted for CDSL Easi/ Easiest facility:**

- Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or [www.cdslindia.com](http://www.cdslindia.com).
- Click on New System Myeasi Tab
- Login with existing my easi username and password
- After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**OR****Shareholders who have not registered for CDSL Easi/ Easiest facility:**

- To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- Proceed with updating the required fields.
- Post registration, user will be provided username and password.
- After successful login, user able to see e-voting menu.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of CDSL**

- Visit URL: <https://www.cdslindia.com>
- Go to e-voting tab.

- c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

❖ **INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH DEPOSITORY PARTICIPANT**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, user shall navigate through "e-voting" option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) After successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

❖ **LOGIN METHOD FOR SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE / NON-INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE**

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for INSTAVOTE as under:

- a) Visit URL: <https://instavote.linkintime.co.in>

**Shareholders who have not registered for INSTAVOTE facility:**

- b) Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:

**A. User ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

**B. PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:**

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:**

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

\* Shareholders holding shares in NSDL form, shall provide 'D' above

\*\* Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

➤ **Set the password of your choice**

(The password should contain minimum 8 characters, at least one special Character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

- Enter Image Verification (CAPTCHA) Code
- Click "Submit" (You have now registered on InstaVote).

**Shareholders who have registered for INSTAVOTE facility:**

**a) Click on "Login" under 'SHARE HOLDER' tab.**

- A. User ID: Enter your User ID
- B. Password: Enter your Password
- C. Enter Image Verification (CAPTCHA) Code
- D. Click "Submit"

**b) Cast your vote electronically:**

- A. After successful login, you will be able to see the "Notification for e-voting".
- B. Select 'View' icon.
- C. E-voting page will appear.
- D. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

**E. After selecting the desired option i.e. Favour / Against, click on 'Submit'.**

A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

❖ **GUIDELINES FOR INSTITUTIONAL SHAREHOLDERS ("CUSTODIAN / CORPORATE BODY/ MUTUAL FUND")**

**STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"
- c) Fill up your entity details and submit the form.
  - a. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
  - b. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

**STEP 2 – Investor Mapping**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:

**A. 'Investor ID' –**

- i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
- ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.

**B. 'Investor's Name' - Enter Investor's Name as updated with DP.****C. 'Investor PAN' - Enter your 10-digit PAN.****D. 'Power of Attorney' - Attach Board resolution or Power of Attorney.**

\* File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual

Funds shall also upload specimen signatures.

**E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity).** The same can be viewed under the "Report Section".**STEP 3 – Voting through remote e-voting**

The corporate shareholder can vote by two methods, during the remote e-voting period.

**METHOD 1 - VOTES ENTRY**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Votes Entry" tab under the Menu section.
- c) Enter the "Event No." for which you want to cast vote.  
Event No. can be viewed on the home page of InstaVote under "On-going Events".
- d) Enter "16-digit Demat Account No." for which you want to cast vote.
  - a. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- e) After selecting the desired option i.e. Favour / Against, click on 'Submit'.

A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

**OR****METHOD 2 - VOTES UPLOAD**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will be able to see the "Notification for e-voting".
- c) Select "View" icon for "Company's Name / Event number".
- d) E-voting page will appear.
- e) Download sample vote file from "Download Sample Vote File" tab.
  - a. Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

#### Helpdesk:

##### ➤ **SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE / NON-INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing

any technical issue in login may contact INSTAVOTE helpdesk by sending a request at [enotices@in.mpms.mufg.com](mailto:enotices@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000.

##### **Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

| Login type                                                                | Helpdesk details                                                                                                                                                                                                           |
|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000                                      |
| Individual Shareholders holding securities in demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |

#### Forgot Password:

##### ➤ **SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE / NON-INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on “Login” under ‘SHARE HOLDER’ tab.
- Click “forgot password?”
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter.

#### User ID:

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click “forgot password?”
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter.

##### ➤ **INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH NSDL/ CDSL HAS FORGOTTEN THE PASSWORD:**

Individual Shareholders holding securities in demat mode have forgotten the USER



ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

## 15. PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19<sup>th</sup> September, 2024, the Companies can conduct their AGMs/ EGMs on or before 30<sup>th</sup> September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

### ➤ LOGIN METHOD FOR SHAREHOLDERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

- a) Visit URL: <https://instameet.in.mpms.mufg.com> & click on "Login".
- b) Select the "Company" and 'Event Date' and register with your following details:

#### A. Demat Account No. or Folio No:

Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.

Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – shall provide Folio Number.

#### B. PAN:

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository

Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No:** Enter your Mobile No.

**D. Email ID:** Enter your email Id as recorded with your DP/ Company.

c) Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the meeting.

### Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least (3) three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@stovec.com](mailto:secretarial@stovec.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries 5 days in advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@stovec.com](mailto:secretarial@stovec.com). The queries will be replied suitably by the Company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

\*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

### Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET
- c) Click on 'Submit'.

- d) After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- e) Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- f) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General

Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

**Helpdesk:**

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at [instameet@in.mpms.mufg.com](mailto:instameet@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

**Regd. Office:**

N.I.D.C. Nr. Lambha Village, Post: Narol,  
Ahmedabad – 382 405 Gujarat, INDIA.  
CIN: L45200GJ1973PLC050790  
Tel: +91 (0) 79 6157 2300/470  
E-mail: [secretarial@stovec.com](mailto:secretarial@stovec.com), Website: [www.stovec.com](http://www.stovec.com)  
Place: Ahmedabad  
Date: 31<sup>st</sup> March, 2025

**By Order of the Board,  
For Stovec Industries Limited,**

**Sanjeev Singh Sengar**  
Company Secretary  
Membership No. FCS 7835

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Businesses set out in the Notice is annexed hereto and forms part of this Notice.

**Item No. 4**

Price Waterhouse Chartered Accountants LLP (“Price Waterhouse”) (FRN 012754N/N500016), was appointed as the Statutory Auditor of the Company on 28<sup>th</sup> June, 2024 filling the casual vacancy caused by the resignation of former auditor viz. M/s S R B C & CO LLP (“SRBC”), to hold office till the conclusion of this Annual General Meeting. Taking into account the consent, eligibility letter and other declarations of Price Waterhouse and the recommendation of the Audit Committee, Board recommends to the members for their appointment as the Statutory Auditor of the Company for a period of five years, from the conclusion of this 51<sup>st</sup> Annual

General Meeting till the conclusion of 56<sup>th</sup> Annual General Meeting of the Company to be held in the year 2030.

Price Waterhouse have conveyed their consent to be appointed as the Statutory Auditor of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Act.

Price Waterhouse having a Firm Registration No. 012754N/ N500016, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Firm was established in the year 1991 and was converted into a limited liability partnership in the year 2014. The registered office of the Firm is at Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi - 110 002 and has nine branch offices in various cities in India. The Firm is primarily engaged in providing auditing and other



assurance services to its clients and is a member firm of Price Waterhouse & Affiliates, a network of firms registered with the Institute of Chartered Accountants of India having Network Registration No. NRN/E/14.

Price Waterhouse & Affiliates is a network of separate, distinct and independent Indian Chartered Accountant firms, each of which is registered with the Institute of Chartered Accountants of India. The Firm has more than 110 Assurance Partners as of 26<sup>th</sup> April, 2024. It holds a valid peer review certificate and audits various companies listed on stock exchanges in India.

The following details are for members reference as required u/r 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

- i.) Proposed fees payable to the Statutory Auditor(s): The total fee for the first year shall be ₹ 5 Million (Rupees Fifty Lacs Only) exclusive of applicable taxes and reimbursement of out-of-pocket expenses. Above fee includes ₹ 1 Million (Rupees Ten Lacs Only) for some other services. The audit fee of subsequent years of appointment shall be decided by the Board in consultation with the Auditor. The fees is commensurate with the scope of work, firm's credentials, experience, and in line with industry benchmarks.
- ii.) Terms of appointment: 5 year from the conclusion of this 51<sup>st</sup> AGM until the conclusion of 56<sup>th</sup> AGM
- iii.) In case of a new auditor, any material changes in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change: Not applicable, however it is reiterated that there are no material change in the proposed fee payable to the new auditor than the fee paid to the former auditor.
- iv.) Basis of recommendation for appointment: Price Waterhouse is a global audit firm and the auditor of SPGPrints group companies located globally. SPGPrints B.V., holding Company intend to have common auditor across all its group companies to streamline audit process and bring in efficiencies from a cost and time perspective at group level that also facilitate inter alia the consolidation of accounts. It is, therefore, Board on the recommendation of Audit Committee at its meeting held on 12<sup>th</sup> February, 2025, has approved appointment of Price Waterhouse and recommend to the shareholders.

#### Item No. 5

Members may be aware that the Company in its 49<sup>th</sup> Annual General Meeting has approved commission to its independent directors for a period of three financial years commencing from 1<sup>st</sup> January, 2023, with powers to Board or Committee thereof, to determine each year the specific

amount to be paid as commission to the Non-Executive Director(s), which shall not exceed 1% of the net profits of the Company of that year, as computed in the manner referred to in Section 198 of the Act. Board exercising such power has approved commission to the independent directors for FY2024 in its meeting held on 12<sup>th</sup> February, 2025, in which commission payable to Mr. Thanawalla exceeds the fifty percent of the total commission payable to all Independent Directors of the Company which requires approval of members in terms of Regulation 17(6)(ca) of SEBI Listing Regulations.

Mr. Thanawalla, 82, is a Non-Executive Director and Chairman of the Company for more than two decades and hold industry experience of four decades. Having regards to his ironic experience and in-depth knowledge of the textile industry around of five decades vis a vis his eminence role in the Company, the Company has pleased to bestow him higher remuneration by way of commission than other non-executive board members. Board recommends resolution for your approval in the ensuing AGM.

Except Mr. Thanawalla, none of the other Directors or key managerial personnel and relatives thereof, is in any way concerned or interested, financially or otherwise, in the resolution.

#### Item No. 6

Members may know that Mrs. Kiran Dhingra (DIN 00425602) is Independent Director of the Company and her first term of five years as an Independent Director is due to expire on 31<sup>st</sup> March, 2025 and she is eligible for re-appointment for a second term on passing of a special resolution under Section 149(10) of the Act. Based on the recommendations of the Nomination and Remuneration Committee ("NRC"), the Board of Directors ("Board") at its meeting held on 12<sup>th</sup> February, 2025, after taking into consideration her performance evaluation, business knowledge, skills, experience and contribution during her tenure as Independent Director of the Company, has approved her re-appointment as Independent Director of the Company for a second term of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2025, subject to the approval of Members of the Company in the ensuing AGM and she shall not be liable to retire by rotation.

Mrs. Dhingra has confirmed that she is neither disqualified to act as Director in terms of Section 164 of the Act nor debarred from holding the office of Independent Director on account of/by virtue of any SEBI order or any other such authority and her name is registered with the Independent Director's databank maintained by the Indian Institute of Corporate Affairs (IICA).

The Company has received consent from Mrs. Dhingra for her second term as Independent Director and declaration that she meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b)

of the SEBI Listing Regulations. And that she is not aware of any circumstances or situation which exist or may be reasonably anticipated that could impair or impact her ability to discharge duties as Independent Director of the Company. The other information with respect to the aforesaid re-appointment pursuant to the SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is annexed to this Notice. The Company has also received a notice under Section 160 of the Act from a member proposing her candidature for Independent Director of the Company.

In the opinion of the Board, Mrs. Dhingra fulfills the conditions specified in the Act for re-appointment as an Independent Director and her re-appointment would be in the interest of the Company considering her knowledge, background, acumen, expertise, experience, and skills. She is not related to any Director or Key Managerial Personnel of the Company and independent of the management.

The draft appointment letter setting out the terms and conditions thereof is available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Notice till the date of AGM and also electronically.

The other information with respect to the aforesaid re-appointment pursuant to the SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is annexed to this Notice.

Board recommends the resolution for approval of the members as Special Resolution.

Except Mrs. Dhingra, none of the Director, Key Managerial Personnel and their relatives is in any way concerned or interested, financially or otherwise, in the resolution.

#### Item No. 7 & 8

Members may know that the tenure of Mr. Thanawalla and Mr. Wadia as an Independent Director of the Company is due for compulsory retirement on 6<sup>th</sup> May 2025 and such vacancy need to be filled by the Company on or before the end of their tenure in terms of SEBI Listing Regulations.

To fill the vacancy so cause, Board on the recommendations of Nomination and Remuneration Committee (NRC) and considering their skills, knowledge and experience has approved the appointment of Mr. Bhanu Bhai Patel (DIN:00223115), and Mr. Abhay Jadeja (DIN: 03319142) as the Independent Director of the Company for a term of three years with effect from 5<sup>th</sup> May 2025 by passing a circular resolutions on 31<sup>st</sup> March, 2025, subject to the approval of the Members of the Company. They shall not be liable to retire by rotation.

Mr. Bhanu Bhai Patel and Mr. Abhay Jadeja have confirmed that they are neither disqualified to act as Director in terms

of Section 164 of the Act nor debarred from holding the office of Independent Directors on account of/by virtue of any SEBI order or any other such authority and their names are registered with the Independent Director's databank maintained by the Indian Institute of Corporate Affairs (IICA).

Mr. Patel and Mr. Jadeja have conveyed their consent to act as Independent Director of the Company and other declarations that they meet the criteria of independence as required by the Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. And that they are not aware of any circumstances or situation which exist or may be reasonably anticipated that could impair or impact their ability to discharge duties as Independent Director of the Company. The Company has also received a notice under Section 160 of the Act from a member proposing their candidature as an Independent Director of the Company.

In the opinion of the Board, Mr. Patel and Mr. Jadeja fulfills the conditions specified in the Act for appointment as an Independent Director and their appointment would be in the interest of the Company considering their knowledge, background, acumen, expertise, experience, and skills. They are not related to any Director or Key Managerial Personnel of the Company and independent of the management.

The draft appointment letters setting out the terms and conditions thereof is available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Notice till the date of AGM and also electronically.

Mr. Patel and Mr. Jadeja shall be entitled for the sitting fees and reimbursement of expenses for attending the meetings of the Board or its Committees and other remuneration as may be approved by the Board and/or the Members of the Company, as the case may be, from time to time.

The other information with respect to the aforesaid appointment pursuant to the SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is annexed to this Notice.

The Board recommend the resolutions as set out in the Notice for approval of the Members of the Company as a Special Resolution.

Save and except Mr. Bhanu Bhai R. Patel and Mr. Abhay R. Jadeja and their relatives, none of the other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolutions.

#### Item No. 9

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 31<sup>st</sup> December, 2025.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014 (as amended), the remuneration payable to the Cost Auditors must be ratified by the Members of the Company. Accordingly consent of the Members is sought by way of an ordinary resolution as set out in the Notice for ratification of the remuneration of ₹ 1,75,000/- (Rupees One Lac Seventy Five Thousand Only) plus applicable taxes and out of pocket expenses, if any, payable to the Cost Auditors for Cost Audit for the financial year ending on 31<sup>st</sup> December, 2025, in respect of products/ activities of the Company covered under the Companies (Cost Records and Audit) Rules, 2014 (as amended). Board recommends the resolution for the approval of members.

None of the Directors, key managerial personnel, and/ or their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

#### Item No. 10

In terms of Regulation 24A of SEBI Listing Regulations, the Company is required to appoint a Secretarial Auditor for a term of 5 (five) consecutive years with the approval of its shareholders in the AGM.

Taking into accounts eligibility, qualification and disqualification, independence, experience, competency of the audit team, efficiency in conduct of audit, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, appointed M/s. Sandip Sheth & Associates, a firm of Practicing Company Secretaries as the Secretarial Auditor of the Company for a first term of five years from the financial year 2025 to the financial year 2029.

The Company has received consent cum eligibility certificate from M/s. Sandip Sheth & Associates, confirming that the appointment, if made, would be within the limits prescribed by Institute of Company Secretaries of India (ICSI) for maximum number of Secretarial Audits and that they are not disqualified to be appointed as the Secretarial Auditor in terms of the provisions of Regulation 24A of

SEBI Listing Regulations. M/s. Sandip Sheth & Associates has also provided confirmation that they have subjected themselves to the peer review process of the ICSI and hold a valid certificate issued by the 'Peer Review Board' of the ICSI.

Besides the above audit service, the Company would also avail various other services from the auditor as are approved by the Board from time to time.

The following are the details as required under Regulation 36(5) of the SEBI Listing Regulations.

- i) Proposed fees payable to the Statutory Auditor(s):  
₹ 80,000/- (Rupees Eighty Thousand Only) for FY2025 exclusive of applicable taxes and reimbursement of out-of-pocket expense on actual basis but excluding other services. Annual increment for subsequent years may be considered by the Board in consultation with the Secretarial Auditor.
- ii) Term: Five years from FY2025 to FY2029.
- iii) In case of a new auditor, any material changes in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change: Not applicable
- iv) Basis of recommendation for appointment:  
Board is of opinion that M/s. Sandip Sheth & Associates holds an extensive professional knowledge and experience in the area of compliance, corporate governance, accounts, finance, audit and the competence of their audit team and he also associated with the company from past several years. The firm has demonstrated efficiency in conducting audits and careful review of documentation. Based on these such factors and the Audit Committee's recommendation, the Board recommend their appointment.

The documents related to the said resolution are available for inspection electronically until the last date of remote e-voting at the request of the members. The Board recommends passing of the resolution as an Ordinary Resolution.

None of the Director, Key Managerial Personnel or their relatives, are concerned or interested, in the resolution.

**Brief profile of Director(s) seeking appointment/re-appointment at the Annual General Meeting of the Company pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard-2 .**

| <b>Name of Director</b>                            | <b>Mr. Eiko Ris</b>                                                                                                                          | <b>Mrs. Kiran Dhingra</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Mr. Bhanu Patel</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Mr. Abhay Jadeja</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director Identification Number                     | 07428696                                                                                                                                     | 00425602                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 00223115                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 03319142                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Date of Birth                                      | 17 <sup>th</sup> October, 1958                                                                                                               | 12 <sup>th</sup> January, 1953                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 14 <sup>th</sup> September, 1957                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 26 <sup>th</sup> December, 1982                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Nationality                                        | Dutch                                                                                                                                        | Indian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Indian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Indian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Date of first appointment on the Board             | 12 <sup>th</sup> March, 2019                                                                                                                 | 1 <sup>st</sup> April, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 5 <sup>th</sup> May, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 5 <sup>th</sup> May, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Expertise in specific functional areas             | Finance & General Management                                                                                                                 | Administration, governance, planning and policy making, personnel matters and legislative writing, Deep knowledge of Textile Industry                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Finance, Corporate Governance, and Strategic Management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Litigation and Corporate Governance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Qualifications & experience                        | He holds the degree of MSc (RA) from the Netherlands Institute of Registrar Accounts He has rich experience of about four decades in finance | Mrs. Kiran Dhingra is MA in English Literature from the University of Meerut, UP. and a retired IAS Officer with almost 38 years of distinguished civil service with the distinction of being one of the longest serving officers at the rank of Secretary to the Government of India. Before her retirement, she had been Secretary to the Government of India in various Ministries including the Ministry of Textile, Govt. of India and also Chief Secretary to the Government of Goa. She has held positions in several fields - the development sector, the social, the infrastructural, industrial, environmental as well as the regulatory sectors – and therefore carries with her a vast store of well-grounded experience of administration, governance, planning and policy making, personnel matters and legislative writing. | He is an Associate Member (ACA) of The Institute of Chartered Accountants of India and holds a Bachelor's degree in Commerce (B.Com Hons.) and in General Law (LLB). He has also done executive training at Indian Institute of Management (IIM) Bangalore and IIM Ahmedabad in corporate strategy and governance, and trained in Total Quality Management designed by Xerox Corporation, USA. With over 32 years of experience in the industrial and financial sectors, Mr. Patel worked in finance functions for 11 years at Modi Xerox Group. He then joined Oerlikon Textile India Pvt. Ltd. (OTIL), a 100% subsidiary of the Swiss-based Oerlikon Group, where he has served in several senior roles, including Managing Director and Chief Financial Officer (CFO). Currently, he is the Non-Executive Chairman of OTIL.<br>Mr. Patel serves as an Independent Director on the boards of several private and public companies, offering his expertise in finance, corporate governance, and strategic management. | He is Law graduate from Government Law College, Mumbai University and enrolled with the Bar Council of Maharashtra & Goa. He is the Managing Partner at the law firm, Jadeja & Satiya. Mr. Jadeja is widely acknowledged for his skills and expertise as a lawyer. His practice focuses on complex commercial civil litigations, family and succession disputes, estate, trust and succession planning, white collar crimes, foreign exchange regulation matters, securities laws, insolvency, pharmaceutical and pricing related matters. He has successfully spearheaded various high-profile litigations, both civil and criminal, before various courts, tribunals and arbitrations. As part of his practice, he advises clients on sensitive and complex issues and also advises boards of directors and senior management in critical situations. He has regularly represented and advised diverse and prestigious clientele including public companies and multinational corporations. He has been practicing law since 2005. Before founding Jadeja & Satiya, he was associated with Crawford Bayley & Co. |
| Terms and conditions of appointment/re-appointment | Non-Executive Director liable to retire by rotation.                                                                                         | Re-Appointment as an Independent Director of the Company for a term of five consecutive years and shall not be liable to retire by rotation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Appointment as an Independent Director of the Company for a term of three years and shall not be liable to retire by rotation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Appointment as an Independent Director of the Company for a term of three years and shall not be liable to retire by rotation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Remuneration to be paid                            | Nil                                                                                                                                          | Eligible for sitting fees and commission, if any, as may be approved.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Eligible for sitting fees and commission, if any, as may be approved by the Board/Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Eligible for sitting fees and commission, if any, as may be approved by the Board/Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Remuneration last drawn by the Director            | Nil                                                                                                                                          | Refer corporate governance section of this Annual Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



| Name of Director                                                                                                                                                           | Mr. Eiko Ris | Mrs. Kiran Dhingra                                                                                                                                                                                                                                                                                              | Mr. Bhanu Patel                                                                                                   | Mr. Abhay Jadeja                                                                                 |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----|--------------------|--------|--------|----------------------------------|--------------|---|-------------------------------------------|--------|--------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----|-----|-----------------------------|---|--------|------------------|--------|---|
| Details of relationship with other Directors, Manager and Key Managerial Personnel of the Company                                                                          | None         | None                                                                                                                                                                                                                                                                                                            | None                                                                                                              | None                                                                                             |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| Details of shares held in the Company                                                                                                                                      | Nil          | Nil                                                                                                                                                                                                                                                                                                             | Nil                                                                                                               | Nil                                                                                              |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| No. of Board Meetings attended during the financial year 2024                                                                                                              | 3 (Three)    | 4 (Four)                                                                                                                                                                                                                                                                                                        | Not Applicable                                                                                                    | Not Applicable                                                                                   |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| List of listed entities in which directorship held as on 31 <sup>st</sup> December, 2024                                                                                   | None         | 1) Goa Carbon Limited<br>2) Astra Microwave Products Limited<br>3) Mangalore Chemicals & Fertilizers Limited                                                                                                                                                                                                    | None                                                                                                              | 1) Mafatlal Industries Limited<br>2) Nilkamal Limited                                            |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| Listed entities from which the person has resigned in the past three years.                                                                                                | None         | Ceased to be a director of Zuari Agro Chemicals Limited and Paradeep Phosphates Limited w.e.f. 1 <sup>st</sup> April, 2021 and 27 <sup>th</sup> July, 2023, respectively, on completion of term.                                                                                                                | Ceased to be a director of Smartlink Holding Limited w.e.f 8 <sup>th</sup> September, 2024 on completion of term. | Ceased to be a director of Amal Limited w.e.f 31 <sup>st</sup> March, 2024 on completion of term |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| Chairman/Member of the Committees of other public Companies as on 31 <sup>st</sup> December, 2024 (includes Audit Committee and Stakeholders' Relationship Committee only) | None         | <table><tr><th>Company</th><th>AC</th><th>SRC</th></tr><tr><td>Goa Carbon Limited</td><td>Member</td><td>Member</td></tr><tr><td>Astra Microwave Products Limited</td><td>Chair-person</td><td>-</td></tr><tr><td>Mangalore Chemicals &amp; Fertilizers Limited</td><td>Member</td><td>Member</td></tr></table> | Company                                                                                                           | AC                                                                                               | SRC | Goa Carbon Limited | Member | Member | Astra Microwave Products Limited | Chair-person | - | Mangalore Chemicals & Fertilizers Limited | Member | Member | None | <table><tr><th>Company</th><th>AC</th><th>SRC</th></tr><tr><td>Mafatlal Industries Limited</td><td>-</td><td>Member</td></tr><tr><td>Nilkamal Limited</td><td>Member</td><td>-</td></tr></table> | Company | AC | SRC | Mafatlal Industries Limited | - | Member | Nilkamal Limited | Member | - |
| Company                                                                                                                                                                    | AC           | SRC                                                                                                                                                                                                                                                                                                             |                                                                                                                   |                                                                                                  |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| Goa Carbon Limited                                                                                                                                                         | Member       | Member                                                                                                                                                                                                                                                                                                          |                                                                                                                   |                                                                                                  |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| Astra Microwave Products Limited                                                                                                                                           | Chair-person | -                                                                                                                                                                                                                                                                                                               |                                                                                                                   |                                                                                                  |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| Mangalore Chemicals & Fertilizers Limited                                                                                                                                  | Member       | Member                                                                                                                                                                                                                                                                                                          |                                                                                                                   |                                                                                                  |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| Company                                                                                                                                                                    | AC           | SRC                                                                                                                                                                                                                                                                                                             |                                                                                                                   |                                                                                                  |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| Mafatlal Industries Limited                                                                                                                                                | -            | Member                                                                                                                                                                                                                                                                                                          |                                                                                                                   |                                                                                                  |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |
| Nilkamal Limited                                                                                                                                                           | Member       | -                                                                                                                                                                                                                                                                                                               |                                                                                                                   |                                                                                                  |     |                    |        |        |                                  |              |   |                                           |        |        |      |                                                                                                                                                                                                  |         |    |     |                             |   |        |                  |        |   |

AC: Audit Committee  
SRC: Stakeholders' Relationship Committee

## BOARD'S REPORT

*To the Members,*

Your Company's Board of Directors ("**Board**") is pleased to present the 51<sup>st</sup> (Fifty-First) Annual Report of **Stovec Industries Limited** ("**Stovec**" or "**Company**") for the financial year ended 31<sup>st</sup> December, 2024 ("**year under review**" or "**year**" or "**FY24**").

### 1. FINANCIAL PERFORMANCE

(₹ in Million except EPS)

| Particulars                                                                      | FY24            | FY23            |
|----------------------------------------------------------------------------------|-----------------|-----------------|
| Revenue from Operations (net)                                                    | 2,345.70        | 2,072.56        |
| Other Income                                                                     | 34.11           | 44.33           |
| <b>Total Income:</b>                                                             | <b>2,379.81</b> | <b>2,116.89</b> |
| <b>Total Expenditure:</b>                                                        | <b>2,139.56</b> | <b>1,939.08</b> |
| <b>Gross Profit before Depreciation and Amortization exp.</b>                    | <b>240.25</b>   | <b>177.81</b>   |
| Less: Depreciation & Amortization expenses                                       | 65.76           | 63.62           |
| <b>Profit before tax</b>                                                         | <b>174.49</b>   | <b>114.19</b>   |
| Current Tax                                                                      | 51.63           | 26.98           |
| Deferred tax                                                                     | (6.75)          | (3.16)          |
| <b>Profit After Tax</b>                                                          | <b>129.61</b>   | <b>90.37</b>    |
| <b>Add: Profit brought forward from previous year</b>                            | <b>1,306.62</b> | <b>1,643.49</b> |
| Dividend on equity shares (Refer Note below)                                     | (275.62)        | (425.96)        |
| Remeasurement (losses) / gains on defined benefit plans (net of tax)             | (5.01)          | (1.28)          |
| Transfer from reserve for equity instruments through other comprehensive income  | 1.14            | -               |
| <b>Profit available for appropriation &amp; carried forward to Balance Sheet</b> | <b>1,156.74</b> | <b>1,306.62</b> |
| <b>EPS</b>                                                                       | <b>62.07</b>    | <b>43.28</b>    |

During the year under review, the Company recorded net revenue from operations of ₹ 2,345.70 Million, higher by 13.18 % compared to ₹ 2,072.56 Million of the last financial year. The Company recorded a net profit of ₹ 129.61 Million during the financial year ended 31<sup>st</sup> December 2024, against a net profit of ₹ 90.37 Million in the previous financial year ended 31<sup>st</sup> December 2023. The Company's EBITDA stood at ₹ 222.01 Million an increase by 35.12 % over the EBITDA of ₹ 151.53 Million for the last financial year. The operations and financial results of the Company are further elaborated in the Management Discussion and Analysis Report.

The Board of Directors has decided to retain the entire amount of profit for financial year ended 31<sup>st</sup> December 2024, appearing in the Statement of Profit and Loss.

The Company does not have a subsidiary or associate or joint venture, therefore, disclosures regarding the same are not provided in the Report.

### 2. DIVIDEND

During the year under review, the Board of Directors of the Company has declared and paid an Interim Dividend of ₹ 115/- per equity share of ₹ 10 each to the shareholders of the Company. The total cash out flow on account of payment of Interim Dividend was ₹ 240.12 Million.

Board further decided to retain earnings for its business and no final dividend was declared. Board recommends to the shareholders for consideration of interim dividend of ₹ 115/- paid on 5<sup>th</sup> June, 2024 as the final dividend for the financial year ended 31<sup>st</sup> December, 2024.

Unclaimed dividend of ₹ 1.76 Million pertaining to FY2016 had transferred to the Investor Education and Protection Fund ('IEPF') in the reporting year upon completion of seven years in accordance with IEPF Rules.



### 3. SHARE CAPITAL

During the year under review, there was no change in the paid-up share capital of the Company. The Company's paid-up equity share capital stood at ₹ 20.88 Million as on 31<sup>st</sup> December, 2024. No shares or securities were issued by the Company during the year.

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

Information as required to be given under Section 134(3)(m) of the Companies Act, 2013 ("Act") relating to energy conservation, technology absorption, foreign exchange earnings and outgo, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is appended in **Annexure-I** to this Report.

### 5. DEPOSITS

The Company has not accepted any deposits during the year falls under Chapter V of the Act and rules made thereunder.

### 6. CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to SEBI Listing Regulations, is annexed to the Annual Report as **Annexure-II** along with the certificate of Practicing Company Secretary for compliance of the conditions of Corporate Governance.

### 7. AUDIT COMMITTEE

The Company has in place Audit Committee in terms of requirements of the Act read with rules framed thereunder and the SEBI Listing Regulations, the details thereof are given in the Corporate Governance Report forming part of this report. Board has accepted all the recommendations of the Audit Committee and there was no single incidence of deviation from the recommendations during the year under review.

### 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31<sup>st</sup> December, 2024, the Board of Directors comprised of 6 (Six) members, consisting of 1 (One) Executive Director, 2 (two) Non-Executive Non-Independent Directors and 3 (Three) Independent Directors including 1 (One) Women Independent Director. The Board has an appropriate mix of Executive, Non-Executive Non-Independent and Independent Directors, in compliance of the Companies Act, 2013, the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.

#### Retirement

Mr. Khurshed M. Thanawalla and Mr. Marco Wadia, Independent Directors of the Company shall retire on

6<sup>th</sup> May, 2025 due to completion of their second and final term and they will be ceased to be Director of the Company from close of business hours of that day.

#### Re-appointment

Mrs. Kiran Dhingra (DIN 00425602) Independent Director shall be completing her first term of five years on 31<sup>st</sup> March 2025 and eligible for reappointment. The Board, on recommendation of the Nomination and Remuneration Committee, considering her knowledge, acumen, expertise, experience (including the proficiency), skills, valuable contribution and performance report, had approved her re-appointment as an Independent Director of the Company for her second term of 5 (five) consecutive years commencing from 1<sup>st</sup> April 2025.

Company has received a consent from Mrs. Dhingra, various other disclosures and declarations inter alia confirming that she meets the criteria of Independence as prescribed for Independent Directors under Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Special Resolution seeking approval of members for her re-appointment has given in the Notice of AGM.

#### Retirement by Rotation

As per the provisions of the Act, and the Articles of Association of the Company, Mr. Eiko Ris (DIN: 07428696) Non-Executive Director is liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment. The Board recommend his reappointment to the shareholders at the ensuing AGM seeking their approval on the resolution proposed in the notice of AGM.

Directors proposed to be appointed/re-appointed possess requisite qualifications, experience, and expertise that are required for the role, and they hold high standards of integrity and relevant proficiency.

None of the directors has been disqualified as specified in section 164 of the Act nor debarred or disqualified from being appointed or act as director of the Company as specified in Regulation 34(f) of the SEBI Listing Regulation. Company has also obtained certificate from Sandip Sheth and Associates confirming that they are not disqualified to act as Director.

Company meets the requirement of section 203 of the Act of having Key Managerial Personnel (KMP). Mr. Shailesh Wani, Managing Director (DIN: 06474766), Mr. Paras Mehta, Chief Financial Officer and Mr. Sanjeev Singh Sengar, Company Secretary are the KMP of the Company.

The Independent Directors have given requisite declarations confirming that they continue to meet the criteria of independence as prescribed under

Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they complied with Schedule IV of the Act and the Company's Code of Conduct. The Independent Directors of the Company are registered with data bank of the independent directors maintained by the Indian Institute of Corporate Affairs (IICA) and they meet the requirements of proficiency self-assessment test.

#### **Familiarization program**

Board understand the value of familiarization for the independent directors, thus the Independent directors are being acquainted at the time of their joining Company's business, industry's overview, its business model, and other associated elements. On regular basis they are being acquainted with company's performance, business updates, associated risks and opportunities etc. through various presentations at the meeting of the board of directors of the Company and that the regulatory updates are also presented or circulated to the Board members from time to time towards their familiarization program.

### **9. BOARD MEETING**

During the financial year, four meetings of the Board were held, details of which are furnished in the Corporate Governance Report section of this report.

Disclosure on the compliance of Secretarial Standards: The Board affirms to the best of their knowledge that the Company has complied with all the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

### **10. PERFORMANCE EVALUATION**

The performance evaluation of the Directors, Chairman, Board as a whole and Committees of the Board were made during the year in accordance with the provisions of the Act and SEBI Listing Regulations.

Nomination and remuneration committee (NRC) has evaluated the aforesaid performance taking into accounts inter alia feedback of the each of the directors on structured questionnaire made for evaluating the above performance. Independent Directors in their meeting has also evaluated the performance of Chairman and the directors individually. Chairman of NRC has declared the result of such performance evaluation in the meeting of NRC and based on said evaluation, NRC satisfied with the performance of Board, committees and each individual directors. The evaluation process has been further elaborated in corporate governance report section of this report.

### **11. CORPORATE SOCIAL RESPONSIBILITY**

In accordance with Section 135 of the Act and Rules framed thereunder, the Corporate Social Responsibility ("CSR") Committee has been constituted consisting

of three members, details of which is given in the Corporate Governance Report. The Company has implemented its CSR projects during the year directly and indirectly through the implementing agencies approved by the Board. Brief of such CSR projects has been provided elsewhere in this annual report.

Annual report on CSR activities of the Company including content of its CSR policy in the prescribed format under the Companies (Corporate Social Responsibility Policy) Rules, 2014, has been provided in **Annexure-III** to this report.

### **12. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ("BRSR")**

Business Responsibility and Sustainability Report ("BRSR") is mandatory for top 1000 listed companies based on their market capitalization in terms of Regulation 34(2)(f) of the SEBI Listing Regulations and your company positioned at 1536 of top 2000 companies. However, we are pleased to disclose our ESG performance through this BRSR framework demonstrating corporate citizenship, business ethics & integrity, and responsibility towards society and the environment in terms of Regulation 3(2A) of SEBI Listing Regulations. The BRSR of the current financial year is annexed to this Annual Report as **Annexure-IV** and also available on the website of the Company.

### **13. NOMINATION AND REMUNERATION POLICY**

Essence of the Nomination and Remuneration Policy of the Company is provided in Corporate Governance Report section of this report.

### **14. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company's internal control system commensurate with the size, scale and complexity of its operations and they are well defined. Management and the Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems of the Company with reference to the Financial Statement, its compliance with standard operating procedures, accounting procedures and policies. Reports of Internal Auditor are quarterly placed before the Audit Committee for its review. Based on the report of Internal Auditors, process owners undertake corrective actions 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.

Our internal control system, supports orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors,



accuracy and completeness of the accounting records and timely preparation of reliable financial information. During the year under review, no material weakness is reported and observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

## 15. ANNUAL RETURN

Annual Return for FY2023 filed during the year is available on the Company's website at [www.stovec.com](http://www.stovec.com) as required by section 92 of the Act.

## 16. CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

Company is part of SPGPrints group having global presence and it does business globally directly and through the group companies. Hence, the transactions with the group companies including the parent company are mainly the related parties transactions. All those such transactions that were entered during the year were on the arms' length pricing and in the ordinary course of business and none of them were material except those for which members approval were already taken in previous AGM held in 2024. Particulars of such material related party transactions are reported in Form AOC-2 as required by section 134 read with section 188 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014 by way of **Annexure-V** to this report.

During the year under review, the Related Party Transactions (RPTs) had been placed before the audit committee for seeking its prior approval and audit committee grants its approval considering, inter alia, their nature and repetitiveness. There was no material modification in any of the RPTs during the year. All RPTs including omnibus approvals are reviewed by the audit committee quarterly.

The policy on Related Party Transactions is hosted on the Company's website at [www.stovec.com](http://www.stovec.com). The related party disclosures are made in note no. 32 of notes to financial statements.

## 17. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

As at 31<sup>st</sup> December, 2024, the Company has no inter-corporate loans, investments, guarantees or security as specified in Section 186 of the Act

## 18. VIGIL MECHANISM

Your Company believes in doing business with integrity and displays zero tolerance for any form of unethical behavior. In terms of Section 177(9) of the Act, vigil mechanism for the Directors and employees has been framed to report the unethical behavior,

malpractices, wrongful conduct, frauds, violations of the Company's code of conduct, which also provides for adequate safeguards against victimization of director(s) / employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional circumstances. Audit Committee oversees and review the functioning of this policy from time to time.

The whistleblower policy of the company is available on the Company's website at [www.stovec.com](http://www.stovec.com) at [https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20\(web%20site\)/Stovec%20investor%20relations/6.%20Policies/Whistle%20Blower%20Policy.pdf](https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20(web%20site)/Stovec%20investor%20relations/6.%20Policies/Whistle%20Blower%20Policy.pdf)

## 19. RISK MANAGEMENT

Your company has a risk management policy pursuant to Section 134(3)(n) of the Act, read with Companies (Accounts) Rules, 2014, which guides identification of risk, that may threaten to the existence of the Business of the Company, assess them and mitigation plan.

The risk management process is designed to safeguard the organization from various risks through adequate and timely action. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The risk management framework of the Company is appropriate compared to the size of the Company and the environment under which the Company operates. The Audit Committee oversees the risk management system and its adequacy.

## 20. 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 31<sup>st</sup> December, 2024, 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 31<sup>st</sup> December, 2024 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 Act, 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 31<sup>st</sup> December, 2024, 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.

## 21. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Company has framed a policy on prevention of sexual harassment of women at workplace which aims to provide protection to women employees at workplace and prevent and redress complaints of sexual harassment and the matters connected therewith or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. There has been an Internal Complaint's Committee to look after the redressal of complaints regarding sexual harassment. No complaint under this policy has been reported during the year.

## 22. AUDITORS AND AUDITORS REPORT

### STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP, (FRN 012754N/N500016), was appointed as the Auditor of the Company filling up the casual vacancy caused by the resignation of M/s S R B C & CO LLP, former auditor to hold office up to the date of this AGM. The Board on the recommendation of audit committee has approved the appointment of Price Waterhouse as the auditor of the Company for a term of 5 (five) years to hold office from the conclusion of ensuing 51<sup>st</sup> AGM till the conclusion of 56<sup>th</sup> AGM to be held in the year 2030.

Price Waterhouse has conveyed its consent and eligibility to be appointed as the Statutory Auditor of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Therefore, resolution seeking appointment of Price Waterhouse as the Statutory Auditor of the Company for 5 years has been proposed and recommended to the members of the Company in the notice of convening AGM of the Company.

### INTERNAL AUDITOR

M/s. Shah & Shah Associates, Chartered Accountants, (Firm Registration No. 113742W) who had been an Internal Auditor of the Company was re-appointed by the Board on the recommendation of audit committee

as internal auditor for the FY2025 for the purpose of maintaining proper and adequate internal financial control.

### COST RECORDS AND COST AUDITORS

In terms of Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, your company duly maintain the cost accounts and records.

Board on the recommendation of the audit committee has reappointed 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 2025. The Audit report on the cost records of the Company will be submitted to the Central Government in due course. 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 limit as 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 AGM and the same is recommended to the members.

### SECRETARIAL AUDIT

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI Listing Regulations, M/s Sandip Sheth & Associates, firm of Practicing Company Secretaries having firm unique code P2001GJ041000 was appointed Secretarial Auditor of the Company for conducting Secretarial Audit for the financial year ended on 31<sup>st</sup> December, 2024. The secretarial audit report of the secretarial auditor is annexed to this report as **Annexure-VI**.

Further, in terms of new Regulation 24A of SEBI Listing Regulations, the Company is required to appoint a Secretarial Auditor for 5 (five) years with the approval of its shareholders in the AGM. Board, based on the recommendation of the Audit Committee, appointed said firm i.e. M/s. Sandip Sheth & Associates as the Secretarial Auditor of the Company for five financial years from FY2025 to FY2029, and recommended to the shareholders passing a resolution for its appointment included in the notice of ensuing AGM.

The proposed firm has given its consent cum eligibility certificate confirming that the appointment, if made, would be within the limits prescribed by Institute of Company Secretaries of India (ICSI) for maximum number of Secretarial Audits and that they are not disqualified to be appointed as the Secretarial Auditor as required by SEBI Listing Regulations. They have also provided confirmation that they hold a valid certificate issued by the 'Peer Review Board' of the ICSI.



## AUDITORS REPORT

The Auditors' Report to the members for the year under review does not contain any qualifications or reservations or adverse remarks of the respective auditors except observation at serial 15(vi) of auditors report relating to audit trail.

In response to above remark of the auditor, Board would like to state that the Company is maintaining its books of accounts in accordance with the provisions of Companies Act, 2013 read with Companies (Accounts) Rules, 2024 and that the books of accounts are maintained electronically using accounting software (ERP D365) that has an in-built feature of audit trail. Such audit trail in ERP D365 was activated and enabled since October 2024 and it was provided to the auditor during their audit in last quarter of the year. However, it was lost inadvertently due to cleaning up exercise of the system to improve system performance.

On noticing such unfortunate event, management has taken immediate corrective actions and restored the data related to audit trail from available back up for period starting from 18<sup>th</sup> December, 2024. It is, therefore, separate audit trail as required for reporting is available subsequent to closure of the year. However, as this is done after 31<sup>st</sup> December, 2024 the above mentioned auditors remark is there due to the reason of non-availability of said audit trail as on 31<sup>st</sup> December 2024. Further, there is no concern about actual data and its preservation. The remark is merely related to non-maintenance of audit trail of data and accounting transactions. The Company has sound internal control system to protect the data and Board do not see any material adverse effect on the financial statement or functioning of the company due to above incident.

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

## 23. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

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

## 24. 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.

## 25. PARTICULARS OF EMPLOYEES

The statement related to the 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-VII** to this Report.

The information on employees' particulars as required by Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. The full Annual Report is being sent to the eligible members excluding such information as per Section 136 of the Act. The said information is available for inspection by any members at the Registered Office of the Company on any working day (i.e. except Saturday, Sunday and Public Holidays) up to the date of Annual General Meeting and also electronically. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

## 26. ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to health and safety of its employees, contractors and visitors. We are please to say that we all compliant of Environmental, Health & Safety (EHS) Regulations stipulated under the Water (Prevention and Control of Pollution) Act, The Air (Prevention and Control of Pollution) Act, The Environment Protection Act and other applicable Industrial Laws. Our mandate is not to comply but to go beyond compliance standards, and we are progressive in this direction.

The health and safety of our people is paramount. We prepare our people as much as possible for the potential risks in our facilities. This preparation includes adherence to clear standards, education, training, auditing and follow-up to reinforce accountability.

## 27. HUMAN RESOURCE & INDUSTRIAL RELATIONS

Your directors believe that the key to the success of any Company are its employees. Industrial Relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-operation extended by all employees in maintaining cordial relations and their commitment towards the growth of the Company.

## 28. GENERAL

- a. There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

- b. The Company is debt free and has no loan. Hence, there has been no such instance of valuation done for settlement or for taking loan from the Banks or Financial Institutions.

## 29. ACKNOWLEDGEMENT

Board extends its gratitude and appreciation for the contribution, co-operation and confidence reposed by SPG Prints B.V., the Parent Company, Central & State Governments Ministries and departments,

shareholders, customers, suppliers, business associates, bankers, employees, value chain partners and other stakeholders for their trust and support. We look forward for their continued co-operation and support in years to come.

**For and on behalf of Board**

**Khurshed M. Thanawalla**

Chairman

DIN: 00201749

Place: Mumbai

Date: 12<sup>th</sup> February, 2025



## Annexure – I

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

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

**A. CONSERVATION OF ENERGY**

|       |                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)   | The steps taken or impact on conservation of energy                       | <ul style="list-style-type: none"> <li>Integrating variable frequency drives to ensure continual reduction of electrical energy consumption in Hot Water Generator units.</li> <li>Implemented compressor oil additive in Chiller Plant to enhance the efficiency of chiller unit and reduction of electrical energy consumption.</li> <li>Continuously maintaining power factor close to unity by APFC.</li> <li>Reprogrammed VFD running parameter to achieve energy saving for cooling tower circulation pump.</li> <li>Upgrading electroplating baths for Rotary Screens to improve the efficiency aiming to reduce energy consumption while improving performance and sustainability.</li> <li>Implemented a comprehensive and proactive maintenance schedule to ensure the consistent, efficient, and reliable operation of all plant machinery.</li> </ul> |
| (ii)  | The steps taken by the company for utilizing alternate sources of energy. | Company regularly assesses the feasibility of utilizing various available options for alternative energy in the market.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| (iii) | The capital investment on energy conservation equipment's                 | <ul style="list-style-type: none"> <li>Old inefficient rectifiers are being replaced with energy-efficient models to enhance performance and reduce energy consumption.</li> <li>Planning to implement Heat pump installation to cater hot water and ambient cooling application.</li> <li>Old inefficient Air conditioners are being replaced with modern technology energy efficient air conditioners.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                               |

**B. TECHNOLOGY ABSORPTION**

|      |                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)  | The efforts made towards technology absorption                                                            | Company constantly strives to improve product quality and process improvement to achieve the maximum degree of efficiency in order to acquire customer satisfaction, and R&D activities have become an essential component of our corporate culture.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (ii) | The benefits derived like product improvement, cost reduction, product development or import substitution | <p><b>New product development</b></p> <ul style="list-style-type: none"> <li>Electric Dryer for Violet digital printing machine.</li> <li>3250mm print width rotary printing machine for home textile.</li> <li>Development of upgrade package for obsolete motion control parts (switch cabinet upgrade) to extend the service life of the old rotary printing machine and productivity.</li> </ul> <p><b>Product improvements</b></p> <ul style="list-style-type: none"> <li>Reliability, performance, and aesthetics improvements in one of the models of rotary printing machine.</li> </ul> <p><b>Product cost optimisation</b></p> <ul style="list-style-type: none"> <li>Value engineering of various rotary printing system / component to optimise the cost price.</li> </ul> <p><b>Process improvement</b></p> <ul style="list-style-type: none"> <li>Implemented Product Data Management system that centralizes and manages product-related data and processes, including design and engineering files, technical specifications, to improve collaboration and efficiency.</li> <li>Promoted paperless communication by embracing digital communications, one of the steps towards sustainability.</li> </ul> |

|       |                                                                                                                                                                                                                                                                                                                                                         |                |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| (iii) | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)<br>(a) the details of technology imported;<br>(b) the year of import;<br>(c) whether the technology been fully absorbed;<br>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | Not Applicable |
| iv)   | The expenditure incurred on Research and Development.                                                                                                                                                                                                                                                                                                   | ₹ 4.21 Million |

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

| Particulars                                                                                                      | (₹ in Million) |
|------------------------------------------------------------------------------------------------------------------|----------------|
| Earnings in foreign exchange from Goods and Services exported, Commission etc.                                   | 624.36         |
| Value of imports of raw materials, components, stores, spares, Commission, technical know-how fees, royalty etc. | 895.87         |

**For and on behalf of Board**

**Khurshed M. Thanawalla**

Chairman

DIN: 00201749

Place: Mumbai

Date: 12<sup>th</sup> February, 2025



## Annexure – II

## CORPORATE GOVERNANCE REPORT

This report is prepared in accordance with the provisions of Regulation 34(3) Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the report contains details of Corporate Governance systems and processes at Stovec Industries Limited ("the **Company**").

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

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate Governance is based on the principles of integrity, transparency, accountability and commitment to values. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably.

Stovec firmly believes in transparency and has immense value for the principles of corporate governance. Stovec understands that accountability, equity and total transparency in its interaction with all stakeholders is its responsibility while conducting its business and hence is totally committed to achieving highest level of standards in corporate governance practice. It is a well-accepted fact, both in India and world over that a good, governed organization results in maximizing its stakeholders' value in long run. 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.

The Company has complied with all the requirements stipulated under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("SEBI Listing Regulations"), as applicable, with regard to Corporate Governance and listed below is the status with regard to same

### 2. BOARD OF DIRECTORS

The Board, being the trustee of the Company, is responsible for the establishment of cultural, ethical, sustainable and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable, and committed professionals. At the helm of the Company's Corporate Governance practice is its Board. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations.

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 Regulations and it consists of an optimal combination of Executive, Non-Executive and Independent Directors, representing a judicious mix of in-depth knowledge and experience.

| Name                                          | Category                               | *Outside Directorship | **No. of Committee positions held outside |          |
|-----------------------------------------------|----------------------------------------|-----------------------|-------------------------------------------|----------|
|                                               |                                        |                       | Member                                    | Chairman |
| Mr. Khurshed M. Thanawalla<br>(DIN: 00201749) | Non-Executive & Independent (Chairman) | 12                    | 3                                         | 2        |
| Mr. Garrett Forde<br>(DIN: 09040078)          | Non-Executive & Non-Independent        | -                     | -                                         | -        |
| Mr. Eiko Ris<br>(DIN: 07428696)               | Non-Executive & Non-Independent        | -                     | -                                         | -        |
| Mr. Marco Wadia<br>(DIN: 00244357)            | Non-Executive & Independent            | 6                     | 1                                         | 1        |
| Mrs. Kiran Dhingra<br>(DIN: 00425602)         | Non-Executive & Independent            | 3                     | 5                                         | 1        |
| Mr. Shailesh Wani<br>(DIN: 06474766)          | Executive (Managing Director)          | 1                     | -                                         | -        |

\*Excluding companies incorporated under Section 8 of the Companies Act, 2013 and Companies incorporated outside India

\*\* Includes Audit and Stakeholders Relationship Committee of all other listed and unlisted public limited companies

| Name of the Director       | Directorship in other listed entities       |                      |
|----------------------------|---------------------------------------------|----------------------|
|                            | Name of Entity                              | Designation          |
| Mr. Khurshed M. Thanawalla | Standard Industries Limited                 | Independent Director |
|                            | Sanathan Textiles Limited                   | Independent Director |
| Mr. Garrett Forde          | -                                           | -                    |
| Mr. Eiko Ris               | -                                           | -                    |
| Mr. Marco Wadia            | Mangalore Chemicals and Fertilizers Limited | Independent Director |
|                            | Texmaco Rail & Engineering Limited          | Independent Director |
| Mrs. Kiran Dhingra         | Goa Carbon Limited                          | Independent Director |
|                            | Astra Microwave Products Limited            | Independent Director |
|                            | Mangalore Chemicals and Fertilizers Limited | Independent Director |
| Mr. Shailesh Wani          | -                                           | -                    |

Based on declarations received from the Independent Directors, the Board has opinion that the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and the Companies Act, 2013 ("the Act") and they are independent of the management. None of the directors of the Company are related to each other.

The four meeting of the board were held during the year on 26<sup>th</sup> February, 2024, 9<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024, and 14<sup>th</sup> November, 2024 within the permissible time gap between any two consecutive meetings. None of the Directors is a director in more than 20 Companies or more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. None of the Executive Directors act as Independent Director of more than 3 listed entities. None of the Directors is a member in more than 10 Committees or is Chairperson of more than 5 Committees amongst the Companies in which he/she holds directorships. The attendance record of the Directors at the Board as well as Annual General Meeting are as follows-

#### DETAILS OF THE BOARD MEETINGS, ATTENDANCE AND SHAREHOLDING

| Name                             | Board Meetings held | Board Meetings attended | Attendance at the last AGM | No. of Shares held | % of total shares held in the company |
|----------------------------------|---------------------|-------------------------|----------------------------|--------------------|---------------------------------------|
| Mr. Khurshed M. Thanawalla (KMT) | 04                  | 04                      | Yes                        | Nil                | -                                     |
| Mr. Garret Forde (GF)            | 04                  | 04                      | Yes                        | Nil                | -                                     |
| Mr. Eiko Ris (ER)                | 04                  | 03                      | Yes                        | Nil                | -                                     |
| Mr. Marco Wadia (MW)             | 04                  | 04                      | Yes                        | 4,160              | 0.20                                  |
| Mrs. Kiran Dhingra (KD)          | 04                  | 04                      | Yes                        | Nil                | -                                     |
| Mr. Shailesh Wani (SW)           | 04                  | 04                      | Yes                        | Nil                | -                                     |

#### DISCLOSURE OF EXPERTISE OR SKILLS OF DIRECTORS

The Board has identified the following skill set with reference to its business and industry which are available with the Board and individual directors:

| Sr. | List of core skills/expertise/ competence                                           | KMT | GF | ER | MW | KD | SW |
|-----|-------------------------------------------------------------------------------------|-----|----|----|----|----|----|
| a)  | Knowledge of the Manufacturing sector and printing Industry particularly in Textile | √   | √  | √  | √  | √  | √  |
| b)  | General Business Understanding, Administration and management                       | √   | √  | √  | √  | √  | √  |
| c)  | Sales and Marketing Functions                                                       | √   | √  | -  | -  | -  | √  |
| d)  | Business Strategy Formation                                                         | √   | √  | √  | √  | √  | √  |
| e)  | Corporate Strategy/Restructuring                                                    | √   | √  | √  | √  | √  | √  |
| f)  | Finance, Cost & Accounting                                                          | √   | √  | √  | √  | √  | √  |
| g)  | Legal, Regulatory Compliance                                                        | -   | -  | -  | √  | -  | -  |
| h)  | Corporate Governance                                                                | √   | √  | √  | √  | √  | √  |
| i)  | Human Resource Management                                                           | -   | √  | √  | √  | -  | √  |
| j)  | Risk Management and Mitigation Planning                                             | √   | √  | √  | √  | -  | √  |



## APPOINTMENT / RE-APPOINTMENT

Disclosure in relation to appointment/re-appointment is given in the Directors' Report.

## ANNUAL PERFORMANCE EVALUATION

The annual performance evaluations of the Board, committees of the Board, individual directors including Chairman of the Board was carried out by the Company itself through a structured questionnaire, which was circulated to each of the board members for evaluating the said performances. The directors have sent their feedback directly to the Chairman of the Board except the Chairman's evaluation which was sent to the Chairman of NRC. Based on feedback so received, NRC has carried out performance evaluation and expressed its satisfaction to the optimum level. Evaluation criteria encompass various parameters for evaluating the performance such as leadership qualities, understating with critical matters, individual contribution to the company performance, maintaining confidentiality wherever required, effective and efficient participation, independence in judgment, vis a vis understanding of the Company's business and strategy, guidance on corporate strategy etc. Board has taken note of evaluation done by NRC.

Based on the evaluations made, it was determined that all the independent Directors shall continue with remaining period of their current term.

The Independent Directors in their meeting also assessed the performance and the quality, sufficiency and timeliness of flow of information from the Company's management, which they found effective and reasonable to perform their duties. Board acknowledged and endorsed above evaluations.

## FAMILIARIZATION PROGRAM

The Independent Directors are familiarized by the management with respect to their roles and responsibilities, industry behavior, Company's business model, risks, threats and opportunities initially at the time of joining the Board and thereafter from time to time through various business presentations at meeting of the board of directors and that they are also kept on abreast with regulatory updates time to time under the familiarization program. The details of familiarization program is available at the website of the Company at [www.stovec.com](http://www.stovec.com) at [https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media/Stovec%20investor%20relations/4.%20Shareholder%20Information%20and%20Disclosures/Familiarization\\_Programme.pdf](https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media/Stovec%20investor%20relations/4.%20Shareholder%20Information%20and%20Disclosures/Familiarization_Programme.pdf)

## SEPARATE MEETING OF INDEPENDENT DIRECTORS:

During the year under review, Independent Directors' meeting was held in accordance with the provisions

of Section 149(8) read with Schedule IV of the Act, Regulations 25(3) and (4) of the SEBI Listing Regulations and Secretarial Standards, on 26<sup>th</sup> February, 2024 without presence of any of the non-independent directors, wherein all Independent Directors were present. At the meeting, the Independent Directors had evaluated the followings and expressed their satisfaction.:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Company, taking into account the views of the Managing Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board which they found effective and appropriate to perform their duties.

## 3. COMMITTEES OF THE BOARD

The following Committees have been constituted by the Board and the same were in force during the year under review.

- Audit committee ("**AC**");
- Nomination and remuneration committee ("**NRC**");
- Stakeholders' relationship committee ("**SRC**");
- Corporate Social Responsibility committee ("**CSR**");

The constitution and composition of the above Committees is in accordance with the provisions of the SEBI Listing Regulations and the Companies Act, 2013 ("the **Act**"). Provision of risk management committee is not applicable to the Company.

### 3.1 Audit Committee

As on 31<sup>st</sup> December, 2024, the Audit Committee comprised of 3 (three) Directors of which 2 (two) are Independent and 1 (one) is Executive Director of the Company. All the members are well versed with finance, accounts, corporate laws and general business practices. Mr. Khurshed Thanawalla, a Non-Executive Independent Director is the Chairman of the Committee. The composition, terms of reference, role and power of the Audit Committee are in line with Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Act and Rules framed thereunder. The Committee acts as a link between the Statutory and Internal Auditors and the Board of the Company. The Company Secretary of the Company acts as Secretary to the Committee.

#### Terms of reference

- 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) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
    - c) Internal Audit reports relating to internal control weaknesses;
    - d) The appointment, removal and terms of remuneration of the Chief internal auditor
    - e) quarterly statement of deviation(s) including report of monitoring agency, if applicable, and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.
  - 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) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees one hundred crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- xxiv) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder;
- xxv) 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 SEBI Listing Regulations and the guidelines, circulars and notifications issued by Securities and Exchange Board of India ("SEBI")/Ministry of Corporate Affairs ("MCA") from time to time;
- xxvi) Carrying out any other function as may be assigned to it by the Board from time to time.

#### Composition & attendance at the meeting

| Name                                 | Category                  | No of meetings |          |
|--------------------------------------|---------------------------|----------------|----------|
|                                      |                           | Held           | Attended |
| Mr. Khurshed M. Thanawalla, Chairman | Non-executive Independent | 04             | 04       |
| Mr. Marco Wadia                      | Non-executive Independent | 04             | 04       |
| Mr. Shailesh Wani                    | Executive                 | 04             | 04       |

The Committee met 4 (four) times during the year i.e., 26<sup>th</sup> February, 2024, 9<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024 and 14<sup>th</sup> November, 2024 and time gap between any two consecutive meetings of the committee did not exceed 120 days. Representatives of the Statutory auditors are generally invited to attend the Meetings of the Committee. Chief Financial Officer ("CFO") of the Company is a permanent invitee to the Committee Meetings.

Company Secretary act 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

As on 31<sup>st</sup> December, 2024, the Nomination & Remuneration Committee ("NRC") comprised of 3 (three) members of which 2 (two) are Non-Executive Independent Directors and 1 (one) Non-Executive Non-Independent Director of the

Company. The composition and role of the NRC are in line with the Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act. The Company Secretary of the Company acts as a Secretary to the Committee.

#### Terms of reference

- 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;
- Evaluation of the balance of skills, knowledge and experience on the Board for every appointment of an Independent Director on the basis of such evaluation, to prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified;

- 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.
- To evaluate the performance of the board, committees and the individual directors.
- Whether to extend or continue the term of appointment of the independent director.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- Carrying out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

#### Composition & attendance at the meeting

| Name                       | Category                      | No. of meetings |          |
|----------------------------|-------------------------------|-----------------|----------|
|                            |                               | Held            | Attended |
| Mr. Marco Wadia, Chairman  | Non-executive Independent     | 02              | 02       |
| Mr. Khurshed M. Thanawalla | Non-executive Independent     | 02              | 02       |
| Mr. Eiko Ris               | Non-executive non independent | 02              | 02       |

The NRC met 2 (two) times during the year on 26<sup>th</sup> February, 2024 and 9<sup>th</sup> May, 2024. Company Secretary acts as the Secretary to the Committee. Chairman of the NRC was present in the last Annual General Meeting to answer to the shareholders queries.

#### Nomination and Remuneration policy

The Nomination and Remuneration policy of the Company (NRC Policy) is performance driven and designed to motivate employees, recognize their merits and achievements, to retain talent in the Company and stimulate excellence in their performance.

NRC Policy is available on the website of the Company at [www.stovec.com](http://www.stovec.com) and gist of the same are reproduced below:

#### Appointment criteria and qualification

- ▶ NRC considers, inter alia, following attributes/criteria, whilst recommending to the Board the candidature for appointment as director or key managerial person or senior management in line with corporate HR policy of the Company:
  - o Qualification, expertise and experience of the persons in their respective fields;
  - o Personal, Professional or business standing;
  - o Diversity of the Board etc.
- ▶ NRC shall, based on the criteria laid down in Corporate HR Policy, identify person for appointment or removal of KMP or Senior Management level and recommend to the Board.

- ▶ Independent Director shall fulfil the criteria of independence as provided in Section 149(6) of the Act, as amended from time to time.
- ▶ In case of appointment of Independent Directors, the NRC satisfies itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively; disqualifications as prescribed under Section 164 of the Act; balance of skills, knowledge, backgrounds, board diversity, time commitment and experience on the Board, performance evaluation etc. Person recommended to the Board for appointment as an independent director shall have the capabilities identified by the committee.
- ▶ Term of appointment/re-appointment of any person as Managing Director or Whole-time Director or Executive Director shall not exceed five years at a time.

#### Remuneration:

The remuneration is divided into fixed component comprising of salary, perquisites and retirement benefits, and variable component. Variable pay is paid based on the financial performance of the company. Remuneration is determined keeping in view the industry benchmark, performance of the Company vis a vis industry performance and prevailing market trend. Variable pay of the Executive/Managing Director shall be as per the scheme applicable to Managing Directors of SPGPrints Operating Companies. Remuneration to other Directors and KMPs are determined as per Act and the SEBI Listing Regulations.

**(i) Remuneration to Managing/Whole-time/Executive Director:**

The NRC shall consider and recommend to the board remuneration and annual increment payable to the Managing/Whole-time/Executive Director and in case the approval of shareholders is required, the board recommend the same to the shareholders for their approval.

The Board on the recommendation of NRC decide the remuneration of the Managing Director/Executive Director's, subject to the approval of the members. Remuneration comprises of fixed components viz. salary, perquisites, allowances and variable pay not exceeding to 50% of the remuneration (as per the scheme applicable to Managing Directors' of SPGPrints Group Companies) based on the targets achieved. The Managing Director will be entitled to bonus provided the conditions for awarding bonus have been met.

MD/WTED/ED are not being paid sitting fees for attending meetings of the Board and of its committees.

**(ii) Remuneration to Non-executive/Independent Director:**

A Non-Executive Director (Independent Director) shall be entitled to receive sitting fees for each meeting of Board or Committees of the Board attended by him/her as approved by the Board of Directors within the prescribed limit under the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration and sitting fees paid/payable in the previous financial year are as follows:

**(A) MANAGING DIRECTOR:**

(₹ in Million)

| Name              | Salary & Allowances | Perquisites & Benefits | Contribution to Provident and other Funds | Total |
|-------------------|---------------------|------------------------|-------------------------------------------|-------|
| Mr. Shailesh Wani | 14.60               | 1.55                   | 0.98                                      | 17.13 |

**Service Contract and Notice Period**

Mr. Shailesh Wani appointed as the Managing Director of the Company for a further period of 5 years with effect from 1<sup>st</sup> October, 2022 and the same was approved by the shareholders of the Company at their annual general meeting held on 6<sup>th</sup> May, 2022. Company has entered into a contract with him containing the terms of appointment, remuneration and other matters which is terminable by six months' notice by either side to other or in lieu of six months' salary.

**(B) NON-EXECUTIVE DIRECTORS:**

The sitting fees is paid to the independent directors only for attending meetings of the Board and Committees as may be decided by the Board from time to time. The commission is also paid to the Independent Directors.

A Non-Executive Director (Independent Director) may be paid commission of such sum as may be approved by the Board on the recommendation of the NRC and members approval is sought wherever necessary.

Independent Directors shall not be entitled to participate in the Stock Option Scheme of the Company, if any, pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

No sitting fee and/or commission are payable to non-executive non-independent directors.

**(iii) Remuneration of KMPs and Senior Management Employees:**

Remuneration and annual increments of KMPs (other than ED/MD) and senior management persons shall be determined as per corporate HR policy of the Company. In case of remuneration of such KMPs, NRC recommend remuneration or annual increments to the Board.

**Performance Evaluations:**

- Performance evaluation of Directors of the Company is done annually by the NRC or any external agency, as the Company may think appropriate in accordance with the prevailing provisions of the Act and SEBI Listing Regulations.
- Performance evaluation of senior management persons is done annually as per corporate HR policy of the Company.

### Commission

The Members at the 49<sup>th</sup> annual general meeting held on 9<sup>th</sup> May, 2023, approved the payment of commission to the Non-Executive Independent Directors up to 1% (one percent) or such other percentage as may be prescribed in the Act from time to time, of the net profits of the Company as computed under the applicable provisions of the Act for each Financial Year commencing from 1<sup>st</sup> January, 2023 with powers to the Board/Committee thereof to decide commission payable to each such independent directors within the overall limits.

The remuneration by way of commission to the Non-Executive Directors is decided by the Board based on recommendation of NRC. NRC takes into account, inter alia, their participation, attendance, contribution, role and responsibility as a Chairman/ Member of the Board/Committee, performance evaluation etc. as well as time spent on matters other than at meetings. The Company has no pecuniary relationships/ transactions with any of the Non-Executive Directors of the company. The sitting fee and commission paid to the Independent Directors during the reporting period were as under.

(₹ in Million)

| Name                       | *Sitting Fees | Commission | Total |
|----------------------------|---------------|------------|-------|
| Mr. Khurshed M. Thanawalla | 0.38          | 0.40       | 0.78  |
| Mr. Marco Wadia            | 0.35          | 0.14       | 0.49  |
| Mrs. Kiran Dhingra         | 0.22          | 0.14       | 0.36  |

\*Exclusive of GST.

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

### 3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:

As on 31<sup>st</sup> December, 2024, the Stakeholders Relationship Committee ('SRC') comprised of 3 (three) Directors of which 1 (one) Independent Director, 1 (one) Non-Executive Non-Independent Director and 1 (one) Executive Director. The composition and role of the Stakeholders Relationship Committee are in line with the Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act. Company Secretary of the Company acts as a Secretary to the Committee.

#### Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-

receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

#### Composition & attendance at the meeting

| Name                                 | Category                      | No. of meetings |          |
|--------------------------------------|-------------------------------|-----------------|----------|
|                                      |                               | Held            | Attended |
| Mr. Khurshed M. Thanawalla, Chairman | Non-executive Independent     | 1               | 1        |
| Mr. Eiko Ris                         | Non-executive non-independent | 1               | 1        |
| Mr. Shailesh Wani                    | Executive                     | 1               | 1        |

During the year, committee met on 26<sup>th</sup> February, 2024 and all the members were present at the meeting. The Chairman of the SRC was present in the last Annual General Meeting to answer the shareholders queries.

**Compliance officer:**

Mr. Sanjeev Singh Sengar, GM-Legal & Company Secretary, is the Compliance Officer of the Company and he can be contacted at: -

**Stovec Industries Limited**

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

Tel: +91 79 6157 2300 Email: [secretarial@stovec.com](mailto:secretarial@stovec.com)

Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Transfer Agents 'M/s MUFG Intime India Private Limited' at [ahmedabad@linkintime.co.in](mailto: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 of complaints received during the year are as follows: -**

| Complaint received | *Resolved during the year | Pending as on 31 <sup>st</sup> December, 2024 |
|--------------------|---------------------------|-----------------------------------------------|
| 2                  | 3                         | 0                                             |

*\*One complaint of previous year resolved in current year.*

**3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

As on 31<sup>st</sup> December, 2024, the Corporate Social Responsibility ("CSR") Committee comprised of 3 (three) Directors, of which 1 (one) Executive Director, 1 (one) Non-Executive Director and 1(one) Independent Director of the Company. The composition and role of the Corporate Social Responsibility Committee are in line with Section 135 of the Act and Rules framed thereunder. The Company Secretary of the Company acts as Secretary to the Committee.

**Terms of reference:**

- Formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Formulate and recommend to the Board, an annual action plan which shall include the list of CSR Projects or Programs that are approved to be undertaken in the areas or subjects as specified in Schedule VII of the Act, the manner of execution of such projects or programs, the modalities of utilization of funds and implementation schedules,

monitoring and reporting mechanism for the projects or programs, details of need and impact assessment, if any, for the projects undertaken by the company and recommend any alteration in such annual action plan.

- Recommend the amount of expenditure to be incurred on the CSR activities as per limits prescribed under the Act.
- Review the CSR projects and program or activities undertaken by the Company and recommend suitable changes as deem fit or necessary.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- Select, engage and approve fees for professional advisors/ consultants that the Committee may require to carry out their duties.
- Oversee various aspects such as statutory compliances in respect of CSR, admin expenditure etc. and carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

**Composition & attendance**

| Name                        | Category                      | No. of meetings |          |
|-----------------------------|-------------------------------|-----------------|----------|
|                             |                               | Held            | Attended |
| Mr. Shailesh Wani, Chairman | Executive                     | 2               | 2        |
| Mr. Khurshed M. Thanawalla  | Non-executive Independent     | 2               | 2        |
| Mr. Eiko Ris                | Non-executive non independent | 2               | 1        |

CSR Committee met 2 (two) times during year on 26<sup>th</sup> February, 2024 and 12<sup>th</sup> August, 2024.

CSR Policy is available at the website of the Company at [https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20\(web%20site\)/Stovec%20investor%20relations/6.%20Policies/CSR%20Policy.pdf](https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20(web%20site)/Stovec%20investor%20relations/6.%20Policies/CSR%20Policy.pdf).

The details of the CSR activities carried out by the Company during the year and the amount spent thereon has been reported in this report separately.

#### 4. SENIOR MANAGEMENT

During the year, the senior management personnel of the Company were as under and there were no change in the senior management since the close of the previous financial year.

| Sr. No. | Name                  | Designation                                         |
|---------|-----------------------|-----------------------------------------------------|
| 1.      | Mr. Paras Mehta       | General Manager (Finance) & Chief Financial Officer |
| 2.      | Mr. K. Prabhakaran    | General Manager (Capital Sales & Digital Portfolio) |
| 3.      | Mr. Pankaj Chadda     | General Manager (Consumable Sales)                  |
| 4.      | Mr. Amit Patel        | General Manager (Operation)                         |
| 5.      | Mr. Sandesh Kale      | General Manager (Eng. and Quality Assurance)        |
| 6.      | Mr. Paulesh Shah      | General Manager (HR & Admin)                        |
| 7.      | Mr. Sanjeev S. Sengar | General Manager (Legal) & Company Secretary         |
| 8.      | Mr. Devang Dave       | General Manager (Service & Spares)                  |

#### 5. CODE OF CONDUCT AND ETHICS:

The Company has its Code of Business Conduct and Ethics for its board members, senior management and employees in placed. Board and Senior Management affirm compliance thereof annually.

The Company has received confirmation from all Directors, Senior Management Personnel as well as other employees regarding compliance with the Code of Conduct during the year under review as required under Regulation 26(3) of the SEBI Listing Regulations. Pursuant to Schedule V(D) of the SEBI Listing Regulations, a declaration signed by the Managing Director of the Company to this effect is enclosed at the end of this Report.

#### 6. GENERAL BODY MEETINGS' DISCLOSURES:

**Location and time of Annual General Meetings in the past three financial years and the special resolutions passed in the said AGMs:**

| AGM                  | Date, time & Location                                              | Special resolutions passed                                                                                                                                                                                                                               |
|----------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 50 <sup>th</sup> AGM | 25 <sup>th</sup> April, 2024 at 3:00 pm through video conferencing | - Payment of commission to Mr. Khurshed M. Thanawalla for the financial year 2023, in excess of the limit prescribed under the SEBI Listing Regulations.                                                                                                 |
| 49 <sup>th</sup> AGM | 9 <sup>th</sup> May, 2023 at 2:15 pm through video conferencing    | - Payment of commission to Mr. Khurshed M. Thanawalla for the financial year 2022, in excess of the limit prescribed under the SEBI Listing Regulations.                                                                                                 |
| 48 <sup>th</sup> AGM | 6 <sup>th</sup> May, 2022 at 2:00 pm through video conferencing    | - Re-appointment of Mr. Shailesh Wani as the Managing Director of the Company for five years<br>- Payment of commission to Mr. Khurshed M. Thanawalla for the financial year 2021, in excess of the limit prescribed under the SEBI Listing Regulations. |

##### Postal Ballot:

There was no special resolutions passed through postal ballot during the year, nor any special resolution proposed to be passed through Postal Ballot as on the date of this report.

However, during the year under review, the Company has passed Ordinary Resolution on 28<sup>th</sup> June, 2024 for appointment of M/S. Price Waterhouse Chartered Accountants LLP as statutory auditors of the Company filling up casual vacancy caused by resignation of M/s SRBC & CO LLP. Resolution was duly passed with requisite majority and result of which was announced on 29<sup>th</sup> June, 2024

In accordance with MCA circular, the Postal Ballot Notice was sent by email to the members of the

Company whose email addresses are registered with the Company or depository as on cut off date 29<sup>th</sup> May, 2024 and the communication of assent/dissent of the members was sought through the remote e-voting system. The Company had engaged services of MUFG Intime India Private Limited for providing e-voting facility to all its members.

Board had appointed M/s Sandip Sheth & Associates, (Membership No. FCS 5467), Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner. Resolution was passed with requisite majority and the voting result on the resolution passed through the postal ballot is as under:



| Resolution passed through postal ballot                                                                                                                                  | Total No. of shares/ votes | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes in favour | No. of Votes against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|-----------------------------------------|------------------------|----------------------|--------------------------------------|------------------------------------|
| Appointment of M/s. Price Waterhouse Chartered Accountants LLP as statutory auditors of the Company filling up casual vacancy caused by resignation of M/s SRBC & CO LLP | 20,88,016                  | 14,85,470           | 71.1427%                                | 14,85,463              | 7                    | 99.9995%                             | 0.005%                             |

## 7. MEANS OF COMMUNICATION

The quarterly results are published in Business Standard (English) and Jaihind (Gujrati) and also placed on the Company's website at [www.stovec.com](http://www.stovec.com) and submitted with the BSE Limited (BSE). All the required disclosures and information are available on the Company's website for the benefit of the shareholders. The Annual Report of the Company is also available on the website in a user friendly and downloadable form.

## 8. GENERAL INFORMATION FOR MEMBERS

### 8.1 Annual General Meeting:

|                    |                                                           |
|--------------------|-----------------------------------------------------------|
| Day, Date and Time | Monday, 5 <sup>th</sup> May, 2025 @ 11:30 am              |
| Venue              | Through VC/OAVM from the registered office of the Company |

### 8.2 Financial Calendar:

|                          |                                                                                          |
|--------------------------|------------------------------------------------------------------------------------------|
| Financial Year           | FY 2024                                                                                  |
| Record date/Book Closure | 29 <sup>th</sup> April, 2025, to 5 <sup>th</sup> May, 2025 (both days inclusive) for AGM |
| Dividend Payment Date    | Not applicable                                                                           |

### 8.3 Listing:

The Company's equity shares are listed on the BSE Limited (BSE), and the Company has paid annual listing fees to BSE for year 2024. Company's equity shares were also listed with Ahmedabad Stock Exchange (ASE), which had communicated vide its letter dated 11<sup>th</sup> January, 2017 that it is non-functional under exit policy, thereby no need to make any compliance with ASE.

### 8.4 Registrar and Transfer Agents: -

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

#### M/s MUFG Intime India Private Limited

5<sup>th</sup> 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.

Tel: +91(0) 79 - 2646 5179/86/87, Fax: +91(0) 79 - 2646 5179.

E-mail: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

### 8.5 Share Transfer System:

The Board has authorized Registrar and Share Transfer Agent, M/s. MUFG Intime India Private Limited to approve transfer of shares.

## 8.6 Shareholding Pattern of the Company:

| Category                     | As on<br>31 <sup>st</sup> December, 2024 |               | As on<br>31 <sup>st</sup> December, 2023 |               |
|------------------------------|------------------------------------------|---------------|------------------------------------------|---------------|
|                              | No. of Shares                            | %age          | No. of Shares                            | %age          |
| Promoters & Promoter Group   | 1,483,777                                | 71.06         | 1,483,777                                | 71.06         |
| IEPF                         | 38,782                                   | 1.86          | 36,777                                   | 1.76          |
| Financial Institutions/Banks | 965                                      | 0.05          | 965                                      | 0.05          |
| Bodies Corporate             | 21,447                                   | 1.03          | 22,378                                   | 1.07          |
| NRIs (Repatriable)           | 3447                                     | 0.17          | 3,704                                    | 0.18          |
| NRIs (non-Repatriable)       | 15,609                                   | 0.75          | 14,268                                   | 0.68          |
| Clearing Members             | 110                                      | 0.00          | 60                                       | 0.00          |
| Directors & their Relatives  | 5864                                     | 0.28          | 5,864                                    | 0.28          |
| Individuals/HUF              | 5,14,918                                 | 24.66         | 5,16,721                                 | 24.75         |
| Unclaimed Suspense Account   | 2,998                                    | 0.14          | 3,452                                    | 0.17          |
| Unclaimed Escrow Account     | 99                                       | 0.00          | 50                                       | 0.00          |
| <b>TOTAL</b>                 | <b>2,088,016</b>                         | <b>100.00</b> | <b>2,088,016</b>                         | <b>100.00</b> |

### Distribution of Shareholding as on 31<sup>st</sup> December, 2024

| Range of Shares | No. of Shareholders | % of total Shareholders | No. of Shares  | % of Total Shares |
|-----------------|---------------------|-------------------------|----------------|-------------------|
| 1 - 500         | 7429                | 97.94                   | 304515         | 14.58             |
| 501 - 1000      | 84                  | 1.12                    | 59720          | 2.8601            |
| 1001 - 2000     | 32                  | 0.42                    | 43430          | 2.0800            |
| 2001 - 3000     | 19                  | 0.25                    | 48334          | 2.3148            |
| 3001 - 4000     | 9                   | 0.12                    | 31133          | 1.4910            |
| 4001 - 5000     | 2                   | 0.02                    | 9296           | 0.4452            |
| 5001 - 10000    | 6                   | 0.08                    | 35506          | 1.7005            |
| 10001 or more   | 4                   | 0.05                    | 1556082        | 74.5244           |
| <b>TOTAL</b>    | <b>7585</b>         | <b>100.00</b>           | <b>2088016</b> | <b>100.00</b>     |

## 8.7 Dematerialization of Shares & Liquidity:

As on 31<sup>st</sup> December, 2024, 20,51,120 equity shares representing 98.23 % of the Company's paid-up equity share capital are in demat form.

8.8 The company do not have any outstanding GDRs or ADRs or warrants or any convertible instruments during the reporting period.

## 8.9 Plant Location:

1. N.I.D.C, Nr. Lambha Village, Post: Narol, Ahmedabad, Gujarat-32 402
2. 296, G.V.M.S.A.V Limited, Odhav Road, Odhav, Ahmedabad-382415

### Correspondence address

N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad, Gujarat – 382 405, India.  
E-mail: secretarial@stovec.com

## 8.10 Credit Rating

The Company has not issued any debt securities or any fixed deposit program or any scheme or proposal involving mobilization of funds, thus, the requirement of disclosure of credit ratings is not applicable.

## 9. OTHER DISCLOSURES

- 9.1 There were no materially significant related party transactions entered during the FY2024 that may have potential conflict with the interests of the Company at large.
- 9.2 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. No penalties or strictures have been imposed by any of them on the Company during the last three years.
- 9.3 The Company has in place a Whistle Blower Policy for Directors, Employees and other Stakeholders to report their genuine concerns or grievances. The Whistle Blower Policy of the Company has been disclosed on the website of the Company. No personnel have been denied access to the Audit Committee to report its genuine concerns or grievances.
- 9.4 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 SEBI Listing Regulations.



### 9.5 Adoption of discretionary requirements of SEBI Listing Regulations

- i) The Company has separate persons for the position of Chairman and Managing Director. Mr. Khurshed M. Thanawalla is a Chairman (Independent & Non - Executive) and Mr. Shailesh Wani is the Managing Director of the Company.
- ii) The audit report on the Company's Financial Statements for the year ended 31<sup>st</sup> December, 2024 is unmodified.
- iii) The Internal Auditor reports directly to the Audit Committee.
- iv) Mrs. Kiran Dhingra is non-executive independent women director on the Board of the Company since 2020
- v) Company has setup risk management core group comprising of functional heads and Managing Director of the Company with the roles and responsibilities as specified in the SEBI Listing Regulations.

### 9.6 Policy for determining Material Subsidiaries

The Company has formulated policy for determining material subsidiary/ries and the same is available at the website of the Company at [https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20\(web%20site\)/Stovec%20investor%20relations/6.%20Policies/Policy%20for%20determining%20Material%20Subsidiaries.pdf](https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20(web%20site)/Stovec%20investor%20relations/6.%20Policies/Policy%20for%20determining%20Material%20Subsidiaries.pdf)

### 9.7 Related Party Transactions Policy

Related Party Transaction Policy has been formulated in order to regulate the transactions between Company and Related Parties. RPT Policy is available at the website of the Company at [https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20\(web%20site\)/Stovec%20investor%20relations/6.%20Policies/Related%20Party%20Transaction%20Policy%20v3.pdf](https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20(web%20site)/Stovec%20investor%20relations/6.%20Policies/Related%20Party%20Transaction%20Policy%20v3.pdf)

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

High quality Nickel is the principal raw material for the Company, and it is imported regularly, as per purchase guidelines of the Company. The Company's performance may impacted in case of substantial change in prices of Nickel or Foreign Exchange rate fluctuations. However, Company takes forward cover as per its forex risk coverage policy. The Company does not undertake commodity hedging activities.

The risk management policy has been putting place to address the risks associated with the business of the Company including commodity price risk and mechanism to continuously monitor the movement in commodity prices and take appropriate action to ensure better cost control. During the year, the Company has no material price risk exposure.

### 9.9 Details of utilization of funds raised through preferential allotment or qualified institutions placement.

During the year, the Company has not raised funds through the preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations.

### 9.10 Certificate from a company secretary in practice regarding disqualification of Directors

Sandip Sheth & Associates, Practicing Company Secretaries has provided a certificate confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate so obtained is appended to this Report.

### 9.11 Regarding non-acceptance of recommendation of any committee of the Board

The Board of Directors have accepted every recommendation made by the committees of the Board.

### 9.12 Fees paid to the statutory auditor – Please refer Note 24 of Notes to the Financial Statements.

### 9.13 Disclosure in relation to Sexual Harassment of Women at Workplace is given at Sr. No. 21 to the Director's Report.

### 9.14 The company has not granted any loans and advances in the nature of loans to firms/companies in which directors are interested.

### 9.15 The Company does not have any subsidiary, associate and joint venture company during the year.

### 9.16 Pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer have issued a certificate to the Board for the financial year ended 31<sup>st</sup> December, 2024.

### 9.17 Compliance certificate from Sandip Sheth & Associates, Practicing Company Secretaries, regarding compliance of conditions of corporate governance is annexed with this report.

### 9.18 Disclosures with respect to Unclaimed Suspense Account

In terms of Regulation 39(4) of the SEBI Listing Regulations, the Company reports the following details in respect of equity shares transferred from the "STOVEC INDUSTRIES LIMITED - UNCLAIMED SUSPENSE ACCOUNT" during the year and the balance in the same at the beginning and at the end of the year:

| Particulars                                                                                                                                                | Number of shareholders | Number of shares |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e., 1 <sup>st</sup> January, 2024 | 225                    | 3,452            |
| Number of shareholders who approached the Company for transfer of shares from suspense account during the year ended 31 <sup>st</sup> December, 2024       | 0                      | 0                |
| Shareholders to whom shares were transferred from the suspense account during the year ended 31 <sup>st</sup> December, 2024                               | 0                      | 0                |
| Number of shares transferred to IEPF authority from Unclaimed Suspense Account during the year ended 31 <sup>st</sup> December, 2024                       | 23                     | 454              |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year 31 <sup>st</sup> December, 2024           | 202                    | 2,998            |

The voting rights on the shares outstanding in the suspense account as on 31<sup>st</sup> December, 2024 shall remain frozen till the rightful owner of such shares claims the shares.

com at [https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20\(website\)/Stovec%20investor%20relations/6.%20Policies/Policy%20for%20Preservation%20of%20Documents%20Archival%20Policy.pdf](https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20(website)/Stovec%20investor%20relations/6.%20Policies/Policy%20for%20Preservation%20of%20Documents%20Archival%20Policy.pdf)

### 9.19 Risk Management

The company forms part of top 2000 listed entities of BSE as on 31<sup>st</sup> March, 2024, therefore forming of Risk Management Committee is not obligatory to the Company. However, Company has setup a risk management committee comprising of all functional heads and Managing Director and framed a risk management policy and the same is available at the website of the Company at [www.stovec.com](http://www.stovec.com).

### 9.20 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.

### 9.21 Policy for determining Material Information

As required by Regulation 30 of SEBI Listing Regulations, the Board of Directors have approved the Policy for determining Material Information and is available at the website of the Company at <https://spgprints.com/hubfs/Media/Stovec%20investor%20relations/6.%20Policies/Policy%20for%20Determining%20Material%20Information.pdf?hsLang=en>

### 9.22 Policy for preservation of documents and archival policy

As required by Regulation 9 of SEBI Listing Regulations, 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](http://www.stovec.com).

### 9.23 Disclosure of accounting treatment

In preparation of Financial Statements, the Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India and that there are no audit qualifications in the Company's financial statements for the year under review.

**9.24** The disclosure of binding agreements referred to in clause 5A of Paragraph A of Part A of Schedule III of the SEBI Listing Regulations is not applicable to the Company.

### DECLARATION BY THE MANAGING DIRECTOR UNDER PART D OF SCHEDULE V OF SEBI LISTING REGULATIONS 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 31<sup>st</sup> December, 2024.

**For Stovec Industries Limited**

**Shailesh Wani**

Managing Director  
(DIN: 06474766)

Place: Ahmedabad  
Date: 12<sup>th</sup> February, 2025



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 31<sup>st</sup> December, 2024. 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, except as reported under Annual Secretarial Compliance Report by Secretarial Auditor.

**Sandip Sheth & Associates**

Company Secretaries

Firm Unique Code: P2001GJ041000

**Sandip Sheth**

Partner

Place: Ahmedabad

Date: 12<sup>th</sup> February, 2025

FCS: 5467, CP No.: 4354

UDIN: F005467F003924316

CIN: - L45200GJ1973PLC050790

Nominal Capital: - 3,00,00,000/-

Paid-up Capital: - 2,08,80,160/-

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

**Stovec Industries Limited**

CIN: L45200GJ1973PLC050790

N.I.D.C, Near Lambha Village,

Post: Narol, Ahmedabad – 382 405, Gujarat, India.

We have examined all relevant registers, records, forms and disclosures received from the directors of Stovec Industries Limited, produced before us by the Company for the purpose of certifying compliance of conditions of clause 10 (i) of 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 31<sup>st</sup> December, 2024. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification. During the course of such certification, we have relied on various information and declaration furnished by each director of the Company as at and relied on the online information available with Ministry of Corporate Affairs Portal, its filling position and other web pages.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> December, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr No. | Name of Director                   | Director Identification Number (DIN) | Date of appointment in the Company |
|--------|------------------------------------|--------------------------------------|------------------------------------|
| 1      | Mr. Khurshed Meherwanji Thanawalla | 00201749                             | 28/01/2005                         |
| 2      | Mr. Shailesh Chandrakrishna Wani   | 06474766                             | 01/10/2013                         |
| 3      | Mr. Garrett Forde                  | 09040078                             | 26/02/2021                         |
| 4      | Mr. Eiko Ris                       | 07428696                             | 12/03/2019                         |
| 5      | Mr. Marco Philippus Ardesbir Wadia | 00244357                             | 21/05/1999                         |
| 6      | Mrs. Kiran Dhingra                 | 00425602                             | 01/04/2020                         |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the clause 10 (i) of 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 31<sup>st</sup> December, 2024.

**Sandip Sheth & Associates**

Company Secretaries

Firm Unique Code: P2001GJ041000

**Sandip Sheth**

Partner

Place: Ahmedabad

Date: 12<sup>th</sup> February, 2025

FCS: 5467, CP No.: 4354

UDIN: F005467F003924151



## Annexure-III

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PER SECTION 135 OF THE COMPANIES ACT, 2013 FOR FY 2024****1. Brief outline on CSR policy of the company:**

Stovec's Corporate Social Responsibility (CSR) builds a dynamic relationship between Stovec on one hand and the society and environment on the other. As a responsible Corporate Citizen, Stovec believes that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, customers and society in which it operates and accordingly Stovec has formulated CSR Policy.

The CSR policy, which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

**2. Composition of CSR committee:**

| Sl. No. | Name of Director           | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|----------------------------|--------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1.      | Mr. Shailesh Wani          | Chairman                             | 2                                                        | 2                                                            |
| 2.      | Mr. Khurshed M. Thanawalla | Member                               | 2                                                        | 2                                                            |
| 3.      | Mr. Eiko Ris               | Member                               | 2                                                        | 1                                                            |

**3. Provide the web-link where composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company:****a. Composition of CSR Committee:**

<https://spgprints.com/hubfs/Composition%20of%20Board%20and%20Committees-SPGPrints-PCkA0.pdf?hsLang=en>

**b. CSR Policy:**

[https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20\(website\)/Stovec%20investor%20relations/6.%20Policies/CSR%20Policy.pdf](https://2131785.fs1.hubspotusercontent-na1.net/hubfs/2131785/Media%20(website)/Stovec%20investor%20relations/6.%20Policies/CSR%20Policy.pdf)

**c. CSR projects approved by the board:**

<https://spgprints.com/hubfs/Media/Stovec%20investor%20relations/6.%20Policies/Approved%20CSR%20Projects%202024.pdf?hsLang=en>

**4. Provide the executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8, if applicable:**

Not applicable.

- 5.**
  - (a) Average net profit of the company as per section 135(5): ₹ 279.31 Million
  - (b) Two percent of average net profit of the company as per section 135(5): ₹ 5.59 Million
  - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Nil
  - (d) Amount required to be set off for the financial year, if any: Nil
  - (e) Total CSR obligation for the financial year 2024(5b+5c- 5d): ₹ 5.59 Million.
- 6.**
  - (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 6.26 Million
  - (b) Amount spent in Administrative Overheads: ₹ 0.006 Million
  - (c) Amount spent on Impact Assessment, if applicable: NA
  - (d) Total amount spent for the Financial Year 2024 (6a+6b+6c): ₹ 6.27 Million.

(e) CSR amount spent or unspent for the Financial Year 2024:

| Total Amount Spent for the Financial Year. (INR in Million) | Amount Unspent (₹ in Million)                                         |                                |                                                                                                     |        |                  |
|-------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
|                                                             | Total Amount transferred to Unspent CSR Account as per Section 135(6) |                                | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|                                                             | Amount                                                                | Date of Transfer               | Name of the Fund                                                                                    | Amount | Date of Transfer |
| ₹ 6.27*                                                     | ₹ 1.18                                                                | 30 <sup>th</sup> January, 2025 | None                                                                                                | Nil    | Not Applicable   |

Including ₹ 1.84 Million of the previous financial year relating to ongoing projects.

(f) Excess amount for set off, if any:

| Sr. No. | Particulars                                                                                                 | Amount (₹ in Million) |
|---------|-------------------------------------------------------------------------------------------------------------|-----------------------|
| (i)     | Two percent of the average net profit of the company as per section 135(5)                                  | Nil                   |
| (ii)    | Total amount spent for the financial year                                                                   | Nil                   |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]                                                       | Nil                   |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil                   |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | Nil                   |

7. Details of unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in Million) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in Million) | Amount spent in the Financial Year (₹ in Million) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any |                  | Amount remaining to be spent in succeeding Financial Years (₹ in Million) | Deficiency, if any |
|---------|-----------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------|--------------------|
|         |                             |                                                                                               |                                                                                           |                                                   | Amount (₹ in Million)                                                                                                        | Date of Transfer |                                                                           |                    |
| 1       | FY2023                      | ₹ 2.56                                                                                        | 0.72                                                                                      | 1.84                                              | Nil                                                                                                                          | NA               | 0.72                                                                      | --                 |
| 2       | FY2022                      | ₹ 2.81                                                                                        | Nil                                                                                       | 2.81                                              | Nil                                                                                                                          | NA               | Nil                                                                       | --                 |
| 3       | FY2021                      | NA                                                                                            | NA                                                                                        | NA                                                | NA                                                                                                                           | NA               | NA                                                                        | --                 |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable.

For and on behalf of the Board & CSR Committee

**Shailesh Wani**

Managing Director &  
Chairman of CSR Committee  
(DIN: 06474766)

Place: Ahmedabad  
Date: 12<sup>th</sup> February, 2025



## Annexure-IV

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT****SECTION A: GENERAL DISCLOSURES****I. Details of the listed entity**

|     |                                                                                                                                                                                                                                                                    |                                                                                                                                           |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | Corporate Identity Number (CIN) of the Listed Entity                                                                                                                                                                                                               | L45200GJ1973PLC050790                                                                                                                     |
| 2.  | Name of the Listed Entity                                                                                                                                                                                                                                          | Stovec Industries Limited                                                                                                                 |
| 3.  | Year of incorporation                                                                                                                                                                                                                                              | 1973                                                                                                                                      |
| 4.  | Registered office address                                                                                                                                                                                                                                          | N.I.D.C., Near Lambha Village, Post: Narol, Ahmedabad -382 405 India                                                                      |
| 5.  | Corporate address                                                                                                                                                                                                                                                  | Same as above                                                                                                                             |
| 6.  | E-mail                                                                                                                                                                                                                                                             | <a href="mailto:secretarial@stovec.com">secretarial@stovec.com</a>                                                                        |
| 7.  | Telephone                                                                                                                                                                                                                                                          | 07961572300                                                                                                                               |
| 8.  | Website                                                                                                                                                                                                                                                            | <a href="http://www.stovec.com">www.stovec.com</a>                                                                                        |
| 9.  | Financial year for which reporting is being done                                                                                                                                                                                                                   | 1 <sup>st</sup> January, 2024 to 31 <sup>st</sup> December, 2024                                                                          |
| 10. | Name of the Stock Exchange(s) where shares are listed                                                                                                                                                                                                              | BSE Limited                                                                                                                               |
| 11. | Paid-up Capital                                                                                                                                                                                                                                                    | ₹ 20,880,160.00                                                                                                                           |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report                                                                                                                                   | Mr. Sanjeev Singh Sengar<br>Contact No.: 079-6157 2300<br>Email: <a href="mailto:Sanjeev_sengar@stovec.com">Sanjeev_sengar@stovec.com</a> |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Yes, standalone basis                                                                                                                     |

**II. Products/services****14. Details of business activities (accounting for 90% of the turnover):**

| S. No. | Description of Main Activity | Description of Business Activity                                                                                                                                                    | % of turnover of the entity |
|--------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1      | Manufacturing                | Manufacturer of Rotary and digital printing machines, engravers, perforated nickel screens for textile & graphic industry, and other textile & graphic consumables and spare parts. | 100%                        |

**15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

| S. No. | Product/Service                           | NIC Code | % of total Turnover contributed |
|--------|-------------------------------------------|----------|---------------------------------|
| 1.     | Textile Consumables and Graphics Products | 32909    | 80.41%                          |
| 2.     | Textile Machineries                       | 28262    | 19.59%                          |

**III. Operations****16. Number of locations where plants and/or operations/offices of the entity are situated: Company's registered cum corporate office and factory are located in the same premises.**

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 2                | 1                 | 3     |
| International | 0                | 0                 | 0     |

**17. Markets served by the entity:**
**a. Number of locations**

| Locations                        | Number          |
|----------------------------------|-----------------|
| National (No. of States)         | Pan-India       |
| International (No. of Countries) | Global presence |

**b. What is the contribution of exports as a percentage of the total turnover of the entity- 36%.**
**c. A brief on types of customers:**

The company specializes in the manufacturing and supply of equipment and consumables tailored for the textile printing and graphic printing industries. Our primary clientele consists of processing companies and mills within the textile and graphics printing sector.

**IV. Employees**
**18. Details as at the end of Financial Year: 31<sup>st</sup> December, 2024**
**a. Employees and workers (including differently abled):**

| S. No.    | Particulars                    | Total (A)  | Male       |               | Female   |              |
|-----------|--------------------------------|------------|------------|---------------|----------|--------------|
|           |                                |            | No. (B)    | % (B / A)     | No. (C)  | % (C / A)    |
| EMPLOYEES |                                |            |            |               |          |              |
| 1.        | Permanent (D)                  | 107        | 104        | 97.20%        | 3        | 2.80%        |
| 2.        | Other than Permanent (E)       | 0          | 0          | 0.00%         | 0        | 0.00%        |
| 3.        | <b>Total employees (D + E)</b> | <b>107</b> | <b>104</b> | <b>97.20%</b> | <b>3</b> | <b>2.80%</b> |
| WORKERS   |                                |            |            |               |          |              |
| 4.        | Permanent (F)                  | 146        | 146        | 100%          | 0        | 0%           |
| 5.        | Other than Permanent (G)       | 37         | 37         | 100%          | 0        | 0%           |
| 6.        | <b>Total workers (F + G)</b>   | <b>183</b> | <b>183</b> | <b>100%</b>   | <b>0</b> | <b>0%</b>    |

**b. Differently abled Employees and workers:**

| S. No                       | Particulars                                      | Total (A) | Male     |              | Female   |           |
|-----------------------------|--------------------------------------------------|-----------|----------|--------------|----------|-----------|
|                             |                                                  |           | No. (B)  | % (B / A)    | No. (C)  | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES |                                                  |           |          |              |          |           |
| 1.                          | Permanent (D)                                    | 0         | 0        | 0.00%        | 0        | 0%        |
| 2.                          | Other than Permanent (E)                         | 0         | 0        | 0.00%        | 0        | 0%        |
| 3.                          | <b>Total differently abled employees (D + E)</b> | <b>0</b>  | <b>0</b> | <b>0.00%</b> | <b>0</b> | <b>0%</b> |
| DIFFERENTLY ABLED WORKERS   |                                                  |           |          |              |          |           |
| 4.                          | Permanent (F)                                    | 0         | 0        | 0%           | 0        | 0%        |
| 5.                          | Other than permanent (G)                         | 1         | 1        | 100%         | 0        | 0%        |
| 6.                          | <b>Total differently abled workers (F + G)</b>   | <b>1</b>  | <b>1</b> | <b>100%</b>  | <b>0</b> | <b>0%</b> |

**19. Participation/Inclusion/Representation of women**

|                          | Total (A) | No. and percentage of Females |           |
|--------------------------|-----------|-------------------------------|-----------|
|                          |           | No. (B)                       | % (B / A) |
| Board of Directors       | 6         | 1                             | 16.67     |
| Key Management Personnel | 3         | 0                             | 0         |

**20. Turnover rate for permanent employees and workers**

|                     | FY 2024<br>(Turnover rate) |        |        | FY 2023<br>(Turnover rate) |        |        | FY 2022<br>(Turnover rate) |        |       |
|---------------------|----------------------------|--------|--------|----------------------------|--------|--------|----------------------------|--------|-------|
|                     | Male                       | Female | Total  | Male                       | Female | Total  | Male                       | Female | Total |
| Permanent Employees | 12.75%                     | 0.00%  | 12.38% | 16.59%                     | 28.57% | 16.98% | 9.22%                      | 0      | 9.22% |
| Permanent Workers   | 4.24%                      | 0.00%  | 4.24%  | 9.96%                      | 0.00%  | 9.96%  | 6.97%                      | 0      | 6.97% |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21. (a) Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding/ subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|--------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 1.     | SPGPrints B.V., the Netherlands                                          | Holding Company                                                | 71.06%                            | Yes                                                                                                                          |

**VI. CSR Details**

- 22.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes  
(ii) Turnover : ₹ 2,345.70 Million  
(iii) Net worth : ₹ 1249.63 Million

**VII. Transparency and Disclosures Compliances****23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No)              | FY 2024                                    |                                                              |         | FY 2023                                    |                                                              |         |
|---------------------------------------------------|--------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------|---------|--------------------------------------------|--------------------------------------------------------------|---------|
|                                                   | (If Yes, then provide web-link for grievance redress policy) | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                       | -                                                            | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Investors (other than shareholders)               | -                                                            | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Shareholders                                      | Yes<br>(See note 1)                                          | 2                                          | 0                                                            | -       | 10                                         | 1                                                            | -       |
| Employees and workers                             | Yes<br>(See note 2)                                          | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Customers                                         | Yes<br>(See note 3)                                          | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Value Chain Partners                              | Yes                                                          | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Other (please specify)                            | -                                                            | -                                          | -                                                            | -       | -                                          | -                                                            | -       |

The Whistle Blower policy of the Company encompass all the stakeholders to raise their concern or complaint, and the policy is available on the website of the Company, weblink of which is given in this annual report.

**Note:**

- Shareholders complaints are dealt with by the Secretarial team and reported to SRC and Stock Exchange.
- Employees may report their complaints or concerned to the respective HOD and escalated to HR/MD level in case of no satisfactory redressal.
- Customer complaints with respect to the Company's goods have been taken care of by a separate team and resolved within the committed timelines.

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

| S. No. | Material issue identified                                        | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity                                                       | In case of risk, approach to adapt or mitigate                                                                                                              | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 1.     | Well-being of employees                                          | Risk cum Opportunity                       | The company places the highest priority on the health and well-being of its employees and workers.   | Conducting health check-ups at a reputed hospital every two years, and annually for employees over 50; providing a group Medclaim policy for all employees. | Expenses related to health check-ups and group Medclaim policy.                                |
| 2      | Adoption of Renewable Energy – Solar Panel Installation          | Opportunity                                | Contributing to the reduction of carbon footprint.                                                   | -                                                                                                                                                           | Capital investment required for installation.                                                  |
| 3      | Use of natural light in production facility & Uses of LED lights | Opportunity                                | Promoting energy efficiency through reduced power consumption.                                       | -                                                                                                                                                           | Costs for replacing existing lighting with energy-efficient options.                           |
| 4      | CSR                                                              | Opportunity                                | Upholding the company's commitment to social responsibility.                                         | -                                                                                                                                                           | None, Statutory Obligations.                                                                   |
| 5      | Continuous development of employees.                             | Opportunity                                | A highly skilled and motivated workforce enhances operational efficiency and fosters innovation      | -                                                                                                                                                           | Costs associated with training and development programs.                                       |
| 6      | Strengthening Supply Chain Resilience                            | Risk & Opportunity                         | Reducing dependency on single supplier that could reduce risk of operational delays and disruptions. | Building strategic partnerships, and implementing risk management strategies for the supply chain.                                                          | Associated cost for optimising SCM network.                                                    |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions                                                                                                           | P 1                                                                                                | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and management processes</b>                                                                                         |                                                                                                    |     |     |     |     |     |     |     |     |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)- (refer note-1) | Y                                                                                                  | Y   | Y   | Y   | Y   | Y   | N   | Y   | Y   |
| b. Has the policy been approved by the Board? (Yes/No)- (refer note-2)                                                         | Y                                                                                                  | Y   | Y   | Y   | Y   | Y   | -   | Y   | Y   |
| c. Web Link of the Policies, if available                                                                                      | All policies placed on the Company's website at <a href="http://www.stovec.com">www.stovec.com</a> |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures. (Yes / No)                                                    | Y                                                                                                  | Y   | Y   | Y   | Y   | Y   | -   | Y   | Y   |



| Disclosure Questions                                                                                                                                                                                                                                       | P 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)                                                                                                                                                                                  | Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Y   | Y   | Y   | Y   | Y   | -   | Y   | Y   |
| 4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO 9001:2015 for Quality Management System                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     |     |     |     |     |     |     |     |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.                                                                                                                                                               | <ul style="list-style-type: none"><li>• Reuse of wood packing material</li><li>• Use of alternate packaging (corrugated in place of wood)</li><li>• Use of LED &amp; most Energy efficient equipment</li><li>• Energy saving initiatives in electroforming</li><li>• Remaining cost competitive through various initiatives</li><li>• Power purchase through Open Access</li><li>• recycling of 100% hazardous /non-hazardous waste</li><li>• use of clean fuel</li></ul>                                                         |     |     |     |     |     |     |     |     |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.                                                                                                                          | Ongoing activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |     |     |     |     |     |     |     |
| Governance, leadership and oversight                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |     |     |     |     |     |     |     |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)                                      | We always strive to enhance our strategies and commitments towards being a responsible business while we continue to transparently share our sustainability performance and goals moving forward. In our efforts we maintain an honest accountability towards our communities, stakeholders, and shareholders.<br>Transparency is key, as we openly share our sustainability performance and goals. We maintain honest accountability to our communities, stakeholders, and shareholders, fostering a responsible business ethos. |     |     |     |     |     |     |     |     |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).                                                                                                                              | Mr. Shailesh Wani, Managing Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |     |     |     |     |     |     |     |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.                                                                                | Mr. Shailesh Wani, Managing Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |     |     |     |     |     |     |     |

#### 10. Details of Review of NGRBCs by the Company:

| Subject for Review                                                                                              | Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee                                                                                                                                                |     |     |     |     |     |     |     |     | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |     |     |     |     |     |     |     |     |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|--------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                                                                                 | P 1                                                                                                                                                                                                                                            | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1                                                                      | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action                                                         | The Board of Directors of the Company through its Managing Director or internal committee, assesses the performance of the referred policies.                                                                                                  |     |     |     |     |     |     |     |     | On need basis                                                            |     |     |     |     |     |     |     |     |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | The Company adhere to the compliance of all applicable laws and the same are confirmed by the respective functional heads to be Managing Director and he in turn confirm to the Board at its meeting by way of certificate on quarterly basis. |     |     |     |     |     |     |     |     | quarterly                                                                |     |     |     |     |     |     |     |     |

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. (Refer note 3)

| P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| N   | N   | -   | N   | N   | N   | N   | N   | N   |

12. If answer to question (1) above is “No”, reasons to be stated:

| Questions                                                                                                                       | P 1                                                 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the principles material to its business (Yes/No)                                                   | -                                                   | -   | -   | -   | -   | -   | -   | -   | -   |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | -                                                   | -   | -   | -   | -   | -   | Y   | -   | -   |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         | -                                                   | -   | -   | -   | -   | -   | -   | -   | -   |
| It is planned to be done in the next financial year (Yes/No)                                                                    | -                                                   | -   | -   | -   | -   | -   | -   | -   | -   |
| Any other reason (please specify)                                                                                               | Company do not feel immediate need to formulate it. |     |     |     |     |     |     |     |     |

**Notes:**

- The Company's Code of Business Conduct & Ethics broadly covers the above principles. Other statutory policies such as insider trading policy and code of fair disclosure, policy on related party transactions and material subsidiary, whistle blower policy, familiarization program, CSR policy, policy on prevention of documents and archival policy, policy for determining material information, policy on prevention of sexual harassment of women at workplace etc. are supportive to cover the principles.
- As a process, all policies have been considered and noted by the Board/Committee/s of the Board and authenticated by Managing Director of the Company.
- No independent audit of the policies has been carried out, however, Internal Audit Function periodically looks at the implementation thereof.

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment                                       | Total number of training and awareness programmes held                                                                                                                                                                                                | Topics / principles covered under the training and its impact | % age of persons in respective category covered by the awareness programmes |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------|
| Board of Directors & Key Managerial Personnel | Industry overview and business updates are given by the Managing Director during the board meeting while considering financial results of the Company. Regulatory updates under familiarization program are circulated from time to time.             |                                                               | 100%                                                                        |
| Employees other than BoD and KMPs<br>Workers  | Awareness program on insider trading regulations, whistle blower mechanism and code of business conduct and ethics are conducted, from time to time. Safety training, soft skill training and technical training are also arranged from time to time. |                                                               | 100%                                                                        |



2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):** None

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details   | Name of the regulatory/ enforcement agencies/ judicial institutions |
|----------------|---------------------------------------------------------------------|
| Not applicable |                                                                     |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy- Stovec, while not having a specific anti-corruption policy separately, upholds ethical standards through the Code of Business Conduct & Ethics. This code fosters positivity by encouraging all stakeholders to embrace accountability, transparency, and ethical behaviour in their daily work, addressing a range of issues beyond corruption and bribery.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:** None

|           | FY 2024 | FY 2023 |
|-----------|---------|---------|
| Directors | None    |         |
| KMPs      |         |         |
| Employees |         |         |
| Workers   |         |         |

6. **Details of complaints with regard to conflict of interest:**

|                                                                                              | FY 2024 |                                                      | FY 2023 |         |
|----------------------------------------------------------------------------------------------|---------|------------------------------------------------------|---------|---------|
|                                                                                              | Number  | Remarks                                              | Number  | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | None    | the Directors make disclosure of interest quarterly. |         |         |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      |         |                                                      |         |         |

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest-**Not Applicable

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

|       | FY 2024 | FY 2023 | Details of improvements in environmental and social impacts |
|-------|---------|---------|-------------------------------------------------------------|
| R&D   | Nil     | Nil     | --                                                          |
| Capex | Nil     | 4.9%    | --                                                          |

2. **a. Does the entity have procedures in place for sustainable sourcing -** No

**b. If yes, what percentage of inputs were sourced sustainably -** Not applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:** The Company does not have any specific product to reclaim at the end of life, but we have waste management systems in place at our facilities. We dispose plastic waste, E-waste, Hazardous waste, and other waste to Gujrat Pollution Control Board (GPCB) authorized recycler or vendor with the appropriate documentation as per Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same- Yes, we work in compliance of Plastic Waste Management Rules, 2015 and the Extended Producer Responsibility (EPR) guidelines and we are registered under the Extended Producer Responsibility as a brand owner & importer.

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

#### Essential Indicators

1. a. Details of measures for the well-being of employees (office staff):

| Category                       | % of employees covered by |                  |              |                    |              |                    |              |                    |              |                     |              |
|--------------------------------|---------------------------|------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|---------------------|--------------|
|                                | Total<br>(A)              | Health insurance |              | Accident insurance |              | Maternity benefits |              | Paternity Benefits |              | Day Care facilities |              |
|                                |                           | Number<br>(B)    | % (B /<br>A) | Number<br>(C)      | % (C /<br>A) | Number<br>(D)      | % (D /<br>A) | Number<br>(E)      | % (E /<br>A) | Number<br>(F)       | % (F /<br>A) |
| Permanent employees            |                           |                  |              |                    |              |                    |              |                    |              |                     |              |
| Male                           | 104                       | 104              | 100%         | 104                | 100%         | -                  | -            | -                  | -            | 104                 | 100%         |
| Female                         | 3                         | 3                | 100%         | 3                  | 100%         | 3                  | 100%         | -                  | -            | 3                   | 100%         |
| Total                          | 107                       | 107              | 100%         | 107                | 100%         | 3                  | 100%         | 0                  | 0            | 107                 | 100%         |
| Other than Permanent employees |                           |                  |              |                    |              |                    |              |                    |              |                     |              |
| Male                           | -                         | -                | -            | -                  | -            | -                  | -            | -                  | -            | -                   | -            |
| Female                         | -                         | -                | -            | -                  | -            | -                  | -            | -                  | -            | -                   | -            |
| Total                          | -                         | -                | -            | -                  | -            | -                  | -            | -                  | -            | -                   | -            |

- b. Details of measures for the well-being of workers:

| Category                     | % of workers covered by |                  |              |                    |              |                    |              |                    |              |                     |              |
|------------------------------|-------------------------|------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|---------------------|--------------|
|                              | Total<br>(A)            | Health insurance |              | Accident insurance |              | Maternity benefits |              | Paternity Benefits |              | Day Care facilities |              |
|                              |                         | Number<br>(B)    | % (B /<br>A) | Number<br>(C)      | % (C /<br>A) | Number<br>(D)      | % (D /<br>A) | Number<br>(E)      | % (E /<br>A) | Number<br>(F)       | % (F /<br>A) |
| Permanent workers            |                         |                  |              |                    |              |                    |              |                    |              |                     |              |
| Male                         | 146                     | 146              | 100%         | 146                | 100%         | -                  | -            | -                  | -            | 146                 | 100%         |
| Female                       | 0                       | 0                | 0            | 0                  | 0            | -                  | -            | -                  | -            | -                   | -            |
| Total                        | 146                     | 146              | 100%         | 146                | 100%         | -                  | -            | -                  | -            | 146                 | 100%         |
| Other than Permanent workers |                         |                  |              |                    |              |                    |              |                    |              |                     |              |
| Male                         | 37                      | 37               | 100%         | 37                 | 100%         | -                  | -            | 0                  | 0            | 37                  | 100%         |
| Female                       | -                       | -                | -            | -                  | -            | -                  | -            | -                  | -            | -                   | -            |
| Total                        | 37                      | 37               | 100%         | 37                 | 100%         | -                  | -            | 0                  | 0            | 37                  | 100%         |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

|                | FY 2024                                            |                                                |                                                      | FY 2023                                            |                                                |                                                      |
|----------------|----------------------------------------------------|------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------------------|
|                | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF             | 100%                                               | 100%                                           | Y                                                    | 100%                                               | 100%                                           | Y                                                    |
| Gratuity       | 100%                                               | 100%                                           | Y                                                    | 100%                                               | 100%                                           | Y                                                    |
| ESI            | 0.00%                                              | 13.70%                                         | Y                                                    | 1%                                                 | 29.50%                                         | Y                                                    |
| Leave Benefits | 100%                                               | 100%                                           | N.A.                                                 | 100%                                               | 100%                                           | N.A.                                                 |



### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard- Yes, Company has made appropriate arrangements for disabled persons to access the company offices or factory premises.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy-

There have been no separate policy to this effect, we believe in equal opportunity and inclusion for all those associated with the company. A mix of backgrounds, opinions, and talents enriches the organisation and helps in the achievement of success. Company rejoices importance of diversity in workplaces. Company recognizes the importance of maintaining and promoting fundamental human rights in all operations and provides and promotes the grant of fair and equitable wages, benefits, and other conditions of employment. Everyone is valued and respected for their unique contributions in the group. Company understands and respects the different roles that each person representing it plays in the success and growth of its business. The principles of mutual trust, teamwork and spirit are core values that the Company abides by and strives to maintain.

### 5. Return to work and Retentions rates of permanent employees and workers that took parental leave.-

None

| Gender       | Permanent employees |                | Permanent workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male         | -                   | -              | -                   | -              |
| Female       | -                   | -              | -                   | -              |
| <b>Total</b> | -                   | -              | -                   | -              |

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief-

|                                | Yes/No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|--------------------------------------------------------------|
| Permanent Workers              | Yes                                                          |
| Other than Permanent Workers   | Yes                                                          |
| Permanent Employees            | Yes                                                          |
| Other than Permanent Employees | Yes                                                          |

The organization believe in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management. The Company follows an open-door policy, wherein any employee irrespective of hierarchy has access to the senior management. In addition, the Whistle-blower Initiative provides a formal platform to share grievances. New recruits are also educated on the whistle blower mechanism and forms part of the employee induction programme. The Company has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and set up an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which is responsible for conducting inquiries pertaining to such complaints.

### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: We recognize the right to freedom of our employees and workers. The Company do have one recognised workers union.

| Category                         | FY 2024                                              |                                                                                                |             | FY 2023                                              |                                                                                                |             |
|----------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------|
|                                  | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A)   | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C)   |
| <b>Total Permanent Employees</b> | <b>107</b>                                           | -                                                                                              | -           | <b>103</b>                                           | -                                                                                              | -           |
| - Male                           | 104                                                  | -                                                                                              | -           | 100                                                  | -                                                                                              | -           |
| - Female                         | 3                                                    | -                                                                                              | -           | 3                                                    | -                                                                                              | -           |
| <b>Total Permanent Workers</b>   | <b>146</b>                                           | <b>146</b>                                                                                     | <b>100%</b> | <b>137</b>                                           | <b>137</b>                                                                                     | <b>100%</b> |
| - Male                           | 146                                                  | 146                                                                                            | 100%        | 137                                                  | 137                                                                                            | 100%        |
| - Female                         | -                                                    | -                                                                                              | -           | -                                                    | -                                                                                              | -           |

## 8. Details of training given to employees and workers

| Category  | FY 2024      |                                     |              |                         |              | FY 2023      |                                  |              |                         |              |
|-----------|--------------|-------------------------------------|--------------|-------------------------|--------------|--------------|----------------------------------|--------------|-------------------------|--------------|
|           | Total<br>(A) | On Health<br>and safety<br>measures |              | On Skill<br>upgradation |              | Total<br>(D) | On Health and<br>safety measures |              | On Skill<br>upgradation |              |
|           |              | No.<br>(B)                          | % (B /<br>A) | No.<br>(C)              | % (C /<br>A) |              | Number<br>(E)                    | % (E /<br>D) | Number<br>(F)           | % (F /<br>D) |
|           |              |                                     |              |                         |              |              |                                  |              |                         |              |
| Employees |              |                                     |              |                         |              |              |                                  |              |                         |              |
| Male      | 104          | 104                                 | 100%         | 104                     | 100%         | 100          | 100                              | 100%         | 100                     | 100%         |
| Female    | 3            | 3                                   | 100%         | 3                       | 100%         | 3            | 3                                | 100%         | 3                       | 100%         |
| Total     | 107          | 107                                 | 100%         | 100%                    | 100%         | 103          | 103                              | 100%         | 103                     | 100%         |
| Workers   |              |                                     |              |                         |              |              |                                  |              |                         |              |
| Male      | 183          | 183                                 | 100%         | 183                     | 100%         | 176          | 176                              | 100%         | 176                     | 100%         |
| Female    | 0            | 0                                   | 0            | 0                       | 0            | 0            | 0                                | 0            | 0                       | 0            |
| Total     | 183          | 183                                 | 100%         | 183                     | 100%         | 176          | 176                              | 100%         | 176                     | 100%         |

## 9. Details of performance and career development reviews of employees and worker:

| Category         | FY 2024                                                                                                                           |           |               | FY 2023    |           |               |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------|---------------|------------|-----------|---------------|
|                  | Total (A)                                                                                                                         | No. (B)   | % (B / A)     | Total (C)  | No. (D)   | % (D / C)     |
| <b>Employees</b> |                                                                                                                                   |           |               |            |           |               |
| - Male           | 104                                                                                                                               | 82        | 78.85%        | 100        | 92        | 92%           |
| - Female         | 3                                                                                                                                 | 3         | 100%          | 3          | 3         | 100%          |
| <b>Total</b>     | <b>107</b>                                                                                                                        | <b>85</b> | <b>79.44%</b> | <b>103</b> | <b>95</b> | <b>92.23%</b> |
| <b>Workers</b>   |                                                                                                                                   |           |               |            |           |               |
| - Male           | All the workers are member of union, and their performance, are reviewed in 3 years interval under the wage settlement agreement. |           |               |            |           |               |
| - Female         |                                                                                                                                   |           |               |            |           |               |
| <b>Total</b>     |                                                                                                                                   |           |               |            |           |               |

The performance management system aims to promote a fair and transparent system of appraisal, which ensures a method of evaluating each employee's performance and potential, while recognizing their accomplishments.

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system-

Yes, it is. It covers through the 1) Training & Education, 2) Personal Protection Equipment (PPE) procurement 3) Work Permit System, 4) LOTO System, 5) Third Party Safety Audit. The general medical examination of employees and workers is also being conducted by the company once in every two years. For 50 plus, it done once in a year.

The Company has a policy on health and safety for its employees called EHS Policy. Periodic internal communication and awareness sessions are conducted on safety related aspects. Employees are given training on basic and advanced fire safety, including evacuation drills periodically.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity- 1) Plant Inspection/Check List by area manager, 2) Quarterly safety audit by area manager, 3) Daily safety round.

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)- Worker may approach to safety department or operational head to report such hazards and the safety meetings have also been conducted to assess the risk and mitigate them. Safety display board have also been installed where the risk is prime so that worker can keep themselves out of danger.

### d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)- Yes, the first aid box kept for the purpose is accessible to all the employees /workers for the quick or instant relief. For all emergency, the company has ambulance facility to take the patient to the nearby hospitals, the company has arrangement with it.

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number                                                        | Category  | FY 2024<br>Current Financial<br>Year | FY 2023<br>Previous Financial<br>Year |
|-------------------------------------------------------------------------------|-----------|--------------------------------------|---------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | Nil                                  | Nil                                   |
|                                                                               | Workers   | 3.69                                 | 5.16                                  |
| Total recordable work-related injuries                                        | Employees | Nil                                  | Nil                                   |
|                                                                               | Workers   | 1                                    | Nil                                   |
| No. of fatalities                                                             | Employees | Nil                                  | Nil                                   |
|                                                                               | Workers   | Nil                                  | Nil                                   |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | Nil                                  | Nil                                   |
|                                                                               | Workers   | Nil                                  | Nil                                   |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace-** 1) Training & Education, 2) PPE Procurement, 3) Reporting, Investigation & Accident, 4) Conduct workplace air monitoring in chemical zone, 5) Good Housing keeping 6) maintenance of adequate greenery around the factory premises.**13. Number of Complaints on the following made by employees and workers:**

|                    | FY 2024               |                                       |         | FY 2023               |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil                   |                                       |         |                       |                                       |         |
| Health & Safety    |                       |                                       |         |                       |                                       |         |

**14. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|-------------------------------------------------------------------------------------------------------|
| Health and safety practices | 100%                                                                                                  |
| Working Conditions          | 100%                                                                                                  |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions-**  
The Company has Installed CO2 flooding system in electrical panels for prevention of fire risk as suggested by Director Industrial Safety and Health (DISH) remarks.**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity-** Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. Stovec has recognized both, internal stakeholder which includes employees, workers and external stakeholder which includes external channels such as regulators, investors, auditors, advisors, consultants, shareholders and community.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group-

| Stakeholder Group   | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other) | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement                                         |
|---------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Shareholders        | No                                                              | Company's website, communications and disclosures to SEBI and stock exchange.                                                 | Maximum at quarterly interval                                                        | Quarterly financial performance of the Company and all other necessary disclosures in due time.                                         |
| Employees/ Workers  | Mixed                                                           | Company's policies, emails and interactive meetings                                                                           | Need basis                                                                           | Safe, fair and conducive work environment, Career development and growth opportunities, Grievance mechanisms                            |
| Society             | Mixed                                                           | Email, websites and magazines                                                                                                 | Event base                                                                           | Career opportunities and employment, skill development, livelihood and educational support through CSR activities. Business Information |
| Suppliers/ Partners | No                                                              | Personal meetings and email correspondences                                                                                   | Ongoing                                                                              | Raw material procurements and for availing various other services                                                                       |
| Customers           | No                                                              | Emails, personal meetings, telephonic calls                                                                                   | Ongoing                                                                              | Product information, sales and dispatch matters, bills receivables etc.                                                                 |

**PRINCIPLE 5 Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: None

| Category               | FY 2024   |                                        |           | FY 2023 |                                        |           |
|------------------------|-----------|----------------------------------------|-----------|---------|----------------------------------------|-----------|
|                        | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total € | No. of employees / workers covered (D) | % (D / C) |
| <b>Employees</b>       |           |                                        |           |         |                                        |           |
| Permanent              | -         | -                                      | -         | -       | -                                      | -         |
| Other than permanent   | -         | -                                      | -         | -       | -                                      | -         |
| <b>Total Employees</b> | -         | -                                      | -         | -       | -                                      | -         |
| <b>Workers</b>         |           |                                        |           |         |                                        |           |
| Permanent              | -         | -                                      | -         | -       | -                                      | -         |
| Other than permanent   | -         | -                                      | -         | -       | -                                      | -         |
| <b>Total Employees</b> | -         | -                                      | -         | -       | -                                      | -         |



## 2. Details of minimum wages paid to employees and workers, in the following format:

| Category             | FY 2024      |                             |              |                              |              | FY 2023      |                             |              |                              |              |
|----------------------|--------------|-----------------------------|--------------|------------------------------|--------------|--------------|-----------------------------|--------------|------------------------------|--------------|
|                      | Total<br>(A) | Equal to<br>Minimum<br>Wage |              | More than<br>Minimum<br>Wage |              | Total<br>(D) | Equal to<br>Minimum<br>Wage |              | More than<br>Minimum<br>Wage |              |
|                      |              | No.<br>(B)                  | % (B /<br>A) | No.<br>(C)                   | % (C /<br>A) |              | No.<br>(E)                  | % (E /<br>D) | No. (F)                      | % (F /<br>D) |
|                      |              |                             |              |                              |              |              |                             |              |                              |              |
| Employees            |              |                             |              |                              |              |              |                             |              |                              |              |
| Permanent            | 107          | 0                           | 0%           | 107                          | 100%         | 103          | -                           | -            | 103                          | 100%         |
| Male                 | 104          | 0                           | 0%           | 104                          | 100%         | 100          | -                           | -            | 100                          | 100%         |
| Female               | 3            | 0                           | 0%           | 3                            | 100%         | 3            | -                           | -            | 3                            | 100%         |
| Other than Permanent | -            | -                           | -            | -                            | -            | -            | -                           | -            | -                            | -            |
| Male                 | -            | -                           | -            | -                            | -            | -            | -                           | -            | -                            | -            |
| Female               | -            | -                           | -            | -                            | -            | -            | -                           | -            | -                            | -            |
| Workers              |              |                             |              |                              |              |              |                             |              |                              |              |
| Permanent            | 146          | 0                           | 0%           | 146                          | 100%         | 137          | -                           | -            | 137                          | 100%         |
| Male                 | 146          | 0                           | 0%           | 146                          | 100%         | 137          | -                           | -            | 137                          | 100%         |
| Female               | -            | -                           | -            | -                            | -            | -            | -                           | -            | -                            | -            |
| Other than Permanent | 37           | 0                           | 0%           | 37                           | 100%         | 39           | -                           | -            | 39                           | 100%         |
| Male                 | 37           | 0                           | 0%           | 37                           | 100%         | 39           | -                           | -            | 39                           | 100%         |
| Female               | -            | -                           | -            | -                            | -            | -            | -                           | -            | -                            | -            |

## 3. Details of remuneration/salary/wages, in the following format:

(₹ in Mn)

|                                  | Male   |                                                                 | Female |                                                                 |
|----------------------------------|--------|-----------------------------------------------------------------|--------|-----------------------------------------------------------------|
|                                  | Number | Median remuneration/<br>salary/ wages of<br>respective category | Number | Median remuneration/<br>salary/ wages of<br>respective category |
| Board of Directors (BoD)         | 05     | 0.49                                                            | 01     | 0.36                                                            |
| Key Managerial Personnel         | 03     | 6.32                                                            | 0      | -                                                               |
| Employees other than BoD and KMP | 101    | 0.99                                                            | 3      | 1.54                                                            |
| Workers                          | 146    | 0.51                                                            | 0      | -                                                               |

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)- No

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues- All employees and workers grievance related matters are handled by HR department.

## 6. Number of Complaints on the following made by employees and workers:

|                                   | FY 2024                     |                                                |         |  | FY 2023                     |                                                |         |
|-----------------------------------|-----------------------------|------------------------------------------------|---------|--|-----------------------------|------------------------------------------------|---------|
|                                   | Filed<br>during the<br>year | Pending<br>resolution<br>at the end<br>of year | Remarks |  | Filed<br>during the<br>year | Pending<br>resolution<br>at the end<br>of year | Remarks |
| Sexual Harassment                 | Nil                         | Nil                                            | -       |  | Nil                         | Nil                                            | -       |
| Discrimination at workplace       | Nil                         | Nil                                            | -       |  | Nil                         | Nil                                            | -       |
| Child Labour                      | Nil                         | Nil                                            | -       |  | Nil                         | Nil                                            | -       |
| Forced Labour/Involuntary Labour  | Nil                         | Nil                                            | -       |  | Nil                         | Nil                                            | -       |
| Wages                             | Nil                         | Nil                                            | -       |  | Nil                         | Nil                                            | -       |
| Other human rights related issues | Nil                         | Nil                                            | -       |  | Nil                         | Nil                                            | -       |

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases-** Neither Company promote nor tolerate any discrimination and /or harassment in its working, hence we follow no discrimination no harassment policy but believe in equal treatment.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)-** Yes

9. **Assessments for the year:**

|                             | % of your plants and offices that were assessed<br>(by entity or statutory authorities or third parties) |
|-----------------------------|----------------------------------------------------------------------------------------------------------|
| Child labour                | 100%                                                                                                     |
| Forced/involuntary labour   | 100%                                                                                                     |
| Sexual harassment           | 100%                                                                                                     |
| Discrimination at workplace | 100%                                                                                                     |
| Wages                       | 100%                                                                                                     |
| Others – please specify     | -                                                                                                        |

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above-** No risks are noticed.

#### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

##### Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter                                                                                | FY 2024                    | FY 2023                    |
|------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Total electricity consumption (A)                                                        | 50079.600 Gigajoule        | 43773.696 Gigajoule        |
| Total fuel consumption (B)                                                               | 14522.536 Gigajoule        | 17268.998 Gigajoule        |
| Energy consumption through other sources (C)                                             | Nil                        | Nil                        |
| <b>Total energy consumption (A+B+C)</b>                                                  | <b>64602.136 Gigajoule</b> | <b>61042.694 Gigajoule</b> |
| Energy intensity per rupee of turnover<br>(Total energy consumption/ turnover in rupees) | 0.0028                     | 0.0029                     |
| Energy intensity (optional) – the relevant metric may be selected by the entity          | -                          | -                          |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any-** Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter                                                                       | FY 2024         | FY 2023         |
|---------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Water withdrawal by source (in kiloliters)</b>                               |                 |                 |
| (i) Surface water                                                               | 0.00            | 0.00            |
| (ii) Groundwater                                                                | 22098.41        | 22442.48        |
| (iii) Third party water                                                         | 30594.10        | 28984.72        |
| (iv) Seawater / desalinated water                                               | 0.00            | 0.00            |
| (v) Others                                                                      | 0.00            | 0.00            |
| <b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b> | <b>52692.51</b> | <b>51427.20</b> |
| Total volume of water consumption (in kiloliters)                               | 32587.51        | 33781.47        |
| Water intensity per rupee of turnover<br>(Water consumed / turnover)            | 0.0014          | 0.0016          |
| Water intensity (optional) – the relevant metric may be selected by the entity  | -               | -               |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No



4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation-** No

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter                           | Please specify unit | FY 2024        | FY 2023        |
|-------------------------------------|---------------------|----------------|----------------|
| NOx                                 | Mg/Nm <sup>3</sup>  | 3.61           | 1.33           |
| SOx                                 | PPM                 | 4.75           | 2.12           |
| Particulate matter (PM)             | PPM                 | 10.52          | 7.15           |
| Persistent organic pollutants (POP) | Not applicable      | Not applicable | Not applicable |
| Volatile organic compounds (VOC)    | Not applicable      | Not applicable | Not applicable |
| Hazardous air pollutants (HAP)      | Not applicable      | Not applicable | Not applicable |
| Others – please specify             | Not applicable      | Not applicable | Not applicable |

We monitor air emissions on quarterly basis as per Gujarat Pollution Control Board (GPCB) rules, above are the air emissions data from the stack attached in Hot water Generator.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, assessment has been carried out by the Metro Enviro Chem Association which is authorized environment agency under the schedule II auditors approved by the Gujarat pollution control board.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter                                                                                                                                                             | Unit                                        | FY 2024 | FY 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------|---------|
| Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tons of CO <sub>2</sub> equivalent   | 687MT   | 758MT   |
| Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 7963MT  | 6376MT  |
| Total Scope 1 and Scope 2 emissions per rupee of turnover                                                                                                             | Metric tonnes of CO <sub>2</sub> equivalent | 0.0003  | 0.0003  |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity                                                           | -                                           | -       | -       |
| Volatile organic compounds (VOC)                                                                                                                                      | -                                           | -       | -       |
| Hazardous air pollutants (HAP)                                                                                                                                        | -                                           | -       | -       |
| Others – please specify                                                                                                                                               | -                                           | -       | -       |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details-** No

8. **Provide details related to waste management by the entity, in the following format:**

| Parameter                                                                                                                           | FY 2024          | FY 2023          |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Total Waste generated (in metric tonnes)                                                                                            |                  |                  |
| Plastic waste (A)                                                                                                                   | 4.31             | Nil              |
| E-waste (B)                                                                                                                         | Nil              | Nil              |
| Bio-medical waste (C)                                                                                                               | Nil              | Nil              |
| Construction and demolition waste (D)                                                                                               | Nil              | Nil              |
| Battery waste (E)                                                                                                                   | Nil              | Nil              |
| Radioactive waste (F)                                                                                                               | Nil              | Nil              |
| Other Hazardous waste. Please specify, if any. (G)                                                                                  | 88.11 MT         | 73.80 MT         |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 124.59 MT        | 100.5 MT         |
| <b>Total (A+B + C + D + E + F + G + H)</b>                                                                                          | <b>217.01 MT</b> | <b>174.30 MT</b> |

| Parameter                                                                                                                                      | FY 2024          | FY 2023          |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b> |                  |                  |
| Category of waste                                                                                                                              | -                | -                |
| (i) Recycled                                                                                                                                   |                  |                  |
| Non-Hazardous                                                                                                                                  | 128.90           | 100.50 MT        |
| Hazardous                                                                                                                                      | 88.11            | 71.19 MT         |
| (ii) Re-used                                                                                                                                   | Nil              | Nil              |
| (iii) Other recovery operations                                                                                                                | Nil              | Nil              |
| <b>Total</b>                                                                                                                                   | <b>217.01 MT</b> | <b>171.69 MT</b> |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>                              |                  |                  |
| Category of waste                                                                                                                              | -                | -                |
| (i) Incineration                                                                                                                               | Nil              | 2.61 MT          |
| (ii) Landfilling                                                                                                                               | Nil              | Nil              |
| (iii) Other disposal operations                                                                                                                | Nil              | Nil              |
| <b>Total</b>                                                                                                                                   | <b>Nil</b>       | <b>2.61 MT</b>   |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes-** We have waste management systems in place at our facilities. We segregate waste into Hazardous and non-hazardous like plastic, wooden, glass, MS scrape, Paper & card etc. and incinerable & Land fill waste at our premises. All hazardous and non-hazardous waste are disposed-off through authorized recycler or vendor. The procedure for managing waste is as per Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. The hazardous wastages are sent to the authorized vendor where waste is disposed of with appropriate method and the necessary required documents are submitted to Gujarat Pollution Control Board.
10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**  
Not Applicable

| Sr. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N)<br>If no, the reasons thereof and corrective action taken, if any. |
|---------|--------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                |                    | Nil                                                                                                                                                            |

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:** Not applicable

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|-------------------------------------------------------------|--------------------------------------------------|-------------------|
|                                   |                      |      |                                                             |                                                  |                   |

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the company has complied with all applicable environmental laws/ regulations/ guidelines in India.

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|-----------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------|
|        | Nil                                                                   | Nil                                   | Nil                                                                                                       | Nil                             |



**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.: 03
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------|-------------------------------------------------------|---------------------------------------------------------------------|
| 1      | Textile Machinery Manufacturers Association (TMMA)    | National                                                            |
| 2      | Gujarat Chamber of Commerce & Industry (GCCCI)        | State                                                               |
| 3      | Ahmedabad Management Association (AMA)                | State                                                               |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities-

Not applicable since the Company has not received any such order from any of the regulatory authorities towards issues related to anti-competitive conduct.

| Name of Authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| Not applicable    |                   |                         |

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development:**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year-

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|-------------------------------------------------------------|--------------------------------------------------|-------------------|
| Not applicable                    |                      |                      |                                                             |                                                  |                   |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S. No.         | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|----------------|------------------------------------------|-------|----------|-----------------------------------------|--------------------------|-----------------------------------------|
| Not applicable |                                          |       |          |                                         |                          |                                         |

3. Describe the mechanisms to receive and redress grievances of the community- All general communication including grievances may be submitted at [info@stovec.com](mailto:info@stovec.com).

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

|                                                                     | FY 2024 | FY 2023 |
|---------------------------------------------------------------------|---------|---------|
| Directly sourced from MSMEs/ small producers                        | 13 %    | 8%      |
| Sourced directly from within the district and neighboring districts | 28 %    | 30%     |

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback- There has been no consumer complaints made during the year. The Company has a robust system to track and respond to customer complaints. The customer complaints with respect to the Company's goods have been taken care of by a separate team and resolved within the committed timelines.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

|                                                             | As a percentage to total turnover |
|-------------------------------------------------------------|-----------------------------------|
| Environmental and social parameters relevant to the product | NA                                |
| Safe and responsible usage                                  | NA                                |
| Recycling and/or safe disposal                              | NA                                |

**3. Number of consumer complaints in respect of the following:**

|                                | FY 2024                  |                                   | Remarks | FY 2023                  |                                   | Remarks |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|                                | Received during the year | Pending resolution at end of year |         | Received during the year | Pending resolution at end of year |         |
| Data privacy                   | Nil                      | Nil                               | -       | Nil                      | Nil                               | -       |
| Advertising                    | Nil                      | Nil                               | -       | Nil                      | Nil                               | -       |
| Cyber-security                 | Nil                      | Nil                               | -       | Nil                      | Nil                               | -       |
| Delivery of essential services | Nil                      | Nil                               | -       | Nil                      | Nil                               | -       |
| Restrictive Trade Practices    | Nil                      | Nil                               | -       | Nil                      | Nil                               | -       |
| Unfair Trade Practices         | Nil                      | Nil                               | -       | Nil                      | Nil                               | -       |
| Other                          | -                        | -                                 | -       | -                        | -                                 | -       |

**4. Details of instances of product recalls on account of safety issues:**

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | None   |                    |
| Forced recalls    |        |                    |

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy-**

The Company has policy in place at group level to this effect.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services-**

There are no such instances.



## Annexure-V

**FORM NO. AOC- 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.****1. Details of contracts or arrangements or transactions not at arm's length basis: N.A.****2. Details of material contracts or arrangement or transactions at arm's length basis:**

|    |                                                                                            |                                                                                                                                                                                                                                                                                                                               |                                                                       |
|----|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| a) | Name(s) of the related party and nature of relationship:                                   | SPGPrints Baskı Sistemleri Tic. Ltd. Şti., fellow subsidiary in Turkey.                                                                                                                                                                                                                                                       | SPGPrints B.V., the Netherlands, Holding Company                      |
| b) | Nature of contracts/arrangements/ transactions:                                            | Sale of goods i.e., rotary screens and spares                                                                                                                                                                                                                                                                                 |                                                                       |
| c) | Duration of the contracts/arrangements/ transactions                                       | Three years i.e. FY2024, FY2025 and FY2026                                                                                                                                                                                                                                                                                    |                                                                       |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | <p>Company has sold rotary printing screens and spares in the ordinary course of business at arm's length pricing on the basis of benchmarking report of independent valuer and conforming to the international transfer pricing criteria.</p> <p>Arrangement made to cater global market and gain quantitative benefits.</p> |                                                                       |
|    |                                                                                            | Transaction value in FY2024: ₹ 130.29 Million (5.55% of the turnover)                                                                                                                                                                                                                                                         | Transaction value in FY2024: ₹ 220.65 Million (9.41% of the turnover) |
| e) | Date(s) of approval by the Board, if any                                                   | <p>26<sup>th</sup> February, 2024.</p> <p>Members' have accorded their approval in the AGM held on 25<sup>th</sup> April, 2024.</p>                                                                                                                                                                                           |                                                                       |
| f) | Amount paid as advances, if any                                                            | Not applicable                                                                                                                                                                                                                                                                                                                |                                                                       |

**For and on behalf of Board****Khurshed M. Thanawalla**

Chairman

DIN: 00201749

Place: Mumbai

Date: 12<sup>th</sup> February, 2025

**Annexure-VI**

**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 31<sup>st</sup> December, 2024

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 31<sup>st</sup> December, 2024 (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 31<sup>st</sup> December, 2024 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, 2015 as amended 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.
- (iii.) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

**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, 2018;
- b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021 as amended from time to time;
- d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time;



- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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 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. There was no change in the composition of the Board of Directors during the period under review.

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, except the appointment by passing ordinary resolution through Postal ballot for the business of M/s. Price Waterhouse Chartered Accountants LLP, (FRN 012754N/N500016) as Statutory Auditors of the Company in casual vacancy created by the resignation of M/s. S R B C & CO LLP, former auditor as envisaged by section 139(8) of the Companies Act, 2013, 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.

**Sandip Sheth & Associates**  
Company Secretaries  
Firm Unique Code: P2001GJ041000

**Sandip Sheth**  
Partner  
FCS: 5467, CP No.: 4354  
UDIN No: F005467F003924327

Place: Ahmedabad  
Date: 12<sup>th</sup> February, 2025

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.

**Sandip Sheth & Associates**  
Company Secretaries  
Firm Unique Code: P2001GJ041000

**Sandip Sheth**  
Partner  
FCS: 5467, CP No.: 4354  
UDIN No: F005467F003924327

Place: Ahmedabad  
Date: 12<sup>th</sup> February, 2025



## Annexure-VII

**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 Director to the median remuneration of the employees of the Company for the financial year 2024, the percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the financial year 2024.

| 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       | 32.87:1                                                                     | 15.00%                              |
| 2       | Mr. Paras Mehta                             | Chief Financial Officer | Not Applicable                                                              | 13.50%                              |
| 3       | Mr. Sanjeev Singh Sengar                    | Company Secretary       | Not Applicable                                                              | 12.50%                              |

\*Remuneration includes variable pay.

- (ii) The percentage increase in the median remuneration of employees for the financial year 2024 was 12.00%.
- (iii) The Company had 253 permanent employees (including workmen) on the rolls of the Company as on 31<sup>st</sup> December, 2024.
- (iv) Average percentage increase made in the salaries of employees (including workmen) other than the managerial personnel in the financial year was 12.90% whereas the increase in the managerial remuneration was 15%. The average increases 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) It is hereby affirmed that the remuneration paid during the year 2024 is as per the Nomination and Remuneration Policy of the Company.

**For and on behalf of Board**

**Khurshed M. Thanawalla**

Chairman

DIN: 00201749

Place: Mumbai

Date: 12<sup>th</sup> February, 2025

## Independent Auditor's Report

To the Members of **Stovec Industries Limited**  
**Report on the Audit of the Financial Statements**

### Opinion

1. We have audited the accompanying financial statements of Stovec Industries Limited ("**the Company**"), which comprise the Balance Sheet as at 31<sup>st</sup> December, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("**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 31<sup>st</sup> December, 2024, and total comprehensive

income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Assessment of Provision for Warranty</b><br>(Refer to Notes [3.06, 3.12(iv) and 16] to the financial statements)<br>The Company carries a provision of INR 15.49 million for warranty obligations as on 31 <sup>st</sup> December, 2024.<br>The Company provides for warranty obligations based on its contract with customers and recognises a provision in respect of costs expected to fulfil the warranty obligation over the warranty period.<br>In accordance with the requirements of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Company estimates provision for warranty obligation, considering factors such as historical trend, estimation of expected future claims, estimated replacement costs, etc. These estimates are inherently susceptible to change as more relevant information becomes available and may vary from historical experience of actual claims.<br>The provision for warranty costs involves significant management judgement, as described above.<br>Accordingly, this has been considered as a key audit matter. | <b>During our audit of the financial statements, we have performed the following procedures:</b> <ul style="list-style-type: none"> <li>• Understood and evaluated the design and tested the operating effectiveness of the controls over estimation of warranty cost and related accruals.</li> <li>• Perused the agreements with customers and obtained an understanding of the contractual terms of warranty offered by the Company in agreements with its customers.</li> <li>• Evaluated management's estimation by testing the historical trend analysis for warranty, estimation of expected warranty claims and replacement costs.</li> <li>• Verified the computation of provision for warranty costs including testing of completeness, arithmetical accuracy and validity of the data used in the warranty calculations.</li> <li>• Verified the adequacy of disclosures made in the financial statements.</li> </ul> Based on the above audit procedures performed, no material exceptions were noted. |



## Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Report on Corporate Governance, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also

responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

13. The financial statements of the Company for the year ended 31<sup>st</sup> December, 2023, were audited by another firm of chartered accountants under the Act who, vide their report dated 26<sup>th</sup> February, 2024, expressed an unmodified opinion on those financial statements.

#### Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. 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, except that the back-up of certain books of account and other books and papers maintained in electronic mode has not been kept on servers physically located in India on a daily basis for the period 1<sup>st</sup> January, 2024 to 13<sup>th</sup> November, 2024 and the matters stated in paragraph 15(h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> December, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> December, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 42(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42(vi) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
  - vi. Based on our examination, which included test checks, the Company has used two accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except for the following:
    - (i) In respect of the core accounting software, the audit trail feature at the application level was not enabled for the period 1<sup>st</sup> January, 2024 to 17<sup>th</sup> October, 2024 and with respect to database managed by a third party service provider, we are unable to comment on the audit trail (edit log) feature at database level in the absence of any information pertaining to audit trail in the independent service auditor's report. Additionally, the audit trail has not been preserved by the Company as per the statutory requirements for record retention.
    - (ii) With respect to another accounting software, the audit trail feature at the application level was not enabled for the period 1<sup>st</sup> January, 2024 to 11<sup>th</sup> November, 2024 and the with respect to database it was not enabled to capture any direct changes throughout the period.
- Further, during the course of performing our procedures, we did not notice any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled.
16. 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.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**Priyanshu Gundana**

Partner

Membership Number: 109553

UDIN: 25109553BMOAUO2782

Place of the Signature: Ahmedabad  
Date: 12<sup>th</sup> February, 2025

## Annexure A to Independent Auditor's Report

**Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Stovec Industries Limited on the financial statements for the year ended 31<sup>st</sup> December, 2024**

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Stovec Industries Limited ("**the Company**") as of 31<sup>st</sup> December, 2024 in conjunction with our audit of the 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 ("**the Guidance Note**") 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.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> December, 2024, 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 issued by ICAI.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Priyanshu Gundana**

Partner

Membership Number: 109553

UDIN: 25109553BMOAUO2782

Place of the Signature: Ahmedabad

Date: 12<sup>th</sup> February, 2025

## Annexure B to Independent Auditor's Report

**Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Stovec Industries Limited on the financial statements as of and for the year ended 31<sup>st</sup> December, 2024**

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two 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 Property, Plant and Equipment 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 all the immovable properties, are held in the name of the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company

for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company has granted unsecured loans, to 1 employee during the year. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any other parties. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to employees are as per the table given below:

|                                                                           | <b>Advances in nature of loans<br/>(Amount in ₹ in Millions)</b> |
|---------------------------------------------------------------------------|------------------------------------------------------------------|
| Aggregate amount granted/ provided during the year                        |                                                                  |
| - Others (Employees)                                                      | 0.03                                                             |
| Balance outstanding as at balance sheet date in respect of the above case |                                                                  |
| - Others (Employees)                                                      | 0.02                                                             |

(Also, refer Note 11 to the financial statements)

- (b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (c) In respect of the interest free loans to employee, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated. Payment of interest is not applicable on these loans to employees, as the loans are interest free as per the Company's policy.



- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans /advances in nature of loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- (f) There were no loans/ advances in nature of loans which were granted during the year, including to promoters/ related parties that were repayable on demand or without specifying any terms or period of repayment.

- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Further, the provisions of sub-

- (b) The particulars of statutory dues referred to in sub-clause (a) as at 31<sup>st</sup> December, 2024 which have not been deposited on account of a dispute, are as follows:

| Name of the statute      | Nature of dues | Amount in Million (₹) * | Period to which the amount relates      | Forum where the dispute is pending       |
|--------------------------|----------------|-------------------------|-----------------------------------------|------------------------------------------|
| The Income Tax Act, 1961 | Income Tax     | 3.21                    | AY 2013-14 and AY 2017-18               | Commissioner of Income Tax (Appeals)     |
| The Finance Act, 1994    | Service Tax    | 1.02                    | FY 2012-13<br>FY 2013-14<br>FY 21014-15 | Commissioner of Central Excise (Appeals) |

\* Above amounts are net of payments made under protest of INR 0.87 million.

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial

section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.

- 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) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) 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, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) 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 as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is 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. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have noted no issues, objections and raised by the outgoing auditors in their resignation letter dated 9<sup>th</sup> May, 2024 to the Company or in their letter dated 5<sup>th</sup> June, 2024 to us confirming their no-objection to our appointment as the statutory auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to



our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have

any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing project/(s) to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also, refer Note 39 to the financial statements)
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Priyanshu Gundana**

Partner

Membership Number: 109553

UDIN: 25109553BMOAUO2782

Place of the Signature: Ahmedabad

Date: 12<sup>th</sup> February, 2025

## BALANCE SHEET

AS AT 31<sup>ST</sup> DECEMBER, 2024

(₹ in Million)

|                                                                 | Notes | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------------|-------|------------------------------------------|------------------------------------------|
| <b>ASSETS</b>                                                   |       |                                          |                                          |
| <b>Non-current assets</b>                                       |       |                                          |                                          |
| (a) Property, plant and equipment                               | 4     | 313.97                                   | 353.96                                   |
| (b) Capital work-in-progress                                    | 4     | -                                        | 0.84                                     |
| (c) Intangible assets                                           | 4     | 6.32                                     | 0.18                                     |
| (d) Intangible assets under development                         | 4     | -                                        | 7.19                                     |
| (e) Financial assets                                            |       |                                          |                                          |
| (i) Investments                                                 | 5     | 0.00                                     | 0.00                                     |
| (ii) Other financial assets                                     | 9     | 37.77                                    | 22.70                                    |
| (f) Deferred tax assets (net)                                   | 26    | 21.42                                    | 12.99                                    |
| (g) Non-current tax assets (net)                                | 10    | 14.02                                    | 17.62                                    |
| (h) Other non-current assets                                    | 11    | 1.34                                     | 1.72                                     |
| <b>Total Non-current Assets</b>                                 |       | <b>394.84</b>                            | <b>417.20</b>                            |
| <b>Current assets</b>                                           |       |                                          |                                          |
| (a) Inventories                                                 | 6     | 420.62                                   | 585.25                                   |
| (b) Financial assets                                            |       |                                          |                                          |
| (i) Trade receivables                                           | 7     | 353.29                                   | 311.51                                   |
| (ii) Cash and cash equivalents                                  | 8     | 165.35                                   | 219.27                                   |
| (iii) Bank balances other than (ii) above                       | 8     | 256.22                                   | 337.87                                   |
| (c) Other current assets                                        | 11    | 14.34                                    | 13.36                                    |
| <b>Total Current Assets</b>                                     |       | <b>1,209.82</b>                          | <b>1,467.26</b>                          |
| <b>Total Assets</b>                                             |       | <b>1,604.66</b>                          | <b>1,884.46</b>                          |
| <b>EQUITY AND LIABILITIES</b>                                   |       |                                          |                                          |
| <b>EQUITY</b>                                                   |       |                                          |                                          |
| (a) Equity Share Capital                                        | 12    | 20.88                                    | 20.88                                    |
| (b) Other Equity                                                |       |                                          |                                          |
| (i) Reserve and Surplus                                         | 13    | 1,156.74                                 | 1,306.62                                 |
| (ii) Other Reserves                                             | 13    | 72.01                                    | 73.15                                    |
| <b>Total Equity</b>                                             |       | <b>1,249.63</b>                          | <b>1,400.65</b>                          |
| <b>LIABILITIES</b>                                              |       |                                          |                                          |
| <b>Non-current liabilities</b>                                  |       |                                          |                                          |
| (a) Provisions                                                  | 16    | 8.14                                     | 6.02                                     |
| <b>Total Non-current Liabilities</b>                            |       | <b>8.14</b>                              | <b>6.02</b>                              |
| <b>Current liabilities</b>                                      |       |                                          |                                          |
| (a) Financial Liabilities                                       |       |                                          |                                          |
| (i) Trade payables                                              |       |                                          |                                          |
| - total outstanding dues of micro and small enterprises         | 14    | 16.66                                    | 11.79                                    |
| - total outstanding dues other than micro and small enterprises | 14    | 128.61                                   | 264.36                                   |
| (ii) Other financial liabilities                                | 15    | 57.72                                    | 41.96                                    |
| (b) Provisions                                                  | 16    | 54.74                                    | 43.13                                    |
| (c) Other current liabilities                                   | 17    | 89.16                                    | 116.55                                   |
| <b>Total Current Liabilities</b>                                |       | <b>346.89</b>                            | <b>477.79</b>                            |
| <b>Total Liabilities</b>                                        |       | <b>355.03</b>                            | <b>483.81</b>                            |
| <b>Total Equity and Liabilities</b>                             |       | <b>1,604.66</b>                          | <b>1,884.46</b>                          |

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

**For Price Waterhouse Chartered Accountants LLP**  
ICAI Firm Registration No.: 012754N/N500016

**Priyanshu Gundana**

Partner

Membership No. 109553

Place : Ahmedabad

Date : 12<sup>th</sup> February, 2025

**For and on behalf of the Board of Directors**  
**Stovec Industries Limited**
**K. M. Thanawalla**

Chairman

(DIN: 00201749)

Place : Mumbai

Date : 12<sup>th</sup> February, 2025

**Paras Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 12<sup>th</sup> February, 2025

**Shailesh Wani**

Managing Director

(DIN: 06474766)

Place : Ahmedabad

Date : 12<sup>th</sup> February, 2025

**Sanjeev Singh Sengar**

Company Secretary

Place : Ahmedabad

Date : 12<sup>th</sup> February, 2025



## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

(₹ in Million)

|                                                                                                      | Notes     | Year ended<br>31 <sup>st</sup> December, 2024 | Year ended<br>31 <sup>st</sup> December, 2023 |
|------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------|-----------------------------------------------|
| <b>INCOME</b>                                                                                        |           |                                               |                                               |
| Revenue from operations                                                                              | 18        | 2,345.70                                      | 2,072.56                                      |
| Other income                                                                                         | 19        | 34.11                                         | 44.33                                         |
| <b>Total Income</b>                                                                                  |           | <b>2,379.81</b>                               | <b>2,116.89</b>                               |
| <b>EXPENSES</b>                                                                                      |           |                                               |                                               |
| Cost of raw material consumed                                                                        | 20        | 1,107.00                                      | 1,144.01                                      |
| Purchase of stock-in-trade                                                                           | 21        | 141.00                                        | 146.38                                        |
| Changes in inventories of work-in-progress, stock-in-trade and finished goods                        | 22        | 99.96                                         | (28.51)                                       |
| Employee benefits expense                                                                            | 23        | 299.24                                        | 247.44                                        |
| Depreciation and amortisation expense                                                                | 4         | 65.76                                         | 63.62                                         |
| Other expenses                                                                                       | 24        | 491.51                                        | 428.88                                        |
| Finance costs                                                                                        | 25        | 0.85                                          | 0.88                                          |
| <b>Total expenses</b>                                                                                |           | <b>2,205.32</b>                               | <b>2,002.70</b>                               |
| <b>Profit Before Tax</b>                                                                             |           | <b>174.49</b>                                 | <b>114.19</b>                                 |
| <b>Income Tax expense</b>                                                                            | <b>26</b> |                                               |                                               |
| Current tax                                                                                          |           | 51.63                                         | 26.98                                         |
| Deferred tax                                                                                         |           | (6.75)                                        | (3.16)                                        |
|                                                                                                      |           | <b>44.88</b>                                  | <b>23.82</b>                                  |
| <b>Profit for the year</b>                                                                           |           | <b>129.61</b>                                 | <b>90.37</b>                                  |
| <b>Other Comprehensive Income ("OCI")</b>                                                            |           |                                               |                                               |
| <b>Items that will not be reclassified to profit or loss</b>                                         |           |                                               |                                               |
| Remeasurements of post-employment benefit obligations                                                |           | (6.69)                                        | (1.71)                                        |
| Gain in the fair value of equity investments at FVOCI                                                |           | -                                             | 0.35                                          |
| Income tax relating to these items                                                                   |           | 1.68                                          | 0.43                                          |
| <b>Other comprehensive income for the year, net of tax</b>                                           |           | <b>(5.01)</b>                                 | <b>(0.93)</b>                                 |
| <b>Total Comprehensive Income for the year</b>                                                       |           | <b>124.60</b>                                 | <b>89.44</b>                                  |
| Earnings per equity share<br>[Face Value of share ₹ 10/- (31 <sup>st</sup> December, 2023 - ₹ 10/-)] |           |                                               |                                               |
| Basic and Diluted earnings per share                                                                 | 27        | 62.07                                         | 43.28                                         |

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

**For Price Waterhouse Chartered Accountants LLP**  
ICAI Firm Registration No.: 012754N/N500016

**Priyanshu Gundana**  
Partner  
Membership No. 109553

Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**For and on behalf of the Board of Directors**  
**Stovec Industries Limited**

**K. M. Thanawalla**  
Chairman  
(DIN: 00201749)  
Place : Mumbai  
Date : 12<sup>th</sup> February, 2025

**Paras Mehta**  
Chief Financial Officer  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**Shailesh Wani**  
Managing Director  
(DIN: 06474766)  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**Sanjeev Singh Sengar**  
Company Secretary  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED ON 31<sup>ST</sup> DECEMBER, 2024

### A. Equity Share Capital

(₹ in Million)

| Equity shares of ₹ 10 each issued, subscribed and fully paid (refer note 12) | Amount |
|------------------------------------------------------------------------------|--------|
| As at 1 <sup>st</sup> January, 2023                                          | 20.88  |
| Changes in equity share capital                                              | -      |
| As at 31 <sup>st</sup> December, 2023                                        | 20.88  |
| As at 1 <sup>st</sup> January, 2024                                          | 20.88  |
| Changes in equity share capital                                              | -      |
| As at 31 <sup>st</sup> December, 2024                                        | 20.88  |

### B. Other equity

(₹ in Million)

|                                                                            | Reserves and Surplus                     |                                             |                                                        |                                             |                                                                     |                                            | Other reserves                                                                                     | Total<br>Other<br>Equity |
|----------------------------------------------------------------------------|------------------------------------------|---------------------------------------------|--------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------|
|                                                                            | General<br>Reserve<br>(refer<br>note 13) | Securities<br>Premium<br>(refer<br>note 13) | Capital<br>Redemption<br>Reserve<br>(refer note<br>13) | Capital<br>Reserve<br>(refer<br>note<br>13) | Capital<br>Reserve on<br>Business<br>Combination<br>(refer note 13) | Retained<br>Earnings<br>(refer<br>note 13) | Items of Other<br>Comprehensive<br>Income - Equity<br>instrument<br>through OCI<br>(refer note 13) |                          |
| Balance as at 1 <sup>st</sup> January, 2023                                | 181.95                                   | 79.62                                       | 0.35                                                   | 0.35                                        | (190.26)                                                            | 1,643.49                                   | 0.79                                                                                               | 1,716.29                 |
| Profit for the year                                                        | -                                        | -                                           | -                                                      | -                                           | -                                                                   | 90.37                                      | -                                                                                                  | 90.37                    |
| Changes gain in the fair value of equity investments at FVOCI (net of tax) | -                                        | -                                           | -                                                      | -                                           | -                                                                   | -                                          | 0.35                                                                                               | 0.35                     |
| Remeasurements of post-employment benefit obligations (net of tax)         | -                                        | -                                           | -                                                      | -                                           | -                                                                   | (1.28)                                     | -                                                                                                  | (1.28)                   |
| Total Comprehensive Income for the year                                    | -                                        | -                                           | -                                                      | -                                           | -                                                                   | 89.09                                      | 0.35                                                                                               | 89.44                    |
| Transactions with owners in their capacity as owners:                      |                                          |                                             |                                                        |                                             |                                                                     |                                            |                                                                                                    |                          |
| Dividend paid                                                              | -                                        | -                                           | -                                                      | -                                           | -                                                                   | (425.96)                                   | -                                                                                                  | (425.96)                 |
| Balance as at 31 <sup>st</sup> December, 2023                              | 181.95                                   | 79.62                                       | 0.35                                                   | 0.35                                        | (190.26)                                                            | 1,306.62                                   | 1.14                                                                                               | 1,379.77                 |
| Balance as at 1 <sup>st</sup> January, 2024                                | 181.95                                   | 79.62                                       | 0.35                                                   | 0.35                                        | (190.26)                                                            | 1,306.62                                   | 1.14                                                                                               | 1,379.77                 |
| Profit for the year                                                        | -                                        | -                                           | -                                                      | -                                           | -                                                                   | 129.61                                     | -                                                                                                  | 129.61                   |
| Amount transferred within reserves                                         | -                                        | -                                           | -                                                      | -                                           | -                                                                   | 1.14                                       | (1.14)                                                                                             | -                        |
| Remeasurements of post-employment benefit obligations (net of tax)         | -                                        | -                                           | -                                                      | -                                           | -                                                                   | (5.01)                                     | -                                                                                                  | (5.01)                   |
| Total Comprehensive Income for the year                                    | -                                        | -                                           | -                                                      | -                                           | -                                                                   | 125.74                                     | (1.14)                                                                                             | 124.60                   |
| Transactions with owners in their capacity as owners:                      |                                          |                                             |                                                        |                                             |                                                                     |                                            |                                                                                                    |                          |
| Dividend paid                                                              | -                                        | -                                           | -                                                      | -                                           | -                                                                   | (275.62)                                   | -                                                                                                  | (275.62)                 |
| Balance as at 31 <sup>st</sup> December, 2024                              | 181.95                                   | 79.62                                       | 0.35                                                   | 0.35                                        | (190.26)                                                            | 1,156.74                                   | -                                                                                                  | 1,228.75                 |

This is the Statement of Changes in Equity referred in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
ICAI Firm Registration No.: 012754N/N500016

**For and on behalf of the Board of Directors**  
**Stovec Industries Limited**

**Priyanshu Gundana**  
Partner  
Membership No. 109553

**K. M. Thanawalla**  
Chairman  
(DIN: 00201749)  
Place : Mumbai  
Date : 12<sup>th</sup> February, 2025

**Shailesh Wani**  
Managing Director  
(DIN: 06474766)  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**Paras Mehta**  
Chief Financial Officer  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**Sanjeev Singh Sengar**  
Company Secretary  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025



## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

(₹ in Million)

|                                                                                                                                | Notes | Year ended<br>31 <sup>st</sup> December, 2024 | Year ended<br>31 <sup>st</sup> December, 2023 |
|--------------------------------------------------------------------------------------------------------------------------------|-------|-----------------------------------------------|-----------------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                                                                                 |       |                                               |                                               |
| Profit Before Tax                                                                                                              |       | 174.49                                        | 114.19                                        |
| Adjustments for                                                                                                                |       |                                               |                                               |
| Depreciation and amortisation expense                                                                                          | 4     | 65.76                                         | 63.62                                         |
| Finance costs                                                                                                                  | 25    | 0.85                                          | 0.88                                          |
| Interest income                                                                                                                | 19    | (19.09)                                       | (27.16)                                       |
| Unrealised foreign exchange (gain) / loss (net)                                                                                |       | 5.32                                          | (2.98)                                        |
| Loss on disposal of property, plant and equipment (net)                                                                        | 24    | 1.38                                          | 0.32                                          |
| Loss allowances (net)                                                                                                          | 24    | 0.54                                          | 3.22                                          |
| Bad debts written off                                                                                                          | 24    | 6.24                                          | 1.37                                          |
| Liabilities and provisions no longer required written back                                                                     | 19    | (7.07)                                        | (8.23)                                        |
| <b>Operating profit before working capital changes</b>                                                                         |       | <b>228.42</b>                                 | <b>145.23</b>                                 |
| Adjustments for changes in working capital:                                                                                    |       |                                               |                                               |
| (Increase) / Decrease in inventories                                                                                           |       | 164.63                                        | (9.99)                                        |
| (Increase) / Decrease in trade receivables                                                                                     |       | (52.93)                                       | (78.73)                                       |
| (Increase) / Decrease in other assets and other financial assets                                                               |       | (0.41)                                        | 4.41                                          |
| Increase / (Decrease) in trade payables                                                                                        |       | (131.83)                                      | 48.20                                         |
| Increase / (Decrease) in other liabilities and provisions                                                                      |       | 2.73                                          | 34.95                                         |
| <b>Cash generated from operations</b>                                                                                          |       | <b>210.61</b>                                 | <b>144.07</b>                                 |
| Income taxes paid (net)                                                                                                        |       | (48.03)                                       | (12.13)                                       |
| <b>Net cash flow generated from operating activities</b>                                                                       |       | <b>162.58</b>                                 | <b>131.94</b>                                 |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                                                                                 |       |                                               |                                               |
| Payment for property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development |       | (28.72)                                       | (79.77)                                       |
| Proceeds from disposal of property, plant and equipment                                                                        |       | 0.26                                          | 0.33                                          |
| Proceeds from sale of investments                                                                                              |       | -                                             | 1.14                                          |
| Deposits with (original maturity more than 3 months) banks matured / (placed), net                                             |       | 69.34                                         | 326.99                                        |
| Interest received                                                                                                              |       | 19.09                                         | 27.96                                         |
| <b>Net cash flow generated from investing activities</b>                                                                       |       | <b>59.97</b>                                  | <b>276.65</b>                                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                                                                                 |       |                                               |                                               |
| Dividend paid on equity shares                                                                                                 |       | (275.62)                                      | (425.96)                                      |
| Finance costs paid                                                                                                             |       | (0.85)                                        | (0.88)                                        |
| <b>Net cash flow (used in) financing activities</b>                                                                            |       | <b>(276.47)</b>                               | <b>(426.84)</b>                               |
| <b>Net (Decrease) / Increase in cash and cash equivalents (A+B+C)</b>                                                          |       | <b>(53.92)</b>                                | <b>(18.25)</b>                                |
| <b>Cash and cash equivalents at the beginning of the year</b>                                                                  |       | <b>219.27</b>                                 | <b>237.52</b>                                 |
| <b>Cash and cash equivalents at end of the year</b>                                                                            |       | <b>165.35</b>                                 | <b>219.27</b>                                 |

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### Notes :

#### 1 Components of cash and cash equivalents (refer note 8)

(₹ in Million)

|                                                      |   | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|------------------------------------------------------|---|------------------------------------------|------------------------------------------|
| Cash on hand                                         |   | 0.48                                     | 0.62                                     |
| Bank Balances :                                      |   |                                          |                                          |
| - In Current Accounts                                |   | 103.99                                   | 91.48                                    |
| - Deposits with original maturity less than 3 months |   | 60.88                                    | 127.17                                   |
| Cash and cash equivalents at end of the year         | 8 | 165.35                                   | 219.27                                   |

2 The company has utilised overdraft facility of ₹ 19.27 Million which was repaid within the year.

3 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

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

**For Price Waterhouse Chartered Accountants LLP**  
ICAI Firm Registration No.: 012754N/N500016

**Priyanshu Gundana**  
Partner  
Membership No. 109553

Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**For and on behalf of the Board of Directors**  
**Stovec Industries Limited**

**K. M. Thanawalla**  
Chairman  
(DIN: 00201749)  
Place : Mumbai  
Date : 12<sup>th</sup> February, 2025

**Paras Mehta**  
Chief Financial Officer  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**Shailesh Wani**  
Managing Director  
(DIN: 06474766)  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**Sanjeev Singh Sengar**  
Company Secretary  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

## 1 General Information

Stovec Industries Limited ("the Company") was incorporated on 5<sup>th</sup> June, 1973. The Company's factory and registered office is located in Ahmedabad, Gujarat. The Company is listed on Bombay Stock Exchange. The ultimate parent company is Print Holdings B.V., Netherlands. The Company is engaged in the manufacturing and selling of textile machinery & consumables, graphics consumables and digital machines.

The Financial statements were approved for issuance in accordance with a resolution of the Board of Directors on 12<sup>th</sup> February, 2025.

## 2 Basis of preparation

### (i) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities and contingent consideration is measured at fair value
- defined benefit plans - plan assets measured at fair value

### (iii) New and amended standards adopted by the company

The Ministry of Corporate Affairs vide notification dated 31<sup>st</sup> March, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1<sup>st</sup> April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior

periods and are not expected to significantly affect the current or future periods.

## 3 Material Accounting Policies

The following are the material accounting policies applied by the Company in preparing its financial statements:

### 3.01 Current versus non-current classification:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has considered 12 months as its operating cycle.

### 3.02 Property, plant and equipment (including capital work-in-progress):

Freehold land is carried at historical cost. All other property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Refer

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

note 3.13 for the other accounting policies relevant to property, plant and equipment.

#### Depreciation

Depreciation on property, plant and equipment (except free hold land) is provided on straight line basis over their useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013 except as estimated by management based on internal technical assessment in the following cases:

|                                           | Useful Life (Years) |
|-------------------------------------------|---------------------|
| Mollets                                   | 5                   |
| Sewage Treatment Plant<br>- RCC Structure | 10                  |

The management believes that these estimated useful lives are realistic and reflect fair appropriation of the period over which the assets are likely to be used.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

The residual values are not more than 5% of the original cost of asset. The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if required.

#### 3.03 Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### Research and development expenditure

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits

- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

#### Amortisation

Amortisation on the intangible assets are provided on straight line basis over the useful lives of the assets. Based on management technical evaluation the useful life of all intangible assets are considered for 3 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

#### 3.04 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

financial liability or equity instrument of another entity.

### a) Financial assets

#### (i) Initial recognition and measurement of financial assets

- ♦ The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

#### (ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at fair value through other comprehensive income (FVTOCI)

- Financial assets at fair value through profit or loss (FVTPL)
- **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is classified as at the fair value through other comprehensive income if both the following criteria are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

Any finance assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and equity investments which the Company had not irrevocably

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

elected to classify at fair value through OCI. Dividends on equity investments are recognised in the statement of profit and loss when the right of payment has been established.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is adopted only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss

#### (iii) De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset and has not transferred control of the asset, the Company continues to recognise the transferred asset to the extent

of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### (iv) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For trade receivables, the company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit loss is recognised. Loss allowance of equal to the lifetime expected credit losses is recognised if the credit risk of the financial asset has significantly increased since initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the Statement of Profit and Loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the P&L. The balance sheet presentation for financial assets measured as at amortised cost: ECL is



## NOTES TO THE FINANCIAL STATEMENTS

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presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### b) Financial liabilities and equity instruments

#### (i) Initial recognition and measurement of financial liabilities

Financial liabilities such as loans, borrowings and payables are classified, at initial recognition, as financial liabilities, net of directly attributable transaction costs, at fair value through profit or loss, as appropriate.

The Company's financial liabilities include trade and other payables and derivative financial instruments.

#### (ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Company has not designated any liability at fair value through profit or loss.

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the Effective Interest Rate - EIR method. Gains and losses are recognised in

profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### (iii) De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### c) Re-classification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

### 3.05 Inventories:

The costs of individual items of inventory are determined on a moving weighted average cost basis. Volume rebates or discounts are taken into account when estimating the cost of inventory if it is probable that they have been earned and will take effect. Refer note 3.19 for the other accounting policies for inventories.

### 3.06 Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

Provision for warranty costs are recognised when product is sold to customers. Initial recognition is based on past experience.

Contingent liabilities are disclosed for (i) 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 (ii) 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 the amount of the obligation cannot be measured with sufficient reliability. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements.

#### 3.07 Revenue Recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

##### Sale of goods and services

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on the dispatch / delivery of the product. In case of sale of Textile Machines, revenue recognised is based on the dispatch /delivery of machines on completion of manufacturing. Allocated portion of transactions price towards installation revenue is deferred and recognised when the installation is completed and acknowledged by the customers.

The Company collects Goods and Services Tax (GST) on behalf of the Government which is not economic benefits flowing to the company and hence, is excluded from revenue.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Transaction price is reasonably allocated based on amount of expenditure to be incurred to deliver separate performance obligation when standalone selling prices are not observable.

Service income is recognised at the point in time after completion of services in accordance with the terms of contracts. In case of Annual Maintenance Services, revenue recognised over period of time.

##### Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs its obligations under the contract (i.e., transfers control of the related goods or services to the customer).

##### Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the company's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### Cost to obtain a contract and cost to fulfil a contract

The company recognise sales commission as an expense in the period in which related revenue is recognised and offset against revenue recognised.

Cost to fulfil a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

##### Commission income

Commission income is recognised and accounted on accrual basis.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 3.08 Other Income:

#### Sale of Scrap

Revenue from the sale of scrap is recognised at the point in time when scrap has been dispatched / sold and control is transferred.

#### Export Benefits

Export benefits are recognized for export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

#### Interest income

Interest income on financial assets at amortised cost is recognised on time proportion basis using the effective interest rate method, based on the underlying interest rates.

#### Lease rental Income

Lease rental income from operating leases are recognised on accrual basis.

### 3.09 Retirement and other employee benefits:

#### a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

#### b) Post-Employment Benefits :

##### (i) Defined contribution plan

Contributions to retirement benefit plans in the form of provident fund and employee state insurance scheme as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

##### (ii) Defined benefit plan

The employee's gratuity fund scheme is Company's defined benefit plan. A defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using

the Projected Unit Credit Method as at the date of the Balance sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### c) Other long term employment benefits:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as other long-term employee benefit for measurement purposes. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The

## NOTES TO THE FINANCIAL STATEMENTS

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benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### 3.10 Earnings Per Share:

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

### 3.11 Segment reporting:

The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 3.12 Significant Accounting judgments, estimates and assumptions:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

#### Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as below:

#### i) Useful lives of property, plant and equipment/intangible assets:

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology (refer notes 3.02, 3.03, 3.13 and 4).

#### ii) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of



## NOTES TO THE FINANCIAL STATEMENTS

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the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date (refer note no 28).

### iii) Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management judgement is involved in classification under 'remote', 'possible' or 'probable' which is carried out based on expert advice, past judgements, experiences etc. (refer note 31).

### iv) Product warranties

Significant management judgments are involved in determining the estimates and provides for liability for product warranties in the year in which the products are sold. These estimates are established using historical information on the nature, frequency, quantum of warranty claims and corrective actions against product failures and the estimates are reviewed annually for any material changes in assumptions. Assumptions used to calculate the provision for warranties are based on current sales level and current information available about returns. The timing of outflows will vary based on the actual warranty claims (refer note 16).

### v) Impairment of financial assets (loss allowance)

The Company follows the simplified approach for recognition of impairment loss allowance on trade receivables by using the expected credit loss (ECL) model for recognition and measurement of impairment losses (loss allowance) on the Trade receivables, contract assets or any contractual right to receive cash or another

financial asset that result from transactions that are within the scope of Ind AS 115 (refer note 7).

### vi) Write down of inventories

An inventory obsolete provision and inventory written down is estimated taking into account various factors, including policy of the company, aging of inventory, past experience, current trend and future expectations (refer note 6).

### vii) Allocation of transaction price for installation Revenue:

Transaction Price is allocated between sale of textile machinery and installation of machine as separate performance obligation based on estimated cost to be incurred for installation services and it is compared with machine cost in absence of directly identifiable standalone rate. (refer note 33)

### Other Accounting Policies

The following are the other accounting policies applied by the Company in preparing its financial statements:

### 3.13 Property, plant and equipment (including capital work-in-progress):

The cost comprises of its purchase price and other incidental expenses that are directly attributable to the acquisition of the asset. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Subsequent expenditure related to an item of property plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Spare parts, and servicing equipment are recognised when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. Repairs and maintenance costs are recognised in profit or loss as incurred. Capital work-in-progress comprises cost of capital assets that are not yet installed and ready for their intended use at the balance sheet date. A Property Plant and equipment is derecognised upon disposal or when no future economic benefits are expected

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

from its use or disposal. Any gain or loss arising upon derecognition of the assets which is the difference between the net disposal proceeds and the carrying amount of the asset, is included in the statement of profit and loss when the asset is derecognised.

#### 3.14 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet and for the purpose of cash flow statement, comprise cash at bank including demand deposits readily realisable with banks with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value and cash in hand.

#### 3.15 Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to disposal, recent market transactions are taken into account, if available.

The Company bases its impairment calculation on future cash flows after considering economic condition and estimated future operating results which are prepared separately for each of the Company's CGU.

After impairment, depreciation/ amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

#### 3.16 Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### 3.17 Operating Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### Company as a lessor:

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### 3.18 Foreign currencies:

The Company's financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of Company.

##### Transactions and balances

Transactions in foreign currencies are initially recorded in the Company's functional currency using exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency with closing rates of exchange at the reporting date. Exchange differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of transaction.

#### 3.19 Inventories:

Raw materials and stores, work-in-progress, traded and finished goods.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Raw materials, packing materials, stores, spares and tools and traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on a moving weighted average cost basis.
- ii) Finished goods and work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Material cost is determined on moving weighted average cost basis.

Inventories of Raw material, Work-in-progress, Finished goods, packing materials, stores, spares and tools and stock-in-trade (traded

goods) are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Company writes down the inventory value where the realisable value is estimated to be lower than the inventory carrying value because of slow or non-moving inventories, as per policy consistently followed by the Company.

#### 3.20 Taxation:

Tax expense comprises of current income tax and deferred tax.

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation.

##### Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

## NOTES TO THE FINANCIAL STATEMENTS

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

#### 3.21 Rounding off amounts:

The financial statements are presented in ₹ in Millions and all values are disclosed in ₹ in million except when otherwise stated. Amounts below rounding off norms are represented as "0.00".

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024****4 Property, Plant and Equipment, Other Intangible Assets, Capital Work in Progress and Other Intangible Assets Under Development:**

(₹ in Million)

| Particulars                                 | Property, Plant and Equipments |               |                     |                        |              |                  |              |                                      | Intangible Assets |                         |                         | Capital work in progress | Intangible assets under development |
|---------------------------------------------|--------------------------------|---------------|---------------------|------------------------|--------------|------------------|--------------|--------------------------------------|-------------------|-------------------------|-------------------------|--------------------------|-------------------------------------|
|                                             | Freehold Land                  | Buildings     | Plant and Machinery | Furniture and Fixtures | Vehicles     | Office Equipment | Computers    | Total Property, Plant and Equipments | Computer Software | Other intangible assets | Total intangible assets |                          |                                     |
| <b>Gross Carrying amount</b>                |                                |               |                     |                        |              |                  |              |                                      |                   |                         |                         |                          |                                     |
| <b>As at 1<sup>st</sup> January, 2023</b>   | 0.47                           | 113.39        | 426.73              | 15.33                  | 5.34         | 18.62            | 20.02        | 599.90                               | 7.66              | -                       | 7.66                    | 2.60                     | 1.76                                |
| Additions                                   | -                              | -             | 52.20               | -                      | 4.20         | 0.96             | 3.51         | 60.87                                | -                 | -                       | -                       | 11.01                    | 5.43                                |
| Deletions                                   | -                              | -             | (0.01)              | -                      | -            | (1.01)           | (2.23)       | (3.25)                               | -                 | -                       | -                       | -                        | -                                   |
| Transfers                                   | -                              | 1.57          | 11.20               | -                      | -            | -                | -            | 12.77                                | -                 | -                       | -                       | (12.77)                  | -                                   |
| <b>As at 31<sup>st</sup> December, 2023</b> | 0.47                           | 114.96        | 490.12              | 15.33                  | 9.54         | 18.57            | 21.30        | 670.29                               | 7.66              | -                       | 7.66                    | 0.84                     | 7.19                                |
| Additions                                   | -                              | -             | 7.17                | 0.10                   | 1.79         | 1.29             | 1.42         | 11.77                                | -                 | -                       | -                       | 12.41                    | 1.34                                |
| Deletions                                   | -                              | -             | (3.79)              | -                      | (1.22)       | (2.03)           | (2.84)       | (9.88)                               | -                 | -                       | -                       | -                        | -                                   |
| Transfers                                   | -                              | -             | 13.25               | -                      | -            | -                | -            | 13.25                                | 2.18              | 6.35                    | 8.53                    | (13.25)                  | (8.53)                              |
| <b>As at 31<sup>st</sup> December, 2024</b> | <b>0.47</b>                    | <b>114.96</b> | <b>506.75</b>       | <b>15.43</b>           | <b>10.11</b> | <b>17.83</b>     | <b>19.88</b> | <b>685.43</b>                        | <b>9.84</b>       | <b>6.35</b>             | <b>16.19</b>            | <b>-</b>                 | <b>-</b>                            |
| <b>Depreciation and Amortisation</b>        |                                |               |                     |                        |              |                  |              |                                      |                   |                         |                         |                          |                                     |
| <b>As at 1<sup>st</sup> January, 2023</b>   | -                              | 24.37         | 194.86              | 7.07                   | 2.09         | 12.37            | 14.68        | 255.44                               | 7.35              | -                       | 7.35                    | -                        | -                                   |
| Charge for the year                         | -                              | 4.66          | 52.29               | 1.29                   | 0.91         | 1.64             | 2.70         | 63.49                                | 0.13              | -                       | 0.13                    | -                        | -                                   |
| On Deletions                                | -                              | -             | -                   | -                      | -            | (0.49)           | (2.11)       | (2.60)                               | -                 | -                       | -                       | -                        | -                                   |
| <b>As at 31<sup>st</sup> December, 2023</b> | -                              | 29.03         | 247.15              | 8.36                   | 3.00         | 13.52            | 15.27        | 316.33                               | 7.48              | -                       | 7.48                    | -                        | -                                   |
| Charge for the year                         | -                              | 4.59          | 52.73               | 1.26                   | 1.13         | 1.34             | 2.32         | 63.37                                | 0.79              | 1.60                    | 2.39                    | -                        | -                                   |
| On Deletions                                | -                              | -             | (2.88)              | -                      | (1.05)       | (1.69)           | (2.62)       | (8.24)                               | -                 | -                       | -                       | -                        | -                                   |
| <b>As at 31<sup>st</sup> December, 2024</b> | <b>-</b>                       | <b>33.62</b>  | <b>297.00</b>       | <b>9.62</b>            | <b>3.08</b>  | <b>13.17</b>     | <b>14.97</b> | <b>371.46</b>                        | <b>8.27</b>       | <b>1.60</b>             | <b>9.87</b>             | <b>-</b>                 | <b>-</b>                            |
| <b>Net Book Value</b>                       |                                |               |                     |                        |              |                  |              |                                      |                   |                         |                         |                          |                                     |
| <b>As at 31<sup>st</sup> December, 2024</b> | <b>0.47</b>                    | <b>81.34</b>  | <b>209.75</b>       | <b>5.81</b>            | <b>7.03</b>  | <b>4.66</b>      | <b>4.91</b>  | <b>313.97</b>                        | <b>1.57</b>       | <b>4.75</b>             | <b>6.32</b>             | <b>-</b>                 | <b>-</b>                            |
| <b>As at 31<sup>st</sup> December, 2023</b> | <b>0.47</b>                    | <b>85.93</b>  | <b>242.97</b>       | <b>6.97</b>            | <b>6.54</b>  | <b>5.05</b>      | <b>6.03</b>  | <b>353.96</b>                        | <b>0.18</b>       | <b>-</b>                | <b>0.18</b>             | <b>0.84</b>              | <b>7.19</b>                         |

**Notes:**

- (1) Freehold Land includes ₹ 10,000/- being face value of 100 shares of Gujarat Vepari Mahamandal Sahakari Audhyogik Vasahat Ltd.
- (2) Title deeds of all immovable properties are held in the name of the company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

- (3) Capital work in progress (CWIP) ageing schedule is as below. (₹ in Million)

| Particulars                                 | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------------|------------------|-----------|-----------|-------------------|-------|
| Projects in progress :                      |                  |           |           |                   |       |
| <b>As at 31<sup>st</sup> December, 2024</b> | -                | -         | -         | -                 | -     |
| <b>As at 31<sup>st</sup> December, 2023</b> | 0.84             | -         | -         | -                 | 0.84  |

There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the financial years 2023 and 2024.

- (4) Intangible assets under development (IAUD) ageing schedule is as below. (₹ in Million)

| Particulars                                 | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------------|------------------|-----------|-----------|-------------------|-------|
| Projects in progress :                      |                  |           |           |                   |       |
| <b>As at 31<sup>st</sup> December, 2024</b> | -                | -         | -         | -                 | -     |
| <b>As at 31<sup>st</sup> December, 2023</b> | 5.43             | 1.76      | -         | -                 | 7.19  |

- (5) Intangible assets under development (IAUD) whose completion is overdue.

There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2024.

(₹ in Million)

| Particulars                                 | To be completed in |           |           |                   | Total |
|---------------------------------------------|--------------------|-----------|-----------|-------------------|-------|
|                                             | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| Projects in progress :                      |                    |           |           |                   |       |
| <b>As at 31<sup>st</sup> December, 2023</b> |                    |           |           |                   |       |
| - Solid works                               | 1.76               | -         | -         | -                 | 1.76  |

In Solid works, the completion was overdue as at 31<sup>st</sup> December, 2023 however the same is capitalised in 2024.

### 5 Investments

(₹ in Million)

|                                                                                                                                          | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Non-current</b>                                                                                                                       |                                          |                                          |
| <b>Investments in equity instruments (unquoted)</b>                                                                                      |                                          |                                          |
| 30 Shares (31 <sup>st</sup> December, 2023 : 30) of ₹ 100/- each fully paid of Gujarat Vepari Mahamandal Sahakari Audhyogik Vasahat Ltd. | 0.00                                     | 0.00                                     |
| <b>Total</b>                                                                                                                             | <b>0.00</b>                              | <b>0.00</b>                              |
| <b>Details of unquoted investments:</b>                                                                                                  |                                          |                                          |
| (a) Aggregate amount of unquoted investments;                                                                                            |                                          |                                          |
| Purchase Cost                                                                                                                            | 0.00                                     | 0.00                                     |



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 6 Inventories (valued at lower of cost and net realisable value)

(₹ in Million)

|                                                                                                                                      | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| Raw Materials (refer note 1 below)<br>[Includes Goods-in-transit ₹ 10.72 Million (31 <sup>st</sup> December, 2023: ₹ 13.95 Million)] | 193.83                                   | 253.18                                   |
| Work-in-progress                                                                                                                     | 26.36                                    | 62.59                                    |
| Finished goods                                                                                                                       | 139.03                                   | 162.18                                   |
| Stock-in-trade [Includes Goods-in-transit ₹ Nil (31 <sup>st</sup> December, 2023: ₹ 47.98 Million)]                                  | 54.47                                    | 95.05                                    |
| Packing material, stores, spares and tools                                                                                           | 6.93                                     | 12.25                                    |
| <b>Total</b>                                                                                                                         | <b>420.62</b>                            | <b>585.25</b>                            |

#### Notes:

- Raw materials include inventories lying with third parties of ₹ 4.68 Million (31<sup>st</sup> December, 2023: ₹ 6.54 Million).
- Write-downs of Inventories to net realisable value amounted to ₹ 2.34 Million (31<sup>st</sup> December, 2023: ₹ 2.67 Million). These were recognised as an expense during the year and included in "changes in value of inventories of work-in-progress, stock-in-trade and finished goods" in statement of profit and loss.

### 7 Trade Receivables

(₹ in Million)

|                                                                   | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|-------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Trade receivables</b>                                          |                                          |                                          |
| Trade Receivables considered good - Unsecured (refer notes below) | 362.74                                   | 319.60                                   |
| Trade Receivables - credit impaired                               | 7.30                                     | 8.13                                     |
| <b>Total - A</b>                                                  | <b>370.04</b>                            | <b>327.73</b>                            |
| Less : Loss allowances                                            | 16.75                                    | 16.22                                    |
| <b>Total - B</b>                                                  | <b>16.75</b>                             | <b>16.22</b>                             |
| <b>Total - (A-B)</b>                                              | <b>353.29</b>                            | <b>311.51</b>                            |

Below is the ageing of trade receivables as at reporting date:

| Particulars                                                                        | Outstanding for following periods from due date of payment |                    |                   |           |           |                   | Total  |
|------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|--------|
|                                                                                    | Current but not due                                        | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |        |
| <b>As at 31<sup>st</sup> December, 2024</b>                                        |                                                            |                    |                   |           |           |                   |        |
| (i) Undisputed Trade Receivables – considered good                                 | 242.45                                                     | 117.42             | 1.52              | 0.70      | 0.44      | 0.21              | 362.74 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | -                                                          | -                  | -                 | -         | -         | -                 | -      |
| (iii) Undisputed Trade Receivables - credit impaired                               | -                                                          | -                  | -                 | -         | -         | -                 | -      |
| (iv) Disputed Trade Receivables – considered good                                  | -                                                          | -                  | -                 | -         | -         | -                 | -      |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    | -                                                          | -                  | -                 | -         | -         | -                 | -      |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

| Particulars                                             | Outstanding for following periods from due date of payment |                    |                   |                |                |                   |                |
|---------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|----------------|----------------|-------------------|----------------|
|                                                         | Current but not due                                        | Less than 6 months | 6 months - 1 year | 1-2 years      | 2-3 years      | More than 3 years | Total          |
| (vi) Disputed Trade Receivables - credit impaired       | -                                                          | -                  | -                 | 3.79           | 1.48           | 2.03              | 7.30           |
|                                                         | <b>242.45</b>                                              | <b>117.42</b>      | <b>1.52</b>       | <b>4.49</b>    | <b>1.92</b>    | <b>2.24</b>       | <b>370.04</b>  |
| Less : Loss allowances (including expected credit loss) |                                                            |                    |                   |                |                |                   | (16.75)        |
| <b>Net Trade Receivables</b>                            |                                                            |                    |                   |                |                |                   | <b>353.29</b>  |
| <b>Expected credit loss provision-Undisputed</b>        | <b>3.05</b>                                                | <b>3.58</b>        | <b>1.47</b>       | <b>0.70</b>    | <b>0.44</b>    | <b>0.21</b>       | <b>9.45</b>    |
| <b>Expected credit loss rate</b>                        | <b>1.26%</b>                                               | <b>3.05%</b>       | <b>96.71%</b>     | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b>    | <b>2.61%</b>   |
| <b>Expected credit loss provision-Disputed</b>          | <b>0.00</b>                                                | <b>0.00</b>        | <b>0.00</b>       | <b>3.79</b>    | <b>1.48</b>    | <b>2.03</b>       | <b>7.30</b>    |
| <b>Expected credit loss rate</b>                        | <b>100.00%</b>                                             | <b>100.00%</b>     | <b>100.00%</b>    | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b>    | <b>100.00%</b> |

| Particulars                                                                        | Outstanding for following periods from due date of payment |                    |                   |                |                |                   |                |
|------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|----------------|----------------|-------------------|----------------|
|                                                                                    | Current but not due                                        | Less than 6 months | 6 months - 1 year | 1-2 years      | 2-3 years      | More than 3 years | Total          |
| <b>As at 31<sup>st</sup> December, 2023</b>                                        |                                                            |                    |                   |                |                |                   |                |
| (i) Undisputed Trade Receivables – considered good                                 | 146.26                                                     | 157.88             | 11.74             | 3.34           | 0.34           | 0.04              | 319.60         |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | -                                                          | -                  | -                 | -              | -              | -                 | -              |
| (iii) Undisputed Trade Receivables - credit impaired                               | -                                                          | -                  | -                 | -              | -              | -                 | -              |
| (iv) Disputed Trade Receivables – considered good                                  | -                                                          | -                  | -                 | -              | -              | -                 | -              |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    | -                                                          | -                  | -                 | -              | -              | -                 | -              |
| (vi) Disputed Trade Receivables - credit impaired                                  | -                                                          | -                  | 2.51              | 2.36           | 1.00           | 2.26              | 8.13           |
|                                                                                    | <b>146.26</b>                                              | <b>157.88</b>      | <b>14.25</b>      | <b>5.70</b>    | <b>1.34</b>    | <b>2.30</b>       | <b>327.73</b>  |
| Less : Loss allowances (including expected credit loss)                            |                                                            |                    |                   |                |                |                   | (16.22)        |
| <b>Net Trade Receivables</b>                                                       |                                                            |                    |                   |                |                |                   | <b>311.51</b>  |
| <b>Expected credit loss provision-Undisputed</b>                                   | <b>2.79</b>                                                | <b>1.57</b>        | <b>0.56</b>       | <b>2.79</b>    | <b>0.34</b>    | <b>0.04</b>       | <b>8.09</b>    |
| <b>Expected credit loss rate</b>                                                   | <b>1.91%</b>                                               | <b>0.99%</b>       | <b>4.77%</b>      | <b>83.53%</b>  | <b>100.00%</b> | <b>100.00%</b>    | <b>2.53%</b>   |
| <b>Expected credit loss provision-Disputed</b>                                     | <b>0.00</b>                                                | <b>0.00</b>        | <b>2.51</b>       | <b>2.36</b>    | <b>1.00</b>    | <b>2.26</b>       | <b>8.13</b>    |
| <b>Expected credit loss rate</b>                                                   | <b>100.00%</b>                                             | <b>100.00%</b>     | <b>100.00%</b>    | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b>    | <b>100.00%</b> |

### Notes:

- The company does not have unbilled revenue at balance sheet date and hence not disclosed above.
- No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member, other than dues from related parties as disclosed, refer note 32.
- For terms and conditions relating to related party receivables, refer note 32. Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 8 Cash and bank balances

(₹ in Million)

|                                                           | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Cash and cash equivalents</b>                          |                                          |                                          |
| Cash on hand                                              | 0.48                                     | 0.62                                     |
| <b>Balances with banks</b>                                |                                          |                                          |
| In Current accounts                                       | 103.99                                   | 91.48                                    |
| Deposits with original maturity of less than three months | 60.88                                    | 127.17                                   |
| <b>Total - A</b>                                          | <b>165.35</b>                            | <b>219.27</b>                            |
| <b>Bank balances other than cash and cash equivalents</b> |                                          |                                          |
| Deposits with remaining maturity less than twelve months  | 144.63                                   | 232.87                                   |
| Margin money deposit (refer note 2 below)                 | 96.42                                    | 92.59                                    |
| Unpaid dividend accounts                                  | 15.17                                    | 12.41                                    |
| <b>Total - B</b>                                          | <b>256.22</b>                            | <b>337.87</b>                            |
| <b>Total (A+B)</b>                                        | <b>421.57</b>                            | <b>557.14</b>                            |

Notes:

- Deposits are made for varying periods between one week and one year, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
- Margin money deposits includes bank deposits of ₹ 22.5 Million for availing overdraft facility from bank. Other margin money deposits are marked as lien against outstanding bank guarantees and facilities for forward contract, overdraft and stand by letter of credit from bank.

### 9 Other Financial Assets (Unsecured and Considered Good)

(₹ in Million)

|                                                             | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|-------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Non-current (at amortized cost)</b>                      |                                          |                                          |
| Deposits with remaining maturity of more than twelve months | 30.09                                    | 15.02                                    |
| Security deposits                                           | 7.68                                     | 7.68                                     |
| <b>Total</b>                                                | <b>37.77</b>                             | <b>22.70</b>                             |

### 10 Non-Current Tax Assets (net)

(₹ in Million)

|                          | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|--------------------------|------------------------------------------|------------------------------------------|
| Advance income tax (net) | 14.02                                    | 17.62                                    |
| <b>Total</b>             | <b>14.02</b>                             | <b>17.62</b>                             |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 11 Other Assets (Unsecured and Considered Good)

(₹ in Million)

|                                                                                                                                                  | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Non-Current</b>                                                                                                                               |                                          |                                          |
| Capital advances                                                                                                                                 | 0.19                                     | -                                        |
| Amount paid under protest (refer note 31)                                                                                                        | 1.15                                     | 1.72                                     |
| <b>Total - A</b>                                                                                                                                 | <b>1.34</b>                              | <b>1.72</b>                              |
| <b>Current</b>                                                                                                                                   |                                          |                                          |
| Advances to supplier for goods and services (unsecured, considered good)                                                                         | 6.08                                     | 2.77                                     |
| Returnable assets                                                                                                                                | -                                        | 1.27                                     |
| Export incentive receivables                                                                                                                     | 0.82                                     | 1.24                                     |
| Prepaid expenses                                                                                                                                 | 4.25                                     | 3.14                                     |
| Advances to employees (unsecured, considered good) [Includes loan to employees ₹ 0.14 Million (31 <sup>st</sup> December, 2023: ₹ 0.42 Million)] | 2.30                                     | 1.66                                     |
| Balances with government authorities                                                                                                             | 0.89                                     | 3.28                                     |
| <b>Total - B</b>                                                                                                                                 | <b>14.34</b>                             | <b>13.36</b>                             |
| <b>Total (A+B)</b>                                                                                                                               | <b>15.68</b>                             | <b>15.08</b>                             |

### 12 Equity Share Capital

(₹ in Million)

|                                                                                                    | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|----------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Authorised share capital:</b>                                                                   |                                          |                                          |
| 2,900,000 (31 <sup>st</sup> December, 2023 : 2,900,000) Equity Shares of ₹ 10/- each               | 29.00                                    | 29.00                                    |
| 10,000 (31 <sup>st</sup> December, 2023 : 10,000) Preference Shares of ₹ 100/- each                | 1.00                                     | 1.00                                     |
| <b>Total</b>                                                                                       | <b>30.00</b>                             | <b>30.00</b>                             |
| <b>Issued, Subscribed and fully Paid-up share capital:</b>                                         |                                          |                                          |
| 2,088,016 (31 <sup>st</sup> December, 2023 : 2,088,016) Equity Shares of ₹ 10/- each fully paid-up | 20.88                                    | 20.88                                    |
| <b>Total</b>                                                                                       | <b>20.88</b>                             | <b>20.88</b>                             |

#### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

| Equity Share capital               | As at 31 <sup>st</sup> December, 2024 |                | As at 31 <sup>st</sup> December, 2023 |                |
|------------------------------------|---------------------------------------|----------------|---------------------------------------|----------------|
|                                    | No. of Shares                         | (₹ in Million) | No. of Shares                         | (₹ in Million) |
| At the beginning of the year       | 20,88,016                             | 20.88          | 20,88,016                             | 20.88          |
| Add: Issued during the year        | -                                     | -              | -                                     | -              |
| Outstanding at the end of the year | 20,88,016                             | 20.88          | 20,88,016                             | 20.88          |

#### b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

**c) Shares held by Holding Company**

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

(₹ in Million)

|                                                                       | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| SPGPrints B.V., Netherlands, the Holding Company                      |                                          |                                          |
| 1,483,777 (31 <sup>st</sup> December, 2023 : 1,483,777) equity shares | 14.84                                    | 14.84                                    |

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

| Equity Share capital                    | As at 31 <sup>st</sup> December, 2024 |           | As at 31 <sup>st</sup> December, 2023 |           |
|-----------------------------------------|---------------------------------------|-----------|---------------------------------------|-----------|
|                                         | No. of Shares                         | % holding | No. of Shares                         | % holding |
| Equity shares of ₹ 10/- each fully paid |                                       |           |                                       |           |
| SPGPrints B.V., Netherlands             | 14,83,777                             | 71.06%    | 14,83,777                             | 71.06%    |

**e) Details of Shares held by promoters at the end of the year**

| Promoters Name              | As at 31 <sup>st</sup> December, 2024      |                                            |                                         |                   |                          |
|-----------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------------|-------------------|--------------------------|
|                             | No. of Shares at the beginning of the year | Change in number of shares during the year | Number of shares at the end of the year | % of total shares | % change during the year |
| SPGPrints B.V., Netherlands | 14,83,777                                  | -                                          | 14,83,777                               | 71.06%            | 0.00%                    |

| Promoters Name              | As at 31 <sup>st</sup> December, 2023      |                                            |                                         |                   |                          |
|-----------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------------|-------------------|--------------------------|
|                             | No. of Shares at the beginning of the year | Change in number of shares during the year | Number of shares at the end of the year | % of total shares | % change during the year |
| SPGPrints B.V., Netherlands | 14,83,777                                  | -                                          | 14,83,777                               | 0.71              | 0.00%                    |

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**f) Distributions made :**

Interim dividend for Year 2024 of ₹ 115 per equity share [31<sup>st</sup> December, 2023: ₹ 157 per equity share] aggregating to ₹ 240.12 Million [31<sup>st</sup> December, 2023: ₹ 327.82 Million] was paid in the month of May 2024 [31<sup>st</sup> December, 2023: August 2023].

During the year 2024 final dividend for 31<sup>st</sup> December, 2023 of ₹ 17 per equity share approved by shareholders at the Annual General Meeting held as at 25<sup>th</sup> April, 2024 paid aggregating to ₹ 35.50 Million.

The Board of Directors at its meeting held on 12<sup>th</sup> February, 2025 do not recommended any final dividend for the year ended December 2024.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 13 Other Equity

|                                                                                      | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|--------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>(i) Retained Earnings (refer note (i) below)</b>                                  |                                          |                                          |
| Balance at the beginning of the year                                                 | 1,306.62                                 | 1,643.49                                 |
| Profit for the year                                                                  | 129.61                                   | 90.37                                    |
| Remeasurement on defined benefit plans (net of tax)                                  | (5.01)                                   | (1.28)                                   |
| Dividend paid                                                                        | (275.62)                                 | (425.96)                                 |
| Transfer from reserve for equity instruments through other comprehensive income      | 1.14                                     | -                                        |
| <b>Balance at the end of the year Total (i)</b>                                      | <b>1,156.74</b>                          | <b>1,306.62</b>                          |
| <b>(ii) Other Reserves</b>                                                           |                                          |                                          |
| <b>A. Capital Reserve</b>                                                            |                                          |                                          |
| Balance at the beginning of the year                                                 | 0.35                                     | 0.35                                     |
| <b>Balance at the end of the year Total - A</b>                                      | <b>0.35</b>                              | <b>0.35</b>                              |
| <b>B. Capital Reserve on account of business combination (refer note (ii) below)</b> |                                          |                                          |
| Balance at the beginning of the year                                                 | (190.26)                                 | (190.26)                                 |
| <b>Balance at the end of the year Total - B</b>                                      | <b>(190.26)</b>                          | <b>(190.26)</b>                          |
| <b>C. Capital Redemption Reserve (refer note (iii) below)</b>                        |                                          |                                          |
| Balance at the beginning of the year                                                 | 0.35                                     | 0.35                                     |
| <b>Balance at the end of the year Total - C</b>                                      | <b>0.35</b>                              | <b>0.35</b>                              |
| <b>D. Securities Premium (refer note (iv) below)</b>                                 |                                          |                                          |
| Balance at the beginning of the year                                                 | 79.62                                    | 79.62                                    |
| <b>Balance at the end of the year Total - D</b>                                      | <b>79.62</b>                             | <b>79.62</b>                             |
| <b>E. General Reserve (refer note (v) below)</b>                                     |                                          |                                          |
| Balance at the beginning of the year                                                 | 181.95                                   | 181.95                                   |
| <b>Balance at the end of the year Total - E</b>                                      | <b>181.95</b>                            | <b>181.95</b>                            |
| <b>F. Equity instrument through other comprehensive income (refer note (vi))</b>     |                                          |                                          |
| Balance at the beginning of the year                                                 | 1.14                                     | 0.79                                     |
| Change in fair value of investments measured at FVTOCI (net of tax)                  | -                                        | 0.35                                     |
| Transfer to retained earnings                                                        | (1.14)                                   | -                                        |
| <b>Balance at the end of the year Total - F</b>                                      | <b>-</b>                                 | <b>1.14</b>                              |
| <b>Total (ii) (A+B+C+D+E+F)</b>                                                      | <b>72.01</b>                             | <b>73.15</b>                             |

#### Notes :

- Retained Earnings can be distributed by the Company as dividend to its equity shareholders and the same is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.
- Capital Reserve is created on account of business combination transaction between the Company and SPGPrints B.V. in 2019 to acquire the Service and Spare Parts Business relating to Rotary Printing Equipment.
- Capital Redemption Reserve created on redemption of Redeemable Preference shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Securities Premium represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
- This reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 14 Trade Payables

(₹ in Million)

|                                                                 | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------------|------------------------------------------|------------------------------------------|
| Trade payables: micro and small enterprises (refer notes below) | 16.66                                    | 11.79                                    |
| Trade payables: others (refer notes below)                      | 128.61                                   | 264.36                                   |
| <b>Total</b>                                                    | <b>145.27</b>                            | <b>276.15</b>                            |

Below is the age of trade payables as at reporting date:

| Particulars                                 | Outstanding for following periods from due date of payment |                     |                  |             |           |                   |               |
|---------------------------------------------|------------------------------------------------------------|---------------------|------------------|-------------|-----------|-------------------|---------------|
|                                             | Unbilled                                                   | Current but not due | Less than 1 year | 1-2 years   | 2-3 years | More than 3 years | Total         |
| <b>As at 31<sup>st</sup> December, 2024</b> |                                                            |                     |                  |             |           |                   |               |
| <b>Undisputed trade payables</b>            |                                                            |                     |                  |             |           |                   |               |
| Micro enterprises and small enterprises     | 0.21                                                       | 13.52               | 2.93             | -           | -         | -                 | 16.66         |
| Others                                      | 25.19                                                      | 28.51               | 74.53            | 0.38        | -         | -                 | 128.61        |
| <b>Disputed trade payables</b>              |                                                            |                     |                  |             |           |                   |               |
| Micro enterprises and small enterprises     | -                                                          | -                   | -                | -           | -         | -                 | -             |
| Others                                      | -                                                          | -                   | -                | -           | -         | -                 | -             |
|                                             | <b>25.40</b>                                               | <b>42.03</b>        | <b>77.46</b>     | <b>0.38</b> | <b>-</b>  | <b>-</b>          | <b>145.27</b> |
| <b>As at 31<sup>st</sup> December, 2023</b> |                                                            |                     |                  |             |           |                   |               |
| <b>Undisputed trade payables</b>            |                                                            |                     |                  |             |           |                   |               |
| Micro enterprises and small enterprises     | -                                                          | 7.15                | 4.64             | -           | -         | -                 | 11.79         |
| Others                                      | 7.81                                                       | 170.61              | 85.42            | 0.52        | -         | -                 | 264.36        |
| <b>Disputed trade payables</b>              |                                                            |                     |                  |             |           |                   |               |
| Micro enterprises and small enterprises     | -                                                          | -                   | -                | -           | -         | -                 | -             |
| Others                                      | -                                                          | -                   | -                | -           | -         | -                 | -             |
|                                             | <b>7.81</b>                                                | <b>177.76</b>       | <b>90.06</b>     | <b>0.52</b> | <b>-</b>  | <b>-</b>          | <b>276.15</b> |

**Notes:**

- Trade payables are non-interest bearing and are normally settled on 45 to 90 days term.
- For terms and conditions with related parties, refer note 32.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

- 3 The disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

(₹ in Million)

|                                                                                                                                                                                                                                                                                                                                   | Year ended<br>31 <sup>st</sup> December, 2024 | Year ended<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| a) Amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end towards:                                                                                                                                                                                                                            |                                               |                                               |
| - Principal                                                                                                                                                                                                                                                                                                                       | 16.66                                         | 11.79                                         |
| - Interest                                                                                                                                                                                                                                                                                                                        | -                                             | -                                             |
| b) The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;                                                                              | -                                             | -                                             |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006;                                                                 | -                                             | -                                             |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year;                                                                                                                                                                                                                                        | -                                             | -                                             |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006. | -                                             | -                                             |

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

### 15 Other Current Financial Liabilities

(₹ in Million)

|                                      | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|--------------------------------------|------------------------------------------|------------------------------------------|
| Payable for capital expenditure      | 3.04                                     | 6.05                                     |
| Employee related liabilities         | 39.51                                    | 23.50                                    |
| Unpaid dividend (refer note 1 below) | 15.17                                    | 12.41                                    |
| <b>Total</b>                         | <b>57.72</b>                             | <b>41.96</b>                             |

#### Note:

- 1 There is no amount due and outstanding as at 31<sup>st</sup> December, 2024 to be credited to Investor Education and Protection Fund.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 16 Provisions

(₹ in Million)

|                                                    | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|----------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Non-current</b>                                 |                                          |                                          |
| <b>Employee Benefits</b>                           |                                          |                                          |
| Provision for gratuity (refer note 28)             | 8.14                                     | 6.02                                     |
| <b>Total - A</b>                                   | <b>8.14</b>                              | <b>6.02</b>                              |
| <b>Current</b>                                     |                                          |                                          |
| <b>Employee Benefits</b>                           |                                          |                                          |
| Provision for Compensated absences (refer note 28) | 34.36                                    | 26.64                                    |
| Provision for warranty (refer note 2 and 3 below)  | 15.49                                    | 11.60                                    |
| Provision others (refer note 1 below)              | 4.89                                     | 4.89                                     |
| <b>Total - B</b>                                   | <b>54.74</b>                             | <b>43.13</b>                             |
| <b>Total (A+B)</b>                                 | <b>62.88</b>                             | <b>49.15</b>                             |

#### Notes :

- The Company has made provision for disputed Labour matters for ₹ 4.89 Million (31<sup>st</sup> December, 2023: ₹ 4.89 Million) for claim filed by employees for claiming Voluntary Retirement Scheme (VRS) benefit in earlier years.
- 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 current sales level and information for best possible estimate available on returns.

(₹ in Million)

|                                       | Year ended 31 <sup>st</sup> December, 2024 |                        | Year ended 31 <sup>st</sup> December, 2023 |                        |
|---------------------------------------|--------------------------------------------|------------------------|--------------------------------------------|------------------------|
|                                       | Other<br>Provisions                        | Warranty<br>Provisions | Other<br>Provisions                        | Warranty<br>Provisions |
| Balance at the beginning of the year  | 4.89                                       | 11.60                  | 4.89                                       | 10.66                  |
| Additions during the year             | -                                          | 12.06                  | -                                          | 9.53                   |
| Reversals during the year             | -                                          | 4.97                   | -                                          | 5.28                   |
| Utilisations during the year          | -                                          | 3.20                   | -                                          | 3.31                   |
| <b>Balance at the end of the year</b> | <b>4.89</b>                                | <b>15.49</b>           | <b>4.89</b>                                | <b>11.60</b>           |

- The sensitivity analysis for warranty provisions have been carried out based on the exposure to change in rates for warranties which are in the range of 1% to 7% depending upon the terms of warranty and type of machine.

(₹ in Million)

|                                   | Effect on profit before tax                   |                                               |
|-----------------------------------|-----------------------------------------------|-----------------------------------------------|
|                                   | Year Ended<br>31 <sup>st</sup> December, 2024 | Year ended<br>31 <sup>st</sup> December, 2023 |
| Warranty rate sensitivity         |                                               |                                               |
| Increase in warranty rate + 0.25% | 2.25                                          | 1.39                                          |
| Decrease in warranty rate - 0.25% | (2.25)                                        | (1.39)                                        |

### 17 Other Current Liabilities

(₹ in Million)

|                                                                   | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|-------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| Contract Liabilities - Advance from customers (refer note 33)     | 72.97                                    | 95.90                                    |
| Contract Liabilities - Deferred Revenue (refer note 33)           | 5.99                                     | 7.26                                     |
| Statutory dues                                                    | 8.31                                     | 9.11                                     |
| Refundable liabilities                                            | -                                        | 1.72                                     |
| Liability towards corporate social responsibility (refer note 39) | 1.89                                     | 2.56                                     |
| <b>Total</b>                                                      | <b>89.16</b>                             | <b>116.55</b>                            |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 18 Revenue from operations

(₹ in Million)

|                                                                    | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|--------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>Revenue from contract with customers (refer note 32 and 33)</b> |                                               |                                               |
| Sale of goods                                                      | 1,935.68                                      | 1,708.14                                      |
| Sales of traded goods                                              | 134.78                                        | 101.79                                        |
| Sale of services                                                   | 39.06                                         | 33.88                                         |
| <b>Total A</b>                                                     | <b>2,109.52</b>                               | <b>1,843.81</b>                               |
| Other operating income                                             |                                               |                                               |
| Commission income (refer note 32)                                  | 11.24                                         | 7.42                                          |
| Sale of manufacturing scrap                                        | 192.06                                        | 193.68                                        |
| Export incentives                                                  | 13.66                                         | 9.15                                          |
| Freight recovery                                                   | 19.22                                         | 18.50                                         |
| <b>Total B</b>                                                     | <b>236.18</b>                                 | <b>228.75</b>                                 |
| <b>Total (A + B)</b>                                               | <b>2,345.70</b>                               | <b>2,072.56</b>                               |

### 19 Other income

(₹ in Million)

|                                                            | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>Interest Income on:</b>                                 |                                               |                                               |
| Bank deposits                                              | 18.20                                         | 26.96                                         |
| Others                                                     | 0.89                                          | 0.20                                          |
| Liabilities and provisions no longer required written back | 7.07                                          | 8.23                                          |
| Lease rentals (refer note 29)                              | 0.94                                          | 0.88                                          |
| Net gain on foreign currency transactions                  | -                                             | 3.23                                          |
| Insurance claims received                                  | 0.95                                          | 1.64                                          |
| Miscellaneous income                                       | 6.06                                          | 3.19                                          |
| <b>Total</b>                                               | <b>34.11</b>                                  | <b>44.33</b>                                  |

### 20 Cost of raw material consumed

(₹ in Million)

|                                        | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|----------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Inventory at the beginning of the year | 253.18                                        | 273.40                                        |
| Add: Purchases during the year         | 1,047.65                                      | 1,123.79                                      |
|                                        | <b>1,300.83</b>                               | <b>1,397.19</b>                               |
| Less: Inventory at the end of the year | 193.83                                        | 253.18                                        |
| <b>Cost of raw material consumed</b>   | <b>1,107.00</b>                               | <b>1,144.01</b>                               |

### 21 Purchase of stock-in-trade

(₹ in Million)

|                           | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|---------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>Purchase of :</b>      |                                               |                                               |
| Perforated rotary screens | 52.37                                         | 37.62                                         |
| Digital Ink               | 75.56                                         | 85.83                                         |
| Others                    | 13.07                                         | 22.93                                         |
| <b>Total</b>              | <b>141.00</b>                                 | <b>146.38</b>                                 |



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 22 Changes in inventories of work-in-progress, stock-in-trade and finished goods

(₹ in Million)

|                      | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|----------------------|-----------------------------------------------|-----------------------------------------------|
| <b>Opening Stock</b> |                                               |                                               |
| - Work-in-progress   | 62.59                                         | 56.84                                         |
| - Finished goods     | 162.18                                        | 198.47                                        |
| - Stock-in-trade     | 95.05                                         | 36.00                                         |
| <b>Total-A</b>       | <b>319.82</b>                                 | <b>291.31</b>                                 |
| <b>Closing Stock</b> |                                               |                                               |
| - Work-in-progress   | 26.36                                         | 62.59                                         |
| - Finished goods     | 139.03                                        | 162.18                                        |
| - Stock-in-trade     | 54.47                                         | 95.05                                         |
| <b>Total-B</b>       | <b>219.86</b>                                 | <b>319.82</b>                                 |
| <b>Total (A-B)</b>   | <b>99.96</b>                                  | <b>(28.51)</b>                                |

### 23 Employee benefits expense

(₹ in Million)

|                                                           | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Salaries, wages and bonus (refer note 28)                 | 262.45                                        | 213.84                                        |
| Contribution to provident and other funds (refer note 28) | 11.75                                         | 10.35                                         |
| Gratuity expenses (refer note 28)                         | 5.11                                          | 6.99                                          |
| Staff welfare expense                                     | 19.93                                         | 16.26                                         |
| <b>Total</b>                                              | <b>299.24</b>                                 | <b>247.44</b>                                 |

### 24 Other expenses

(₹ in Million)

|                                                         | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|---------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Consumption of packing materials                        | 9.80                                          | 8.72                                          |
| Consumption of stores and spares                        | 18.34                                         | 16.35                                         |
| Repairs and maintenance                                 |                                               |                                               |
| - Buildings                                             | 1.64                                          | 1.60                                          |
| - Plant and Equipment                                   | 9.32                                          | 10.54                                         |
| - Others                                                | 4.05                                          | 3.23                                          |
| Power and fuel                                          | 168.76                                        | 155.78                                        |
| Rates and taxes                                         | 3.08                                          | 2.55                                          |
| Insurance                                               | 4.45                                          | 3.63                                          |
| Royalty (refer note 32)                                 | 28.42                                         | 23.40                                         |
| Loss allowances (net)                                   | 0.54                                          | 3.22                                          |
| Bad debts written off                                   | 6.24                                          | 1.37                                          |
| Commission / service charges                            | 13.37                                         | 9.56                                          |
| Sales promotion expenses                                | 4.41                                          | 3.89                                          |
| Directors' Commission and sitting fees (refer note 32)  | 2.15                                          | 2.45                                          |
| Freight and forwarding charges                          | 32.90                                         | 16.97                                         |
| Provision for warranty (net) (refer note 16)            | 7.09                                          | 4.25                                          |
| Group management fees (refer note 32)                   | 102.32                                        | 94.33                                         |
| Loss on foreign currency transactions (net)             | 3.70                                          | -                                             |
| Loss on disposal of property, plant and equipment (net) | 1.38                                          | 0.32                                          |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 24 Other expenses

(₹ in Million)

|                                                                                 | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|---------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Contribution towards corporate social responsibility activities (refer note 39) | 5.60                                          | 6.00                                          |
| Auditor's Remuneration (refer note 1 below) :                                   |                                               |                                               |
| - Statutory audit fees                                                          | 3.38                                          | 3.20                                          |
| - Tax audit fees                                                                | 0.59                                          | 0.58                                          |
| - Others                                                                        | 0.60                                          | 0.73                                          |
| - Out - of - pocket expenses                                                    | 0.15                                          | 0.10                                          |
| Other miscellaneous expenses                                                    | 59.23                                         | 56.11                                         |
| <b>Total</b>                                                                    | <b>491.51</b>                                 | <b>428.88</b>                                 |

**Note:**

- Auditor's remuneration for year ended 31<sup>st</sup> December, 2024 includes statutory audit fees ₹ 0.40 Million, tax audit fees ₹ 0.18 Million and out-of pocket expenses ₹ 0.10 Million paid to S R B C & CO LLP (previous auditor).

### 25 Finance costs

(₹ in Million)

|                            | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|----------------------------|-----------------------------------------------|-----------------------------------------------|
| Interest on bank overdraft | 0.02                                          | 0.88                                          |
| Interest on income tax     | 0.83                                          | -                                             |
| <b>Total</b>               | <b>0.85</b>                                   | <b>0.88</b>                                   |

### 26 Income tax expenses

The major component of income tax expenses for the year ended 31<sup>st</sup> December, 2024 and 31<sup>st</sup> December, 2023 are as under:

**a Expenses recognised in statement of profit and loss**

(₹ in Million)

|                                                 | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>Current tax</b>                              |                                               |                                               |
| Current tax on profits for the year             | 51.22                                         | 30.78                                         |
| Adjustment for current tax of prior periods     | 0.41                                          | (3.80)                                        |
| <b>Total current tax expenses</b>               | <b>51.63</b>                                  | <b>26.98</b>                                  |
| <b>Deferred tax</b>                             |                                               |                                               |
| Decrease/(Increase) in deferred tax assets      | (3.12)                                        | 0.05                                          |
| (Decrease)/Increase in deferred tax liabilities | (3.63)                                        | (3.21)                                        |
| <b>Total deferred tax expense / (benefit)</b>   | <b>(6.75)</b>                                 | <b>(3.16)</b>                                 |
| <b>Income tax expenses</b>                      | <b>44.88</b>                                  | <b>23.82</b>                                  |



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

**b A Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

(₹ in Million)

|                                                                                                     | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>Accounting profit before tax</b>                                                                 | <b>174.49</b>                                 | <b>114.19</b>                                 |
| Statutory Income tax rate (%)                                                                       | 25.17                                         | 25.17                                         |
| <b>Expected Income tax expenses</b>                                                                 | <b>43.92</b>                                  | <b>28.74</b>                                  |
| Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses |                                               |                                               |
| Non-deductible expenses                                                                             | 1.63                                          | 2.10                                          |
| Income tax related to prior years                                                                   | 0.41                                          | (3.84)                                        |
| Income not chargeable to tax                                                                        | (1.08)                                        | (3.22)                                        |
| Income taxed at lower rate                                                                          | -                                             | 0.04                                          |
| <b>Income tax expenses as per normal tax rate</b>                                                   | <b>44.88</b>                                  | <b>23.82</b>                                  |
| <b>Consequent to reconciliation items shown above, the effective tax rate</b>                       | <b>25.72%</b>                                 | <b>20.86%</b>                                 |

**c Deferred tax:**

The movement in deferred tax assets / (liabilities) during the year ended 31<sup>st</sup> December, 2024 and 31<sup>st</sup> December, 2023 are given below:

(₹ in Million)

|                                                      | Opening<br>balance as at<br>1 <sup>st</sup> January,<br>2024 | Deferred tax<br>charge / (credit)<br>recognised in<br>P&L | Deferred tax<br>charge / (credit)<br>recognised in<br>OCI | Closing<br>balance at<br>31 <sup>st</sup> December,<br>2024 |
|------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------|
| Property, plant and equipment                        | (5.64)                                                       | (3.63)                                                    | -                                                         | (2.01)                                                      |
| Trade receivables                                    | 4.08                                                         | (0.14)                                                    | -                                                         | 4.22                                                        |
| Provision for contingency and inventory obsolescence | 6.16                                                         | (1.19)                                                    | -                                                         | 7.35                                                        |
| Provision for gratuity                               | 1.52                                                         | 1.15                                                      | (1.68)                                                    | 2.05                                                        |
| Other timing differences allowable on payment basis  | 6.87                                                         | (2.94)                                                    | -                                                         | 9.81                                                        |
| <b>Total Deferred tax assets (net)</b>               | <b>12.99</b>                                                 | <b>(6.75)</b>                                             | <b>(1.68)</b>                                             | <b>21.42</b>                                                |

(₹ in Million)

|                                                      | Opening<br>balance as at<br>1 <sup>st</sup> January,<br>2023 | Deferred tax<br>charge / (credit)<br>recognised in<br>P&L | Deferred tax<br>charge / (credit)<br>recognised in<br>OCI | Closing<br>balance at<br>31 <sup>st</sup> December,<br>2023 |
|------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------|
| Property, plant and equipment                        | (8.85)                                                       | (3.21)                                                    | -                                                         | (5.64)                                                      |
| Trade receivables                                    | 3.27                                                         | (0.81)                                                    | -                                                         | 4.08                                                        |
| Provision for contingency and inventory obsolescence | 6.42                                                         | 0.26                                                      | -                                                         | 6.16                                                        |
| Provision for gratuity                               | 1.49                                                         | 0.40                                                      | (0.43)                                                    | 1.52                                                        |
| Other timing differences allowable on payment basis  | 7.07                                                         | 0.20                                                      | -                                                         | 6.87                                                        |
| <b>Total Deferred tax assets (net)</b>               | <b>9.40</b>                                                  | <b>(3.16)</b>                                             | <b>(0.43)</b>                                             | <b>12.99</b>                                                |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 27 Earnings per share

(₹ in Million)

|                                                         | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|---------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Profit for the year attributable to equity shareholders | 129.61                                        | 90.37                                         |
| Weighted average number of equity shares (Nos.)         | 20,88,016                                     | 20,88,016                                     |
| Nominal value of an equity share (in ₹)                 | 10                                            | 10                                            |
| Earnings Per Share (Basic and Diluted) (in ₹)           | 62.07                                         | 43.28                                         |

(The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share).

### 28 Disclosures as required by Ind AS - 19 Employee Benefits:

#### (a) Defined Contribution Plan :

The Company operate defined contribution plans in the form of provident and other funds. The Company has no obligation, other than the contribution payable to the provident and other funds. The Company recognizes contribution payable to the provident and other funds as an expense, when an employee renders the related service.

The amount recognised as an expense for defined contribution plans is as under:

(₹ in Million)

|                                   | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>Employer's contribution to</b> |                                               |                                               |
| - Provident Fund                  | 11.60                                         | 10.12                                         |
| - Employees' State Insurance      | 0.14                                          | 0.22                                          |
| - Others                          | 0.01                                          | 0.01                                          |
|                                   | <b>11.75</b>                                  | <b>10.35</b>                                  |

#### (b) Defined Benefit Plans:

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The scheme is funded with the Life Insurance Corporation of India in form of a Group Gratuity Policy. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

#### i. Cost charged to statement of profit and loss

(₹ in Million)

|                                                                       | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Current service cost                                                  | 4.66                                          | 4.61                                          |
| Interest Cost                                                         | 0.45                                          | 0.55                                          |
| Past service Cost                                                     | -                                             | 1.83                                          |
| <b>Sub-total included in statement of profit and loss</b>             | <b>5.11</b>                                   | <b>6.99</b>                                   |
| <b>Remeasurement (gains) / losses in other comprehensive income</b>   |                                               |                                               |
| Actuarial losses / (gains)                                            | 6.20                                          | 1.36                                          |
| Return on plan assets, excluding amount recognised in interest income | 0.49                                          | 0.35                                          |
| <b>Sub-total included in Other Comprehensive Income</b>               | <b>6.69</b>                                   | <b>1.71</b>                                   |



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

(₹ in Million)

|                                                                                                            | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>ii. Reconciliation of opening and closing balances of defined benefit obligation</b>                    |                                               |                                               |
| Present value of defined benefit obligations at the beginning of the year                                  | 43.62                                         | 36.56                                         |
| Current service cost                                                                                       | 4.66                                          | 4.61                                          |
| Past service cost                                                                                          | -                                             | 1.83                                          |
| Interest cost                                                                                              | 3.23                                          | 2.86                                          |
| Benefit paid directly by the employer                                                                      | (1.18)                                        | (3.60)                                        |
| <b>Re-measurement or actuarial (gain) / loss arising from:</b>                                             |                                               |                                               |
| Change in demographic assumptions                                                                          | 0.68                                          | (0.91)                                        |
| Change in financial assumptions                                                                            | 5.37                                          | 2.99                                          |
| .Experience variance<br>(i.e. actual experience vs assumptions)                                            | 0.15                                          | (0.72)                                        |
| <b>Present Value of Defined Benefit Obligations at the end of the year</b>                                 | <b>56.53</b>                                  | <b>43.62</b>                                  |
| <b>iii. Reconciliation of opening and closing balances of the fair value of plan assets</b>                |                                               |                                               |
| Fair value of plan assets at the beginning of the year                                                     | 37.60                                         | 30.64                                         |
| Interest income                                                                                            | 2.78                                          | 2.31                                          |
| Return on plan assets, excluding interest income                                                           | (0.49)                                        | (0.35)                                        |
| Employer's contribution                                                                                    | 8.50                                          | 5.00                                          |
| <b>Fair value of plan assets at the end of the year</b>                                                    | <b>48.39</b>                                  | <b>37.60</b>                                  |
| <b>iv. Reconciliation of the present value of defined benefit obligation and Fair value of plan assets</b> |                                               |                                               |
| Present value of defined benefit obligations at the end of the year                                        | 56.53                                         | 43.62                                         |
| Fair value of plan assets at the end of the year                                                           | 48.39                                         | 37.60                                         |
| <b>Net defined liability recognized in Balance Sheet as at the end of the year</b>                         | <b>8.14</b>                                   | <b>6.02</b>                                   |
| Current                                                                                                    | -                                             | -                                             |
| Non-current                                                                                                | 8.14                                          | 6.02                                          |

- v. The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:**

|                                | Year Ended<br>31 <sup>st</sup> December, 2024        | Year Ended<br>31 <sup>st</sup> December, 2023        |
|--------------------------------|------------------------------------------------------|------------------------------------------------------|
| Discount Rate (per annum)      | 6.99%                                                | 7.40%                                                |
| Annual Increase in Salary Cost | 15.00% p.a. one year, 8.00% p.a. thereafter          | 15.00% p.a. one year, 8.00% p.a. thereafter          |
| Rate of Employee Turnover      | For all service groups<br>4.50% p.a.                 | For all service groups<br>6.50% p.a.                 |
| Mortality Rates                | Indian Assured Lives<br>Mortality 2012-14<br>(urban) | Indian Assured Lives<br>Mortality 2012-14<br>(urban) |

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### vi. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another. The results of sensitivity analysis is given below:

(₹ in Million)

|                                                | Sensitivity level | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|------------------------------------------------|-------------------|-----------------------------------------------|-----------------------------------------------|
| Discount Rate (- / + 1%)                       | Increase          | (5.17)                                        | (3.46)                                        |
| (% change compared to base due to sensitivity) | Decrease          | 6.11                                          | 4.03                                          |
| Salary Growth Rate (- / + 1%)                  | Increase          | 5.96                                          | 3.94                                          |
| (% change compared to base due to sensitivity) | Decrease          | (5.14)                                        | (3.45)                                        |
| Attrition Rate (- / + 1%)                      | Increase          | (0.61)                                        | (0.29)                                        |
| (% change compared to base due to sensitivity) | Decrease          | 0.68                                          | 0.32                                          |

### vii. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

|                                                                   | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Cash accumulation scheme with Life Insurance Corporation of India | 95%                                           | 94%                                           |
| Bank Balances                                                     | 5%                                            | 6%                                            |

### viii. Risk exposure to defined benefit plans

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

#### Interest Rate Risk

The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

#### Liquidity Risk

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

#### Salary Escalation Risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### Demographic Risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### Regulatory Risk

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

### Asset Liability Mismatching or Market Risk

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

### Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

## ix. Effect of Plan on Entity's Future Cash Flows

### a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

### b) Maturity Profile of Defined Benefit Obligation

|                                                               | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|---------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Weighted average duration<br>(based on discounted cash flows) | 12 years                                      | 10 years                                      |

### Expected cash flows over the next years (valued on undiscounted basis):

(₹ in Million)

|                                | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|--------------------------------|------------------------------------------|------------------------------------------|
| 1 <sup>st</sup> Following Year | 2.64                                     | 2.52                                     |
| 2 <sup>nd</sup> Following year | 2.43                                     | 2.72                                     |
| 3 <sup>rd</sup> Following Year | 2.54                                     | 3.21                                     |
| 4 <sup>th</sup> Following Year | 8.13                                     | 2.84                                     |
| 5 <sup>th</sup> Following Year | 2.69                                     | 6.75                                     |
| Sum of Years 6 to 10           | 21.95                                    | 18.81                                    |
| Sum of Years 11 and above      | 97.51                                    | 62.31                                    |

The average future duration of the defined benefit plan obligation at the end of the reporting period is 14 years (31<sup>st</sup> December, 2023: 11 years).

### (c) Other employee benefits:

The compensated absences cover the Company's liability for earned leave. The entire amount of the provision of ₹ 34.36 Million (31<sup>st</sup> December, 2023: ₹ 26.64 Million) is presented as current, since the company does not have an unconditional right to defer settlement for these obligations. Expected amount towards settlement of Leave for the next 12 months are ₹ 3.21 Million (31<sup>st</sup> December, 2023: ₹ 2.80 Million) as per actuarial valuation.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

The principal assumptions used in determining actuarial liability for compensated absences for the Company are shown below:

|                                | Year Ended<br>31 <sup>st</sup> December, 2024  | Year Ended<br>31 <sup>st</sup> December, 2023  |
|--------------------------------|------------------------------------------------|------------------------------------------------|
| Discount Rate (per annum)      | 6.99%                                          | 7.40%                                          |
| Annual Increase in Salary Cost | 15.00% p.a. one year, 8.00% p.a. thereafter    | 15.00% p.a. one year, 8.00% p.a. thereafter    |
| Rate of Employee Turnover      | For all service groups 4.50% p.a.              | For all service groups 6.50% p.a.              |
| Mortality Rates                | Indian Assured Lives Mortality 2012-14 (urban) | Indian Assured Lives Mortality 2012-14 (urban) |

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

### 29 Leases

#### Operating Lease : As a Lessor

The Company has entered into cancellable lease agreements for use of certain area of its building premises for a period of one year. The lease rentals aggregating ₹ 0.94 Million (31<sup>st</sup> December, 2023: ₹ 0.88 Million) have been included under the head "Other Income" Note 19 "Lease Rentals" of Statements of Profit and Loss.

### 30 Previous year figures:

Previous year figures have been regrouped/reclassified to conform to current year's classification as under :

(₹ in Million)

| Note Description                                             | Note No. | Revised amount | Previously reported amount |
|--------------------------------------------------------------|----------|----------------|----------------------------|
| Other financial assets - Non current                         | 9        | 22.70          | 22.67                      |
| Cash and cash equivalents - Current                          | 8        | 219.27         | 219.10                     |
| Bank balances other than Cash and cash equivalents - Current | 8        | 337.87         | 121.43                     |
| Other financial assets - Current                             | NA       | -              | 218.08                     |
| Other current assets - Current                               | 11       | 13.36          | 10.85                      |
| Provisions - Non Current                                     | 16       | 6.02           | 23.83                      |
| Trade Payables - Current                                     | 14       | 264.36         | 264.62                     |
| Other financial liabilities - Current                        | 15       | 41.96          | 40.87                      |
| Provisions - Current                                         | 16       | 43.13          | 25.32                      |
| Other current liabilities - Current                          | 17       | 116.55         | 116.31                     |

**Note:** Consequent changes made to cash flows due to these reclassifications.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 31 Contingent liabilities and Capital Commitments:

#### a) Contingent Liabilities

(₹ in Million)

|                                | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|--------------------------------|------------------------------------------|------------------------------------------|
| Disputed labour matters #      | 4.00                                     | 4.00                                     |
| Disputed Income tax matters ^  | 4.38                                     | 4.38                                     |
| Disputed Indirect tax matters* | 1.09                                     | 1.09                                     |
|                                | <b>9.47</b>                              | <b>9.47</b>                              |

# Disputed Labour matters include ₹ 4.00 Million (31<sup>st</sup> December, 2023: ₹ 4.00 Million for claim filed by employees for compensation under Voluntary Retirement Scheme (VRS) benefit in earlier years.

^ Disputed Income tax matters include:

- 1) Demand from Income tax authorities for payment of additional income taxes of ₹ 4.30 Million (31<sup>st</sup> December, 2023: ₹ 4.30 Million) for the Assessment Year 2017-18 for matter related to disallowance of provision for warranty expenditure against which Company has preferred an appeal before appropriate authorities. Against this tax matter company has paid ₹ 0.80 Million (31<sup>st</sup> December, 2023: ₹ 0.80 Million) under protest.
- 2) Demands from Income tax authorities for payment of additional income taxes of ₹ 0.08 Million (31<sup>st</sup> December, 2023: ₹ 0.08 Million) for the Assessment Year 2013-14 for matters related to disallowance of weighted deduction claimed u/s 35(2AB) of the Income Tax Act, 1961, against which Company has preferred an appeal before appropriate authorities.

\* Disputed Indirect tax matters include:

- 1) Service tax demands for credit taken on sales commission expense for the period February 2013 to February 2016 of ₹ 1.09 Million (31<sup>st</sup> December, 2023: ₹ 1.09 Million), against which the Company has appealed before appropriate authorities. The Company has paid ₹ 0.07 Million (31<sup>st</sup> December, 2023: ₹ 0.65 Million) under protest against this matter.

#### b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances) as at 31<sup>st</sup> December, 2024 is ₹ 1.64 Million (31<sup>st</sup> December, 2023 is ₹ 3.31 Million).

### 32 Related Party Disclosures:

Related party disclosures as required under the Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” are given below:

| Name of Related Party                                                                         | Nature of Relationship    |
|-----------------------------------------------------------------------------------------------|---------------------------|
| <b>A. Parties where control exists:</b>                                                       |                           |
| SPGPrints B.V., Netherlands                                                                   | Holding Company           |
| Print I B.V., Netherlands                                                                     | Parent of Holding Company |
| Print Holdings B.V., Netherlands                                                              | Ultimate Holding Company  |
| <b>B. Name of the related party with whom transactions have been entered during the year:</b> |                           |
| SPGPrints Printing Systems Wuxi Co. Ltd, China                                                | Fellow subsidiary         |
| SPGPrints Digital Technology (Wuxi) Co. Ltd., China                                           | Fellow subsidiary         |
| SPGPrints Mexico S.A. De C.V, Mexico                                                          | Fellow subsidiary         |
| SPGPrints Austria GMBH, Austria                                                               | Fellow subsidiary         |
| SPGPrints Baski Sistemleri Tic. Ltd. Sti, Turkey                                              | Fellow subsidiary         |
| SPGPrints Brasil Ltda., Brasil                                                                | Fellow subsidiary         |
| SPGPrints America Inc, America                                                                | Fellow subsidiary         |
| Tinctura Colour Private Limited, India                                                        | Fellow subsidiary         |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

**C. Key Management Personnel:**

|                          |                         |
|--------------------------|-------------------------|
| Mr. Shailesh Wani        | Managing director       |
| Mr. Paras Mehta          | Chief financial officer |
| Mr. Sanjeev Singh Sengar | Company secretary       |

**D. Directors of company:**

|                    |                       |
|--------------------|-----------------------|
| Mr. K M Thanawalla | Independent directors |
| Mr. Marco Wadia    | Independent directors |
| Mrs. Kiran Dhingra | Independent directors |

- E.** Print Parent Limited (Cayman Islands), is Ultimate upstream holding company of Stovec Industries Limited. However, Print Parent Limited functions as an investment layer. Print Holdings B.V. (Netherlands) governs the operations of all the group entities below and effectively functions as Ultimate holding company for Stovec Industries Limited. Further, the company did not have any transactions or balance outstanding with Print Parent Limited during the current year and previous year.

**F. Transactions with related parties during the year and balance as at year end:**

(₹ in Million)

|                                                  | Parties referred to in (A)<br>above                 |                                                     | Parties referred to in (B)<br>above                 |                                                     | Parties referred to in (C<br>& D) above             |                                                     |
|--------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
|                                                  | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 |
| <b>Sale of Products</b>                          |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                   | 220.65                                              | 75.98                                               | -                                                   | -                                                   | -                                                   | -                                                   |
| SPG Prints Mexico, S.A. de C.V.                  | -                                                   | -                                                   | 11.62                                               | 4.80                                                | -                                                   | -                                                   |
| SPGPrints Austria GMBH                           | -                                                   | -                                                   | 1.42                                                | 0.05                                                | -                                                   | -                                                   |
| SPGPrints Brasil Ltda                            | -                                                   | -                                                   | 4.16                                                | 4.70                                                | -                                                   | -                                                   |
| SPGPrints Printing Systems<br>Wuxi Co.,Ltd       | -                                                   | -                                                   | (0.05)                                              | 2.49                                                | -                                                   | -                                                   |
| Spgprints America Inc                            | -                                                   | -                                                   | 1.45                                                | 5.48                                                | -                                                   | -                                                   |
| SPGPrints Baskı Sistemleri Tic.<br>Ltd. Şti.     | -                                                   | -                                                   | 130.29                                              | 163.22                                              | -                                                   | -                                                   |
| <b>Sub - Total</b>                               | <b>220.65</b>                                       | <b>75.98</b>                                        | <b>148.89</b>                                       | <b>180.74</b>                                       | <b>-</b>                                            | <b>-</b>                                            |
| <b>Sale of Services</b>                          |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                   | 3.81                                                | 3.54                                                | -                                                   | -                                                   | -                                                   | -                                                   |
| Spgprints America Inc                            | -                                                   | -                                                   | 1.16                                                | 1.15                                                | -                                                   | -                                                   |
| SPGPrints Printing Systems<br>(Wuxi) Co.,Ltd     | -                                                   | -                                                   | (0.01)                                              | 0.07                                                | -                                                   | -                                                   |
| SPGPrints Austria GMBH                           | -                                                   | -                                                   | 8.28                                                | 11.51                                               | -                                                   | -                                                   |
| <b>Sub - Total</b>                               | <b>3.81</b>                                         | <b>3.54</b>                                         | <b>9.43</b>                                         | <b>12.73</b>                                        | <b>-</b>                                            | <b>-</b>                                            |
| <b>Sale of Property, Plant and<br/>Equipment</b> |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| Mr. Paras Mehta                                  | -                                                   | -                                                   | -                                                   | -                                                   | 0.18                                                | -                                                   |
| Mr. Sanjeev Singh Sengar                         | -                                                   | -                                                   | -                                                   | -                                                   | -                                                   | 0.00                                                |
| <b>Sub - Total</b>                               | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>0.18</b>                                         | <b>0.00</b>                                         |



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### F. Transactions with related parties during the year and balance as at year end:

(₹ in Million)

|                                                  | Parties referred to in (A)<br>above                 |                                                     | Parties referred to in (B)<br>above                 |                                                     | Parties referred to in (C<br>& D) above             |                                                     |
|--------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
|                                                  | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 |
| <b>Purchase of Raw Material and Components</b>   |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                   | 77.40                                               | 209.45                                              | -                                                   | -                                                   | -                                                   | -                                                   |
| SPGPrints Austria GMBH                           | -                                                   | -                                                   | 3.39                                                | 5.45                                                | -                                                   | -                                                   |
| SPGPrints Printing Systems Wuxi Co Ltd.          | -                                                   | -                                                   | 1.33                                                | 0.15                                                | -                                                   | -                                                   |
| SPGPrints Digital Technology (Wuxi) Co.,Ltd.     | -                                                   | -                                                   | 6.85                                                | 8.24                                                | -                                                   | -                                                   |
| SPGPrints Brasil Ltda                            | -                                                   | -                                                   | 1.03                                                | -                                                   | -                                                   | -                                                   |
| <b>Sub - Total</b>                               | <b>77.40</b>                                        | <b>209.45</b>                                       | <b>12.60</b>                                        | <b>13.84</b>                                        | <b>-</b>                                            | <b>-</b>                                            |
| <b>Purchase of Property, Plant and Equipment</b> |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                   | 6.43                                                | 48.79                                               | -                                                   | -                                                   | -                                                   | -                                                   |
| <b>Sub - Total</b>                               | <b>6.43</b>                                         | <b>48.79</b>                                        | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            |
| <b>Expenses Recovered from other companies</b>   |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                   | 18.16                                               | 2.22                                                | -                                                   | -                                                   | -                                                   | -                                                   |
| SPGPrints Austria GMBH                           | -                                                   | -                                                   | 0.18                                                | 0.12                                                | -                                                   | -                                                   |
| SPGPrints Brasil Ltda                            | -                                                   | -                                                   | 0.49                                                | 0.32                                                | -                                                   | -                                                   |
| SPGPrints Baskı Sistemleri Tic. Ltd. Şti.        | -                                                   | -                                                   | 2.70                                                | 2.82                                                | -                                                   | -                                                   |
| SPGPrints Mexico, S.A. de C.V.                   | -                                                   | -                                                   | 1.85                                                | 0.66                                                | -                                                   | -                                                   |
| Spprint America Inc                              | -                                                   | -                                                   | 0.42                                                | 0.51                                                | -                                                   | -                                                   |
| SPGPrints Printing Systems Wuxi Co.,Ltd          | -                                                   | -                                                   | 0.10                                                | 0.31                                                | -                                                   | -                                                   |
| Tinctura Colour Private Limited                  | -                                                   | -                                                   | 0.40                                                | 0.32                                                | -                                                   | -                                                   |
| <b>Sub - Total</b>                               | <b>18.16</b>                                        | <b>2.22</b>                                         | <b>6.14</b>                                         | <b>5.06</b>                                         | <b>-</b>                                            | <b>-</b>                                            |
| <b>Remuneration (refer note 1 below)</b>         |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| Mr. Shailesh C Wani                              | -                                                   | -                                                   | -                                                   | -                                                   | 17.13                                               | 15.13                                               |
| Mr. Paras Mehta                                  | -                                                   | -                                                   | -                                                   | -                                                   | 6.32                                                | 5.62                                                |
| Mr. Sanjeev Singh Sengar                         | -                                                   | -                                                   | -                                                   | -                                                   | 3.05                                                | 2.85                                                |
| <b>Sub - Total</b>                               | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>26.50</b>                                        | <b>23.60</b>                                        |
| <b>Commission to Independent Directors</b>       |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| Mr. K M Thanawalla                               | -                                                   | -                                                   | -                                                   | -                                                   | 0.40                                                | 1.02                                                |
| Mr. Marco Wadia                                  | -                                                   | -                                                   | -                                                   | -                                                   | 0.14                                                | 0.35                                                |
| Mrs. Kiran Dhingra                               | -                                                   | -                                                   | -                                                   | -                                                   | 0.14                                                | 0.35                                                |
| <b>Sub - Total</b>                               | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>0.68</b>                                         | <b>1.72</b>                                         |
| <b>Sitting fees</b>                              |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| Mr. K M Thanawalla                               | -                                                   | -                                                   | -                                                   | -                                                   | 0.38                                                | 0.38                                                |
| Mr. Marco Wadia                                  | -                                                   | -                                                   | -                                                   | -                                                   | 0.35                                                | 0.35                                                |
| Mrs. Kiran Dhingra                               | -                                                   | -                                                   | -                                                   | -                                                   | 0.22                                                | 0.22                                                |
| <b>Sub - Total</b>                               | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>0.95</b>                                         | <b>0.95</b>                                         |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

**F. Transactions with related parties during the year and balance as at year end:**

(₹ in Million)

|                                                 | Parties referred to in (A)<br>above                 |                                                     | Parties referred to in (B)<br>above                 |                                                     | Parties referred to in (C<br>& D) above             |                                                     |
|-------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
|                                                 | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 |
| <b>Purchase of services</b>                     |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                  | 0.97                                                | -                                                   | -                                                   | -                                                   | -                                                   | -                                                   |
| SPGPrints Austria GMBH                          | -                                                   | -                                                   | 0.09                                                | 1.39                                                | -                                                   | -                                                   |
| SPGPrints Baski Sistemleri Tic.<br>Ltd. Şti.    | -                                                   | -                                                   | 0.86                                                | 0.39                                                | -                                                   | -                                                   |
| <b>Sub - Total</b>                              | <b>0.97</b>                                         | <b>-</b>                                            | <b>0.95</b>                                         | <b>1.78</b>                                         | <b>-</b>                                            | <b>-</b>                                            |
| <b>Expenses charged by other<br/>companies</b>  |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                  | 8.74                                                | 10.11                                               | -                                                   | -                                                   | -                                                   | -                                                   |
| SPGPrints Austria GMBH                          | -                                                   | -                                                   | 0.49                                                | 0.50                                                | -                                                   | -                                                   |
| SPGPrints Baski Sistemleri Tic.<br>Ltd. Sti     | -                                                   | -                                                   | 1.98                                                | -                                                   | -                                                   | -                                                   |
| <b>Sub - Total</b>                              | <b>8.74</b>                                         | <b>10.11</b>                                        | <b>2.47</b>                                         | <b>0.50</b>                                         | <b>-</b>                                            | <b>-</b>                                            |
| <b>Group management fees</b>                    |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                  | 102.32                                              | 94.33                                               | -                                                   | -                                                   | -                                                   | -                                                   |
| <b>Sub - Total</b>                              | <b>102.32</b>                                       | <b>94.33</b>                                        | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            |
| <b>Royalty expense</b>                          |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                  | 28.42                                               | 23.40                                               | -                                                   | -                                                   | -                                                   | -                                                   |
| <b>Sub - Total</b>                              | <b>28.42</b>                                        | <b>23.40</b>                                        | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            |
| <b>Dividend paid</b>                            |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                  | 195.85                                              | 302.69                                              | -                                                   | -                                                   | -                                                   | -                                                   |
| <b>Sub - Total</b>                              | <b>195.85</b>                                       | <b>302.69</b>                                       | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            | <b>-</b>                                            |
| <b>Commission received</b>                      |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                  | -                                                   | -                                                   | -                                                   | -                                                   | -                                                   | -                                                   |
| SPGPrints Austria GMBH                          | -                                                   | -                                                   | 11.24                                               | 7.42                                                | -                                                   | -                                                   |
| <b>Sub - Total</b>                              | <b>-</b>                                            | <b>-</b>                                            | <b>11.24</b>                                        | <b>7.42</b>                                         | <b>-</b>                                            | <b>-</b>                                            |
| <b>Lease rent received</b>                      |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| Tinctura Colour Private Limited                 | -                                                   | -                                                   | 0.94                                                | 0.88                                                | -                                                   | -                                                   |
| <b>Sub - Total</b>                              | <b>-</b>                                            | <b>-</b>                                            | <b>0.94</b>                                         | <b>0.88</b>                                         | <b>-</b>                                            | <b>-</b>                                            |
| <b>Balance payable at the year-<br/>end</b>     |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                                  | 29.90                                               | 99.20                                               | -                                                   | -                                                   | -                                                   | -                                                   |
| SPGPrints Printing Systems<br>Wuxi Co Ltd.      | -                                                   | -                                                   | 1.33                                                | -                                                   | -                                                   | -                                                   |
| SPGPrints Brasil Ltda                           | -                                                   | -                                                   | 1.03                                                | -                                                   | -                                                   | -                                                   |
| SPGPrints Baski Sistemleri Tic.<br>Ltd. Şti     | -                                                   | -                                                   | 1.69                                                | -                                                   | -                                                   | -                                                   |
| SPGPrints Digital Technology<br>(Wuxi) Co.,Ltd. | -                                                   | -                                                   | 0.43                                                | 1.51                                                | -                                                   | -                                                   |
| Remuneration Payable to<br>Shailesh Wani        | -                                                   | -                                                   | -                                                   | -                                                   | 0.69                                                | 0.63                                                |
| Remuneration Payable to Paras<br>Mehta          | -                                                   | -                                                   | -                                                   | -                                                   | 0.29                                                | 0.27                                                |
| Remuneration Payable to<br>Sanjeev Singh Sengar | -                                                   | -                                                   | -                                                   | -                                                   | 0.16                                                | 0.15                                                |
| <b>Sub - Total</b>                              | <b>29.90</b>                                        | <b>99.20</b>                                        | <b>4.48</b>                                         | <b>1.51</b>                                         | <b>1.14</b>                                         | <b>1.05</b>                                         |



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

**F. Transactions with related parties during the year and balance as at year end:**

(₹ in Million)

|                                           | Parties referred to in (A)<br>above                 |                                                     | Parties referred to in (B)<br>above                 |                                                     | Parties referred to in (C<br>& D) above             |                                                     |
|-------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
|                                           | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 | Year<br>ended 31 <sup>st</sup><br>December,<br>2024 | Year<br>ended 31 <sup>st</sup><br>December,<br>2023 |
| <b>Balance receivable at the year-end</b> |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| SPGPrints B.V.                            | 97.24                                               | 23.25                                               | -                                                   | -                                                   | -                                                   | -                                                   |
| SPGPrints Baskı Sistemleri Tic. Ltd. Şti  | -                                                   | -                                                   | 36.12                                               | 52.21                                               | -                                                   | -                                                   |
| SPGPrints Austria GMBH                    | -                                                   | -                                                   | 5.84                                                | 23.34                                               | -                                                   | -                                                   |
| Spgprints America Inc                     | -                                                   | -                                                   | 0.93                                                | 3.43                                                | -                                                   | -                                                   |
| Tinctura Colour Private Limited           | -                                                   | -                                                   | 0.63                                                | 0.10                                                | -                                                   | -                                                   |
| SPGPrints Printing Systems Wuxi Co.,Ltd   | -                                                   | -                                                   | 0.19                                                | 2.01                                                | -                                                   | -                                                   |
| SPGPrints Brasil Ltda                     | -                                                   | -                                                   | 0.90                                                | 2.36                                                | -                                                   | -                                                   |
| Spgprints Mexico S A De C V               | -                                                   | -                                                   | 13.13                                               | 4.38                                                | -                                                   | -                                                   |
| <b>Sub - Total</b>                        | <b>97.24</b>                                        | <b>23.25</b>                                        | <b>57.74</b>                                        | <b>87.83</b>                                        | <b>-</b>                                            | <b>-</b>                                            |

**Notes:**

- (1) The key managerial personnel are covered under Company's employee policy. The proportionate amount of employee benefits (short term and long term) such as gratuity and leave encashment pertaining to the Key Managerial Persons has not been included in the aforementioned disclosures as these are not determined on individual basis and the management considered disclosure is not material. There are no other long term benefits, termination benefits or share-based payments given to Key Managerial Person.
- (2) The Company has appointed independent consultant for conducting transfer pricing study to determine whether the transactions with the associated enterprises were undertaken at "arm's length basis". The transfer pricing study for the year upto 31<sup>st</sup> March, 2024 has been completed and based on the same, no adjustments are required in the accounts. The transfer pricing study for the year ended 31<sup>st</sup> March, 2025 will be conducted, and adjustments, if any arising from the transfer pricing study shall be accounted for as and when the study is completed. The management confirms that all the international transactions with associated enterprises are undertaken at negotiated contracted price on usual commercial terms. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash other than for advance.
- (3) The Company has not provided any commitment to the related party as at 31<sup>st</sup> December, 2024 (31<sup>st</sup> December, 2023: Nil).
- (4) Sitting fees and commission to independent directors as well as variable pay to key managerial personnel are disclosed on actual payment basis.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 33 Revenue from contracts with customers

(₹ in Million)

|                                                                                   | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>(a) Revenue from contracts with customers</b>                                  |                                               |                                               |
| Sales of goods                                                                    | 1,935.68                                      | 1,708.14                                      |
| Sales of traded goods                                                             | 134.78                                        | 101.79                                        |
| Sale of services                                                                  | 39.06                                         | 33.88                                         |
| <b>Total</b>                                                                      | <b>2,109.52</b>                               | <b>1,843.81</b>                               |
| <b>(b) Revenue from contracts with customers disaggregated based on geography</b> |                                               |                                               |
| India                                                                             | 1,512.75                                      | 1,444.00                                      |
| Outside India                                                                     | 596.77                                        | 399.81                                        |
| <b>Total</b>                                                                      | <b>2,109.52</b>                               | <b>1,843.81</b>                               |
| <b>(c) Timing of Revenue recognition</b>                                          |                                               |                                               |
| Revenue from goods and installation transferred to customers at a point in time   | 2,106.09                                      | 1,838.23                                      |
| Revenue from services transferred to customers over time                          | 3.43                                          | 5.58                                          |
| <b>Total</b>                                                                      | <b>2,109.52</b>                               | <b>1,843.81</b>                               |
| <b>(d) Contract Balances</b>                                                      |                                               |                                               |
| <b>i) Trade Receivables</b>                                                       |                                               |                                               |
| - Opening Balance                                                                 | 311.51                                        | 234.78                                        |
| - Closing Balance                                                                 | 353.29                                        | 311.51                                        |
| Refer note 7 for terms of contract balances.                                      |                                               |                                               |
| <b>ii) Contract Liabilities</b>                                                   |                                               |                                               |
| - Opening Balance                                                                 | 103.16                                        | 42.55                                         |
| - Closing Balance                                                                 | 78.96                                         | 103.16                                        |

Contract liabilities include advance from customers and transaction price allocated to unexpired service obligations.

**(e) The amount of revenue recognized from amounts included in contract liabilities at the beginning of the year**

(₹ in Million)

|                                                             | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| - Revenue recognized from performance obligations satisfied | 7.26                                          | 6.00                                          |
| - Revenue recognized from supply of Goods                   | 78.57                                         | 29.58                                         |

**(f) Performance obligation**

**i) Revenue from goods and installation:**

Performance obligation is satisfied upon delivery of goods and upon completion of installation. Payment is generally due within 30 to 120 days after delivery of goods / completion of installation.

**ii) Revenue from annual maintenance services:**

Performance obligation of revenue from annual maintenance services are satisfied over time.

**(g) Transaction price allocated to remaining performance obligation**

(₹ in Million)

|                                                          | As at<br>31 <sup>st</sup> December, 2024 | As at<br>31 <sup>st</sup> December, 2023 |
|----------------------------------------------------------|------------------------------------------|------------------------------------------|
| (unsatisfied or partially unsatisfied) as at 31 December |                                          |                                          |
| - Within one year                                        | 5.99                                     | 7.26                                     |
| - More than one year                                     | -                                        | -                                        |



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

- (h) Reconciliation of the amount of Revenue recognised in statement of profit and loss with the contracted price :

(₹ in Million)

|                                               | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Revenue as per Contracted Price               | 2,119.39                                      | 1,846.83                                      |
| <b>Adjustments</b>                            |                                               |                                               |
| Deferment of unexpired performance obligation | (5.99)                                        | (7.26)                                        |
| Volume discounts and others                   | (5.61)                                        | (8.41)                                        |
| Provision for sales return                    | 1.73                                          | 12.65                                         |
| <b>Revenue from contracts with customers</b>  | <b>2,109.52</b>                               | <b>1,843.81</b>                               |

For information about product segments and major customers, refer note 34.

### 34 Segment Reporting

#### A Basis for segmentation

The chief operational decision maker monitors the operating results of its segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

The Company has determined following reporting segments based on the information reviewed by the Company's CODM.

| 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                                                                                                    |

#### Segment revenue and results:

The expenses / income which are not directly attributable to any segment are shown as unallocable expenditure. The assets/ liabilities which are not directly attributable to any segment are shown as unallocable assets / liabilities.

#### Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, Inventory and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the segment are shown as unallocable assets / liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### B Information about reportable segments

(₹ in Million)

|                                                               | Year Ended 31 <sup>st</sup> December, 2024 |                  |                 |                 |
|---------------------------------------------------------------|--------------------------------------------|------------------|-----------------|-----------------|
|                                                               | Textile Consumables and Textile Machinery  | Graphics Product | Unallocated     | Total           |
| Revenue from Operations                                       |                                            |                  |                 |                 |
| External sales and services including other operating revenue | 2,230.50                                   | 115.20           | -               | 2,345.70        |
| Intersegmental revenue                                        | -                                          | -                | -               | -               |
| <b>Total Revenue</b>                                          | <b>2,230.50</b>                            | <b>115.20</b>    | <b>-</b>        | <b>2,345.70</b> |
| Cost of raw material consumed*                                | (1,318.56)                                 | (29.40)          | -               | (1,347.96)      |
| <b>Gross profit</b>                                           | <b>911.94</b>                              | <b>85.80</b>     | <b>-</b>        | <b>997.74</b>   |
| Other income                                                  | 5.68                                       | -                | 28.43           | 34.11           |
| Employee benefits expense                                     | (284.76)                                   | (14.48)          | -               | (299.24)        |
| Other expenses                                                | (327.28)                                   | (9.46)           | (154.77)        | (491.51)        |
| <b>Operating profit before depreciation and amortisation</b>  | <b>305.58</b>                              | <b>61.86</b>     | <b>(126.34)</b> | <b>241.10</b>   |
| Depreciation and amortisation expense                         | (56.83)                                    | (1.18)           | (7.75)          | (65.76)         |
| <b>Operating profit per income statement</b>                  | <b>248.75</b>                              | <b>60.68</b>     | <b>(134.09)</b> | <b>175.34</b>   |
| Finance costs                                                 | -                                          | -                | (0.85)          | (0.85)          |
| <b>Profit before taxation per income statement</b>            | <b>248.75</b>                              | <b>60.68</b>     | <b>(134.94)</b> | <b>174.49</b>   |
| Current Tax                                                   | -                                          | -                | (51.63)         | (51.63)         |
| Deferred Tax                                                  | -                                          | -                | 6.75            | 6.75            |
| <b>Net Profit for the year</b>                                | <b>248.75</b>                              | <b>60.68</b>     | <b>(179.82)</b> | <b>129.61</b>   |
| <b>Other Information</b>                                      |                                            |                  |                 |                 |
| Segment Assets                                                | 1,042.39                                   | 26.30            | 535.97          | 1,604.66        |
| Segment Liabilities                                           | 280.89                                     | 4.17             | 69.97           | 355.03          |
| Capital Expenditure                                           | 27.51                                      | 1.45             | 4.59            | 33.55           |
| Depreciation                                                  | 56.83                                      | 1.18             | 7.75            | 65.76           |
| Non cash items                                                | 58.88                                      | 0.83             | (5.78)          | 53.93           |

\* Cost or raw material consumed includes purchase of stock-in-trade and changes in Inventories of work-in-progress, stock-in-trade and finished goods.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

(₹ in Million)

|                                                               | Year Ended 31 <sup>st</sup> December, 2023 |                  |                 |                 |
|---------------------------------------------------------------|--------------------------------------------|------------------|-----------------|-----------------|
|                                                               | Textile Consumables and Textile Machinery  | Graphics Product | Unallocated     | Total           |
| Revenue from Operations                                       |                                            |                  |                 |                 |
| External sales and services including other operating revenue | 1,951.90                                   | 120.66           | -               | 2,072.56        |
| Intersegmental revenue                                        | -                                          | -                | -               | -               |
| <b>Total Revenue</b>                                          | <b>1,951.90</b>                            | <b>120.66</b>    | <b>-</b>        | <b>2,072.56</b> |
| Cost of raw material consumed*                                | (1,230.17)                                 | (31.71)          | -               | (1,261.88)      |
| <b>Gross profit</b>                                           | <b>721.73</b>                              | <b>88.95</b>     | <b>-</b>        | <b>810.68</b>   |
| Other income                                                  | 12.22                                      | 0.19             | 31.92           | 44.33           |
| Employee benefits expense                                     | (235.53)                                   | (11.91)          | -               | (247.44)        |
| Other expenses                                                | (270.76)                                   | (10.59)          | (147.53)        | (428.88)        |
| <b>Operating profit before depreciation and amortisation</b>  | <b>227.66</b>                              | <b>66.64</b>     | <b>(115.61)</b> | <b>178.69</b>   |
| Depreciation and amortisation expense                         | (53.90)                                    | (1.69)           | (8.03)          | (63.62)         |
| <b>Operating profit per income statement</b>                  | <b>173.76</b>                              | <b>64.95</b>     | <b>(123.64)</b> | <b>115.07</b>   |
| Finance costs                                                 | -                                          | -                | (0.88)          | (0.88)          |
| <b>Profit before taxation per income statement</b>            | <b>173.76</b>                              | <b>64.95</b>     | <b>(124.52)</b> | <b>114.19</b>   |
| Current Tax                                                   | -                                          | -                | (26.98)         | (26.98)         |
| Deferred Tax                                                  | -                                          | -                | 3.16            | 3.16            |
| <b>Net Profit for the year</b>                                | <b>173.76</b>                              | <b>64.95</b>     | <b>(148.34)</b> | <b>90.37</b>    |
| <b>Other Information</b>                                      |                                            |                  |                 |                 |
| Segment Assets                                                | 1,215.18                                   | 29.87            | 639.41          | 1,884.46        |
| Segment Liabilities                                           | 423.02                                     | 2.87             | 57.92           | 483.81          |
| Capital Expenditure                                           | 70.64                                      | 0.79             | 10.24           | 81.67           |
| Depreciation                                                  | 53.90                                      | 1.69             | 8.03            | 63.62           |
| Non cash items                                                | 43.98                                      | 1.50             | (14.44)         | 31.04           |

\* Cost or raw material consumed includes purchase of stock-in-trade and changes in inventories of work-in-progress, stock-in-trade and finished goods.

The company previously accounted for specific items of material segmental income and expenses reviewed by CODM. Following the IFRIC agenda decision in July 2024 relating to Disclosure of Revenue and Expenses of Reportable Segment, the company has disclosed all material items and expenses that are included in the segmental profit and loss reviewed by the CODM. This change in accounting treatment has been accounted for retrospectively and comparative information has been restated.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### C Information about secondary segments

The Company uses same set of assets for the sales made in the India and outside India. The expenses incurred for sales to be made in India and outside are Common. Accordingly, geographical segment is analysed based on the location of customers. The following provides an analysis of the Company's sales by geographical Markets:

| Particulars                    | Year Ended 31 <sup>st</sup> December, 2024 |               |          | Year Ended 31 <sup>st</sup> December, 2023 |               |          |
|--------------------------------|--------------------------------------------|---------------|----------|--------------------------------------------|---------------|----------|
|                                | India                                      | Outside India | Total    | India                                      | Outside India | Total    |
| Revenue*                       | 1,721.34                                   | 624.36        | 2,345.70 | 1,649.23                                   | 423.33        | 2,072.56 |
| Non-current operating assets** | 320.48                                     | -             | 320.48   | 362.17                                     | -             | 362.17   |
| Capital Expenditure incurred   | 33.55                                      | -             | 33.55    | 81.67                                      | -             | 81.67    |

\* Segment revenue is based on location of customer.

\*\* Segment assets based on geographical location of assets. Non-current operating assets exclude Investment, Deferred tax assets, Tax paid under protest and Income-tax receivables (net of provision for taxation).

The Company does not derive revenue in excess of 10% from any customer for the year ended 31<sup>st</sup> December, 2024 (31<sup>st</sup> December, 2023 ₹ Nil).

### 35 Disclosure of Financial Instruments by Category

|                                    | As at 31 <sup>st</sup> December, 2024 |          |                | As at 31 <sup>st</sup> December, 2023 |          |                |
|------------------------------------|---------------------------------------|----------|----------------|---------------------------------------|----------|----------------|
|                                    | FVTPL*                                | FVTOCI** | Amortized cost | FVTPL*                                | FVTOCI** | Amortized cost |
| <b>Financial assets</b>            |                                       |          |                |                                       |          |                |
| Investments                        | -                                     | -        | 0.00           | -                                     | -        | 0.00           |
| Trade receivables                  | -                                     | -        | 353.29         | -                                     | -        | 311.51         |
| Cash and cash equivalents          | -                                     | -        | 165.35         | -                                     | -        | 219.27         |
| Other bank balance                 | -                                     | -        | 256.22         | -                                     | -        | 337.87         |
| Other financial assets             | -                                     | -        | 37.77          | -                                     | -        | 22.70          |
| <b>Total Financial Asset</b>       | <b>-</b>                              | <b>-</b> | <b>812.63</b>  | <b>-</b>                              | <b>-</b> | <b>891.35</b>  |
| <b>Financial liabilities</b>       |                                       |          |                |                                       |          |                |
| Trade Payables                     | -                                     | -        | 145.27         | -                                     | -        | 276.15         |
| Other financial liabilities        | -                                     | -        | 57.72          | -                                     | -        | 41.96          |
| <b>Total Financial Liabilities</b> | <b>-</b>                              | <b>-</b> | <b>202.99</b>  | <b>-</b>                              | <b>-</b> | <b>318.11</b>  |

\*FVTPL = Fair value through profit and loss

\*\*FVTOCI = Fair value through other comprehensive income

### 36 Financial risk management objectives and policies

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash & cash equivalents and other bank balance that it derives directly from its operations.

The Company's business activities are exposed to a variety of financial risks, namely market risk, credit risk and liquidity risk. The Company's overall risk management focuses to minimize potential adverse effects of financial risks.

The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company. This committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:



## NOTES TO THE FINANCIAL STATEMENTS

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**(a) Market risk :**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity risk. Financial instruments affected by market risk include debentures, bank deposits, trade receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, Company has assessed risk based on “sensitivity analysis” on symmetric basis. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 5%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analysis:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31<sup>st</sup> December, 2024 and 31<sup>st</sup> December, 2023.

**Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits. The interest rates for the tenure of the fixed deposits are fixed. However, with the continuous decrease in the returns on fixed deposits, the income earned on such deposits may change in future based on the interest rates.

The sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits:

**Effect on profit before tax**

(₹ in Million)

|                                    | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>Interest rate sensitivity</b>   |                                               |                                               |
| Increase in interest rates - 0.50% | 2.00                                          | 2.90                                          |
| Decrease in interest rates - 0.50% | (2.00)                                        | (2.90)                                        |

**Foreign currency risk :**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises out of various imports of raw materials and exports of its finished goods. The Company has a forex policy in place where the objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through use of foreign currency forward contracts. The Company follows netting principle for managing the foreign exchange exposure.

The carrying amounts of the company's foreign currency denominated monetary assets and liabilities based on gross exposure at the end of the reporting period is given in note no. 38.

**Foreign currency sensitivity**

The following table demonstrates the sensitivity in the USD and EURO to the functional currency of the Company, with all other variables held constant. The Company's exposure to foreign currency changes for

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

all other currencies is not material. There are no forward exchange contracts designated as cash flow hedges and net investment hedges and hence, there is no impact on the Company's pre-tax equity due to changes in the foreign currency rates. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities has been given below:

(₹ in Million)

|                         | Effect on profit before tax                   |                                               |
|-------------------------|-----------------------------------------------|-----------------------------------------------|
|                         | Year Ended<br>31 <sup>st</sup> December, 2024 | Year ended<br>31 <sup>st</sup> December, 2023 |
| <b>USD sensitivity</b>  |                                               |                                               |
| USD – Increase by 5%    | (0.94)                                        | -                                             |
| USD – Decrease by 5%    | 0.94                                          | -                                             |
| <b>EURO sensitivity</b> |                                               |                                               |
| EURO – Increase by 5%   | 6.90                                          | 5.75                                          |
| EURO – Decrease by 5%   | (6.90)                                        | (5.75)                                        |
| <b>GBP sensitivity</b>  |                                               |                                               |
| GBP – Increase by 5%    | -                                             | 0.00                                          |
| GBP – Decrease by 5%    | -                                             | 0.00                                          |

#### Commodity risk :

The Company is expose to the purchase price volatility of commodity i.e. Nickel based on London Metal Exchange. Any material fluctuation in price is expected to have impact on profitability of the company. As a policy, the company keeps safety stock for couple of month to avoid immediate price impact. Further, the company has made arrangement with its large customers to mitigate risk of such price fluctuation built in its nickel price. For other customers, the company appropriately changes its sale price to minimise the impact on profitability.

#### (b) Credit risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk related to operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Company does not have significant credit risk exposure to any single counterparty.

#### Trade receivables

Customer credit risk is managed by each division subject to the established policy, procedures and control relating to customer credit risk management. Credit risk is managed through credit approvals and establishing credit limits. Outstanding customer receivables are regularly monitored. The Company does not have significant credit risk exposure to any single counterpart.

The Company has used a practical expedient by computing the expected loss allowance for trade receivable based on historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due. The details disclose related to ageing and provision movement has been given in note no. 7.

#### Financial Instruments and cash deposits

Credit risk from balances with banks is managed by the Company's finance department. The Company's maximum exposure to credit risk from balance with bank is the carrying value of each class of financial assets disclosed in note no. 8.

#### (c) Liquidity risk :

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity by ensuring that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31<sup>st</sup> December, 2024 and 31<sup>st</sup> December, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecast to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term cash generated, over and above its working capital management and other operational requirement, is retained as cash and cash equivalents (to the extent required) and any excess is invested in term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Million)

|                                             | Carrying Amount | Within 1 Year | 1 to 5 Year | More than 5 Year |
|---------------------------------------------|-----------------|---------------|-------------|------------------|
| <b>As at 31<sup>st</sup> December, 2024</b> |                 |               |             |                  |
| Trade payables                              | 145.27          | 145.27        | -           | -                |
| Other financial liabilities                 | 57.72           | 57.72         | -           | -                |
| <b>Total</b>                                | <b>202.99</b>   | <b>202.99</b> | <b>-</b>    | <b>-</b>         |
| <b>As at 31<sup>st</sup> December, 2023</b> |                 |               |             |                  |
| Trade payables                              | 276.15          | 276.15        | -           | -                |
| Other financial liabilities                 | 41.96           | 41.96         | -           | -                |
| <b>Total</b>                                | <b>318.11</b>   | <b>318.11</b> | <b>-</b>    | <b>-</b>         |

### 37 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. The Company maintains a debt free status and regularly declares dividend to its shareholders.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31<sup>st</sup> December, 2024 and 31<sup>st</sup> December, 2023.

|                                   | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------|-----------------------------------------------|-----------------------------------------------|
| Return on capital employed        | 14.28%                                        | 8.29%                                         |
| Final dividend for the year ended | refer note 12 (f)                             |                                               |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 38 Unhedged Foreign Currency Exposures

Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date:

|                   | Currency | Amount in<br>Foreign Currency   | (₹ in Million) | Amount in<br>Foreign Currency   | (₹ in Million) |
|-------------------|----------|---------------------------------|----------------|---------------------------------|----------------|
|                   |          | 31 <sup>st</sup> December, 2024 |                | 31 <sup>st</sup> December, 2023 |                |
| Amount Receivable | EURO     | 1.60                            | 142.14         | 1.35                            | 124.52         |
|                   | USD      | 0.17                            | 14.35          | 0.07                            | 5.54           |
| Amount Payable    | EURO     | 0.05                            | 4.06           | 0.10                            | 9.57           |
|                   | USD      | 0.39                            | 33.23          | 0.07                            | 5.55           |
|                   | GBP      | -                               | -              | 0.00                            | 0.01           |

### 39 Details of Corporate Social Responsibility (CSR) Expenditure

(₹ in Million)

|                                                                             | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|-----------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>(a) Gross amount required to be spent by the Company during the year</b> |                                               |                                               |
| - CSR obligation for current financial year                                 | 5.60                                          | 6.00                                          |
| - Unspent amount of CSR obligation of previous financial year               | 2.56                                          | 2.54                                          |
| - <b>Total CSR obligation</b>                                               | <b>8.16</b>                                   | <b>8.54</b>                                   |
| <b>(b) Amount spent during the year:</b>                                    |                                               |                                               |
| (i) On purposes of construction / acquisition of any assets:                | -                                             | -                                             |
| (ii) On purposes other than (i) above:                                      |                                               |                                               |
| - In Cash                                                                   | 6.27                                          | 5.98                                          |
| - Yet to be paid in Cash                                                    | -                                             | -                                             |
| <b>(c) Shortfall at the end of the year:</b>                                | 1.17                                          | 2.56                                          |
| <b>(d) Total of previous years shortfall at the end of the year:</b>        | 0.72                                          | -                                             |
| <b>(e) Provision movement during the year:</b>                              |                                               |                                               |
| Opening provision at the beginning of the year                              | 2.56                                          | 2.54                                          |
| Addition during the year                                                    | 5.60                                          | 6.00                                          |
| Utilised during the year                                                    | 6.27                                          | 5.98                                          |
| <b>Closing provision at the end of the year</b>                             | <b>1.89</b>                                   | <b>2.56</b>                                   |

#### (f) Reason for Shortfall

The shortfall amounting to ₹ 1.89 Million (31<sup>st</sup> December, 2023: ₹ 2.56 Million) pertains to ongoing projects which has been transferred to separate unspent CSR account subsequent to year end in accordance with the provisions of section 135(6) of the Companies act, 2013.

#### (g) Nature of CSR activities

- (i) Contribution for growing urban forest by plantation
- (ii) Mid-day meal program and school repair renovation
- (iii) Contribution to old age homes and sewing course program
- (iv) Operators training program in Gujarat
- (v) Scholarship Program in selective engineering courses on pan India basis
- (vi) Contribution for providing artificial limbs to physically challenged people
- (vii) Livelihood program by promoting local crafts work in Kachchh region of Gujarat



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

### 40 Dividend remitted in foreign currency

|                                                   | Year Ended<br>31 <sup>st</sup> December, 2024 | Year Ended<br>31 <sup>st</sup> December, 2023 |
|---------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Amount remitted (₹ in Million) (final dividend)   | 25.22                                         | 69.74                                         |
| Dividend related to financial year                | 31 <sup>st</sup> December, 2023               | 31 <sup>st</sup> December, 2022               |
| Amount remitted (₹ in Million) (interim dividend) | 170.63                                        | 232.95                                        |
| Dividend related to financial year                | 31 <sup>st</sup> December, 2024               | 31 <sup>st</sup> December, 2023               |
| Number of non-resident shareholders               | 1                                             | 1                                             |
| Number of shares                                  | 14,83,777                                     | 14,83,777                                     |

### 41 Ratio analysis

| Particulars                                                                                                                                                                                                                                    | Year Ended<br>31 <sup>st</sup> December,<br>2024 | Year Ended<br>31 <sup>st</sup> December,<br>2023 | % Change       | Reason for<br>changes more<br>than 25% |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|----------------|----------------------------------------|
| <b>1 Current Ratio (in times)</b>                                                                                                                                                                                                              |                                                  |                                                  |                |                                        |
| Current assets/ Current liabilities                                                                                                                                                                                                            | 3.49                                             | 3.07                                             | 13.68%         | Not applicable                         |
| <b>2 Debt Equity Ratio (in times)</b>                                                                                                                                                                                                          |                                                  |                                                  |                |                                        |
| (Total Debt / Total Equity)                                                                                                                                                                                                                    | Not applicable                                   | Not applicable                                   | Not applicable | Not applicable                         |
| Total Debt = Debt comprises of non current borrowings (including current maturities of borrowings), current borrowings and interest accrued on borrowings.                                                                                     |                                                  |                                                  |                |                                        |
| Total Equity = Shareholders' Equity                                                                                                                                                                                                            |                                                  |                                                  |                |                                        |
| <b>3 Debt Service Coverage Ratio (in times)</b>                                                                                                                                                                                                |                                                  |                                                  |                |                                        |
| (Profit after tax + Interest expense + depreciation and amortisation expense+loss/(profit) on sale of fixed assets+exceptional items)/(principal repayment of non-current borrowings made during the period + Interest expenses+lease payment) | Not applicable                                   | Not applicable                                   | Not applicable | Not applicable                         |
| <b>4 Return on equity ratio (%)</b>                                                                                                                                                                                                            |                                                  |                                                  |                |                                        |
| (Profit for the year / Average net worth) (Net worth is calculated as per section 2(57) of the Companies Act, 2013)                                                                                                                            | 9.78%                                            | 5.76%                                            | 69.79%         | refer note (A) below                   |
| <b>5 Inventory turnover ratio (in times)</b>                                                                                                                                                                                                   |                                                  |                                                  |                |                                        |
| (Cost of goods sold / Average Inventory)                                                                                                                                                                                                       | 2.68                                             | 2.17                                             | 23.50%         | Not applicable                         |
| <b>6 Trade receivables turnover ratio (in times)</b>                                                                                                                                                                                           |                                                  |                                                  |                |                                        |
| (Revenue from operation /Average trade receivable)                                                                                                                                                                                             | 7.06                                             | 7.59                                             | -6.98%         | Not applicable                         |
| <b>7 Trade payables turnover ratio (in times)</b>                                                                                                                                                                                              |                                                  |                                                  |                |                                        |
| (Purchases /Average trade payable)                                                                                                                                                                                                             | 5.64                                             | 5.03                                             | 12.13%         | Not applicable                         |
| <b>8 Net capital turnover ratio (in times)</b>                                                                                                                                                                                                 |                                                  |                                                  |                |                                        |
| (Revenue from operation /working capital) Working capital = Current assets - Current liabilities                                                                                                                                               | 2.72                                             | 2.09                                             | 30.14%         | refer note (B) below                   |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

| Particulars                                                                                                                                                                                        | Year Ended<br>31 <sup>st</sup> December,<br>2024 | Year Ended<br>31 <sup>st</sup> December,<br>2023 | % Change | Reason for<br>changes more<br>than 25% |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|----------|----------------------------------------|
| <b>9 Net profit ratio (%)</b><br>(Net profit for the year / revenue from operations)                                                                                                               | 5.53%                                            | 4.36%                                            | 26.83%   | refer note (C) below                   |
| <b>10 Return on capital employed (%)</b><br>(Profit before exceptional item, interest and taxes for the year / Capital employed) Capital employed = Net worth+total debt+ deferred tax liabilities | 14.28%                                           | 8.29%                                            | 72.26%   | refer note (D) below                   |
| <b>11 Return on Investment (%)</b><br>(Income generated from investment / Cost of investment)                                                                                                      | 6.25%                                            | 5.63%                                            | 11.01%   | Not applicable                         |

**Notes :**

- A Increase due to better profitability compared to previous year combined with lower net worth (on account of dividend payment).
- B Improvement in ratio due to lower working capital (inventory) and higher revenue from operations.
- C On account of better profitability compared to previous year.
- D Increase due to better profitability compared to previous year combined with lower capital employed (on account of dividend payment).

### 42 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vi) The Company does not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) Additional Regulatory Information/disclosures as required by General Instructions to Division II of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Company.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024

- (ix) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended 31<sup>st</sup> December, 2024 and 31<sup>st</sup> December, 2023.
- (x) The Company is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended 31<sup>st</sup> December, 2024 and 31<sup>st</sup> December, 2023
- (xi) The title deeds of immovable property are held in the name of the company as at 31<sup>st</sup> December, 2024 and 31<sup>st</sup> December, 2023
- (xii) The financial statements were approved for issue by the board of directors on 12<sup>th</sup> February, 2025.

#### 43 a) Audit Trail:

With effect from 1<sup>st</sup> April, 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for every company, which uses accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. the Company has used two accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except for the following:

- (i) In respect of the core accounting software, the audit trail feature at the application level was not enabled for the period 1<sup>st</sup> January, 2024 to 17<sup>th</sup> October, 2024. With respect to database managed by a third party service provider, in the absence of any information pertaining to audit trail in the independent service auditor's report, we are not able to demonstrate audit trail (edit log) feature at database level. Additionally, the audit trail has not been preserved by the Company as per the statutory requirements for record retention until year end since an automated system clean-up job deleted audit trail records on monthly basis. However, the Company has taken corrective action post year ending when identified this issue and currently they are working with service provider to restore the audit trail to the extent possible.
- (ii) With respect to another accounting software, the audit trail feature at the application level was not enabled for the period 1<sup>st</sup> January, 2024 to 11<sup>th</sup> November, 2024 and the with respect to database it was not enabled to capture any direct changes throughout the period.

For the period audit trail feature was enabled, it was not tampered during the year. Further, the Company has adequate internal controls operating effectively throughout the year.

#### b) Back up of books of accounts:

Pursuant to the amendment in the Companies (Accounts) Rules, 2014 effective from 11<sup>th</sup> August, 2022, requires that books of accounts and other relevant books and papers maintained in electronic mode should remain accessible in India at all times and backup must be taken on servers physically located in India. The Company has kept proper books of accounts in electronic mode on servers physically located in India on daily basis during the year except for certain books of account (for another accounting software), for the period 1<sup>st</sup> January, 2024 to 13<sup>th</sup> November, 2024.

**For Price Waterhouse Chartered Accountants LLP**  
ICAI Firm Registration No.: 012754N/N500016

**Priyanshu Gundana**  
Partner  
Membership No. 109553

Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**For and on behalf of the Board of Directors**  
**Stovec Industries Limited**

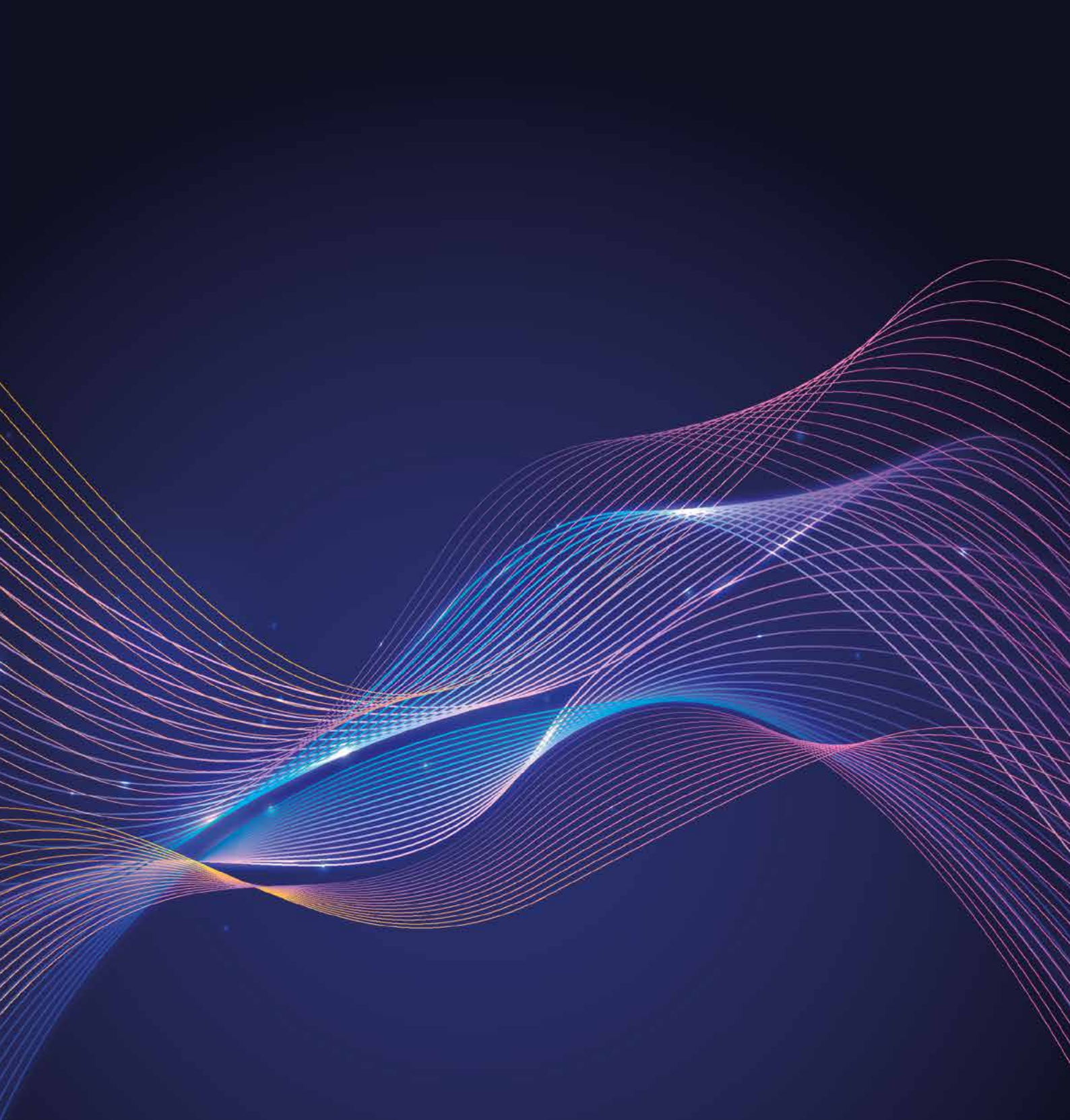
**K. M. Thanawalla**  
Chairman  
(DIN: 00201749)  
Place : Mumbai  
Date : 12<sup>th</sup> February, 2025

**Paras Mehta**  
Chief Financial Officer  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**Shailesh Wani**  
Managing Director  
(DIN: 06474766)  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025

**Sanjeev Singh Sengar**  
Company Secretary  
Place : Ahmedabad  
Date : 12<sup>th</sup> February, 2025





# STOVEC<sup>®</sup>

## INDUSTRIES LIMITED

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