

To,
BSE Limited
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Stovec Industries Ltd.

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Reference : Scrip Code- 504959
Date : April 5, 2019
Subject : Acquisition of Service and Spare Parts Business relating to rotary printing equipment from SPGPrints B.V.

Dear Sir,

This is to inform you that based on the recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on April 5, 2019, inter-alia approved the acquisition of Service and Spare Parts Business relating to Rotary Printing Equipment, which includes Designs and Drawings, Customer and Supplier Database and other related assets, each of which forms an integral part of the Service and Spare Parts Business ("Service and Spare Parts Business") from SPGPrints B.V., the Holding Company of the Company, subject to the approval of Members in the forthcoming Annual General Meeting of the Company.

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed disclosure for the aforesaid acquisition of Service and Spare Parts Business is enclosed as **Annexure-1**.

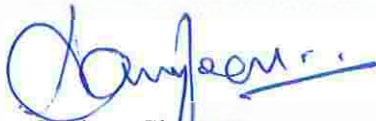
This is to inform you that meeting of Board of Directors of the Company commenced at 11:15 hours and concluded at 13:00 hours.

We request you to take the above on record.

Thank you,

Yours sincerely,

For Stovec Industries Limited



Sanjeev Singh Sengar
Company Secretary & Compliance Officer



Encl.: As above

Annexure-1

DISCLOSURE FOR THE ACQUISITION OF SERVICE AND SPARE PARTS BUSINESS.

1	<p>Name of the target entity, details in brief such as size, turnover etc.</p>	<p>Service and Spare Parts Business relating to rotary printing equipment of SPGPrints B.V., (“SPGPrints”) the Holding Company of the Company.</p> <p>Service and Spare Parts Business, which includes Design & Drawings, Customer & Supplier Database and other related assets, each of which forms an integral part of the Service and Spare Parts Business, proposed to be acquired from SPGPrints.</p> <p>Turnover of Service and Spare Parts Business in F.Y. 2018: Around INR 160 Million.</p>
2	<p>Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”</p>	<p>Yes, the transaction is a related party transaction, as the SPGPrints, the Holding Company of the Company is a related party to this transaction.</p> <p>Proposed transaction is at arm’s length and the consideration for the transaction has been arrived at on the basis of an independent valuation report.</p>
3	<p>Industry to which the entity being acquired belongs.</p>	<p>SPGPrints is the leader in Textile Printing and is engaged in the business of 1) development and production of consumables and the printing equipment required for the textile and graphic printing industry 2) supply of services, spare parts and auxiliaries for the textile and graphic printing.</p>
4	<p>Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)</p>	<p>SPGPrints currently operates the service and spare parts business relating to rotary printing equipment, which consists of the provision of services and the supply of spare parts of rotary printing machines.</p> <p>The acquisition of above service and spare parts business relating to rotary printing equipment shall help the Company in taking advantage of synergy & also improving the efficiency, being</p>



		the competence centre for rotary printing equipment.
5	Brief details of any governmental or regulatory approvals required for the acquisition.	Not Applicable.
6	Indicative time period for completion of the acquisition.	The completion date shall be not later than September 30, 2019.
7	Nature of consideration - whether cash consideration or share swap and details of the same.	Cash
8	Cost of acquisition or the price at which the shares are acquired	The price for acquisition of Service and Spare Parts Business of SPGPrints is EURO 2.49 Million (Equivalent to approx. INR 199 Million). The consideration is based on independent valuation report.
9	Percentage of shareholding / control acquired and / or number of shares acquired	Not Applicable.
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).	Not Applicable as this being acquisition of Service and Spare Parts Business segment.

