

Stovec Industries Ltd.

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

Regd. Office and Factory :

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

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E-mail : admin@stovec.com

Reference : Scrip Code- 504959
Subject : Outcome of Board Meeting
Date : February 25, 2022

Dear Sir/Madam,

Pursuant to regulation 30, 33 and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that, the Board of Directors at their meeting held on today i.e. February 25, 2022 have, inter alia, approved the following items of business:

1. the Audited Financial Results of the Company for the quarter and financial year ended on December 31, 2021, cash flow statement and statement of assets and liabilities as on that date and Auditor's Report thereon;

It is hereby declared that the Statutory Auditors have issued their Audit Report with unmodified opinion in respect of Audited Financial Results of the Company for the financial year ended December 31, 2021. The duly signed aforesaid audited financial results along with auditor's report thereon are enclosed.

2. the Audited Financial Statements of the Company for the financial year ended December 31, 2021;
3. recommended dividend of Rs. 57 per equity share of Rs. 10/- each (i.e. 570 %) for the financial year ended December 31, 2021, and the same will be paid to the eligible members on or before its due date, if approved by the shareholders at the ensuing Annual General Meeting ("AGM").
4. re-appointment of Mr. Shailesh Wani (DIN: 06474766) as Managing Director of the Company for a period of 5 years with effect from October 1, 2022, subject to approval of the shareholders at the ensuing AGM.

Pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, it is further affirmed that Mr. Wani is not debarred from being appointed as Managing Director by virtue of any SEBI order or any other authority.



Trading Window which has been remained closed for Specified Persons to approve above results shall be re-opened on February 28, 2022.

This is to further inform you that the Meeting of Board of Directors of the Company commenced at 2:45 p.m. and concluded at 6:45 p.m.

We request you to take the above on your record.

Thanking you,

Yours sincerely,
For Stovec Industries Limited,



Sanjeev Singh Sengar
Company Secretary & Compliance Officer



Encl.: As above

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Stovec Industries Limited

Report on the audit of the Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date financial results of Stovec Industries Limited (the "Company") for the quarter ended December 31, 2021 and for the year ended December 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

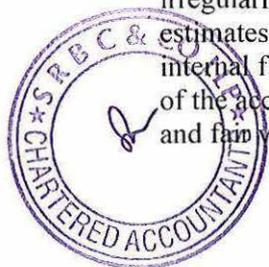
- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended December 31, 2021 and for the year ended December 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

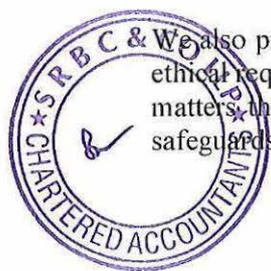
Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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 the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

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.



SRBC & CO LLP

Chartered Accountants

Other Matter:

The Statement includes the results for the quarter ended December 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended December 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 22101974ADQGCS5396



Place of Signature: Ahmedabad

Date: February 25, 2022

STOVEC INDUSTRIES LIMITED

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Website: www.stovec.com, e-mail: secretarial@stovec.com, CIN: L45200GJ1973PLC050790,

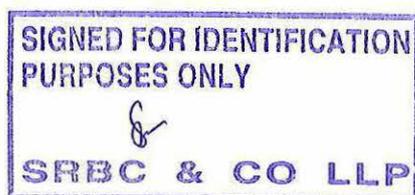
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Statement of audited financial results for the quarter and year ended December 31, 2021

(₹ in Million)

Sr. No.	Particulars	Quarter ended			Year ended	
		31/12/2021	30/09/2021	31/12/2020	31/12/2021	31/12/2020
		Audited (refer note 3)	(Unaudited)	Audited (refer note 3)	(Audited)	(Audited)
I	Revenue from operations	572.34	609.19	499.56	2,333.61	1,510.23
II	Other Income	13.99	9.38	12.14	56.20	58.27
III	Total Income (I + II)	586.33	618.57	511.70	2,389.81	1,568.50
IV	Expenses					
	a) Cost of materials consumed	300.14	328.87	224.07	1,254.78	782.06
	b) Purchase of stock-in-trade	20.76	8.90	4.41	46.89	18.03
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	10.97	7.31	54.17	(25.51)	(0.28)
	d) Employee benefits expense	60.90	61.44	52.11	239.25	209.48
	e) Depreciation and amortisation expense	12.96	12.92	13.13	51.02	45.34
	f) Other expenses	115.37	118.77	103.76	448.82	342.25
	Total Expenses	521.10	538.21	451.65	2,015.25	1,396.88
V	Profit Before Exceptional Items and Tax (III - IV)	65.23	80.36	60.05	374.56	171.62
VI	Exceptional Items (refer note 6)	15.90	-	-	15.90	-
VII	Profit Before Tax (V - VI)	81.13	80.36	60.05	390.46	171.62
VIII	Tax expense					
	a) Current tax	11.07	18.83	15.21	91.74	40.44
	b) Adjustment of tax relating to earlier periods / year	1.07	-	1.92	0.41	1.81
	c) Deferred tax charges / (credit)	9.80	(0.35)	(3.49)	1.90	(5.26)
IX	Net Profit for the periods / year (VII - VIII)	59.19	61.88	46.41	296.41	134.63
X	Other Comprehensive Income ("OCI")					
	Items that will not be reclassified to profit or loss in subsequent periods :					
	(i) Remeasurements of the defined benefit plans	(3.91)	(0.63)	2.76	(4.38)	(2.52)
	(ii) Remeasurements of equity instruments through other comprehensive income	(0.46)	2.99	1.47	5.35	1.35
	Income tax relating to items that will not be reclassified to profit or loss in subsequent periods	2.44	(0.59)	(2.41)	1.10	(1.04)
XI	Total Comprehensive Income for the periods / year (IX + X)	57.26	63.65	48.23	298.48	132.42
XII	Paid - up equity share capital @ ₹ 10 face value	20.88	20.88	20.88	20.88	20.88
XIII	Other equity (excluding revaluation reserves) as at balance sheet date				1,586.21	1,333.67
XIV	Earnings per share of ₹ 10 each (not annualised for the					
	a) Basic (₹)	28.35	29.64	22.23	141.96	64.48
	b) Diluted (₹)	28.35	29.64	22.23	141.96	64.48

See accompanying notes to the financial results




Statement of assets and liabilities as at December 31, 2021		
Particulars	(₹ in Million)	
	As at December 31, 2021 (Audited)	As at December 31, 2020 (Audited)
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	360.67	296.28
(b) Capital work-in-progress	0.50	-
(c) Other Intangible assets	-	0.21
(d) Financial Assets		
(i) Investments*	-	8.36
(ii) Other financial assets	80.67	7.53
(e) Deferred tax assets (net)	4.38	5.18
(f) Other assets	48.20	28.84
Total non-current assets	494.42	346.40
Current assets		
(a) Inventories	394.26	310.83
(b) Financial assets		
(i) Investments	5.79	-
(ii) Trade receivables	313.22	245.49
(iii) Cash and cash equivalents	157.08	136.43
(iv) Bank balances other than (iii) above	586.90	732.28
(v) Other financial assets	27.87	22.42
(c) Other assets	29.73	12.03
Total current assets	1,514.85	1,459.48
Total Assets	2,009.27	1,805.88
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	20.88	20.88
(b) Other equity	1,586.21	1,333.67
Total Equity	1,607.09	1,354.55
Liabilities		
Non-current liabilities		
(a) Provisions	20.21	21.12
Total non-current liabilities	20.21	21.12
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	15.73	1.04
- total outstanding dues of creditors other than micro enterprises and small enterprises	137.41	200.66
(ii) Other financial liabilities	84.66	51.99
(b) Other liabilities	122.43	140.29
(c) Provisions	21.74	35.09
(d) Current tax liabilities (net)	-	1.14
Total current liabilities	381.97	430.21
Total Liabilities	402.18	451.33
Total Equity and Liabilities	2,009.27	1,805.88

See accompanying notes to the financial results

* Figures shown as Nil due to conversion to ₹ in million.



Notes:

- 1 The above statement of audited financial results for the quarter and year ended December 31, 2021 ('the Statement') of Stovec Industries Limited ('the Company') is reviewed by the Audit Committee and thereafter approved by the Board of Directors at their respective meeting held on February 25, 2022. The financial results are prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and other recognized accounting practices and policies to the extent applicable. The statutory auditors have performed audit of the company's financial results.
- 2 Board of Directors have recommended the dividend of ₹ 57 per equity share having face value of ₹ 10 each (570%) for the financial year ended December 31, 2021, which is subject to approval of the members at their annual general meeting.
- 3 The figures for the quarter ended December 31, 2021 and December 31, 2020 are balancing figures between the audited figures in respect of full financial years upto December 31, 2021 and December 31, 2020 and the unaudited published year to date figures upto third quarter ended September 30, 2021 and September 30, 2020 respectively, being the date at the end of the third quarter of the financial year which were subjected to limited reviews.
- 4 Textile Industry as well as Company's performance was affected as a result of Covid 19 in India. Accordingly, Company's revenue and operations for the corresponding previous quarter and year ended December 31, 2020 were lower compared to current quarter and year ended December 31, 2021.
Further, the Company has also considered the possible effects that may result on account of COVID-19 and has made detailed assessment of its liquidity position, including recoverability and carrying values of its financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the COVID-19, the Company has at the date of approval of these financial results, used external and internal sources of information/ indicators to estimate the future performance of the Company. Based on the current estimates, the management has concluded that there are no other adjustments required in the financial results. Given the uncertainties because of COVID-19 however, the final impact on the company's assets in future may differ from that estimated as at the date of approval of these financial results. The Company will therefore continue to closely monitor any material changes arising of future economic conditions and impact on its business.
Capital investment in India remained muted due to COVID, geo-political climate & increased inflation.



5 The Company has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI circular dated July 5, 2016. Segment composition is as follows:

- "Textile Machinery and Consumables" segment includes Perforated Rotary Screens, Laquer & Auxiliary Chemicals, Digital Ink, Rotary Screen Printing Machine, Engraving Equipment, Components and Spares.
- "Graphics Consumables" segment includes Anilox Rollers, Rotamesh screens and RotaPlate.
- "Galvanic" Segment includes Galvano Consumables.

Segment wise revenue, results, assets and liabilities are as under:

Particulars	Quarter ended			Year ended	
	31/12/2021	30/09/2021	31/12/2020	31/12/2021	31/12/2020
	Audited (refer note 3)	(Unaudited)	Audited (refer note 3)	(Audited)	(Audited)
(₹ in Million)					
Segment Revenue (Sales and Other Operating Income from Segments)					
- Textile Machinery and Consumables	453.20	493.44	410.40	1,851.27	1,168.90
- Graphics Consumables	26.75	27.31	23.31	103.29	70.76
- Galvanic (refer note 6)	92.39	88.44	65.85	379.05	270.57
Total segment revenue	572.34	609.19	499.56	2,333.61	1,510.23
Segment Results (Profit before Finance Costs and Tax)					
- Textile Machinery and Consumables	55.01	79.80	60.42	338.52	169.41
- Graphics Consumables	14.64	13.55	12.50	54.03	32.10
- Galvanic (refer note 6)	13.90	13.13	14.24	64.23	47.59
Total Segment Results	83.55	106.48	87.16	456.78	249.10
Less : Unallocable Expenditure Net of Unallocable Other Income	18.32	26.12	27.11	82.22	77.48
Profit Before Exceptional Items and Tax	65.23	80.36	60.05	374.56	171.62
Exceptional Items (refer note 6)	15.90	-	-	15.90	-
Profit Before Tax	81.13	80.36	60.05	390.46	171.62
Segment Assets					
- Textile Machinery and Consumables	949.92	1,014.07	746.45	949.92	746.45
- Graphics Consumables	26.72	34.27	34.07	26.72	34.07
- Galvanic (refer note 6)	112.10	92.22	74.94	112.10	74.94
- Others / Unallocable	920.53	870.42	950.42	920.53	950.42
Total Assets	2,009.27	2,010.98	1,805.88	2,009.27	1,805.88
Segment Liabilities					
- Textile Machinery and Consumables	299.26	334.76	339.95	299.26	339.95
- Graphics Consumables	4.55	6.62	10.28	4.55	10.28
- Galvanic (refer note 6)	27.47	2.68	4.03	27.47	4.03
- Others / Unallocable	70.90	117.08	97.07	70.90	97.07
Total Liabilities	402.18	461.14	451.33	402.18	451.33

6 The Company received notice from Atul Sugar Screens Private Limited ('Atul') on November 10, 2020 intimating termination of the Contract Manufacturing Agreement ('CMA'), earlier than the notice period stipulated in CMA entered into with the Company in April 2018 for manufacturing the sugar sieves for Atul. Pursuant to the above notice, the Company has entered into a "Settlement Agreement" with Atul during September 2021, determining the compensation and schedule of activities for closure of CMA over the period of time not later than July 2022. Upon completion of activities mentioned in the Settlement Agreement, the revenue from Galvanic business will be discontinued. During the current quarter ended December 31, 2021, pursuant to completion of certain activities mentioned in the agreement, the company has recorded consideration for such activity amounting to ₹ 15.90 Million which has been disclosed as 'exceptional item' in these results.

7 Statement of audited cashflow for the year ended December 31, 2021 and December 31, 2020 is given as Annexure 1.

8 Investors can view the audited financial results of the company for the quarter and year ended December 31, 2021 on the company's website www.stovec.com or on the website of the BSE www.bseindia.com.

9 Previous quarter / year-end figures have been regrouped/ reclassified, wherever necessary, to conform to current period's classification.

**SIGNED FOR IDENTIFICATION
PURPOSES ONLY**



SRBC & CO LLP



For Stovec Industries Ltd.



Shallesh Wani
Managing Director

Place : Ahmedabad
Date : February 25, 2022

Annexure 1 - Statement of cash flow for the year ended December 31, 2021		
(₹ in Million)		
Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
	(Audited)	(Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	390.46	171.62
<u>Adjustment to reconcile profit before tax to net cash flows:</u>		
Depreciation and amortisation expense	51.02	45.34
Interest income	(35.00)	(37.58)
Unrealised foreign exchange (gain) / loss	(0.22)	0.82
Loss on sale of property, plant and equipment (net)	0.04	1.04
Provision for doubtful receivables (net)	1.92	4.77
Liabilities and provisions no longer required written back	(12.11)	(12.62)
Provision / (Reversal) for warranty (net)	4.34	(0.55)
Operating profit before working capital changes	400.45	172.84
<u>Adjustments for changes in working capital:</u>		
(Increase) in other assets	(23.29)	(9.51)
(Increase) / Decrease in inventories	(83.43)	20.78
(Increase) / Decrease in trade receivables	(70.43)	64.26
(Decrease) / Increase in other liabilities and provisions	(20.66)	52.20
(Decrease) in trade payables	(47.56)	(14.24)
Cash generated from operations	155.08	286.33
Direct taxes paid (net)	(112.32)	(64.57)
A. Net cash flow generated from operating activities	42.76	221.76
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Payment toward purchase of property, plant and equipment	(91.73)	(41.02)
Proceeds from sale of property, plant and equipment	0.47	0.28
Proceeds from sale of investments	7.92	-
(Investments) / Redemptions in bank deposits (net)	72.24	(270.65)
Interest received	34.93	36.90
B. Net cash flow generated / (used in) investing activities	23.83	(274.49)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid on equity shares	(45.94)	(124.40)
C. Net cash flow (used in) financing activities	(45.94)	(124.40)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	20.65	(177.13)
Cash and cash equivalents as at the beginning of the year	136.43	313.56
Cash and cash equivalents as at the end of the year	157.08	136.43
Cash and Cash Equivalents at the end of the year comprise :		
Cash on hand	0.43	0.20
Bank Balances :		
- In Current Accounts	61.65	87.23
- Deposits with original maturity less than 3 months	95.00	49.00
Cash and cash equivalents at end of the year	157.08	136.43

**SIGNED FOR IDENTIFICATION
PURPOSES ONLY**

SRBC & CO LLP

