

## Stovec Industries Ltd.

### Regd. Office and Factory:

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

Ahmedabad – 382 405, INDIA

CIN : L45200GJ1973PLC050790

Telephone : +91 79 6157 2300

+91 79 25710407 to 410

Fax : +91 79 25710 406

E-mail : admin@stovec.com

To,  
**Corporate Relations Department**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001

**Reference : Scrip Code No.:- 504959- Stovec Industries Limited**  
**Date : November 10, 2020**  
**Subject : Outcome of Board Meeting**

Dear Sirs,

Pursuant to regulation 30, 33 and other applicable provisions, if any, of the SEB[ (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. November 10, 2020 have inter alia, approved Unaudited Financial Results of the Company for the quarter and nine months ended on September 30, 2020 and taken on record the Limited Review Report of the Statutory auditor. Aforesaid Unaudited Financial Results and Limited Review Report enclosed herewith for your reference and records.

This is to further inform you that the meeting of Board of Directors of the Company commenced at 3.00 P.M. and concluded at 5.30 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 Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors of  
Stovec Industries Limited**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Stovec Industries Limited (the "Company") for the quarter ended September 30, 2020 and year to date from January 1, 2020 to September 30, 2020 (the "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").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as mentioned in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



# **S R B C & CO LLP**

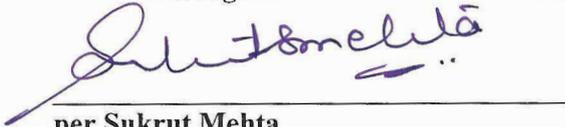
Chartered Accountants

5. We draw attention to Note 2 of the Statement, as regards the management's evaluation of COVID-19 impact on the operations and assets of the Company. Our conclusion is not modified in respect of this matter.
  
6. The comparative Ind AS financial information of the Company for the corresponding quarter and nine months ended September 30, 2019 included in these Ind AS financial results, were reviewed by the predecessor auditor and the Ind AS financial statements of the Company for the year ended December 31, 2019 were audited by predecessor auditor who expressed an unmodified opinion on those financial information and financial statements on November 5, 2019 and February 25, 2020 respectively.

**For S R B C & CO LLP**

Chartered Accountants

**ICAI Firm registration number: 324982E/E300003**



per **Sukrut Mehta**

Partner

Membership No.: 101974

UDIN: 20101974AAAAEA2835

Place: Ahmedabad

Date: November 10, 2020



**STOVEC INDUSTRIES LIMITED**

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

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

Tel: +91(0)79- 6157 2300, Fax: +91(0)79- 2571 0406

**Statement of Unaudited Financial Results for the Quarter and Nine Months ended September 30, 2020**

(Rs. in Million)

Sr. No.	Particulars	Current 3 months ended 30/09/2020	Preceding 3 months ended 30/06/2020	Previous corresponding 3 months ended 30/09/2019	Current 9 months ended 30/09/2020	Previous corresponding 9 months ended 30/09/2019	Previous year ended 31/12/2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	412.062	168.440	549.784	1,001.614	1,436.700	1,942.473
II	Other Income	12.899	12.520	9.904	39.538	47.693	54.845
III	<b>Total Income (I + II)</b>	<b>424.961</b>	<b>180.960</b>	<b>559.688</b>	<b>1,041.152</b>	<b>1,484.393</b>	<b>1,997.318</b>
IV	<b>Expenses</b>						
	a) Cost of materials consumed	239.701	68.904	242.633	562.982	716.371	946.095
	b) Purchase of stock-in-trade	4.193	2.928	14.139	13.627	58.125	60.493
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(29.715)	19.469	17.248	(54.453)	(77.709)	(41.875)
	d) Employee benefits expense	52.971	45.642	49.668	159.443	156.238	213.139
	e) Finance costs	0.579	0.253	0.857	1.160	1.398	1.925
	f) Depreciation and amortisation expense	12.810	8.474	11.012	32.210	33.106	44.095
	g) Other expenses	79.940	47.051	99.142	214.622	299.664	401.291
	<b>Total Expenses</b>	<b>360.479</b>	<b>192.721</b>	<b>434.699</b>	<b>929.591</b>	<b>1,187.193</b>	<b>1,625.163</b>
V	<b>Profit / (Loss) Before Exceptional Items and Tax (III - IV)</b>	<b>64.482</b>	<b>(11.761)</b>	<b>124.989</b>	<b>111.561</b>	<b>297.200</b>	<b>372.155</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit / (Loss) Before Tax (V + VI)</b>	<b>64.482</b>	<b>(11.761)</b>	<b>124.989</b>	<b>111.561</b>	<b>297.200</b>	<b>372.155</b>
VIII	<b>Tax expense</b>						
	a) Current Tax	17.409	(5.697)	28.550	25.228	75.032	96.214
	b) Adjustment of tax relating to earlier periods / year	-	-	-	(0.103)	-	0.026
	c) Deferred Tax charge / (credit)	(2.537)	1.392	(2.636)	(1.771)	(1.286)	(3.453)
IX	<b>Net Profit / (Loss) for the periods / year (VII - VIII)</b>	<b>49.610</b>	<b>(7.456)</b>	<b>99.075</b>	<b>88.207</b>	<b>223.454</b>	<b>279.368</b>
X	<b>Other Comprehensive Income ("OCI")</b>						
	Items that will not be reclassified to profit or loss in subsequent periods						
	(i) Remeasurements of the defined benefit plans	(1.581)	(1.581)	(0.741)	(5.275)	(2.223)	(4.211)
	(ii) Remeasurements of Equity instruments through other comprehensive income	0.234	2.276	(1.576)	(0.121)	(3.125)	(4.068)
	Income tax relating to items that will not be reclassified to profit or loss in subsequent periods	0.339	(0.175)	0.463	1.358	1.346	2.084
XI	<b>Total Comprehensive Income for the periods / year (IX + X)</b>	<b>48.602</b>	<b>(6.936)</b>	<b>97.221</b>	<b>84.169</b>	<b>219.452</b>	<b>273.173</b>
XII	Paid - Up Equity Share Capital @ Rs.10 face value	20.880	20.880	20.880	20.880	20.880	20.880
XIII	Other Equity (excluding revaluation reserves) as at balance sheet date						1,326.533
XIV	<b>Earnings Per Share of Rs. 10 each (not annualised for the quarters and nine months ended):</b>						
	a) Basic (Rs.)	23.76	(3.57)	47.45	42.24	107.02	133.80
	b) Diluted (Rs.)	23.76	(3.57)	47.45	42.24	107.02	133.80

See accompanying notes to the financial results



- 1 The above Statement of Unaudited Financial results for the quarter and nine months ended September 30, 2020 ("the Statement") of Stovec Industries Limited ("the Company") is reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on November 10, 2020. The financial results are prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (as amended) (Ind AS) and other recognized accounting practices and policies to the extent applicable.
- 2 The World Health Organisation (WHO) declared the novel Coronavirus (COVID-19) outbreak a global pandemic on March 11, 2020. Consequent to this, Government had declared lockdown on March 23, 2020 and therefore, the Company had to suspend its operations temporarily. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, closure of production facilities etc. during the lock-down period. However, production and supply of goods has recommenced in phased manner from May 20, 2020. The Company has also taken necessary precautions to ensure the health, safety and wellbeing of all employees as well as put in place SOPs and guidelines as per state government directives to prevent the spread of COVID-19.  
  
As a result of Covid 19 Pandemic, Textile Industry in India as well as Company's performance was affected. Accordingly, Company's revenue and performance for the quarter and nine months ended September 30, 2020 is lower compared to previous year. 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 for the FY 2020, including recoverability and carrying values of its assets comprising Property, Plant and Equipment, Trade receivables, Inventory and Investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, 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 Company has made additional provisions against trade receivables, and the management has concluded that there are no other material adjustments required in the financial results. Given the uncertainties because of COVID-19, 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 continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- 3 The Company has adopted Ind AS 116 - Leases, with effect from January 1, 2020, using Modified Retrospective Method and accordingly, the comparatives has not been restated. The adoption of Ind AS 116 doesn't have material impact on the results for the quarter and nine months ended September 30, 2020 and earnings per share for the aforesaid periods.
- 4 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:
  - a) "Textile Machinery and Consumables" segment includes Perforated Rotary Screens, Laquer & Auxiliary Chemicals, Digital Ink, Rotary Screen Printing Machine, Engraving
  - b) "Graphics Consumables" segment includes Anilox Rollers, Rotamesh screens and RotaPlate.
  - c) "Galvanic" Segment includes Galvano Consumables.

SIGNED FOR IDENTIFICATION  
PURPOSES ONLY  
SRBC & CO LLP



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

(Rs. in Million)

Particulars	Current 3 months ended 30/09/2020	Preceding 3 months ended 30/06/2020	Previous corresponding 3 months ended 30/09/2019	Current 9 months ended 30/09/2020	Previous corresponding 9 months ended 30/09/2019	Previous year ended 31/12/2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Segment Revenue (Sales and Other Operating income from Segments)</b>						
- Textile Machinery and Consumables	305.651	120.820	444.601	749.441	1,146.355	1,554.882
- Graphics Consumables	17.884	5.937	27.438	47.455	74.151	95.237
- Galvanic	88.527	41.683	77.745	204.718	216.194	292.354
<b>Total</b>	<b>412.062</b>	<b>168.440</b>	<b>549.784</b>	<b>1,001.614</b>	<b>1,436.700</b>	<b>1,942.473</b>
Less : Inter Segment Revenue	-	-	-	-	-	-
<b>Net segment revenue</b>	<b>412.062</b>	<b>168.440</b>	<b>549.784</b>	<b>1,001.614</b>	<b>1,436.700</b>	<b>1,942.473</b>
<b>Segment Results (Profit before Finance Costs and Tax)</b>						
- Textile Machinery and Consumables	58.199	(5.870)	116.166	108.994	273.295	342.041
- Graphics Consumables	6.865	0.115	13.977	19.604	35.746	45.213
- Galvanic	14.301	6.319	11.905	33.350	34.625	46.548
<b>Total Segment Results</b>	<b>79.365</b>	<b>0.564</b>	<b>142.048</b>	<b>161.948</b>	<b>343.666</b>	<b>433.802</b>
Less : Finance Costs	0.579	0.253	0.857	1.160	1.398	1.925
Less : Unallocable Expenditure Net of Unallocable Other Income	14.304	12.072	16.202	49.227	45.068	59.722
<b>Profit Before Exceptional Items and Tax</b>	<b>64.482</b>	<b>(11.761)</b>	<b>124.989</b>	<b>111.561</b>	<b>297.200</b>	<b>372.155</b>
Exceptional Items	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>64.482</b>	<b>(11.761)</b>	<b>124.989</b>	<b>111.561</b>	<b>297.200</b>	<b>372.155</b>
<b>Segment Assets</b>						
- Textile Machinery and Consumables	791.513	873.814	851.754	791.513	851.754	818.685
- Graphics Consumables	33.997	58.816	35.049	33.997	35.049	26.678
- Galvanic	85.459	88.738	79.185	85.459	79.185	76.699
- Others / Unallocable	765.164	751.503	716.287	765.164	716.287	851.414
<b>Total Assets</b>	<b>1,676.133</b>	<b>1,772.871</b>	<b>1,682.275</b>	<b>1,676.133</b>	<b>1,682.275</b>	<b>1,773.476</b>
<b>Segment Liabilities</b>						
- Textile Machinery and Consumables	261.596	299.811	274.435	261.596	274.435	335.153
- Graphics Consumables	7.401	4.374	5.234	7.401	5.234	7.682
- Galvanic	5.046	5.118	6.286	5.046	6.286	5.192
- Others / Unallocable	95.789	80.588	102.627	95.789	102.627	78.036
<b>Total Liabilities</b>	<b>369.832</b>	<b>389.891</b>	<b>388.582</b>	<b>369.832</b>	<b>388.582</b>	<b>426.063</b>

- 5 In accordance with the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statutory Auditors have performed a limited review of Company's unaudited financial results for the quarter and nine months ended September 30, 2020.
- 6 Investors can view the unaudited financial results of the company for the quarter and nine months ended September 30, 2020 on the company's website [www.stovec.com](http://www.stovec.com) or on the website of the BSE [www.bseindia.com](http://www.bseindia.com).
- 7 The figures for quarter and nine months ended September 30, 2019 and year ended December 31, 2019 were reviewed / audited respectively by a firm of Chartered Accountants other than S R B C & CO LLP. Previous quarter/ nine months/ year-end figures have been regrouped/ reclassified, wherever necessary, to confirm to current period's classification.



For Stovec Industries Ltd.

 Shailesh Wani  
Managing Director

 Place : Ahmedabad  
Date : November 10, 2020
