

## Stovec Industries Ltd.

**Regd. Office and Factory:**

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

Ahmedabad – 382 405, INDIA

CIN : L45200GJ1973PLC050790

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

Reference : Scrip Code- 504959  
Subject : Outcome of Board Meeting  
Date : May 11, 2021

Dear Sir/Madam,

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. May 11, 2021 have inter alia, approved Unaudited Financial Results of the Company for the first quarter and period ended on March 31, 2021 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 4.30 P.M. and concluded at 5.45 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 Review Report on the Quarterly 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 March 31, 2021 (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,

# **S R B C & C O L L P**

Chartered Accountants

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.

5. The comparative Ind AS financial information of the Company for the corresponding quarter ended March 31, 2020 included in these Ind AS financial results, were reviewed by the predecessor auditor who expressed an unmodified opinion on that financial information on June 4, 2020.

**For S R B C & C O L L P**

Chartered Accountants

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

**SUKRUT S**  
**MEHTA**

Digitally signed by SUKRUT S  
MEHTA  
DN: cn=SUKRUT S MEHTA, c=IN,  
o=Personal,  
email=sukrut.mehta@srb.in  
Date: 2021.05.11 17:35:27 +05'30'

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**per Sukrut Mehta**

Partner

Membership No.: 101974

UDIN: 21101974AAAABZ3053

Place: Ahmedabad

Date: May 11, 2021

**STOVEC INDUSTRIES LIMITED**

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

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**Statement of unaudited financial results for the quarter ended March 31, 2021**

(₹ in Million)

Sr. No.	Particulars	Current 3 months ended 31/03/2021	Preceding 3 months ended 31/12/2020	Previous corresponding 3 months ended 31/03/2020	Previous year ended 31/12/2020
		(Unaudited)	Audited (refer note 6)	(Unaudited)	(Audited)
I	Revenue from operations	643.57	499.56	421.11	1,501.17
II	Other Income	13.49	12.14	14.12	51.68
III	<b>Total Income (I + II)</b>	<b>657.06</b>	<b>511.70</b>	<b>435.23</b>	<b>1,552.85</b>
IV	<b>Expenses</b>				
	a) Cost of materials consumed	308.54	224.07	252.36	782.06
	b) Purchase of stock-in-trade	8.65	4.41	6.51	18.03
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	34.90	54.17	(44.21)	(0.28)
	d) Employee benefits expense	47.89	52.11	57.27	202.21
	e) Depreciation and amortisation expense	12.50	13.13	10.93	45.34
	f) Other expenses	105.32	103.76	93.53	333.87
	<b>Total Expenses</b>	<b>517.80</b>	<b>451.65</b>	<b>376.39</b>	<b>1,381.23</b>
V	<b>Profit Before Tax (III - IV)</b>	<b>139.26</b>	<b>60.05</b>	<b>58.84</b>	<b>171.62</b>
VI	<b>Tax expense</b>				
	a) Current tax	37.01	15.21	13.52	40.44
	b) Adjustment of tax relating to earlier periods / year	(0.66)	1.92	(0.10)	1.81
	c) Deferred tax (credit)	(4.22)	(3.49)	(0.63)	(5.26)
VII	<b>Net Profit for the periods / year (V - VI)</b>	<b>107.13</b>	<b>46.41</b>	<b>46.05</b>	<b>134.63</b>
VIII	<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	0.79	2.76	(2.11)	(2.52)
	(ii) Remeasurements of equity instruments through other comprehensive income	2.50	1.47	(2.63)	1.35
	Income tax relating to items that will not be reclassified to profit or loss in subsequent periods	(0.83)	(2.41)	1.19	(1.04)
IX	<b>Total Comprehensive Income for the periods / year (VII + VIII)</b>	<b>109.59</b>	<b>48.23</b>	<b>42.50</b>	<b>132.42</b>
X	Paid - up equity share capital @ ₹ 10 face value	20.88	20.88	20.88	20.88
XI	Other equity (excluding revaluation reserves) as at balance sheet date				1,333.67
XII	<b>Earnings per share of ₹ 10 each (not annualised for the quarters):</b>				
	a) Basic (₹)	51.31	22.23	22.05	64.48
	b) Diluted (₹)	51.31	22.23	22.05	64.48

See accompanying notes to the financial results



## Notes:

- 1 The above statement of unaudited financial results for the quarter ended March 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 May 11, 2021. 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 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 ended March 31, 2021.
- 3 The World Health Organisation (WHO) declared the novel Coronavirus (COVID-19) outbreak a global pandemic on March 11, 2020. The Company has 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 previous periods were effected and the possible effects on account of COVID-19 on the recoverability and carrying value of its assets comprising Property, Plant and Equipment, Trade receivables, Inventory, Investments and liquidity has been considered. 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 including the impact of second wave. The management has concluded that there are no other 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.
- 4 The Company has received a notice from Atul Sugar Screens Private Limited ('Atul') on November 10, 2020 intimating termination of the Contract Manufacturing Agreement which was entered into with the Company in April 2018 for manufacturing the sugar sieves for them. The Company is in discussion of terms and procedure for termination including closing date, which will be mutually agreed between the parties, pursuant to which, final outcome and impact, if any shall be determine.



- 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:

(₹ in Million)

Particulars	Current 3 months ended 31/03/2021	Preceding 3 months ended 31/12/2020	Previous corresponding 3 months ended 31/03/2020	Previous year ended 31/12/2020
	(Unaudited)	Audited (refer note 6)	(Unaudited)	(Audited)
<b>Segment Revenue (Sales and Other Operating income from Segments)</b>				
- Textile Machinery and Consumables	520.69	410.40	322.97	1,159.84
- Graphics Consumables	25.62	23.31	23.63	70.76
- Galvanic	97.26	65.85	74.51	270.57
<b>Total</b>	<b>643.57</b>	<b>499.56</b>	<b>421.11</b>	<b>1,501.17</b>
Less : Inter Segment Revenue	-	-	-	-
<b>Net segment revenue</b>	<b>643.57</b>	<b>499.56</b>	<b>421.11</b>	<b>1,501.17</b>
<b>Segment Results (Profit before Finance Costs and Tax)</b>				
- Textile Machinery and Consumables	120.79	60.42	56.67	169.41
- Graphics Consumables	13.51	12.50	12.62	32.10
- Galvanic	18.95	14.24	12.73	47.59
<b>Total Segment Results</b>	<b>153.25</b>	<b>87.16</b>	<b>82.02</b>	<b>249.10</b>
Less : Unallocable Expenditure Net of Unallocable Other Income	13.99	27.11	23.18	77.48
<b>Profit Before Tax</b>	<b>139.26</b>	<b>60.05</b>	<b>58.84</b>	<b>171.62</b>
<b>Segment Assets</b>				
- Textile Machinery and Consumables	937.80	746.45	898.20	746.45
- Graphics Consumables	36.12	34.07	27.26	34.07
- Galvanic	118.11	74.94	102.32	74.94
- Others / Unallocable	884.10	950.42	852.00	950.42
<b>Total Assets</b>	<b>1,976.13</b>	<b>1,805.88</b>	<b>1,879.78</b>	<b>1,805.88</b>
<b>Segment Liabilities</b>				
- Textile Machinery and Consumables	349.15	339.95	342.57	339.95
- Graphics Consumables	6.34	10.28	7.22	10.28
- Galvanic	7.22	4.03	3.02	4.03
- Others / Unallocable	149.28	97.07	137.05	97.07
<b>Total Liabilities</b>	<b>511.99</b>	<b>451.33</b>	<b>489.86</b>	<b>451.33</b>

- 6 The figures for the quarter ended December 31, 2020 are balancing figures between the audited figures in respect of full financial years upto December 31, 2020 and the unaudited published year to date figures upto third quarter ended September 30, 2020, being the date at the end of the third quarter of the financial year which were subjected to limited reviews.
- 7 Investors can view the unaudited financial results of the company for the quarter ended March 31, 2021 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).
- 8 The figures for quarter ended March 31, 2020 were audited by a firm of Chartered Accountants other than S R B C & CO LLP. Previous quarter end figures have been regrouped/ reclassified, wherever necessary, to conform to current quarter's classification.

Place : Ahmedabad  
Date : May 11, 2021

For Stovec Industries Ltd.  

 SHAILESH  
 CHANDRAKRI  
 SHIVA WANI  
 Digitally signed by  
 SHAILESH  
 CHANDRAKRI  
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 Shailesh Wani  
 Managing Director