

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

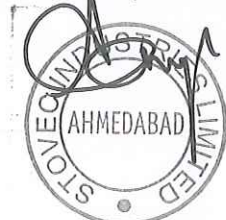
**Stovec Industries Limited**  
**Regd. Office and Factory:**  
N.I.D.C., Near Lambha Village, Post Narol,  
Ahmedabad – 382 405, INDIA  
CIN : L45200GJ1973PLC050790  
Telephone : +91 79 6157 2300  
                  +91 79 25710407 to 410  
Fax : +91 79 25710 406  
E-mail : [admin@stovec.com](mailto:admin@stovec.com)

**Reference : Scrip Code No.:- 504959- Stovec Industries Limited**  
**Date : June 04, 2020**  
**Subject : Outcome of Board Meeting**

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. June 04, 2020 have inter alia, recommended/approved the following items of business:

1. Approved Unaudited Financial Results of the Company for the quarter ended March 31, 2020 and took on record the Limited Review Report of the Statutory auditor and the same are enclosed herewith.
2. M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No.: 117366W/W-100018) has resigned from the position of Statutory Auditor of the Company with effect from today as per the reason stated in the disclosure/information received from the Auditor.  
The information required from the said auditor in pursuance of SEBI circular CIR/CFD/CMD1/114/2019 dated October 19, 2019 is enclosed herewith as Annexure -A.
3. Based on the recommendation of the Audit Committee, board has approved the appointment of M/s S R B C & CO LLP, Chartered Accountants, (Firm Registration No.: 324982E/E300003) as the Statutory Auditors of the company from the conclusion of the ensuing Annual General Meeting until the conclusion of the Next Annual General Meeting of the company to fill casual vacancy so caused by the resignation of M/s Deloitte Haskins & Sells LLP, as per the provisions of the Companies Act, 2013 subject to the approval of members in the ensuing AGM. A brief profile of the M/s S R B C & CO LLP, Chartered Accountant is as under.



"S R B C & CO LLP, (FRN 324982E/E300003), ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 2002 and is a limited liability partnership firm ("LLP") incorporated in India. It has registered office at 22, Camac Street, Kolkata and has 11 branch offices in various cities in India.

The Audit Firm has valid Peer Review certificate and is part of S.R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients."

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 5.00 p.m.

You are requested to Kindly note the same.

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



Sanjeev Singh Sengar  
**Company Secretary & Compliance Officer**



*Encl.: as above*

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**

**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, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 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 stated 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 Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

*Kartikeya Raval*

Kartikeya Raval  
(Membership No. 106189)  
UDIN: 20106189AAAA078769

Place: Ahmedabad  
Date: June 04, 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 Ended March 31, 2020

(Rs. in Million)

Sr. No.	Particulars	Current 3 months ended 31/03/2020	Preceding 3 months ended 31/12/2019	Previous corresponding 3 months ended 31/03/2019	Previous year ended 31/12/2019
		(Unaudited)	(Audited) (Refer Note 3)	(Unaudited)	(Audited)
I	Revenue from operations	420.519	504.160	372.270	1,937.049
II	Other Income	14.118	8.813	28.586	54.845
III	<b>Total Income (I + II)</b>	<b>434.637</b>	<b>512.973</b>	<b>400.856</b>	<b>1,991.894</b>
IV	<b>Expenses</b>				
	a) Cost of materials consumed	253.162	226.780	228.304	937.410
	b) Purchase of stock-in-trade	6.506	2.368	22.466	60.493
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(44.207)	35.834	(80.715)	(41.875)
	d) Employee benefits expense	60.830	56.901	47.760	213.139
	e) Finance costs	0.328	0.527	0.166	1.925
	f) Depreciation and amortisation expense	10.926	10.989	11.100	44.095
	g) Other expenses	88.252	104.619	73.623	404.552
	<b>Total Expenses</b>	<b>375.797</b>	<b>438.018</b>	<b>302.704</b>	<b>1,619.739</b>
V	<b>Profit Before Exceptional Items and Tax (III - IV)</b>	<b>58.840</b>	<b>74.955</b>	<b>98.152</b>	<b>372.155</b>
VI	Exceptional Items	-	-	-	-
VII	<b>Profit Before Tax (V + VI)</b>	<b>58.840</b>	<b>74.955</b>	<b>98.152</b>	<b>372.155</b>
VIII	<b>Tax expense</b>				
	a) Current Tax	13.413	21.208	26.351	96.240
	b) Deferred Tax	(0.626)	(2.167)	1.755	(3.453)
IX	<b>Net Profit for the period (VII - VIII)</b>	<b>46.053</b>	<b>55.914</b>	<b>70.046</b>	<b>279.368</b>
X	<b>Other Comprehensive Income ("OCI")</b>				
	Items that will not be reclassified to profit or loss				
	(i) Remeasurements of the defined benefit plans	(2.113)	(1.988)	(0.741)	(4.211)
	(ii) Equity instruments through other comprehensive income	(2.631)	(0.943)	(1.030)	(4.068)
	Income tax relating to items that will not be reclassified to profit or loss	1.194	0.738	0.516	2.084
XI	<b>Total Comprehensive Income for the period (IX + X)</b>	<b>42.503</b>	<b>53.721</b>	<b>68.791</b>	<b>273.173</b>
XII	Paid - Up Equity Share Capital @ Rs.10 face value	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):</b>				
	a) Basic (Rs.)	22.06	26.78	33.55	133.80
	b) Diluted (Rs.)	22.06	26.78	33.55	133.80





- 1 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on June 4, 2020.
- 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 shutdown, the Company's revenue and profits for the current quarter are comparatively lower. 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. The COVID 19 pandemic is hitting hard all economies of the world including India. In India, we had almost 2 months of lockdown. In all probability, COVID 19 disruption is likely to affect Company's revenue, results & cash position going forward.
- 3 The figures for the quarter ended 31st December, 2019 are balancing figures between the audited figures in respect of full financial year and the published year to date figures up to the third quarter.
- 4 The Company has aligned its policy of Leases with Ind AS 116 "Leases" which is effective from January 1, 2020. The same did not have any material impact on retained earnings as on January 1, 2020 and in the financial results during the period.
- 5 The Company had acquired the Service and Spare Parts Business relating to Rotary Printing Equipment ("said business") on 9th May, 2019 from SPGPrints B.V. (Parent Company). The operational revenues and cost of operations of the current period for the said business is included in the "Textile Machinery and Consumables" segment of the Company. As the said business was acquired in quarter ended June 30, 2019, the results of Quarter ended March 31, 2020 is not comparable to that extent with the financial results of the quarter ended March 31, 2019.
- 6 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.

The Company uses same set of assets for the sales made in India and outside India. The expenses incurred for sales to be made in India and outside are Common. Hence, the Company has included the details related to revenue, carrying amount of segment assets and capital expenditure incurred during the period as a part of geographical information.



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

Particulars	(Rs. in Million)			
	Current 3 months ended 31/03/2020	Preceding 3 months ended 31/12/2019	Previous corresponding 3 months ended 31/03/2019	Previous year ended 31/12/2019
	(Unaudited)	(Audited) (Refer Note 3)	(Unaudited)	(Audited)
<b>(A) Information about Operating Segments</b>				
Segment Revenue (Sales and Other Operating Income from Segments)				
- Textile Machinery and Consumables	322.376	406.914	278.811	1,549.458
- Graphics Consumables	23.634	21.086	23.843	95.237
- Galvanic	74.509	76.160	69.616	292.354
Total	420.519	504.160	372.270	1,937.049
Less : Inter Segment Revenue	-	-	-	-
Net segment revenue	420.519	504.160	372.270	1,937.049
Segment Results (Profit before Finance Costs and Tax)				
- Textile Machinery and Consumables	56.665	68.746	78.241	342.041
- Graphics Consumables	12.624	9.467	12.253	45.213
- Galvanic	12.730	11.923	14.766	48.548
Total Segment Results	82.019	90.136	105.260	433.002
Less : Finance Costs	0.328	0.527	0.186	1.925
Less : Unallocable Expenditure Net of Unallocable Other Income	22.851	14.654	6.942	59.722
Profit Before Exceptional Items and Tax	58.840	74.955	98.152	372.155
Exceptional Items	-	-	-	-
Profit Before Tax	58.840	74.955	98.152	372.155
Segment Assets				
- Textile Machinery and Consumables	898.197	818.685	915.733	818.685
- Graphics Consumables	27.259	26.678	28.922	26.678
- Galvanic	102.321	76.699	87.915	76.699
- Others / Unallocable	852.003	851.508	940.162	851.508
Total Assets	1,879.780	1,773.570	1,972.732	1,773.570
Segment Liabilities				
- Textile Machinery and Consumables	342.566	335.153	678.811	335.153
- Graphics Consumables	7.225	7.682	5.606	7.682
- Galvanic	3.018	5.192	5.733	5.192
- Others / Unallocable	137.055	78.130	101.329	78.130
Total Liabilities	489.864	426.157	691.479	426.157
<b>(B) Geographical Information</b>				
Revenue (Net of Indirect Taxes)				
- India	378.013	411.956	349.262	1,611.295
- Outside India	42.506	92.204	23.008	326.754
Total Revenue (Net of Indirect Taxes)	420.519	504.160	372.270	1,937.049
Carrying amount of segment assets as at				
- India	1,052.902	1,711.867	1,938.789	1,711.867
- Outside India	26.878	61.703	33.943	61.703
Total Carrying amount of segment assets as at	1,079.780	1,773.570	1,972.732	1,773.570
Capital Expenditure incurred				
- India	15.284	35.510	2.437	54.181
- Outside India	-	-	-	-
Total Capital Expenditure incurred	15.284	35.510	2.437	54.181

7 In previous financial year, the Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 which is applicable from April 2019. To the extent of change in the tax rate, the results of the quarter ended March 31, 2020 is not comparable with the results of quarter ended March 31, 2019.

8 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, 2020.

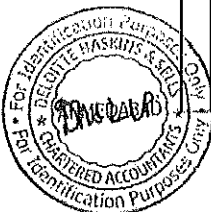
9 Investors can view the unaudited financial results of the company for the quarter ended March 31, 2020 on the company's website www.stovec.com or on the website of the BSE www.bseindia.com.



For Stovec Industries Ltd.

*Shailesh Wani*  
Shailesh Wani  
Managing Director

Place : Ahmedabad  
Date : June 04, 2020



June 04, 2020

To,  
Mr. K.M. Thanawalla  
Chairman,  
Audit Committee,  
Stovec Industries Limited

**Subject: Resignation as Statutory Auditors of Stovec Industries Limited ("the Company")**

In view of the matters stated in your letter dated May 14, 2020, requesting us to tender our resignation as Statutory Auditors of Stovec Industries Limited ("the Company") after completion of Limited Review of the quarter ended March 31, 2020 and the response to the said letter issued by us in a letter dated May 14, 2020, agreeing to resign as statutory auditors of the Company on completion of Limited Review of the quarter ended March 31, 2020 and issuance of our Limited Review report thereon, we hereby tender our resignation as statutory auditors of the Company with immediate effect.

We thank the Board of Directors and the Management of the Company for all the support and cooperation extended to us during our term as statutory auditors of the Company.

Please find attached in Annexure A the information to be obtained by the Company from the auditors for the resignation as required by SEBI circular CIR/CFD/CMD1/114/2019 dated 18 October 2019.

Yours faithfully,  
For **Deloitte Haskins & Sells LLP**

*Deloitte Haskins & Sells LLP*

Copy to: Board of Directors, Stovec Industries Limited

Encl.: As above.



**Annexure A**

**Format of information to be obtained from the Statutory Auditor upon resignation.**

1.	Name of the listed entity / material subsidiary	Stovec industries Limited ("the Company")
2.	Details of the statutory auditor:	
	Name:	Deloitte Haskins & Sells LLP
	Address:	19 <sup>th</sup> Floor, Shapath V, S.G. Highway, Ahmedabad - 380015
	Phone number:	079-6682 7300
	Email:	kraval@deloitte.com
3.	Details of association with the listed entity/ material subsidiary:	
	(a) Date on which the statutory auditor was appointed:	May 11, 2017
	(b) Date on which the term of the statutory auditor was scheduled to expire:	Conclusion of the Company's Annual General Meeting to held in the year 2022
	(c) Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission	Review Report for the quarter ended 31 <sup>st</sup> March, 2020 – Signed on June 04, 2020
4.	Detailed reasons for resignation.	As SPG Prints, the holding company of the Company, has changed its group auditors from Deloitte to Ernst & Young, the Company has requested us to resign as Statutory Auditors of the Company.  Our resignation is based on the request made by the management.
5.	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)	Not applicable
6.	In case the information requested by the auditor was not provided, when following shall be disclosed	





	(a) Whether the inability to obtain sufficient appropriate audit evidence was due to a management - imposed limitation or circumstances beyond the control of the management.	None
	(b) Whether the lack of information would have significant impact on the financial statements/results.	None
	(c) Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	NA
	(d) Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued	NA
7.	Any other facts relevant to the resignation:	None.

**Declaration**

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for resignation of my firm.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

*Kartikaya Raval*

Kartikaya Raval  
(Partner)

**Encl:**

1. Limited review report for the quarter ended March 31, 2020
2. Letter from management requesting our resignation
3. Our response to the management's letter





May 14, 2020

To

Deloitte Haskins & Sells LLP  
Chartered Accountants,  
19<sup>th</sup> Floor, Shapath V,  
S.G. Highway,  
Ahmedabad - 380015

## 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

### Kind Attention: Mr. Kartikeya Raval

Dear Sir,

#### **Sub: Request for change in Statutory Auditors**

As you are aware, SPG Prints B.V. is the holding company of Stovec Industries Limited ("the Company") with 71.06% equity holding in the Company. SPGPrints B.V. prepares its Consolidated Financial Statements at group level every year and for audit of such consolidated financial, they have appointed Ernst & Young as Group Auditors (replacing Deloitte, Netherlands) for the financial year ended December 31, 2019.

The Company has traditionally been scoped in for full scope audit for the purposes of consolidation with SPGPrints B.V. and therefore the Company would prefer to align our auditors in line with change of auditors at group level so as to streamline the audit process and bringing efficiencies from cost and time perspective. We, therefore, request you to consider this development and tender your resignation as statutory auditors of our Company after completion of the limited review of the quarter ended March 31, 2020.

We take this opportunity to convey our sincere thanks to you for services rendered as statutory auditor of our Company during preceding three years.

Thanking you

**For and on behalf of Stovec Industries Limited**

Digitally signed by  
SHAILESH CHANDRAKRISHNA  
WANI  
Date: 2020.05.14  
14:07:05 +05'30'

**Shailesh Wani**

**(Managing Director)**

Copy to: Members of Audit Committee and Board of Directors of the Company

# Deloitte Haskins & Sells LLP

Chartered Accountants  
19<sup>th</sup> floor, Shapath-V,  
S.G. Highway,  
Ahmedabad - 380 015  
Gujarat, India

Tel: +91 79 6682 7300  
Fax: +91 79 6682 7400

May 14, 2020

To,  
Mr. K.M. Thanawalla  
Chairman,  
Audit Committee,  
Stovec Industries Limited

**Subject: Proposed resignation as statutory auditors of Stovec Industries Limited ("the Company")**

Dear Sir,

As informed by you via letter dated May 14, 2020, SPGPrints B.V., which is the holding company of Stovec Industries Limited (the "Company"), has changed the Auditors at Group level and accordingly the Company would prefer to align its auditors in line with change of auditors at group, so as to streamline the audit process and to bring-in efficiencies from a cost and time perspective.

As informed by you via letter dated May 14, 2020, SPGPrints B.V. has changed the Auditors at Group level and accordingly Stovec Industries Limited (the "Company"), would prefer to align its auditors in line with change of auditors at group, so as to streamline the audit process and to bring-in efficiencies from a cost and time perspective.

We have duly considered the aforesaid matter, and hereby agree to tender our resignation as statutory auditors of the Company on completion of the Limited Review of the quarter ended March 31, 2020 and issuing out limited review report thereon.

We are unable to resign as auditors of the Company on the date of this letter since the Board meeting of the Company to consider the unaudited financial results of the Company for the quarter ended March 31, 2020 is proposed to be held only after May 15, 2020 (which would be 45 days after the end of the quarter ended March 31, 2020 considering relaxation provided in SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 on filing of financial results under Regulation 33 for the quarter ended March 31, 2020 due to the CoVID -19 virus pandemic) and we are required to issue our limited review report on the same as required under SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019. We do not intend to carry out the limited review for the quarter and half year ending June 30, 2020. Under these circumstances, we are making this communication on our intent to resign to comply with our reporting obligations as auditors in terms of the SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

Yours faithfully,

For **Deloitte Haskins & Sells LLP**

**KARTIKEYA** Digitally signed by  
KARTIKEYA  
**DHARMEND** DHARMENDRA RAVAL  
Date: 2020.05.14  
**RA RAVAL** 18:10:37 +05'30'

**Kartikeya Raval**  
Partner

Copy to: Board of Directors, Stovec Industries Limited

Regd. Office: Indiabulls Finance Centre, Tower 3, 27th-32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013,  
Maharashtra, India.  
(LLP Identification No. AAB-8737)

