

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

Reference : Scrip Code No.:- 504959- Stovec Industries Limited
Date : August 10, 2022
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. August 10, 2022 have, inter alia, approved Unaudited Financial Results of the Company for the quarter and half year ended June 30, 2022 and took on record the Limited Review Report of the Statutory Auditor and the same are enclosed herewith. The said result shall also be posted on the website of the Company.

Trading Window which has been remained closed for Specified Persons to approve above results shall be re-opened on August 13, 2022.

The Meeting of Board of Directors of the Company commenced at 3.05 P.M. and concluded at 3:55 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 June 30, 2022 and year to date from January 1, 2022 to June 30, 2022 (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.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Sukrut Mehta

Partner

Membership No.: 101974

UDIN: 22101974AOTCYB5508



Place: Ahmedabad

Date: August 10, 2022

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,

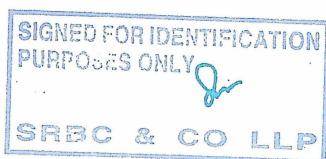
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Statement of unaudited financial results for the quarter and half year ended June 30, 2022

(₹ in Million)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30/06/2022	31/03/2022	30/06/2021	30/06/2022	30/06/2021	31/12/2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	(Audited)
I	Revenue from operations	643.19	659.94	504.51	1,303.13	1,152.08	2,333.61
II	Other Income	15.65	12.43	10.71	28.08	32.83	56.20
III	Total Income (I + II)	658.84	672.37	515.22	1,331.21	1,184.91	2,389.81
IV	Expenses						
	a) Cost of materials consumed	376.69	389.17	317.23	765.86	625.77	1,254.78
	b) Purchase of stock-in-trade	23.77	11.89	8.58	35.66	17.23	46.89
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(29.37)	(49.00)	(78.69)	(78.37)	(43.79)	(25.51)
	d) Employee benefits expense	68.44	64.00	60.39	132.44	116.91	239.25
	e) Depreciation and amortisation expense	14.91	15.03	12.64	29.94	25.14	51.02
	f) Other expenses	114.43	117.89	105.36	232.32	214.68	448.82
	Total Expenses	568.87	548.98	425.51	1,117.85	955.94	2,015.25
V	Profit Before Exceptional Items and Tax (III - IV)	89.97	123.39	89.71	213.36	228.97	374.56
VI	Exceptional Items (refer note 4)	77.06	-	-	77.06	-	15.90
VII	Profit Before Tax (V - VI)	167.03	123.39	89.71	290.42	228.97	390.46
VIII	Tax expense						
	a) Current tax	24.58	51.07	24.83	75.65	61.84	91.74
	b) Adjustment of tax relating to earlier periods / year	-	(3.34)	-	(3.34)	(0.66)	0.41
	c) Deferred tax charges / (credit)	17.05	(21.18)	(3.33)	(4.13)	(7.55)	1.90
IX	Net Profit for the periods / year (VII - VIII)	125.40	96.84	68.21	222.24	175.34	296.41
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	(1.14)	0.87	(0.63)	(0.27)	0.16	(4.38)
	(ii) Remeasurements of equity instruments through other comprehensive income	(1.02)	0.43	0.32	(0.59)	2.82	5.35
	Income tax relating to items that will not be reclassified to profit or loss in subsequent periods	0.28	(0.21)	0.08	0.07	(0.75)	1.10
XI	Total Comprehensive Income for the periods / year (IX + X)	123.52	97.93	67.98	221.45	177.57	298.48
XII	Paid - up equity share capital @ ₹ 10 face value	20.88	20.88	20.88	20.88	20.88	20.88
XIII	Other equity (excluding revaluation reserves) as at balance sheet date						1,586.21
XIV	Earnings per share of ₹ 10 each (not annualised for the quarters and half year):						
	a) Basic (₹)	60.06	46.38	32.67	106.44	83.97	141.96
	b) Diluted (₹)	60.06	46.38	32.67	106.44	83.97	141.96

See accompanying notes to the financial results

Notes:

- The above statement of unaudited financial results for the quarter and half year ended June 30, 2022 ('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 August 10, 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.
- 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 half year ended June 30, 2022.
- 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			Half year ended		Year ended
	30/06/2022	31/03/2022	30/06/2021	30/06/2022	30/06/2021	31/12/2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	(Audited)
Segment Revenue (Sales and Other Operating income from Segments)						
- Textile Machinery and Consumables	566.17	499.86	380.10	1,066.03	904.63	1,851.27
- Graphics Consumables	28.10	29.52	23.45	57.62	49.23	103.29
- Galvanic (refer note 4)	48.92	130.56	100.96	179.48	198.22	379.05
Total segment revenue	643.19	659.94	504.51	1,303.13	1,152.08	2,333.61
Segment Results (Profit before Finance Costs and Tax)						
- Textile Machinery and Consumables	91.99	104.42	82.91	196.41	203.71	338.52
- Graphics Consumables	14.73	16.18	12.33	30.91	25.84	54.03
- Galvanic (refer note 4)	4.22	24.75	18.24	28.97	37.19	64.23
Total Segment Results	110.94	145.35	113.48	256.29	266.74	456.78
Less : Unallocable Expenditure Net of Unallocable Other Income	20.97	21.96	23.77	42.93	37.77	82.22
Profit Before Exceptional Items and Tax	89.97	123.39	89.71	213.36	228.97	374.56
Exceptional Items (refer note 4)	77.06	-	-	77.06	-	15.90
Profit Before Tax	167.03	123.39	89.71	290.42	228.97	390.46
Segment Assets						
- Textile Machinery and Consumables	1,224.49	1,059.81	895.09	1,224.49	895.09	949.92
- Graphics Consumables	30.38	26.31	35.63	30.38	35.63	26.72
- Galvanic (refer note 4)	36.53	127.50	98.27	36.53	98.27	112.10
- Others / Unallocable	769.61	909.94	842.59	769.61	842.59	920.53
Total Assets	2,061.01	2,123.56	1,871.58	2,061.01	1,871.58	2,009.27
Segment Liabilities						
- Textile Machinery and Consumables	284.02	318.79	284.58	284.02	284.58	299.26
- Graphics Consumables	3.53	1.65	3.84	3.53	3.84	4.55
- Galvanic (refer note 4)	0.27	10.29	7.30	0.27	7.30	27.47
- Others / Unallocable	63.65	87.81	89.68	63.65	89.68	70.90
Total Liabilities	351.47	418.54	385.40	351.47	385.40	402.18

- 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 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. During the quarter ended June 30, 2022, pursuant to completion of activities mentioned in the agreement, the company has recorded consideration for such activity amounting to ₹ 77.06 Million (December 31, 2021 ₹ 15.90 Million), which has been disclosed as 'exceptional item'. The complete consideration as mentioned above is already received during the quarter and there is no outstanding. Considering the activities mentioned in the Settlement Agreement have been completed during the quarter, the revenue from Galvanic business as stated in note 3 above has been discontinued.
- During the quarter, the Company has paid dividend of ₹ 57 per equity share having face value of ₹ 10 each (570%) for financial year ended December 31, 2021, approved by the members at the AGM held on May 6, 2022. The said dividend was proposed by the Board of Directors at their meeting held on February 25, 2022.
- Statement of unaudited cashflow for the half year ended June 30, 2022 and June 30, 2021 is given as Annexure 1.
- Investors can view the unaudited financial results of the company for the quarter and half year ended June 30, 2022 on the company's website www.stovec.com or on the website of the BSE www.bseindia.com.
- Previous quarter/ half year/ 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.

Shailesh Wani
Managing Director

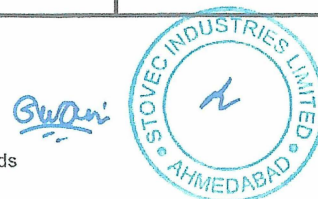


Place : Ahmedabad
Date : August 10, 2022

Statement of assets and liabilities as at June 30, 2022		
Particulars	(₹ in Million)	
	As at June 30, 2022	As at December 31, 2021
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	342.84	360.67
(b) Capital work-in-progress	5.25	0.50
(c) Other Intangible assets	0.38	-
(d) Financial Assets		
(i) Investments*	-	-
(ii) Other financial assets	70.33	80.67
(e) Deferred tax assets (net)	8.58	4.38
(f) Other assets	18.99	48.20
Total non-current assets	446.37	494.42
Current assets		
(a) Inventories	487.31	394.26
(b) Financial assets		
(i) Investments	4.72	5.79
(ii) Trade receivables	461.03	313.22
(iii) Cash and cash equivalents	133.31	157.08
(iv) Bank balances other than (iii) above	475.98	586.90
(v) Other financial assets	6.78	27.87
(c) Other assets	45.51	29.73
Total current assets	1,614.64	1,514.85
Total Assets	2,061.01	2,009.27
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	20.88	20.88
(b) Other equity	1,688.66	1,586.21
Total Equity	1,709.54	1,607.09
Liabilities		
Non-current liabilities		
(a) Provisions	21.76	20.21
Total non-current liabilities	21.76	20.21
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	20.48	15.73
- total outstanding dues of creditors other than micro enterprises and small enterprises	136.87	137.41
(ii) Other financial liabilities	56.85	84.66
(b) Other liabilities	83.46	122.43
(c) Provisions	21.65	21.74
(d) Current tax liabilities (net)	10.40	-
Total current liabilities	329.71	381.97
Total Liabilities	351.47	402.18
Total Equity and Liabilities	2,061.01	2,009.27

See accompanying notes to the financial results

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



Annexure 1 - Statement of cash flow for the half year ended June 30, 2022		
(₹ in Million)		
Particulars	Half year ended June 30, 2022	Half year ended June 30, 2021
	(Unaudited)	(Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	290.42	228.97
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	29.94	25.14
Interest income	(14.66)	(18.41)
Unrealised foreign exchange loss / (gain)	0.90	(0.02)
Loss on sale of property, plant and equipment (net)	0.04	0.04
Provision for doubtful receivables (net)	1.93	0.71
Liabilities and provisions no longer required written back (Reversal) / Provision for warranty (net)	(1.93)	(0.09)
	(1.97)	0.96
Operating profit before working capital changes	304.67	237.30
Adjustments for changes in working capital:		
Decrease / (Increase) in other assets and financial assets	9.24	(0.85)
(Increase) in inventories	(93.05)	(98.26)
(Increase) in trade receivables	(149.31)	(60.32)
(Decrease) in other liabilities and provisions	(42.68)	(50.88)
Increase / (Decrease) in trade payables	2.88	(31.50)
Cash generated from / (used) in operations	31.75	(4.51)
Direct taxes paid (net)	(36.11)	(36.96)
A. Net cash flow (used) in operating activities	(4.36)	(41.47)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Payment toward purchase of property, plant and equipment	(37.52)	(24.15)
Proceeds from sale of property, plant and equipment	0.10	0.11
Proceeds from sale of investments	0.48	-
Redemptions in bank deposits (net)	122.61	87.47
Interest received	13.94	16.59
B. Net cash flow generated from investing activities	99.61	80.02
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid on equity shares	(119.02)	(45.86)
C. Net cash flow (used in) financing activities	(119.02)	(45.86)
Net (decrease) in cash and cash equivalents (A+B+C)	(23.77)	(7.31)
Cash and cash equivalents as at the beginning of the period	157.08	136.42
Cash and cash equivalents as at the end of the period	133.31	129.11
Cash and Cash Equivalents at the end of the period comprise :		
Cash on hand	0.39	0.27
Bank Balances :		
- In Current Accounts	81.78	53.84
- In Exchange earners' foreign currency accounts	1.64	-
- Deposits with original maturity less than 3 months	49.50	75.00
Cash and cash equivalents at end of the period	133.31	129.11

See accompanying notes to the financial results

