

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
Subject : Unaudited Financial Results for the quarter and nine months ended
September 30, 2019
Date : November 5, 2019

Dear Sir/Madam,

This is to inform you that the Board of Directors at their meeting held today i.e. November 5, 2019 have approved the Unaudited Financial Results of the Company for the quarter and nine months ended on September 30, 2019.

As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

1. Statement of Unaudited Financial Results of the Company for the quarter and nine months ended September 30, 2019;
2. Limited Review Report on Unaudited Financial Results of the Company for the quarter and nine months ended September 30, 2019, provided by Statutory Auditors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants.

This is to further inform you that the Meeting of Board of Directors of the Company commenced at 2:00 p.m. and concluded at 4:30 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

STOVEC INDUSTRIES LIMITED

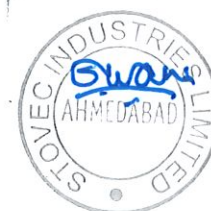
Regd. Office: N.I.D.C., Nr. Lambha Village, Post: Narol, Ahmedabad - 382 405, Gujarat, India.

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, 2019

(Rs. in Million)

Sr. No.	Particulars	Current 3 months ended 30/09/2019	Preceding 3 months ended 30/06/2019	Previous corresponding 3 months ended 30/09/2018	Current 9 months ended 30/09/2019	Previous corresponding 9 months ended 30/09/2018	Previous year ended 31/12/2018
		(Unaudited)	(Unaudited)	(Unaudited) (Refer Note 4)	(Unaudited)	(Unaudited) (Refer Note 4)	(Audited) (Refer Note 4)
I	Revenue from operations	547.855	512.764	457.513	1,432.889	1,418.449	1,930.159
II	Other Income	9.904	9.203	19.057	47.693	48.915	59.740
III	Total Income (I + II)	557.759	521.967	476.570	1,480.582	1,467.364	1,989.899
IV	Expenses						
	a) Cost of materials consumed	240.486	241.840	234.551	710.630	679.321	889.384
	b) Purchase of stock-in-trade	14.139	21.520	13.470	58.125	40.222	48.150
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	17.248	(14.242)	(16.349)	(77.709)	(30.955)	40.131
	d) Employee benefits expense	49.668	58.810	52.926	156.238	153.095	208.099
	e) Finance costs	0.857	0.375	0.344	1.398	0.718	2.269
	f) Depreciation and amortisation expense	11.012	10.994	10.779	33.106	41.294	52.524
	g) Other expenses	99.360	128.611	92.358	301.594	280.906	347.269
	Total Expenses	432.770	447.908	388.079	1,183.382	1,164.601	1,587.826
V	Profit Before Exceptional Items and Tax (III - IV)	124.989	74.059	88.491	297.200	302.763	402.073
VI	Exceptional Items (Refer note 2 & 3)	-	-	-	-	141.081	141.081
VII	Profit Before Tax (V + VI)	124.989	74.059	88.491	297.200	443.844	543.154
VIII	Tax expense (Refer note 8)						
	a) Current Tax	28.550	20.131	29.936	75.032	137.773	158.960
	b) Deferred Tax	(2.636)	(0.405)	(0.366)	(1.286)	(2.966)	(3.055)
IX	Net Profit for the period (VII - VIII)	99.075	54.333	58.921	223.454	309.037	387.249
X	Other Comprehensive Income ("OCI")						
	Items that will not be reclassified to profit or loss						
	(i) Remeasurements of the defined benefit plans	(0.741)	(0.741)	(0.177)	(2.223)	(0.529)	(2.216)
	(ii) Equity instruments through other comprehensive income	(1.576)	(0.519)	(1.471)	(3.125)	(2.510)	(1.818)
	Income tax relating to items that will not be reclassified to profit or loss	0.463	0.367	0.480	1.346	0.885	1.131
XI	Total Comprehensive Income for the period (IX + X)	97.221	53.440	57.753	219.452	306.883	384.346
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						1,192.505
XIV	Earnings Per Share of Rs. 10 each (not annualised):						
	a) Basic (Rs.)	47.45	26.02	28.22	107.02	148.01	185.46
	b) Diluted (Rs.)	47.45	26.02	28.22	107.02	148.01	185.46



Notes:

- 1 The above unaudited 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 November 5, 2019.
- 2 The Company had executed Share Purchase Agreement on March 14, 2018 for divestment of 100% equity investment held by the Company in Atul Sugar Screens Private Limited ("Atul") to Veco B.V., for an aggregate consideration of INR 104 Million. Consequent to said divestment, Atul ceased to be subsidiary of the Company w.e.f March 22, 2018. Gain of Rs. 103.640 Million on sale of such investment has been shown as exceptional item in the results for the nine months ended on September 30, 2018 and for the year ended on December 31, 2018.
- 3 During the year ended December 31, 2018, the Company had sold certain identified assets of galvanic business. Resultant gain on such sale of assets of INR 37.441 Million has been shown as exceptional items in the results for the nine months ended on September 30, 2018 and for the year ended December 31, 2018. However, the operations of galvanic business is continued by the Company after entering into the Contract Manufacturing Agreement.
- 4 Pursuant to the Members' approval in 45th Annual General Meeting held on May 9, 2019, the Company has entered into Business Transfer Agreement with SPGPrints B.V. on 5th June, 2019 to acquire the Service and Spare Parts Business relating to Rotary Printing Equipment ("said business"). The price for acquisition of the said business is EURO 2.49 Million, determined based on the independent valuation report. 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.

In accordance with the requirements of Appendix C of Ind AS 103 – Business Combination, the Company has presented the transaction retrospectively and accordingly previously published results has been restated to the extent, applicable.
- 5 The Company has aligned its policy of revenue recognition with Ind AS 115 "Revenue from Contracts with customers" which is effective from January 1, 2019. Based on modified retrospective approach and the assessment done by the Company, the adoption of the standard did not have any material impact on retained earnings as on January 1, 2019 and in the financial results during the period.
- 6 The results for the quarter ended June 30, 2019 and nine months ended September 30, 2019 includes expenses relating to participation in an international exhibition amounting to INR 24.8 Million reported under other expenses.
- 7 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 Equipment, Components and Spares.
 - b) "Graphics Consumables" segment includes Anilox Rollers, Rotamesh screens and RotaPlate.
 - c) "Galvanic" Segment includes Galvano Consumables.



Segment wise revenue, results, assets and liabilities are as under:							(Rs. in Million)
Particulars	Current 3 months ended 30/09/2019	Preceding 3 months ended 30/06/2019	Previous corresponding 3 months ended 30/09/2018	Current 9 months ended 30/09/2019	Previous corresponding 9 months ended 30/09/2018	Previous year ended 31/12/2018	
	(Unaudited)	(Unaudited)	(Unaudited) (Refer Note 4)	(Unaudited)	(Unaudited) (Refer Note 4)	(Audited) (Refer Note 4)	
Segment Revenue (Sales and Other Operating income from Segments)							
- Textile Machinery and Consumables	442.672	421.061	359.130	1,142.544	1,123.591	1,540.038	
- Graphics Consumables	27.438	22.870	23.935	74.151	70.638	92.871	
- Galvanic	77.745	68.833	74.448	216.194	224.220	297.250	
Total	547.855	512.764	457.513	1,432.889	1,418.449	1,930.159	
Less : Inter Segment Revenue	-	-	-	-	-	-	
Net segment revenue	547.855	512.764	457.513	1,432.889	1,418.449	1,930.159	
Segment Results (Profit before Finance Costs and Tax)							
- Textile Machinery and Consumables	116.166	78.889	73.292	273.295	285.633	377.856	
- Graphics Consumables	13.977	9.516	9.630	35.746	29.296	37.836	
- Galvanic	11.905	7.954	15.043	34.625	67.710	41.402	
Total Segment Results	142.048	96.359	97.965	343.666	382.639	457.094	
Less : Finance Costs	0.857	0.375	0.344	1.398	0.718	2.269	
Less : Unallocable Expenditure Net of Unallocable Other Income	16.202	21.925	9.130	45.068	79.158	52.752	
Profit Before Exceptional Items and Tax	124.989	74.059	88.491	297.200	302.763	402.073	
Exceptional Items (Refer note 2 & 3)	-	-	-	-	141.081	141.081	
Profit Before Tax	124.989	74.059	88.491	297.200	443.844	543.154	
Segment Assets							
- Textile Machinery and Consumables	851.754	843.168	868.430	851.754	868.430	693.623	
- Graphics Consumables	35.049	30.201	31.950	35.049	31.950	28.013	
- Galvanic	79.185	86.448	83.734	79.185	83.734	57.418	
- Others / Unallocable	716.287	551.923	735.867	716.287	735.867	987.241	
Total Assets	1,682.275	1,511.740	1,719.981	1,682.275	1,719.981	1,766.295	
Segment Liabilities							
- Textile Machinery and Consumables	274.435	229.480	449.794	274.435	449.794	463.047	
- Graphics Consumables	5.234	5.370	4.524	5.234	4.524	5.448	
- Galvanic	6.286	4.982	1.645	6.286	1.645	7.728	
- Others / Unallocable	102.627	75.436	128.102	102.627	128.102	76.687	
Total Liabilities	388.582	315.268	584.065	388.582	584.065	552.910	
8	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. Accordingly, the Company has recognized provision for the period 1st April, 2019 to 30th September 2019 and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section. The full impact of this change has been recognized in the Company's unaudited financial results for the quarter and nine months ended September 30, 2019.						
9	In accordance with the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Statutory Auditors have performed a limited review of Company's unaudited financial results for the quarter and nine months ended September 30, 2019.						
10	Investors can view the unaudited financial results of the company for the quarter and nine months ended September 30, 2019 on the company's website www.stovec.com or on the website of the BSE www.bseindia.com .						

Place : Ahmedabad
Date : November 5, 2019



For Stovec Industries Ltd.

Shailesh Wani
Managing Director

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 and nine months ended September 30, 2019 ("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



Kartikya Raval

Kartikya Raval
Partner

(Membership No. 106189)

UDIN: 19106189AAAAQM8897

Place: Ahmedabad

Date: November 5, 2019