

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

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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E-mail : admin@stovec.com

Reference : Scrip Code No.:- 504959
Subject : Unaudited Financial Results for the quarter ended March 31, 2018
Date : May 2, 2018

Dear Sir/Madam,

This is to inform you that the Board of Directors at their meeting held today i.e May 2, 2018 have approved and taken on record the Standalone Unaudited Financial Results of the Company for the quarter ended on March 31, 2018.

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

1. Statement of Standalone Unaudited Financial Results of the Company for the quarter ended March 31, 2018;
2. Limited Review Report on Standalone Unaudited Financial Results of the Company for the quarter ended March 31, 2018, provided by our 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 14:30 hours and concluded at 16:00 hours.

We request you to take the above on your record and acknowledge the receipt of the same.

Thanking you,
Yours sincerely,

For Stovec Industries Limited



Varsha Adhikari

Company Secretary & General Manager – Finance & Legal



Encl.: As above

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 Standalone Unaudited Financial Results for the Quarter Ended March 31, 2018


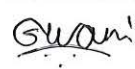
(Rs. in Million)

Sr. No.	Particulars	Current 3 months ended 31/03/2018	Previous corresponding 3 months ended 31/03/2017
		(Unaudited)	(Refer Note 2)
I	Revenue from operations	431.918	526.783
II	Other Income	15.791	9.636
III	Total Income (I + II)	447.709	536.419
IV	Expenses		
	a) Cost of materials consumed	206.073	289.537
	b) Purchase of stock-in-trade	15.276	37.957
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(35.260)	(34.152)
	d) Employee benefits expense	48.495	45.880
	e) Finance costs	0.230	0.309
	f) Depreciation and amortisation expense	18.716	13.137
	g) Other expenses	84.856	72.681
	Total Expenses	338.386	425.349
V	Profit Before Exceptional Items and Tax (III - IV)	109.323	111.070
VI	Exceptional Items (Refer note 3)	103.640	-
VII	Profit Before Tax (V + VI)	212.963	111.070
VIII	Tax expense		
	a) Current Tax	62.564	39.481
	b) Deferred Tax	(1.353)	(0.567)
IX	Net Profit for the period (VII - VIII)	151.752	72.156
X	Other Comprehensive Income ("OCI")		
	Items that will not be reclassified to profit or loss	(1.206)	(0.834)
	Income tax relating to items that will not be reclassified to profit or loss	0.417	0.289
XI	Total Comprehensive Income for the period (IX + X)	150.963	71.611
XII	Earnings Per Share of Rs. 10 each (not annualised):		
	a) Basic (Rs.)	72.68	34.56
	b) Diluted (Rs.)	72.68	34.56



Notes:		
1	The above standalone 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 May 02, 2018.	
2	<p>The Company has adopted Indian Accounting Standards ("Ind AS") as notified by the Ministry of Corporate Affairs, from January 1, 2018 and accordingly the results for the quarter ended March 31, 2018 are in compliance with Ind AS. Consequently, the results for the quarter ended March 31, 2017 have been restated to comply with Ind AS to make them comparable.</p> <p>These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of Listing Regulations, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Company has opted to avail the relaxation provided by Securities and Exchange Board of India ('SEBI') in respect of disclosure requirements of corresponding figures for the earlier periods.</p> <p>Reconciliation of profit between Ind AS and previous Indian GAAP (IGAAP) for the quarter ended March 31, 2017 is as under:</p>	
	Particulars	(Refer Note Below)
	Net Profit after tax as per IGAAP	71.780
	i) Employee benefits expense - Acturial loss reclassified under OCI	a) 0.575
	iii) Impact of deferred and current taxes in respect of the above adjustment	(0.199)
	Net Profit for the period under Ind AS (before OCI)	72.156
	iii) Employee benefits expense - Acturial loss reclassified under OCI	(0.575)
	iv) Gain / (Loss) on fair valuation of investments	b) (0.259)
	v) Impact of deferred and current taxes in respect of the above adjustments	0.289
	Total Comprehensive Income for the period	71.611
	<p>a) Employee benefits: Actuarial gains and losses are reclassified under OCI.</p> <p>b) The Company has valued its equity investments (other than investment in subsidiary) at fair value. Impact of fair value changes as on date of transition is recognized in opening reserves and changes thereafter are recognized in OCI.</p>	
3	The Company has executed Share Purchase Agreement on March 14, 2018 for divestment of 100% equity investment held by the Company in Atul Sugar Screens Private Limited to Veco B.V., for an aggregate consideration of INR 104 Million. Consequent to said divestment, Atul Sugar Screens Private Limited ceased to be subsidiary of the Company w.e.f March 22, 2018. Gain on sale of such investment has been shown as exceptional item in the results.	
4	The Audit Committee and the Board of Directors of the Company at its meeting held on April 5, 2018, inter-alia, approved the sale of the Identified Assets (being production assets and intangible assets relating to the galvanic business), and the assignment of the trademark "Atul" to Atul Sugar Screens Private Limited, for an aggregate consideration value of INR 99.62 Million. The Company has entered into Contract Manufacturing Agreement with Atul Sugar Screens Private Limited, to continue manufacturing sugar screens after the sale of identified assets of Galvanic Segment.	
5	<p>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:</p> <p>a) "Textile Machinery and Consumables" segment includes Perforated Rotary Screens, Laquer & Auxiliary Chemicals, Digital Ink, Rotary Screen Printing Machine, Engraving Equipment, Components and Spares.</p> <p>b) "Graphics Consumables" segment includes Anilox Rollers, Rotamesh screens and RotaPlate.</p> <p>c) "Galvanic" Segment includes Galvano Consumables.</p>	



Segment wise revenue, results, assets and liabilities are as under:		
Particulars	(Rs. in Million)	
	Current 3 months ended 31/03/2018	Previous corresponding 3 months ended 31/03/2017
	(Unaudited)	(Refer Note 2)
Segment Revenue (Sales and Other Operating income from Segments)		
- Textile Machinery and Consumables	330.060	449.087
- Graphics Consumables	24.460	24.209
- Galvanic	77.398	53.487
Total	431.918	526.783
Less : Inter Segment Revenue	-	-
Net segment revenue	431.918	526.783
Segment Results (Profit before Finance Costs and Tax)		
- Textile Machinery and Consumables	106.503	109.208
- Graphics Consumables	10.790	11.400
- Galvanic	8.873	(3.289)
Total Segment Results	126.166	117.319
Less : Finance Costs	0.230	0.309
Less : Unallocable Expenditure Net of Unallocable Other Income	(87.027)	5.940
Profit before Tax	212.963	111.070
Segment Assets		
- Textile Machinery and Consumables	870.709	723.822
- Graphics Consumables	37.702	33.664
- Galvanic	161.838	205.844
- Others / Unallocable	585.187	524.259
Total Assets	1,655.436	1,487.589
Segment Liabilities		
- Textile Machinery and Consumables	243.277	375.254
- Graphics Consumables	11.677	7.333
- Galvanic	6.942	12.884
- Others / Unallocable	133.519	165.614
Total Liabilities	395.415	561.085
6	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 standalone unaudited financial results for the quarter ended March 31, 2018.	
7	Investors can view the unaudited financial results of the company for the quarter ended March 31, 2018 on the company's website www.stovec.com or on the website of the BSE www.bseindia.com.	
		For Stovec Industries Ltd.  Shailesh Wani Managing Director
	Place : Ahmedabad Date : May 2, 2018	



**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 Standalone Unaudited Financial Results of **STOVEC INDUSTRIES LIMITED** ("the Company"), for the Quarter ended March 31, 2018 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the 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 issue a report on the Statement based on our review.

2. 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 is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, 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

(Partner)

(Membership No. 106189)

Ahmedabad, May 2, 2018