

To,
Corporate Relations Department
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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Reference : Scrip Code No.:- 504959
Subject : Unaudited Financial Results for the quarter and half year ended June 30, 2019
Date : August 13, 2019

Dear Sir/Madam,

This is to inform you that the Board of Directors at their meeting held today i.e August 13, 2019 have approved the Unaudited Financial Results of the Company for the quarter and half year ended on June 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 half year ended June 30, 2019;
2. Limited Review Report on Unaudited Financial Results of the Company for the quarter and half year ended June 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 10:30 a.m. and concluded at 1:00 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.

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Statement of Unaudited Financial Results for the Quarter and Half Year Ended June 30, 2019

(Rs. in Million)

Sr. No.	Particulars	Current 3 months ended 30/06/2019	Preceding 3 months ended 31/03/2019	Previous corresponding 3 months ended 30/06/2018	Current 6 months ended 30/06/2019	Previous corresponding 6 months ended 30/06/2018	Previous year ended 31/12/2018
		(Unaudited)	(Unaudited) (Refer Note 6)	(Unaudited) (Refer Note 6)	(Unaudited)	(Unaudited) (Refer Note 6)	(Audited) (Refer Note 6)
I	Revenue from operations	512.764	372.270	529.018	885.034	960.936	1,930.159
II	Other Income	9.203	28.586	14.067	37.789	29.858	59.740
III	Total Income (I + II)	521.967	400.856	543.085	922.823	990.794	1,989.899
IV	Expenses						
a)	Cost of materials consumed	241.840	228.304	238.697	470.144	444.770	889.384
b)	Purchase of stock-in-trade	21.520	22.466	11.476	43.986	26.752	48.150
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(14.242)	(80.715)	20.654	(94.957)	(14.606)	40.131
d)	Employee benefits expense	58.810	47.760	51.675	106.570	100.169	208.099
e)	Finance costs	0.375	0.166	0.144	0.541	0.374	2.269
f)	Depreciation and amortisation expense	10.994	11.100	11.799	22.094	30.515	52.524
g)	Other expenses	128.611	73.623	93.208	202.234	188.548	347.269
	Total Expenses	447.908	302.704	427.653	750.612	776.522	1,587.826
V	Profit Before Exceptional Items and Tax (III - IV)	74.059	98.152	115.432	172.211	214.272	402.073
VI	Exceptional Items (Refer note 4 & 5)	-	-	37.441	-	141.081	141.081
VII	Profit Before Tax (V + VI)	74.059	98.152	152.873	172.211	355.353	543.154
VIII	Tax expense						
a)	Current Tax	20.131	26.351	45.273	46.482	107.837	158.960
b)	Deferred Tax	(0.405)	1.755	(1.247)	1.350	(2.600)	(3.055)
IX	Net Profit for the period (VII - VIII)	54.333	70.046	108.847	124.379	250.116	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)	(0.176)	(1.482)	(0.353)	(2.216)
(ii)	Equity instruments through other comprehensive income	(0.519)	(1.030)	(0.009)	(1.549)	(1.038)	(1.818)
	Income tax relating to items that will not be reclassified to profit or loss	0.367	0.516	(0.012)	0.883	0.405	1.131
XI	Total Comprehensive Income for the period (IX + X)	53.440	68.791	108.650	122.231	249.130	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					1,175.592	1,192.505
XIV	Earnings Per Share of Rs. 10 each (not annualised):						
a)	Basic (Rs.)	26.02	33.55	52.13	59.57	119.79	185.46
b)	Diluted (Rs.)	26.02	33.55	52.13	59.57	119.79	185.46



Notes:

1. The Statement of Assets and Liabilities as at June 30, 2019.

(Rs. in Million)

Particulars	As at June 30, 2019	As at December 31, 2018
	(Unaudited)	(Audited) (Refer Note 6)
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	273.136	289.562
(b) Capital work-in-progress	5.752	4.447
(c) Other Intangible assets	1.999	2.909
(d) Financial Assets		
(i) Investments	9.533	11.082
(ii) Other non-current financial assets	19.766	12.161
(f) Other non-current assets	10.064	9.534
	320.250	329.695
Current assets		
Current investments		
(a) Inventories	392.221	245.619
(b) Financial assets		
(i) Trade receivables	310.509	274.350
(ii) Cash and cash equivalents	128.044	80.927
(iii) Bank balances other than (ii) above	330.108	816.106
(iv) Other current financial assets	3.996	4.989
(c) Other current assets	26.612	14.609
	1191.490	1436.600
Total Assets	1511.740	1766.295
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	20.880	20.880
(b) Other equity	1175.592	1192.505
Total Equity	1196.472	1213.385
Liabilities		
Non-current liabilities		
(a) Long term Provisions	14.209	14.209
(b) Deferred tax liabilities	5.037	4.571
(c) Other non-current liabilities	13.550	12.698
	32.796	31.478
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- total outstanding dues of micro enterprises, small and medium enterprises	1.617	0.482
- total outstanding dues of creditors other than micro, small and enterprises	170.310	235.698
(ii) Other current financial liabilities	13.174	210.082
(b) Other current liabilities	76.768	54.531
(c) Short term Provisions	13.495	17.287
(d) Current tax liabilities (Net)	7.108	3.352
	282.472	521.432
Total Liabilities	315.268	552.910
Total Equity and Liabilities	1511.740	1766.295



2. Cash Flow Statement for the half year ended June 30, 2019.		
(Rs. in Million)		
Particulars	For the period ended June 30, 2019	For the period ended June 30, 2018
	(Unaudited)	(Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Exceptional Items and Tax	172.211	214.272
Adjustments for:		
Depreciation / Amortisation	22.095	30.515
Finance cost	0.541	0.374
Interest income	(24.199)	(12.704)
Unrealised foreign exchange (gain) / loss	(3.153)	8.287
Loss on sale of assets	0.059	0.137
Provision / (Reversal) for doubtful trade receivables	(2.843)	2.782
(Reversal) / Provision for other liabilities	2.489	0.907
(Reversal) / Provision for Warranty	(1.327)	(7.620)
Operating Profit Before Working Capital Changes	165.873	236.950
Adjustments For Changes In Working Capital:		
Decrease / (Increase) In Other assets	(13.705)	(24.062)
Decrease / (Increase) In Inventories	(148.314)	(47.669)
Decrease / (Increase) In Trade receivables	(33.796)	23.345
(Decrease) / Increase In Other liabilities	18.365	12.679
(Decrease) / Increase In Trade and Other Payables	(64.250)	(65.301)
Cash Generated From Operations	(75.827)	135.942
Direct Taxes Refund / (Paid) (Net)	(43.258)	(77.303)
A. Net Cash Generated from Operating Activities	(119.085)	58.639
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(7.547)	(11.694)
Purchase Consideration Paid for Business Acquisition	(195.714)	-
Proceeds from Sale of Property, Plant and Equipment	1.424	94.535
Sale / (Purchase) of Investments	-	103.740
Investments in Bank Deposits	480.095	(61.549)
Interest Income	25.192	10.012
B. Net Cash Used In Investing Activities	303.450	135.044
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid on equity shares	(113.096)	(73.739)
Dividend distribution tax paid on above	(23.611)	(15.455)
Other Finance costs paid	(0.541)	(0.374)
C. Net Cash Used In Financing Activities	(137.248)	(89.568)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	47.117	104.115
Cash and Cash Equivalents as at the beginning of the period	80.927	129.731
Cash and Cash Equivalents as at the end of the period	128.044	233.846
As at June 30, 2019 (Unaudited)		As at June 30, 2018 (Unaudited)
Cash and Cash Equivalents at the end of the period comprise :		
Cash on hand	0.272	0.377
Bank Balances :		
- In Current Accounts	87.772	58.469
- Deposits with original maturity less than 3 months	40.000	175.000
Cash and Cash Equivalents	128.044	233.846



- 3 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 August 13, 2019.
- 4 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 year ended on December 31, 2018.
- 5 During the quarter ended June 30, 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 quarter ended June 30, 2018 and year ended December 31, 2018. However, the operations of galvanic business is continued by the Company after entering into the Contract Manufacturing Agreement.
- 6 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.
- 7 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.
- 8 The results for the quarter ended June 30, 2019 includes expenses relating to participation in an international exhibition amounting to INR 24.8 Million reported under other expenses.
- 9 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 30/06/2019	Preceding 3 months ended 31/03/2019	Previous corresponding 3 months ended 30/06/2018	Current 6 months ended 30/06/2019	Previous corresponding 6 months ended 30/06/2018	Previous year ended 31/12/2018
	(Unaudited)	(Unaudited) (Refer Note 6)	(Unaudited) (Refer Note 6)	(Unaudited)	(Unaudited) (Refer Note 6)	(Audited) (Refer Note 6)
Segment Revenue (Sales and Other Operating income from Segments)						
- Textile Machinery and Consumables	421.061	278.811	434.401	699.872	764.461	1,540.038
- Graphics Consumables	22.870	23.843	22.243	46.713	46.703	92.871
- Galvanic	68.833	69.616	72.374	138.449	149.772	297.250
Total	512.764	372.270	529.018	885.034	960.936	1,930.159
Less : Inter Segment Revenue	-	-	-	-	-	-
Net segment revenue	512.764	372.270	529.018	885.034	960.936	1,930.159
Segment Results (Profit before Finance Costs and Tax)						
- Textile Machinery and Consumables	78.889	78.241	116.320	157.130	212.341	377.856
- Graphics Consumables	9.516	12.253	8.876	21.769	19.666	37.836
- Galvanic	7.954	14.766	6.353	22.720	52.667	41.402
Total Segment Results	96.359	105.260	131.549	201.619	284.674	457.094
Less : Finance Costs	0.375	0.166	0.144	0.541	0.374	2.269
Less : Unallocable Expenditure Net of Unallocable Other Income	21.925	6.942	15.973	28.867	70.028	52.752
Profit Before Exceptional Items and Tax	74.059	98.152	115.432	172.211	214.272	402.073
Exceptional Items (Refer note 4 & 5)	-	-	37.441	-	141.081	141.081
Profit Before Tax	74.059	98.152	152.873	172.211	355.353	543.154
Segment Assets						
- Textile Machinery and Consumables	843.168	915.733	836.414	843.168	836.414	693.623
- Graphics Consumables	30.201	28.922	34.284	30.201	34.284	28.013
- Galvanic	86.448	87.915	81.816	86.448	81.816	57.418
- Others / Unallocable	551.923	940.162	683.555	551.923	683.555	987.241
Total Assets	1,511.740	1,972.732	1,636.069	1,511.740	1,636.069	1,766.295
Segment Liabilities						
- Textile Machinery and Consumables	229.480	578.811	411.355	229.480	411.355	463.047
- Graphics Consumables	5.370	5.606	4.405	5.370	4.405	5.448
- Galvanic	4.982	5.733	1.825	4.982	1.825	7.728
- Others / Unallocable	75.436	101.329	140.322	75.436	140.322	76.687
Total Liabilities	315.268	691.479	557.907	315.268	557.907	552.910

10 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 half year ended June 30, 2019.

11 Investors can view the unaudited financial results of the company for the quarter and half year ended June 30, 2019 on the company's website www.stovec.com or on the website of the BSE www.bseindia.com.



For Stovec Industries Ltd.

Shailish Wani

Shailish Wani
Managing Director

Place : Ahmedabad
Date : August 13, 2019



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 six months ended June 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)

Kartikanya Raval

Kartikanya Raval
Partner

(Membership No. 106189)

UDIN : 19106189 AAAALH5211

Place: Mumbai

Date: *August 13, 2019*