

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 13, 2020
Subject : Outcome of Board Meeting

Dear Sir/Madam,

Pursuant to regulation 30, 33 and other applicable provisions, if any, of the SEB[(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 13, 2020 have inter alia, approved Unaudited Financial Results of the Company for the quarter and half year ended June 30, 2020 and took on record the Limited Review Report of the Statutory auditor and the same are enclosed herewith.

This is to further inform you that the Meeting of Board of Directors of the Company commenced at 3.15 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

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, 2020 and year to date from January 1, 2020 to June 30, 2020 (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 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.
5. We draw attention to Note 2 of the Statement, as regards the management's evaluation of COVID-19 impact on the operations and assets of the Company. Our conclusion is not modified in respect of this matter.



SRBC & CO LLP

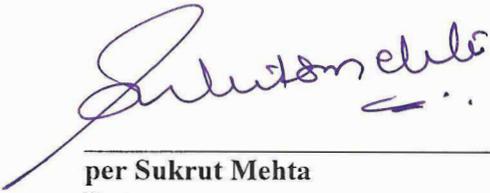
Chartered Accountants

6. The comparative Ind AS financial information of the Company for the previous quarter ended March 31, 2020 and corresponding quarter and half year ended June 30, 2019 included in these Ind AS financial results, were reviewed by the predecessor auditor and the Ind AS financial statements of the Company for the year ended December 31, 2019 were audited by predecessor auditor who expressed an unmodified opinion on those financial information on June 4, 2020, August 13, 2019 and February 25, 2020 respectively.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Sukrut Mehta

Partner

Membership No.: 101974

UDIN: 20101974AAAACW2425

Ahmedabad

August 13, 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,

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Statement of Unaudited Financial Results for the Quarter and Half Year Ended June 30, 2020

(Rs. in Million)

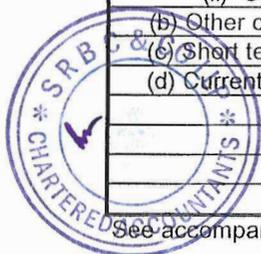
Sr. No.	Particulars	Current 3 months ended	Preceding 3 months ended	Previous corresponding 3 months ended	Current 6 months ended	Previous corresponding 6 months ended	Previous year ended
		30/06/2020	31/03/2020	30/06/2019	30/06/2020	30/06/2019	31/12/2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	168.440	421.112	514.342	589.552	886.916	1,942.473
II	Other Income	13.265	14.118	9.203	27.383	37.789	54.845
III	Total Income (I + II)	181.705	435.230	523.545	616.935	924.705	1,997.318
IV	Expenses						
	a) Cost of materials consumed	67.931	253.755	243.418	321.686	472.026	942.834
	b) Purchase of stock-in-trade	2.928	6.506	21.520	9.434	43.986	60.493
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.469	(44.207)	(14.242)	(24.738)	(94.957)	(41.875)
	d) Employee benefits expense	45.642	60.830	58.810	106.472	106.570	213.139
	e) Finance costs	0.253	0.328	0.375	0.581	0.541	1.925
	f) Depreciation and amortisation expense	8.474	10.926	10.994	19.400	22.094	44.095
	g) Other expenses	48.769	88.252	128.611	137.021	202.234	404.552
	Total Expenses	193.466	376.390	449.486	569.856	752.494	1,625.163
V	Profit / (Loss) Before Exceptional Items and Tax (III - IV)	(11.761)	58.840	74.059	47.079	172.211	372.155
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit / (Loss) Before Tax (V + VI)	(11.761)	58.840	74.059	47.079	172.211	372.155
VIII	Tax expense						
	a) Current Tax	(5.697)	13.516	20.131	7.819	46.482	96.240
	b) Adjustment of tax relating to earlier years	-	(0.103)	-	(0.103)	-	-
	c) Deferred Tax charge / (credit)	1.392	(0.626)	(0.405)	0.766	1.350	(3.453)
IX	Net Profit / (Loss) for the period (VII - VIII)	(7.456)	46.053	54.333	38.597	124.379	279.368
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	(1.581)	(2.113)	(0.741)	(3.694)	(1.482)	(4.211)
	(ii) Remeasurements of Equity instruments through other comprehensive income	2.276	(2.631)	(0.519)	(0.355)	(1.549)	(4.068)
	Income tax relating to items that will not be reclassified to profit or loss in subsequent periods	(0.175)	1.194	0.367	1.019	0.883	2.084
XI	Total Comprehensive Income for the period (IX + X)	(6.936)	42.503	53.440	35.567	122.231	273.173
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						1,326.533
XIV	Earnings Per Share of Rs. 10 each (not annualised for the quarters and half years):						
	a) Basic (Rs.)	(3.57)	22.06	26.02	18.49	59.57	133.80
	b) Diluted (Rs.)	(3.57)	22.06	26.02	18.49	59.57	133.80

See accompanying notes to the financial results



Statement of Assets and Liabilities as at June 30, 2020		
(Rs. in Million)		
Particulars	As at June 30, 2020	As at December 31, 2019
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	300.750	258.355
(b) Capital work-in-progress	1.415	45.743
(c) Other Intangible assets	0.675	1.210
(d) Financial Assets		
(i) Investments	6.659	7.014
(ii) Other non-current financial assets	8.056	8.056
(e) Deferred tax assets (net)	1.219	0.967
(f) Non-current Tax Assets	23.609	9.808
(g) Other non-current assets	1.773	2.781
	344.156	333.934
Current assets		
Current investments		
(a) Inventories	461.252	331.603
(b) Financial assets		
(i) Trade receivables	268.822	309.394
(ii) Cash and cash equivalents	145.051	313.558
(iii) Bank balances other than (ii) above	231.029	461.640
(iv) Other current financial assets	273.866	2.545
(c) Other current assets	48.695	20.802
	1,428.715	1,439.542
Total Assets	1,772.871	1,773.476
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	20.880	20.880
(b) Other equity	1,362.100	1,326.533
	Total Equity	1,382.980
Liabilities		
Non-current liabilities		
(a) Long term Provisions	19.308	16.920
(b) Other non-current liabilities	6.969	10.462
	26.277	27.382
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- total outstanding dues of micro and small enterprises	1.059	2.722
- total outstanding dues of creditors other than micro and small enterprises	198.293	222.529
(ii) Other current financial liabilities	53.451	45.670
(b) Other current liabilities	83.472	90.400
(c) Short term Provisions	26.882	27.396
(d) Current tax liabilities (Net)	0.457	9.964
	363.614	398.681
Total Liabilities	389.891	426.063
Total Equity and Liabilities	1,772.871	1,773.476

See accompanying notes to the financial results



Cash Flow Statement for the half year ended June 30, 2020		
(Rs. in Million)		
Particulars	For the period ended June 30, 2020	For the period ended June 30, 2019
	(Unaudited)	(Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Exceptional Items and Tax	47.079	172.211
Adjustments for:		
Depreciation / Amortisation	19.400	22.095
Finance cost	0.581	0.541
Interest income	(19.517)	(24.199)
Unrealised foreign exchange loss / (gain)	1.352	(3.153)
Loss on sale of assets	0.284	0.059
Provision / (Reversal) for doubtful trade receivables (Net)	3.418	(2.843)
(Reversal) / Provision for other assets and liabilities	(2.020)	2.489
Reversal for warranty	(0.178)	(1.327)
Operating Profit Before Working Capital Changes	50.399	165.873
Adjustments For Changes In Working Capital:		
(Increase) In Other assets	(33.586)	(13.705)
(Increase) In Inventories	(131.243)	(148.314)
Decrease / (Increase) In Trade receivables	36.098	(33.796)
(Decrease) / Increase In Other liabilities	(0.638)	18.365
(Decrease) In Trade Payables	(26.451)	(64.250)
Cash (Used in) Operations	(105.421)	(75.827)
Direct Taxes Paid (Net)	(31.024)	(43.258)
A. Net Cash (Used in) Operating Activities	(136.445)	(119.085)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(16.784)	(7.547)
Purchase Consideration Paid for Business Acquisition	-	(195.714)
Proceeds from Sale of Property, Plant and Equipment	0.108	1.424
Investments in Bank Deposits (Net)	(31.628)	480.095
Interest Received	16.823	25.192
B. Net Cash (Used in) / Generated from Investing Activities	(31.481)	303.450
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid on equity shares	-	(113.096)
Dividend distribution tax paid on above	-	(23.611)
Finance costs paid	(0.581)	(0.541)
C. Net Cash (Used In) Financing Activities	(0.581)	(137.248)
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	(168.507)	47.117
Cash and Cash Equivalents as at the beginning of the period	313.558	80.927
Cash and Cash Equivalents as at the end of the period	145.051	128.044
Particulars	As at June 30, 2020	As at June 30, 2019
	(Unaudited)	(Unaudited)
Cash and Cash Equivalents at the end of the period comprise :		
Cash on hand	0.371	0.272
Bank Balances :		
- In Current Accounts	44.680	87.772
- Deposits with original maturity less than 3 months	100.000	40.000
Cash and Cash Equivalents	145.051	128.044



- 1 The above statement of unaudited Financial results for the quarter and half year ended June 30, 2020 ('the Statement') of Stovec Industries Limited ('the Company') is reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on August 13, 2020. The financial results are prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (as amended) (Ind AS) and other recognized accounting practices and policies to the extent applicable.
- 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 performance 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.
- 3 The Company has adopted Ind AS 116 - Leases, with effect from January 1, 2020, using Modified Retrospective Method and accordingly, the comparatives has not been restated. The adoption of Ind AS 116 doesn't have material impact on the results for the quarter and half year ended June 30, 2020 and earnings per share for the aforesaid periods.
- 4 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.



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

(Rs. in Million)

Particulars	Current 3 months ended 30/06/2020	Preceding 3 months ended 31/03/2020	Previous corresponding 3 months ended 30/06/2019	Current 6 months ended 30/06/2020	Previous corresponding 6 months ended 30/06/2019	Previous year ended 31/12/2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment Revenue (Sales and Other Operating income from Segments)						
- Textile Machinery and Consumables	120.820	322.969	422.639	443.790	701.754	1,554.882
- Graphics Consumables	5.937	23.634	22.870	29.571	46.713	95.237
- Galvanic	41.683	74.509	68.833	116.191	138.449	292.354
Total	168.440	421.112	514.342	589.552	886.916	1,942.473
Less : Inter Segment Revenue	-	-	-	-	-	-
Net segment revenue	168.440	421.112	514.342	589.552	886.916	1,942.473
Segment Results (Profit before Finance Costs and Tax)						
- Textile Machinery and Consumables	(5.870)	56.665	78.889	50.795	157.130	342.041
- Graphics Consumables	0.115	12.624	9.516	12.739	21.769	45.213
- Galvanic	6.319	12.730	7.954	19.049	22.720	46.548
Total Segment Results	0.564	82.019	96.359	82.583	201.619	433.802
Less : Finance Costs	0.253	0.328	0.375	0.581	0.541	1.925
Less : Unallocable Expenditure Net of Unallocable Other Income	12.072	22.851	21.925	34.923	28.867	59.722
Profit Before Exceptional Items and Tax	(11.761)	58.840	74.059	47.079	172.211	372.155
Exceptional Items	-	-	-	-	-	-
Profit Before Tax	(11.761)	58.840	74.059	47.079	172.211	372.155
Segment Assets						
- Textile Machinery and Consumables	873.814	898.197	843.168	873.814	843.168	818.685
- Graphics Consumables	58.816	27.259	30.201	58.816	30.201	26.678
- Galvanic	88.738	102.321	86.448	88.738	86.448	76.699
- Others / Unallocable	751.503	852.003	551.923	751.503	551.923	851.414
Total Assets	1,772.871	1,879.780	1,511.740	1,772.871	1,511.740	1,773.476
Segment Liabilities						
- Textile Machinery and Consumables	299.811	342.566	229.480	299.811	229.480	335.153
- Graphics Consumables	4.374	7.225	5.370	4.374	5.370	7.682
- Galvanic	5.118	3.018	4.982	5.118	4.982	5.192
- Others / Unallocable	80.588	137.055	75.436	80.588	75.436	78.036
Total Liabilities	389.891	489.864	315.268	389.891	315.268	426.063

5 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, 2020.

6 Investors can view the unaudited financial results of the company for the quarter and half year ended June 30, 2020 on the company's website www.stovec.com or on the website of the BSE www.bseindia.com.

7 The figures for comparative quarter ended March 31, 2020, quarter and half year ended June 30, 2019 and year ended December 31, 2019 were reviewed / audited by a firm of Chartered Accountants other than S R B C & CO LLP. Previous quarter/ half year/ year-end figures have been regrouped/ reclassified, wherever necessary, to confirm to current period's classification.

Place : Ahmedabad
Date : August 13, 2020



For Stovec Industries Ltd.

Shailesh Wani
Managing Director

