

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.
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E-mail : admin@stovec.com

Reference : Scrip Code No.:- 504959
Subject : Audited Financial Results for the year ended December 31, 2018
Date : February 14, 2019

Dear Sir/Madam,

This is to inform you that the Board of Directors at their meeting held today i.e February 14, 2019 have approved and taken on record the Standalone and Consolidated Audited Financial Results of the Company for the year ended December 31, 2018 along with Standalone and Consolidated Statement of Assets and Liabilities as at December 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 and Consolidated Audited Financial Results of the Company for the year ended December 31, 2018;
2. Standalone and Consolidated Statement of Assets and Liabilities of the Company as at December 31, 2018;
3. Audit Report on Standalone and Consolidated Audited Financial Results of the Company for the year ended December 31, 2018, which gives an unmodified opinion.

This is to further inform you that the Meeting of Board of Directors of the Company commenced at 3:30 p.m. and concluded at 5:30 p.m.

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

Shwani

Shailesh Wani
Managing Director
(DIN: 06474766)



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 and Consolidated Audited Results for the Year Ended December 31, 2018

(Rs. in Million)

Sr. No.	Particulars	Standalone for the Quarter ended			Standalone for the Year ended		Consolidated for the Year ended	
		Current 3 months ended 31/12/2018	Preceding 3 months ended 30/09/2018	Previous corresponding 3 months ended 31/12/2017	Current year ended 31/12/2018	Previous year ended 31/12/2017	Current year ended 31/12/2018	Previous year ended 31/12/2017
		Refer Note 4	(Unaudited)	Refer Note 4	(Audited)	Refer Note 5	(Audited)	Refer Note 5
I	Revenue from operations	511.710	457.513	601.549	1,930.159	2,175.689	1,948.043	2,207.377
II	Other Income	12.352	19.057	8.034	61.267	38.443	61.871	40.629
III	Total Income (I + II)	524.062	476.570	609.583	1,991.426	2,214.132	2,009.914	2,248.006
IV	Expenses							
	a) Cost of materials consumed	210.063	234.551	197.215	889.384	976.676	901.102	951.058
	b) Purchase of stock-in-trade	7.928	13.470	34.359	48.150	155.770	48.150	155.770
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	71.086	(16.349)	62.224	40.131	26.710	35.067	30.737
	d) Employee benefits expense	55.004	52.926	49.426	208.099	195.012	209.659	202.226
	e) Finance costs	1.551	0.344	0.442	2.269	1.344	2.345	1.603
	f) Depreciation and amortisation expense	11.230	10.779	16.826	52.524	59.807	52.627	60.515
	g) Other expenses	79.494	80.929	165.754	340.405	404.848	346.961	430.642
	Total Expenses	436.356	376.650	526.246	1,580.962	1,820.167	1,595.911	1,832.551
V	Profit Before Exceptional Items and Tax (III - IV)	87.706	99.920	83.337	410.464	393.965	414.003	415.455
VI	Exceptional Items (Refer note 6 & 7)	-	-	-	141.081	-	75.229	-
VII	Profit Before Tax (V + VI)	87.706	99.920	83.337	551.545	393.965	489.232	415.455
VIII	Tax expense							
	a) Current Tax	21.187	29.936	28.869	158.960	136.226	159.960	144.620
	b) Deferred Tax	(0.089)	(0.366)	0.061	(3.055)	0.794	(1.082)	(0.719)
IX	Net Profit for the period (VII - VIII)	66.608	70.350	54.407	395.640	256.945	330.354	271.554
X	Other Comprehensive Income ("OCI")							
	Items that will not be reclassified to profit or loss	(0.995)	(1.648)	0.305	(4.034)	(2.725)	(4.034)	(2.725)
	Income tax relating to items that will not be reclassified to profit or loss	0.246	0.480	(0.105)	1.131	0.943	1.131	0.943
XI	Total Comprehensive Income for the period (IX + X)	65.859	69.182	54.607	392.737	255.163	327.451	269.772
XII	Paid - Up Equity Share Capital @ Rs.10 face value	20.880	20.880	20.880	20.880	20.880	20.880	20.880
XIII	Reserves (excluding revaluation reserves) as per balance sheet of previous accounting year				1,391.157	1,089.043	1,391.157	1,148.663
XIV	Earnings Per Share of Rs. 10 each (not annualised):							
	a) Basic (Rs.)	31.90	33.69	26.06	189.48	123.06	158.21	130.05
	b) Diluted (Rs.)	31.90	33.69	26.06	189.48	123.06	158.21	130.05

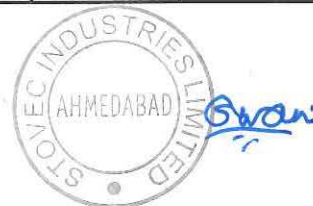


Notes:

1. The Statement of Assets and Liabilities as at December 31, 2018.

(Rs. in Million)

Particulars	Standalone for the Year ended		Consolidated for the Year ended	
	As at Current year December 31, 2018	As at Previous year December 31, 2017	As at Current year December 31, 2018	As at Previous year December 31, 2017
	(Audited)	Refer Note 5	(Audited)	Refer Note 5
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	289.562	345.788	289.562	347.234
(b) Capital work-in-progress	4.447	4.787	4.447	4.834
(c) Other Intangible assets	2.909	26.266	2.909	26.829
(d) Financial Assets				
(i) Investments	11.082	12.999	11.082	12.900
(ii) Other non-current financial assets	12.161	53.116	12.161	56.459
(e) Other non-current assets	9.534	9.990	9.534	11.008
	329.695	452.946	329.695	459.264
Current assets				
Current investments				
(a) Inventories	245.619	316.785	245.619	336.461
(b) Financial assets				
(i) Trade receivables	274.350	343.035	274.350	316.672
(ii) Cash and cash equivalents	80.927	129.731	80.927	173.175
(iii) Bank balances other than (ii) above	816.106	217.871	816.106	242.573
(iv) Other current financial assets	4.989	5.939	4.989	6.574
(c) Other current assets	14.609	17.456	14.609	28.279
	1436.600	1030.817	1436.600	1103.734
Total Assets	1766.295	1483.763	1766.295	1562.998
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	20.880	20.880	20.880	20.880
(b) Other equity	1391.157	1089.043	1391.157	1148.663
Total Equity	1412.037	1109.923	1412.037	1169.543
Liabilities				
Non-current liabilities				
(a) Long term Provisions	14.209	10.811	14.209	10.811
(b) Deferred tax liabilities (Net)	4.571	8.756	4.571	6.525
(c) Other non-current liabilities	12.698	12.284	12.698	12.326
	31.478	31.851	31.478	29.662
Current liabilities				
(a) Financial liabilities				
(i) Trade payables				
- total outstanding dues of micro enterprises, small and medium enterprises	0.482	1.760	0.482	1.849
- total outstanding dues of creditors other than micro, small and enterprises	235.698	270.164	235.698	289.159
(ii) Other current financial liabilities	11.430	8.046	11.430	8.046
(b) Other current liabilities	54.531	33.056	54.531	34.199
(c) Short term Provisions	17.287	28.588	17.287	28.761
(d) Current tax liabilities (Net)	3.352	0.375	3.352	1.779
	322.780	341.989	322.780	363.793
Total Liabilities	354.258	373.840	354.258	393.455
Total Equity and Liabilities	1766.295	1483.763	1766.295	1562.998



2 The above 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 February 14, 2019.

3 Board of Directors have recommended the final dividend of Rs. 55 per equity share having face value of Rs. 10 each (550%) for the financial year ended December 31, 2018, subject to approval of the Members. This comprises of normal dividend of Rs. 40 per equity share and a special dividend of Rs. 15 per equity share on account of gains arising from divestment of equity investment and sale of assets of galvanic business.

4 The figures for the quarter ended 31st December, 2018 and 31st December, 2017 are balancing figures between the audited figures in respect of full financial years and the published year to date figures up to the third quarter.

5 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 and year ended December 31, 2018 are in compliance with Ind AS. Consequently, the results for the quarter and year ended December 31, 2017 have been restated to comply with Ind AS to make them comparable.

These financial results have been prepared in accordance with Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

Reconciliation of profit between Ind AS and previous Indian GAAP (IGAAP) for the quarter and year ended December 31, 2017 and Reconciliation of Total Equity between Ind AS and previous GAAP as at December 31, 2017 are as under:

Particulars	(Refer Note Below)	Standalone		Consolidated		
		Profit Reconciliation		Total Equity Reconciliation	Profit Reconciliation	Total Equity Reconciliation
		3 Months ended December 31, 2017	Year ended December 31, 2017	As at December 31, 2017	Year ended December 31, 2017	As at December 31, 2017
Net Profit after tax / Total Equity as per IGAAP		54.576	255.985	1,110.710	269.221	1,168.368
i) Employee benefits expense - Actuarial loss reclassified under OCI	a)	(0.210)	1.517	1.517	1.517	1.517
ii) Provision for expected credit loss	b)	(0.049)	(0.049)	(0.410)	(0.049)	(0.410)
iii) Deferred tax on stock reserve		-	-	-	1.373	1.962
iv) Impact of deferred and current taxes in respect of the above adjustment	d)	0.090	(0.508)	(0.383)	(0.508)	(0.383)
Net Profit / Total Equity for the period under Ind AS (before OCI)		54.407	256.945	1,111.434	271.554	1,171.054
v) Employee benefits expense - Actuarial loss reclassified under OCI	a)	0.210	(1.517)	(1.517)	(1.517)	(1.517)
vi) Gain / (Loss) on fair valuation of investments	c)	0.095	(1.208)	(0.793)	(1.208)	(0.793)
vii) Impact of deferred and current taxes in respect of the above adjustments	d)	(0.105)	0.943	0.799	0.943	0.799
Total Comprehensive Income / Total Equity under Ind AS		54.607	255.163	1,109.923	269.772	1,169.543

a) Employee benefits: Actuarial gains and losses are reclassified under OCI.

b) Provision for Expected Credit loss on Trade Receivables: The Company has made provision for an amount of Expected Credit Loss (ECL) towards delay in collection of trade receivable balances.

c) The Company has valued its equity investments (other than investment in subsidiary) at fair value. The impact of fair value changes as on date of transition is recognized in opening reserves and changes thereafter are recognized in OCI.

d) Impact of deferred and current Taxes on employee benefits expenses, provision for expected credit loss, stock reserve and gain / (loss) on fair valuation of investments.

6 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 ("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. Accordingly, the Consolidated results for the year December 31, 2018 includes results of Atul, for the period from January 1, 2018 to March 21, 2018, whereas consolidated results for the year ended December 31, 2017 includes results of Atul for the entire financial year 2017. Gain of INR 103.640 Million and INR 37.788 Million on sale of such investment have been shown as exceptional item in standalone financial results and consolidated financial results respectively.

7 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 year ended December 31, 2018. However, the operations of galvanic business is continued by the Company after entering into the Contract Manufacturing Agreement.

8 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.



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

(Rs. in Million)

Particulars	Standalone for the Quarter ended			Standalone for the Year ended		Consolidated for the Year ended	
	Current 3 months ended 31/12/2018	Preceding 3 months ended 30/09/2018	Previous corresponding 3 months ended 31/12/2017	Current year ended 31/12/2018	Previous year ended 31/12/2017	Current year ended 31/12/2018	Previous year ended 31/12/2017
	Refer Note 4	(Unaudited)	Refer Note 4	(Audited)	Refer Note 5	(Audited)	Refer Note 5
Segment Revenue (Sales and Other Operating income from Segments)							
- Textile Machinery and Consumables	416.446	359.130	466.506	1,540.038	1,835.984	1,540.038	1,835.984
- Graphics Consumables	22.233	23.935	32.245	92.871	100.392	92.871	100.392
- Galvanic	73.031	74.448	102.798	297.250	239.313	315.134	271.001
Total	511.710	457.513	601.549	1,930.159	2,175.689	1,948.043	2,207.377
Less : Inter Segment Revenue	-	-	-	-	-	-	-
Net segment revenue	511.710	457.513	601.549	1,930.159	2,175.689	1,948.043	2,207.377
Segment Results (Profit before Finance Costs and Tax)							
- Textile Machinery and Consumables	80.620	84.721	80.144	386.247	400.591	386.247	400.591
- Graphics Consumables	8.540	9.630	14.053	37.836	44.620	37.836	44.620
- Galvanic	11.133	15.043	12.160	41.402	9.613	44.941	31.102
Total Segment Results	100.293	109.394	106.357	465.485	454.824	469.024	476.313
Less : Finance Costs	1.551	0.344	0.442	2.269	1.344	2.345	1.603
Less : Unallocable Expenditure Net of Unallocable Other Income	11.036	9.130	22.578	52.752	59.515	52.676	59.255
Profit Before Exceptional Items and Tax	87.706	99.920	83.337	410.464	393.965	414.003	415.455
Exceptional Items (Refer note 6 & 7)	-	-	-	141.081	-	75.229	-
Profit Before Tax	87.706	99.920	83.337	551.545	393.965	489.232	415.455
Segment Assets							
- Textile Machinery and Consumables	693.623	868.430	758.459	693.623	758.459	693.623	758.459
- Graphics Consumables	28.013	31.950	31.434	28.013	31.434	28.013	31.434
- Galvanic	57.418	83.734	207.001	57.418	207.001	57.418	288.167
- Others / Unallocable	987.241	735.867	486.869	987.241	486.869	987.241	484.938
Total Assets	1,766.295	1,719.981	1,483.763	1,766.295	1,483.763	1,766.295	1,562.998
Segment Liabilities							
- Textile Machinery and Consumables	264.395	239.538	208.077	264.395	208.077	264.395	208.077
- Graphics Consumables	5.448	4.524	7.167	5.448	7.167	5.448	7.167
- Galvanic	7.728	1.645	7.359	7.728	7.359	7.728	30.866
- Others / Unallocable	76.687	128.102	151.237	76.687	151.237	76.687	147.345
Total Liabilities	354.258	373.809	373.840	354.258	373.840	354.258	393.455

9 Investors can view the financial results of the company for the year ended December 31, 2018 on the company's website www.stovec.com or on the website of the BSE www.bseindia.com.

Place : Mumbai

Date : February 14, 2019



For Stovec Industries Ltd.

 Shailesh Wani
 Managing Director


INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF STOVEC INDUSTRIES LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **Stovec Industries Limited** ("the Company") for the year ended December 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.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Ind AS standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - a. is presented in accordance with the requirements 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; and
 - b. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended December 31, 2018.



**Deloitte
Haskins & Sells LLP**

5. The Statement includes the results for the quarter ended December 31, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

Date: 14/2/2019
Place: Mumbai



**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
STOVEC INDUSTRIES LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **STOVEC INDUSTRIES LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the year ended December 31, 2018 ("the Statement"), being submitted by the Parent 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.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated Ind AS financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - a. includes the results of the following entities:
 - Stovec Industries Limited (Parent)
 - Atul Sugar Screens Private Limited (Subsidiary upto March 21, 2018)
 - b. is presented in accordance with the requirements 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; and



**Deloitte
Haskins & Sells LLP**

- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, Total comprehensive income and other financial information of the Group for the year ended December 31, 2018.
5. The consolidated financial results includes the unaudited Ind AS financial statements of one subsidiary, whose Ind AS financial statements reflect total assets of Rs.Nil as at December 31, 2018, total revenue of Rs.43.33 Million, total net profit after tax of Rs.2.53 Million and Total Comprehensive income of Rs.2.53 Million for the year ended on that date, as considered in the consolidated financial results. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)

Date: 14/2/2019
Place: Mumbai

