



VST Industries Limited

Azamabad, Hyderabad - 500 020, Andhra Pradesh

UNAUDITED FINANCIAL RESULTS (PROVISIONAL)
FOR QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2008

(Rs. in Lakhs)

Sl. No.	PARTICULARS	Quarter Ended		Half Year Ended		Year Ended
		30-09-2008 (UN AUDITED)	30-09-2007 (UN AUDITED)	30-09-2008 (UN AUDITED)	30-09-2007 (UN AUDITED)	31-03-2008 (AUDITED)
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
1.	(a) Gross Sales / Income from Operations	24350	18122	44713	36968	77344
	(b) Less :- Excise Duty	15488	9941	28828	21035	43347
	(c) Net Sales / Income from Operations	8862	8181	15885	15933	33997
	(d) Other Operating Income	(584)	122	(934)	187	100
	Total	8278	8303	14951	16120	34097
2.	Expenditure:					
	(a) (Increase) / Decrease in Stock-in-Trade and Work-in-progress	(406)	79	(1676)	(1120)	16
	(b) Consumption of Raw Materials	4245	3526	7561	6296	13642
	(c) Purchase of traded goods	-	-	-	-	-
	(d) Employee Cost	1040	1024	2236	2156	4496
	(e) Increase / (Decrease) in Excise duties on Stock in Trade	394	(90)	1438	903	32
	(f) Depreciation	354	351	759	656	1372
	(g) Other Expenditure	1561	1957	3260	3906	7398
	Total	7188	6847	13578	12797	26956
3.	Profit from Operations before Other Income, Interest & Exceptional Items (1 - 2)	1090	1456	1373	3323	7141
4.	Other Income	383	173	1390	898	1268
5.	Profit before Interest & Exceptional Items (3 + 4)	1473	1629	2763	4221	8409
6.	Interest	1	(53)	2	(86)	(197)
7.	Profit after Interest but before Exceptional Items (5 - 6)	1472	1682	2761	4307	8606
8.	Exceptional Items	-	-	-	-	-
9.	Profit from Ordinary activities before Tax (7 + 8)	1472	1682	2761	4307	8606
10.	Tax Expenses					
	- Current	292	410	547	1161	2471
	- Deferred	35	157	(19)	128	175
	- Fringe Benefit Tax	20	38	42	58	125
11.	Net Profit from Ordinary activities after Tax (9 - 10)	1125	1077	2191	2960	5835
12.	Extraordinary Items (Net of Tax Expense)	-	-	-	-	-
13.	Net Profit for the Period (11 - 12)	1125	1077	2191	2960	5835
14.	Paid-up Equity Share Capital (Face value of Rs.10 per Share)	1544	1544	1544	1544	1544
15.	Reserves excluding Revaluation Reserve as per the balance sheet of previous accounting year	-	-	-	-	21229
16.	Earnings per Share (EPS) Rs.					
	a) Basic and Diluted EPS before extraordinary Items for the period, for the year to date and for the previous year	7.28	6.97	14.19	19.17	37.79
	b) Basic and Diluted EPS after extraordinary Items for the period, for the year to date and for the previous year	7.28	6.97	14.19	19.17	37.79
17.	Public Shareholding					
	- Number of Shares	10476018	10476018	10476018	10476018	10476018
	- Percentage of Shareholding	67.84	67.84	67.84	67.84	67.84

Notes:

1. Other Operating Income includes:

(Rs. in Lakhs)

	Quarter Ended		Half Year Ended		Year Ended
	30-09-2008 (UN AUDITED)	30-09-2007 (UN AUDITED)	30-09-2008 (UN AUDITED)	30-09-2007 (UN AUDITED)	31-03-2008 (AUDITED)
Unrealised Gain / (Loss) on account of Foreign exchange fluctuations	(529)	90	(909)	169	(18)

2. Significant increase in excise duty on non-filter cigarettes in the Finance Act 2008 has adversely impacted the profitability of the Company.
3. As the Company's business activity falls within a single primary business segment viz. "Tobacco and related products", the disclosure requirements of Accounting Standard 17 "Segment Reporting" as notified under Section 211 (3C) of the Companies Act, 1956, is not applicable.
4. The Post Manufacturing Expenses dispute related to excise duty payable on clearances from the factory between 01-03-1975 to 28-02-1983 in which allowable post manufacturing expenses were denied by the excise department. The company had won the case on merits, after which the excise department had rejected the claim for refund of excess duty paid on principles of unjust enrichment. This issue was held in favour of the Company by the Hon'ble High Court of Andhra Pradesh and consequently, a refund of Rs.1261 lakhs (including an interest of Rs.545 lakhs) was received from the excise department during the previous year ended 31st March 2008. Considering various aspects involved including the legal advice obtained on possibility of further litigation, as a matter of prudence, no effect has been given to the said refund received in above mentioned results, pending progress in the matter.
5. To facilitate comparison, figures of the previous period have been re-arranged, where necessary.
6. During the Quarter, 22 investor complaints were received to which the company had responded. No complaints were pending either at the beginning or at the end of the quarter.
7. Limited Review of Financial Results as per Clause 41 of Listing Agreement with the Stock Exchanges has been carried out by the Statutory Auditors for the quarter ended 30th September, 2008.
8. The above mentioned results were reviewed by the Audit Committee on 16th October, 2008 and approved by the Board of Directors at its meeting held on 17th October, 2008.

BY ORDER OF THE BOARD
VST INDUSTRIES LIMITED
 Sd/-
R.S. NORONHA
MANAGING DIRECTOR

Place : Hyderabad

Date : 17th October, 2008