



VST Industries Limited

October 31, 2017

The General Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

The Manager
Listing Department
National Stock Exchange India Ltd.
“Exchange Plaza”
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

STOCK CODE : 509966

STOCK SYMBOL : VSTIND

Dear Sir,

Sub : Unaudited Financial Results for the quarter and six months ended September 30, 2017

Pursuant to Regulation 33(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the statement containing the unaudited financial results for the quarter and six months ended September 30, 2017 which was considered and approved by the Board of Directors at their Meeting held today. Also enclosed is the Limited Review Report of the Statutory Auditors.

The meeting of the Board of Directors commenced at 10.00 a.m. and concluded at 5.00 p.m.

We request you to take the above on record.

Thanking you,

Yours faithfully
For VST INDUSTRIES LIMITED


PHANI K. MANGIPUDI
COMPANY SECRETARY

Encl : As above

Registered Office: Azamabad, Hyderabad – 500 020; Phone: 91-40-27688000; Fax:91-40-27615336;
CIN: L29150TG1930PLC000576; Email:corporate@vstind.com; website: www.vsthyd.com



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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2017

Sl. No.	PARTICULARS	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Year to date figures for the current period ended	Year to date figures for the previous year ended	Previous year ended
		30-09-2017 (Unaudited)	30-06-2017 (Unaudited)	30-09-2016 (Unaudited)	30-09-2017 (Unaudited)	30-09-2016 (Unaudited)	31-03-2017 (Audited)
Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8
1.	Income from Operations						
	(a) Gross Sales / Income from Operations	23934	56136	54340	80120	112942	225724
	(b) Other Operating Income	18	38	187	56	283	406
	Income from Operations (Gross)	23952	56224	54527	80176	113225	226130
2.	Other Income	481	571	501	1052	1106	2007
3.	Total Income from Operations (1+2)	24433	56795	55028	81228	114331	228137
4.	Expenses:						
	(a) Cost of Materials consumed	9852	9673	13212	19525	25424	46847
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	601	(107)	(1264)	494	(639)	(11)
	(c) Excise duty	1961	35268	32069	37229	65847	133891
	(d) Employee benefits expense	2109	2174	2388	4283	4443	8970
	(e) Depreciation and amortisation expense	938	935	859	1873	1676	3692
	(f) Other expenses	2429	2685	3137	5114	6475	11659
	Total Expenses	17890	50628	50401	68318	103226	205048
5.	Profit before Tax (3 - 4)	6543	6167	4627	12710	11105	23089
6.	Tax Expense						
	(a) Current tax	2235	2184	1453	4419	3606	8070
	(b) Deferred tax	(93)	4	96	(89)	49	(188)
	Total Tax Expenses	2142	2188	1549	4330	3655	7882
7.	Profit after Tax Expense (5 - 6)	4401	3979	3078	8380	7450	15207
8.	Other Comprehensive Income	11	5	39	16	7	(183)
9.	Total Comprehensive Income (7+8)	4412	3984	3117	8396	7457	15024
10.	Paid-up Equity Share Capital (Face Value of ₹ 10 per Share)	1544	1544	1544	1544	1544	1544
11.	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year						52353
12.	Earnings per Share (EPS) (of ₹ 10/- each) (not annualised) - Basic and diluted EPS	28.57	25.80	20.18	54.37	48.29	97.29

- Notes:
- The above mentioned results were reviewed by the Audit Committee at its meeting held on 30th October, 2017 and approved by the Board of Directors at its meeting held on 31st October, 2017.
 - With implementation of Goods & Service tax (GST) with effect from 1st July, 2017, your Company's main product is now subjected to GST and Compensation Cess in addition to Central Excise (currently only National Calamity Contingent Fund). Due to such restructuring of indirect taxes, the figures for 'Gross Sales' (net of GST and Compensation Cess) and 'Excise duty' for the quarter and six months ended 30th September, 2017 are not comparable with the previous periods.
 - The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5th July, 2016.

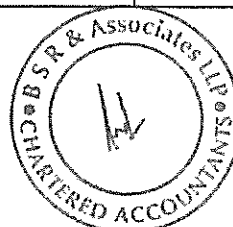
The Company adopted Ind AS from 1st April, 2017, and accordingly, these financial results including for all periods presented, are in accordance with Ind AS. Limited Review has been carried out by the Statutory Auditors for the quarter and six months ended 30th September, 2016 and the restated financial results for the year ended 31st March, 2017, has been audited by the Statutory Auditors. Restated financial results and reconciliation of net profit in accordance with Ind AS 101- First-time Adoption of Indian Accounting Standards is given hereunder:

A. Reconciliation of above mentioned results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

Particulars	Notes	Previous year 3 months ended	Year to date figures for the previous year ended	Previous year ended
		30-09-2016	30-09-2016	31-03-2017
Profit after Tax for the period (as per previous GAAP)		3530	7691	16721
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(iii)	(436)	(200)	(1748)
Reclassification of actuarial gain / losses, arising in respect of deferred employee benefit schemes to Other Comprehensive Income (OCI)		-	-	158
Tax Adjustments		(16)	(41)	76
Profit after Tax for the period (as per Ind AS)		3078	7450	15207
Other Comprehensive Income (net of tax)		39	7	(183)
Total Comprehensive Income as reported under Ind AS		3117	7457	15024

B. Reconciliation of equity as reported under previous Generally Accepted Accounting Principles (GAAP) is summarised hereunder:

Particulars	Notes	Previous year 31-03-2017
Equity as reported under previous GAAP		53707
Impact of measuring derivative financial instruments, being cash flow hedges, at fair value (net of tax)		(5)
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL) or FVOCI (net of tax)	(ii), (iii)	70
Tax Adjustments - Land		125
Equity as reported under Ind AS		53897
Comprising		
Paid up equity share capital		1544
Reserves		52353



i) Exemptions applied at transition - Ind AS 101 allows first time adopters exemption from the retrospective application of certain requirements under Ind AS. Accordingly, the Company has applied the following exemptions in its standalone financial results:

Property, plant and equipment and intangible assets were carried in the Balance Sheet prepared in accordance with previous GAAP as at 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost on the date of transition. Further, the Company had revalued certain freehold land and buildings based on professional valuation as at 31st March, 1989 and had a balance of ₹ 265 Lakhs in revaluation reserve on the date of transition. On transition, such revaluation reserve has been adjusted in retained earnings.

ii) Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election on the date of transition.

iii) Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.

4. Limited Review of the above mentioned results as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the Statutory Auditors. This Report does not have any impact on the above mentioned results and notes which need to be explained.

5. Standalone Balance Sheet

Particulars	(₹ in Lakhs)	
	As at current half year end 30-09-2017 (Unaudited)	As at previous year end 31-03-2017 (Audited)
A. ASSETS		
1. Non - Current Assets		
(a) Property, Plant and Equipments	20296	21997
(b) Capital work- in-progress	1935	82
(c) Intangible assets	3	4
(d) Financial Assets		
(i) Investments	200	177
(ii) Loans	15	16
(iii) Other financial assets	2	2
(e) Deferred tax assets (net)	2339	2246
(f) Other non-current assets	687	398
Sub-total - Non - Current Assets	25477	24922
2. Current Assets		
(a) Inventories	34153	32931
(b) Financial Assets		
(i) Investments	20958	17182
(ii) Trade receivables	2902	1204
(iii) Cash and cash equivalents	1044	1192
(iv) Other bank balances	987	802
(v) Loans	3	3
(vi) Other financial assets	3	15
(c) Other current assets	4413	1344
(d) Current tax assets (net)	52	170
Sub-total - Current Assets	64515	54843
TOTAL - ASSETS	89992	79765
B. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity Share capital	1544	1544
(b) Other Equity	46811	52353
Sub-total - Equity	48355	53897
2. Liabilities		
Non - Current Liabilities		
(a) Provisions	1453	1091
Sub-total - Non - Current Liabilities	1453	1091
3. Current Liabilities		
(a) Financial Liabilities		
(i) Trade Payables	7260	5599
(ii) Other financial liabilities	1519	1005
(b) Other Current Liabilities	31405	18173
Sub-total - Current Liabilities	40184	24777
TOTAL - EQUITY AND LIABILITIES	89992	79765

6. The Company has a single operating segment viz. "tobacco and related products", and accordingly, reviews business performance at an overall Company level. Therefore, the disclosure as per Ind AS 108 - 'Operating Segments' is not applicable.

7. To facilitate comparison, figures of previous period have been re-arranged, where necessary.

BY ORDER OF THE BOARD
VST INDUSTRIES LIMITED

N. Sankar

N. SAI SANKAR
MANAGING DIRECTOR
DIN: 00010270

Place: Hyderabad
Date: 31st October, 2017



B S R & Associates LLP

Chartered Accountants

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Review Report

To the Board of Directors of
VST Industries Limited

We have reviewed the accompanying Statement of Unaudited Financial Results ('the Statement') of VST Industries Limited ('the Company') for the quarter and six months ended 30 September 2017, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.

This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in their meeting held on 31 October 2017, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind As 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement, based on our review.

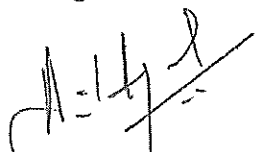
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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 Indian Accounting Standards (IND AS) notified under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: I16231W/ W-100024



Amit Kumar Agarwal

Partner

Membership No: 214198

Place: Hyderabad

Date: 31 October 2017

B S R & Associates is partnership firm with Registration No
BA692261 converted into B S R & Associates LLP
in Limited Liability Partnership with LLP Registration No
AAB-81821 with effect from October 14, 2013

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