



VST Industries Limited

Azamabad, Hyderabad - 500 020, Andhra Pradesh

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE
QUARTER ENDED 30th JUNE, 2008

(Rs. in Lakhs)

Sl. No.	PARTICULARS	QUARTER ENDED		YEAR ENDED
		30-06-2008 (UNAUDITED)	30-06-2007 (UNAUDITED)	31-03-2008 (AUDITED)
Col.1	Col.2	Col.3	Col.4	Col.5
1.	Gross Sales/Income from Operations	20363	18846	77344
2.	Less:- Excise Duty	13340	11094	43347
3.	Net Sales / Income from Operations	7023	7752	33997
4.	Other Income (Refer note 1)	659	790	1368
5.	Total Income (3+4)	7682	8542	35365
6.	Expenditure			
	a) (Increase)/Decrease in Stock-in-Trade and Work-in-progress	(1270)	(1177)	16
	b) Consumption of Raw Materials	3316	2748	13642
	c) Employees Cost	1196	1132	4496
	d) Rates and Taxes	169	221	795
	e) Increase/(Decrease) in Excise duties on Stock in Trade	1044	993	32
	f) Depreciation	405	305	1372
	g) Other Expenditure	1530	1728	6603
	Total	6390	5950	26956
7.	Interest (Net)	1	(33)	(197)
8.	Exceptional Items	-	-	-
9.	Profit from Ordinary activities before tax	1291	2625	8606
10.	Tax Expenses			
	- Current	255	751	2471
	- Deferred	(54)	(29)	175
	- Fringe Benefit Tax	22	20	125
11.	Net Profit from Ordinary activities after Tax	1068	1883	5835
12.	Extraordinary Items (Net of Tax Expense)	-	-	-
13.	Net Profit for the period	1068	1883	5835
14.	Paid-up Equity Share Capital (Face value of Rs. 10 per Share)	1544	1544	1544
15.	Reserves excluding Revaluation Reserve as per 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 pervious year	6.92	12.20	37.79
	b) Basic and Diluted EPS after extraordinary Items for the period, for the year to date and for the previous year	6.92	12.20	37.79
17.	Public Shareholding			
	- Number of Shares	10476018	10476018	10476018
	- Percentage of Shareholding	67.84	67.84	67.84

Notes :

1. Other Income includes :

(Rs. in Lakhs)

	Quarter Ended		Year Ended
	30-06-2008 (UNAUDITED)	30-06-2007 (UNAUDITED)	31-03-2008 (AUDITED)
Unrealised Gain / (Loss) on account of Foreign exchange fluctuations	(380)	79	(18)

2. Significant increase in excise duty on non-filter cigarettes in the Finance Act, 2008 has adversely impacted the profitability of the Company for the quarter ended 30th June, 2008.
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, 20 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 June, 2008.
8. The above mentioned results were reviewed by the Audit Committee on 15th July, 2008 and approved by the Board of Directors at its meeting held on 16th July, 2008.

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

Place : Hyderabad

Date : 16th July, 2008