

The Board of Directors
VST Industries Limited
1-7-1063/1065, Azamabad
Hyderabad - 500020

1. This report is produced in accordance with the terms of our agreement dated 01 February 2012.
2. We have audited the accompanying Audited Financial Results for the year ended 31 March 2012 (the 'Statement') of VST Industries Limited (the "Company"), prepared by the Company's directors pursuant to the requirement of Clause 41 of the Listing Agreement, in which are included its annual financial results for the year ended 31 March 2012 and the statement of assets and liabilities as on 31 March 2012, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which we have traced from disclosures made by the Management and accordingly, have not been audited by us. As mentioned in Note 2 to the Statement, the figures for the quarter ended 31 March 2012 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures, subjected to limited review, up to the third quarter of the current financial year.

Directors' Responsibilities

3. The directors of the Company are responsible for preparing the Statement that gives a true and fair view of the net profit and other financial information for the year ended 31 March 2012, and also the statement of assets and liabilities as at 31 March 2012.
4. The directors have prepared the Statement on the basis of the Company's annual financial statements, prepared in accordance with the accounting standards issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India, in compliance with the requirement of Clause 41 of the Listing Agreement.
5. The responsibility of the directors include the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

6. Our responsibility is to express an opinion on the Statement based on our audit. 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.
7. An audit involves performing procedures to obtain audit evidence about the amounts and 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.




Opinion

9. In our opinion, and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) gives a true and fair view of the net profit and other financial information for the year ended 31 March 2012 and also gives a true and fair view of the statement of assets and liabilities as at 31 March 2012.
10. Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholdings, as well as that of the promoters and promoter group (both pledged/ encumbered and non-encumbered), as disclosed in terms of Clause 35 of the Listing Agreement, from the representations and other records and information and explanations given to us by the Company's Management, and found the same to be in accordance therewith.



Hyderabad
17 April 2012

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants


N. K. Varadarajan
Partner
Membership Number 90196



VST Industries Limited
Azamabad, Hyderabad - 500 020, Andhra Pradesh
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lakhs)

Sl. No.	PARTICULARS	Quarter Ended			Year Ended	
		31-03-2012 (refer note 2)	31-12-2011 (Unaudited)	31-03-2011 (Unaudited)	31-03-2012 (Audited)	31-03-2011 (Audited)
Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7
PART I						
1.	Income from Operations					
	(a) Gross Sales / Income from Operations	43398	41485	37502	159846	139654
	(b) Less: Excise Duty	23838	24194	21744	91833	81811
	(c) Net Sales / Income from Operations	19560	17291	15758	68013	57843
	(d) Other Operating Income	28	53	75	430	311
	Total Income from Operations (net)	19588	17344	15833	68443	58154
2.	Expenses:					
	(a) Cost of Materials Consumed	9186	7137	7254	30473	29024
	(b) Changes in Inventories of Finished goods and Work-in-progress	183	545	31	345	(490)
	(c) Employee Benefits expense	1721	1469	1634	6195	6060
	(d) Depreciation, Amortisation and Impairment expense	942	544	1023	2483	2442
	(e) Other Expenses	2731	2645	2463	10453	9303
	Total Expenses	14763	12340	12405	49949	46339
3.	Profit from Operations before other income, finance costs & exceptional item (1 - 2)	4825	5004	3428	18494	11815
4.	Other Income	738	573	498	2572	1711
5.	Profit from Ordinary activities before finance costs & exceptional item (3 + 4)	5563	5577	3926	21066	13526
6.	Finance costs	-	-	-	-	-
7.	Profit from Ordinary activities after finance costs but before exceptional item (5 - 6)	5563	5577	3926	21066	13526
8.	Exceptional Item	-	-	-	-	-
9.	Profit from Ordinary activities before Tax (7 + 8)	5563	5577	3926	21066	13526
10.	Tax Expense	1890	1780	1236	6815	4025
11.	Net Profit from Ordinary activities after Tax (9 - 10)	3673	3797	2690	14251	9501
12.	Extraordinary Items (net of tax expense)	-	-	-	-	-
13.	Net Profit for the Period (11 - 12)	3673	3797	2690	14251	9501
14.	Paid-up Equity Share Capital (Face value of ₹ 10 per Share)	1544	1544	1544	1544	1544
15.	Reserves excluding Revaluation Reserve as per the balance sheet of previous accounting year				27096	24511
16.	Earnings per Share (EPS) ₹					
	a) Basic and diluted EPS before extraordinary Items	23.78	24.59	17.42	92.29	61.53
	b) Basic and diluted EPS after extraordinary Items	23.78	24.59	17.42	92.29	61.53
PART II						
A PARTICULARS OF SHAREHOLDING						
1.	Public Shareholding					
	- Number of Shares	10476018	10476018	10476018	10476018	10476018
	- Percentage of Shareholding	67.84	67.84	67.84	67.84	67.84
2.	Promoters and Promoter Group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
	b) Non-encumbered					
	- Number of shares	4965902	4965902	4965902	4965902	4965902
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	32.16	32.16	32.16	32.16	32.16

	Particulars	Quarter Ended 31-03-2012
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	39
	Disposed of during the quarter	39
	Remaining unresolved at the end of the quarter	-



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Notes :

1. 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, are not applicable.
2. The figures for the quarter ended 31st March, 2012 are the balancing figures between the audited financial results for the year ended 31st March, 2012 and the published financial results for the nine months ended 31st December, 2011.
3. **Statement of Asset and Liabilities** (₹ in Lakhs)

Particulars	As at Year Ended 31-03-2012	As at Year Ended 31-03-2011
A. EQUITY AND LIABILITIES		
1. Shareholders' Fund		
(a) Share Capital	1544	1544
(b) Reserves and Surplus	27475	24900
Sub-total - Shareholders' Funds	29019	26444
2. Non - Current Liabilities		
(a) Long - Term Provisions	50	30
Sub-total - Non - Current Liabilities	50	30
3. Current Liabilities		
(a) Trade Payables	4703	3199
(b) Other Current Liabilities	25730	26127
(c) Short - Term Provisions	11666	8076
Sub-total - Current Liabilities	42099	37402
TOTAL - EQUITY AND LIABILITIES	71168	63876
B. ASSETS		
1. Non - Current Assets		
(a) Fixed Assets	16353	15249
(b) Non - Current Investments	2174	2174
(c) Deferred Tax Assets (net)	1154	1388
(d) Long - Term Loans and Advances	639	927
(e) Other Non - Current Assets	1	1
Sub-total - Non - Current Assets	20321	19739
2. Current Assets		
(a) Current Investments	20200	14925
(b) Inventories	23825	23557
(c) Trade Receivables	1262	1277
(d) Cash and Cash Equivalents	3598	2896
(e) Short -Term Loans and Advances	1806	1387
(f) Other Current Assets	156	95
Sub-total - Current Assets	50847	44137
TOTAL - ASSETS	71168	63876

4. To facilitate comparison, figures of the previous period have been re-arranged, where necessary.
5. The Board of Directors recommend dividend for the year 2011-12 - ₹ 65/- (2010-11 - ₹ 45/-) per Equity Share of ₹ 10 each.
6. The above mentioned results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 17th April, 2012.

BY ORDER OF THE BOARD
VST INDUSTRIES LIMITED



R.S. NORONHA
R.S. NORONHA
MANAGING DIRECTOR

Place: Hyderabad
Date : 17th April, 2012