



VST Industries Limited

May 21, 2020

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

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

STOCK CODE : 509966

STOCK SYMBOL : VSTIND

Dear Sir,

**Sub : Audited Financial Results**

Pursuant to Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we enclose herewith the statement containing the audited financial results for the quarter and year ended 31<sup>st</sup> March, 2020 which was considered and approved at the Board Meeting held today. Also, we enclose herewith the following :

1. Audit Report issued by Statutory Auditors
2. Declaration (Unmodified opinion)

The above information is also available on the website of the Company :  
[www.vsthyd.com](http://www.vsthyd.com)

The meeting of the Board of Directors commenced at 2.00 p.m. and concluded at 3.25 p.m.

Please take the above on record.

Yours faithfully,  
For VST INDUSTRIES LIMITED

  
PHANI K. MANGIPUDI  
COMPANY SECRETARY

Encl : As above



VST Industries Limited

Regd Office: Azamabad, Hyderabad - 500 020.

Phone: 91-40-27688000, Fax: 91-40 - 27615336

CIN:L29150TG1930PLC000576, Email: corporate@vstind.com, Website: www.vsthyd.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

Sl. No.	PARTICULARS	3 months ended 31-03-2020 (Audited)	Preceding 3 months ended 31-12-2019 (Unaudited)	Corresponding 3 months ended 31-03-2019 (Audited)	Current year ended 31-03-2020 (Audited)	Previous year ended 31-03-2019 (Audited)
Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7
1.	Revenue from Operations					
	(a) Gross Sales	34950	36782	29395	136912	118271
	(b) Other Operating Income	19	64	28	130	140
	Total Revenue from Operations (Gross)	34969	36846	29423	137042	118411
2.	Other Income	1228	1106	1078	4736	3890
3.	Total Income (1+2)	36197	37952	30501	141778	122301
4.	Expenses:					
	(a) Cost of Materials consumed	14142	17893	14690	60015	55964
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(155)	(76)	(73)	(160)	(947)
	(c) Excise duty	5816	2470	2160	13107	8510
	(d) Employee benefits expense	2127	3050	2117	10242	9226
	(e) Depreciation and amortisation expense	1285	1026	1115	4176	4135
	(f) Other expenses	3569	2673	2414	12373	10346
	Total Expenses	26784	27036	22423	99753	87234
5.	Profit before Tax (3 - 4)	9413	10916	8078	42025	35067
6.	Tax Expense					
	(a) Current tax	2477	2826	2966	11086	13076
	(b) Deferred tax	(125)	(58)	(191)	530	(693)
	Total Tax Expenses	2352	2768	2775	11616	12383
7.	Profit after Tax Expense (5 - 6)	7061	8148	5303	30409	22684
8.	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	(394)	32	(209)	(361)	(192)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	88	(4)	48	84	46
	B (i) Items that will be reclassified to profit or loss	(87)	5	(4)	(205)	127
	(ii) Income tax relating to items that will be reclassified to profit or loss	22	(1)	2	64	(44)
	Total Other Comprehensive Income	(371)	32	(163)	(418)	(63)
9.	Total Comprehensive Income (7+8)	6690	8180	5140	29991	22621
10.	Paid-up Equity Share Capital (Face Value of ₹ 10 per Share)	1544	1544	1544	1544	1544
11.	Reserves excluding Revaluation Reserves				77165	64859
12.	Earnings per Share (EPS) (of ₹ 10/- each) (not annualised)					
	- Basic and diluted EPS	45.73	52.77	34.34	196.93	146.90

Notes:

- The above mentioned results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 21st May, 2020.
- 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 relevant rules issued thereunder 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 elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by The Taxation Laws (Amendment) Act, 2019. Accordingly, the impact of this has been recognised in the above financial results.
- The figures for the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the respective financial years.

*Sanjay Lakshmi*



## 5. Balance Sheet

(₹ in Lakhs)

Particulars	As at current year end 31-03-2020 (Audited)	As at previous year end 31-03-2019 (Audited)
<b>A. ASSETS</b>		
<b>1. Non - Current Assets</b>		
(a) Property, Plant and Equipment	18705	21334
(b) Capital Work-in-Progress	1265	30
(c) Intangible Assets	5	7
(d) Financial Assets		
(i) Investments	179	226
(ii) Loans	13	13
(iii) Other Financial Assets	2	2
(e) Deferred Tax Assets (net)	2640	3101
(f) Other Non-Current Assets	520	112
<b>Sub-total - Non - Current Assets</b>	<b>23329</b>	<b>24825</b>
<b>2. Current Assets</b>		
(a) Inventories	29774	28185
(b) Financial Assets		
(i) Investments	75120	57306
(ii) Trade Receivables	1536	1432
(iii) Cash and Cash Equivalents	2622	2639
(iv) Other Bank Balances	1123	1047
(v) Loans	1	1
(vi) Other Financial Assets	1	121
(c) Other Current Assets	6198	4936
<b>Sub-total - Current Assets</b>	<b>116375</b>	<b>95667</b>
<b>TOTAL - ASSETS</b>	<b>139704</b>	<b>120492</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity Share capital	1544	1544
(b) Other Equity	77165	64859
<b>Sub-total - Equity</b>	<b>78709</b>	<b>66403</b>
<b>2. Liabilities</b>		
<b>Non - Current Liabilities</b>		
(a) Provisions	1985	1850
<b>Sub-total - Non - Current Liabilities</b>	<b>1985</b>	<b>1850</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	19	30
- Total outstanding dues of creditors other than micro enterprises and small enterprises	14265	8271
(ii) Other Financial Liabilities	2434	1271
(b) Other Current Liabilities	40316	41157
(c) Current Tax Liabilities (net)	1976	1510
<b>Sub-total - Current Liabilities</b>	<b>59010</b>	<b>52239</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>139704</b>	<b>120492</b>

The Company, to the extent possible, has considered the risks that may result from the uncertainty relating to COVID-19 pandemic and its impact on the carrying amounts of trade receivables, investments, financial instruments and effectiveness of its hedges. Based on the Company's analysis of the current indicators of the future economic condition on its business and the estimates used in its financial statements, the Company does not foresee any material impact in the recoverability of the carrying value of the assets. The risk assessment is a continuous process and the Company will continue to monitor the impact of the changes in future economic conditions on its business.

*Devi Lalini*



6. Statement of Cash Flows		(₹ in Lakhs)	
		For the current year ended 31-03-2020 (Audited)	For the previous year ended 31-03-2019 (Audited)
<b>A Cash Flow from Operating Activities</b>			
Profit Before Tax		42025	35067
Adjustments:			
Depreciation and Amortisation Expense		4176	4135
Profit on sale of Property, Plant and Equipment (Net)		(24)	(10)
Unrealised (Gain) / Loss on Exchange (Net)		(47)	56
Interest on Loans and Deposits, etc.		(13)	(6)
Dividend Income from Non-Current Investments		(4)	(4)
Net gain arising on Current Investments measured at fair value through profit and loss		(4485)	(3661)
Operating Profit before Working Capital Changes		<b>41628</b>	<b>35577</b>
Adjustments for Movement in Working Capital:			
Trade Receivables, Advances and Other Assets		(1314)	3342
Inventories		(1589)	(2897)
Trade Payables, Other Liabilities and Provisions		4960	5861
Cash generated from Operations		<b>43685</b>	<b>41883</b>
Income Taxes Paid (Net)		(10541)	(12866)
Net cash from Operating Activities		<b>33144</b>	<b>29017</b>
<b>B Cash Flow from Investing Activities</b>			
Purchase of Property, Plant and Equipment, Intangibles, etc		(2192)	(2589)
Sale of Property, Plant and Equipment		27	10
Purchase of Current Investments		(344964)	(317867)
Sale/ Redemption of Current Investments		331635	305632
Dividend Income from Non-Current Investments		4	4
Interest on Loans and Deposits, etc.		13	5
Loans realised		1	2
Net cash from / (used) in Investing Activities		<b>(15476)</b>	<b>(14803)</b>
<b>C Cash Flow from Financing Activities</b>			
Dividends (including tax thereon) paid on equity shares		(17685)	(14427)
Net cash used in Financing Activities		<b>(17685)</b>	<b>(14427)</b>
Net change in cash and cash equivalents		<b>(17)</b>	<b>(213)</b>
Opening cash and cash equivalents		2639	2852
Closing cash and cash equivalents		<b>2622</b>	<b>2639</b>

The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

7. The above results of the Company have been audited by the Statutory Auditors, who have issued an unqualified audit report.
8. 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.
9. The Board of Directors recommend dividend for the year 2019-20 - ₹ 103/- (2018-19 - ₹ 95/-) per Equity Share of ₹ 10 each. The payment is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.
10. To facilitate comparison, figures of previous periods have been re-arranged, wherever necessary.

Place: Hyderabad  
Date: 21st May, 2020

BY ORDER OF THE BOARD  
VST INDUSTRIES LIMITED

*Devraj Lahiri*  
DEVRAJ LAHIRI  
MANAGING DIRECTOR  
DIN: 03588071



# B S R & Associates LLP

Chartered Accountants

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Orwell, B Wing, 6th Floor, Unit-3  
Sy. No. 83/1, Plot No. 2, Raidurg  
Hyderabad-500081, India.

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## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF VST INDUSTRIES LIMITED

### Report on the audit of the Annual Financial Results

#### Opinion

We have audited the accompanying annual financial results ("the Statement") of VST Industries Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

#### Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively

## **INDEPENDENT AUDITORS' REPORT (continued)**

### **Management's and Board of Directors' Responsibilities for the Annual Financial Results (continued)**

for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



**INDEPENDENT AUDITORS' REPORT (continued)**

**Auditor's Responsibilities for the Audit of the Annual Financial Results (continued)**

- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

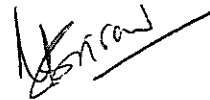
**Other Matters**

The annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

for B S R & Associates LLP

*Chartered Accountants*

Firm Registration Number: 116231W/ W-100024



**Sriram Mahalingam**

*Partner*

Membership number: 049642

UDIN: 20049642AAAABJ9615

Place: Hyderabad

Date: 21 May 2020



VST Industries Limited

May 21, 2020

To

**BSE LIMITED  
NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

Dear Sir/Madam,

**Sub : Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015**

DECLARATION

I, Anish Gupta, Chief Financial Officer of VST Industries Limited (CIN:L29150TG1930PLC000576) having its Registered Office at Azamabad, Hyderabad 500 020, India, hereby declare that, the Statutory Auditors of the Company, Messrs. BSR & Associates LLP (ICAI Firm Registration No: 116231W/W-100024) have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company (Standalone) for the quarter and year ended on March 31, 2020.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, vide Notification No.SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016.

Request you to take this on record.

Yours faithfully  
VST INDUSTRIES LIMITED

  
ANISH GUPTA  
Chief Financial Officer