

GODFREY PHILLIPS INDIA LIMITED
Unaudited Financial Results for the Quarter ended September 30, 2006

(Rupees in lacs)

Sl. No.	Particulars	Quarter ended	Quarter ended	Half year ended	Half year ended	Year Ended
		30.09.2006	30.09.2005	30.09.2006	30.09.2005	31.3.2006 (Audited)
		(1)	(2)	(3)	(4)	(5)
1	Gross sales	37875	35216	76853	70347	143187
2	Less: Excise duty	19807	18287	40432	36846	74771
3	Net sales	18068	16929	36421	33501	68416
4	Other income	1231	579	2153	1104	1661
5	Total expenditure					
	a) Increase/(decrease) in excise duty on finished goods	645	465	168	809	1405
	b) (Increase)/decrease in stock in trade	(1070)	(740)	(527)	(1415)	(1797)
	c) Consumption of raw and packing materials	4593	4196	8948	8391	16742
	d) Purchases for resale (including transferred from raw and packing materials)	2062	1992	3949	3702	7426
	e) Staff cost	1604	1290	3297	2884	5968
	f) Advertising and sales promotion	2839	2655	5608	5312	11051
	g) Other expenditure	4524	4365	9099	8626	18062
6	Interest	73	61	153	120	278
7	Depreciation	473	424	940	828	1837
8	Profit before taxation and exceptional items	3556	2800	6939	5348	9105
9	Exceptional items - Refer note 3	-	992	240	992	864
10	Profit before taxation	3556	3792	7179	6340	9969
11	Provision for taxation	1152	1448	2325	2426	3956
12	Net profit	2404	2344	4854	3914	6013
13	Paid up equity share capital (Face value of Rs. 10 per share)	1040	1040	1040	1040	1040
14	Reserves excluding revaluation reserves					34770
15	Basic and diluted earnings per share (Rs.)	23.12	22.54	46.68	37.64	57.82
16	Aggregate of public shareholding					
	- Number of shares	2897547	2835547	2897547	2835547	2861947
	- Percentage of shareholding	27.86	27.27	27.86	27.27	27.52
	Segmentwise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement					
1	Segment Revenue:					
	Cigarettes and Tobacco Products	36283	34026	74125	68236	138323
	Tea and other Retail Products	1592	1190	2728	2111	4864
	Gross sales	37875	35216	76853	70347	143187

2	Segment Results:					
	Cigarettes and Tobacco Products	2805	3802	5946	6325	9978
	Tea and other Retail Products	(123)	(76)	(232)	(144)	(462)
	Total	2682	3726	5714	6181	9516
	Add/(Less): i) Interest	(72)	(60)	(152)	(117)	(276)
	ii) Un-allocable income net of un-allocable expenditure	946	126	1617	276	729
	Total profit before tax	3556	3792	7179	6340	9969
3	Segment Capital Employed:					
	Cigarettes and Tobacco Products	21331	18078	21331	18078	21131
	Tea and other Retail Products	1524	1309	1524	1309	1092
	Total segment capital employed	22855	19387	22855	19387	22223

A-R37**Notes:**

1. The above results are as per stock exchange regulations and have been taken on record by the Board of Directors at its meeting held on October 25, 2006 after being reviewed by the Audit Committee.
2. As per past practice, expenditure on cigarette advertising and sales promotion budgeted for the year is evenly spread over the year for the purpose of quarterly results and any excess or shortfall over the budgeted expenditure is adjusted in last quarter of the financial year.
3. Exceptional items comprise of:

	<u>Rs. Lacs</u>		
	Half year ended 30.9.2006	Half year ended 30.9.2005	Year ended 31.3.2006
i) Reversal of provision for luxury taxes on cigarettes and interest thereon made in earlier years, pursuant to assessment orders passed during the period by the tax authorities based on the Supreme Court judgement in January, 2005.	240	4286	4303
ii) Additional purchase consideration to small scale cigarette manufacturing units in Assam in view of the Supreme Court judgement in September, 2005 which has the effect of denying them the benefit of exemption from payment of excise duty with retrospective effect. These amounts are net of Rs. 2733 lacs provided for as doubtful of recovery in earlier years in respect of dues recoverable from these manufacturing units.	-	(3294)	(3439)
	<u>240</u>	<u>992</u>	<u>864</u>

4. Provision for taxation comprises of current tax, deferred tax and tax on fringe benefits.
5. During the quarter 18 investor complaints were received, all of which were responded to by the Company. No complaints were pending either at the beginning or at the end of the quarter.
6. Figures have been regrouped wherever considered necessary.

Registered Office: Chakala, Andheri (East), Mumbai 400 099
New Delhi: 25th October, 2006

(S.V. Shanbhag)
 Whole-time Director

The Limited review as required under clause 41 of Listing Agreement has been completed by Statutory Auditors. The Limited Review Report for the quarter and half year ended September 30, 2006 does not have any impact on the above results and notes in aggregate except in respect of matter explained in note 6.

New Delhi: 25th October, 2006

(S.V. Shanbhag)
 Whole-time Director