

**GODFREY PHILLIPS INDIA LIMITED**  
**Unaudited Financial Results for the Quarter ended December 31, 2004**

(Rupees in lacs)

| Description  | Quarter<br>ended<br>31.12.2004 | Quarter<br>ended<br>31.12.2003 | Nine Months<br>ended<br>31.12.2004 | Nine Months<br>ended<br>31.12.2003 | Year ended<br>31.3.2004<br>(Audited) |
|--|--------------------------------|--------------------------------|------------------------------------|------------------------------------|--------------------------------------|
|  | (1)                            | (2)                            | (3)                                | (4)                                | (5)                                  |
| 1 Gross sales  | 33321                          | 29373                          | 95672                              | 86976                              | 117653                               |
| 2 Less: Excise duty  | 15741                          | 14205                          | 45291                              | 41172                              | 55188                                |
| 3 Net sales  | 17580                          | 15168                          | 50381                              | 45804                              | 62465                                |
| 4 Other income   | 569                            | 474                            | 1499                               | 1549                               | 2566                                 |
| 5 Total expenditure  |                                |                                |                                    |                                    |                                      |
| a) Increase/(decrease) in excise duty on finished goods                        | 425                            | (176)                          | (342)                              | 797                                | 581                                  |
| b) (Increase)/decrease in stock in trade                                       | (631)                          | (76)                           | (245)                              | (1401)                             | (825)                                |
| c) Consumption of raw and packing materials                                    | 4461                           | 3770                           | 11911                              | 11753                              | 15536                                |
| d) Purchases for resale (including transferred from raw and packing materials) | 1776                           | 979                            | 5301                               | 3789                               | 5635                                 |
| e) Staff cost  | 1185                           | 975                            | 4281                               | 3029                               | 4197                                 |
| f) Advertising and sales promotion   | 2565                           | 2778                           | 7760                               | 7641                               | 10746                                |
| g) Other expenditure   | 5047                           | 5225                           | 15043                              | 14977                              | 19949                                |
| 6 Interest including discounting charges                                       | 544                            | 200                            | 867                                | 428                                | 568                                  |
| 7 Depreciation   | 295                            | 254                            | 851                                | 718                                | 995                                  |
| 8 Profit before taxation   | 2482                           | 1713                           | 6453                               | 5622                               | 7649                                 |
| 9 Provision for taxation (current and deferred)                                | 840                            | 576                            | 2229                               | 1855                               | 2431                                 |
| 10 Net profit  | 1642                           | 1137                           | 4224                               | 3767                               | 5218                                 |
| 11 Paid up equity share capital<br>(Face value of Rs. 10 per share)            | 1040                           | 1040                           | 1040                               | 1040                               | 1040                                 |
| 12 Reserves excluding revaluation reserves                                     |                                |                                |                                    |                                    | 27674                                |
| 13 Basic and diluted earnings per share (Rs.)                                  | 15.79                          | 10.93                          | 40.62                              | 36.23                              | 50.18                                |
| 14 Aggregate of non-promoter shareholding                                      |                                |                                |                                    |                                    |                                      |
| - Number of shares   | 2828991                        | 2858496                        | 2828991                            | 2858496                            | 2849036                              |
| - Percentage of shareholding   | 27.20                          | 27.49                          | 27.20                              | 27.49                              | 27.40                                |

**Segmentwise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement**

|   |       |       |       |       |        |
|---|-------|-------|-------|-------|--------|
| 1 Segment Revenue:                                      |       |       |       |       |        |
| Cigarettes and Tobacco Products                         | 32231 | 28537 | 92566 | 84581 | 114296 |
| Tea and related Products                                | 1090  | 836   | 3106  | 2395  | 3357   |
| Gross sales   | 33321 | 29373 | 95672 | 86976 | 117653 |
| 2 Segment Results:                                      |       |       |       |       |        |
| Cigarettes and Tobacco Products                         | 2224  | 1846  | 6009  | 5672  | 7261   |
| Tea and related Products                                | 34    | (128) | (59)  | (326) | (444)  |
| Total   | 2258  | 1718  | 5950  | 5346  | 6817   |
| Add/(Less): i) Interest and discounting charges         | (11)  | (105) | (46)  | (168) | (188)  |
| ii) Un-allocable income net of un-allocable expenditure | 235   | 100   | 549   | 444   | 1020   |
| Total profit before tax                                 | 2482  | 1713  | 6453  | 5622  | 7649   |
| 3 Segment Capital Employed:                             |       |       |       |       |        |
| Cigarettes and Tobacco Products                         | 16778 | 11900 | 16778 | 11900 | 13799  |
| Tea and related Products                                | 1360  | 1056  | 1360  | 1056  | 761    |
| Total segment capital employed                          | 18138 | 12956 | 18138 | 12956 | 14560  |

**Notes:**

- i) 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 January 29, 2005 after being reviewed by the Audit Committee.
- ii) As per past practice, expenditure on cigarette advertising and sales promotion budgeted for the year is evenly spread over the year for the purposes of quarterly results and any excess or shortfall over the budgeted expenditure is adjusted in last quarter of the financial year.
- iii) Interest for the quarter and nine months period ended December 31, 2004 include Rs.340 lacs and Rs.285 lacs respectively for prior periods, arising as a result of a tax demand received during the quarter but contested by the Company.
- iv) Staff cost for the nine months period ended December 31, 2004 includes a non recurring pay out of Rs.740 lacs.
- v) During the quarter 14 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.
- vi) A constitution bench of the Hon'ble Supreme Court of India has pronounced a judgement on 20th January, 2005 holding, inter-alia, that the State Governments do not have legislative competence to levy luxury tax on goods including cigarettes. Pending complete examination of legal and financial implications of the said judgement, no effect thereof has been considered in the above results.
- vii) Figures have been regrouped wherever considered necessary.

Registered Office: Chakala Andheri (East), Mumbai 400 099  
Delhi : 29th January, 2005

(S.V. Shanbhag)  
Whole-time Director

Per our report attached  
For A.F.FERGUSON & CO.  
Chartered Accountants

J.M.SETH  
Partner

New Delhi:

The limited review as required under Clause 41 of Listing Agreement has been completed by Statutory Auditors. The Limited Review Report for the quarter ended December 31, 2004 does not have any impact on the above results and notes in aggregate except in respect of matter explained in note (ii).

Delhi : 29th January, 2005

(S.V. Shanbhag)  
Whole-time Director