Deloitte Haskins & Sells

Chartered Accountants
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INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF GODFREY PHILLIPS INDIA LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **GODFREY PHILLIPS INDIA LIMITED** ("the Company") for the Quarter and half year ended September 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and half year ended September 30, 2013 of the Statement, from the details furnished by the Registrar.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 015125N)

Jaideep Bhargava
Partner
(Membership No. 090295)

Gurgaon, November 09, 2013

GODFREY PHILLIPS INDIA LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Half Year ended September 30, 2013

Part I

(Rs. lacs)

Sl. No.	Particulars	Quarter ended 30.09.2013 (Unaudited)	Preceding Quarter ended 30.06.2013 (Unaudited)	Corresponding Quarter ended 30.09.2012 (Unaudited)	Half Year ended 30.9.2013 (Unaudited)	Half Year ended 30.9.2012 (Unaudited)	Year ended 31.03.2013 (Audited)
		(1)	(2)	(3)	(4)	(5)	(6)
1	**Income from operations**						
	a) Gross sales	100684	100367	80301	201051	168985	359820
	b) Less: Excise duty	41628	40360	34552	81988	75780	154573
	Net sales (a-b)	59056	60007	45749	119063	93205	205247
	c) Other operating income	1293	1490	794	2783	1721	4401
	Total income from operations	**60349**	**61497**	**46543**	**121846**	**94926**	**209648**
2	**Expenses**						
	a) Cost of materials consumed	13124	11383	9806	24507	22409	47555
	b) Purchase of traded goods (including transferred from raw and packing materials)	10971	12909	8973	23880	16311	42343
	c) (Increase)/decrease in stock in trade and work-in-process	4	3651	(3100)	3655	(7439)	(9394)
	d) Increase/(decrease) in excise duty on finished goods	260	(1142)	1439	(882)	4486	3204
	e) Employee benefits expenses	5487	5918	4827	11405	9678	20081
	f) Advertising and sales promotion	7170	7237	8236	14407	14803	28661
	g) Depreciation and amortization expenses	2097	2165	2254	4262	4070	8800
	h) Other expenditure	14662	13730	9217	28392	21530	45076
	Total expenses	**53775**	**55851**	**41652**	**109626**	**85848**	**186326**
3	Profit from operations before other income, finance costs and exceptional item (1-2)	6574	5646	4891	12220	9078	23322
4	Other income	482	1291	452	1773	968	3060
5	Profit from ordinary activities before finance costs and exceptional item (3+4)	7056	6937	5343	13993	10046	26382
6	Finance costs	1393	574	717	1967	1436	2692
7	Profit from ordinary activities after finance costs but before exceptional item (5-6)	5663	6363	4626	12026	8610	23690
8	Exceptional item - Refer Note 4	-	3538	-	3538	-	-
9	Profit from ordinary activities before tax (7-8)	5663	2825	4626	8488	8610	23690
10	Tax expense	1838	490	1381	2328	2562	6742
11	**Net profit for the period (9-10)**	**3825**	**2335**	**3245**	**6160**	**6048**	**16948**
12	Paid up equity share capital (Face value of Rs.10 per share)	1040	1040	1040	1040	1040	1040
13	Reserves excluding revaluation reserves						103132
14	Basic and diluted earnings per share (Rs.)	36.78	22.46	31.20	59.24	58.16	162.98

Part II

Sl. No.	Particulars						
A	**PARTICULARS OF SHAREHOLDING**						
1	**Public shareholding**						
	- Number of shares	3010847	3010847	3010847	3010847	3010847	3010847
	- Percentage of shareholding	28.95	28.95	28.95	28.95	28.95	28.95
2	**Promoter and promoter group shareholding**						
	a) Pledged/Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of total share capital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	7387937	7387937	7387937	7387937	7387937	7387937
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of total share capital of the Company)	71.05	71.05	71.05	71.05	71.05	71.05

B	**Investor Complaints**	
	- Pending at the beginning of the quarter	-
	- Received during the quarter	1
	- Disposed off during the quarter	1
	- Remaining unresolved at the end of the quarter	-

	Segment-wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement						
1	**Segment Revenue:**						
	Cigarettes and Tobacco Products	52674	56192	41291	108866	86281	188650
	Tea and other Retail Products	7675	5305	5252	12980	8645	20998
	Total income from operations	**60349**	**61497**	**46543**	**121846**	**94926**	**209648**
2	**Segment Results:**						
	Cigarettes and Tobacco Products	8366	4729	3552	13095	10129	25538
	Tea and other Retail Products	(721)	(891)	(228)	(1612)	(576)	(1565)
	Total	**7645**	**3838**	**3324**	**11483**	**9553**	**23973**
	Add/(Less): i) Finance costs	(1393)	(574)	(717)	(1967)	(1436)	(2692)
	ii) Un-allocable income/(expenditure) net of un-allocable expenditure/income	(589)	(439)	2019	(1028)	493	2409
	Profit before tax	**5663**	**2825**	**4626**	**8488**	**8610**	**23690**
3	**Capital Employed:**						
	Cigarettes and Tobacco Products	88148	91192	82614	88148	82614	95887
	Tea and other Retail Products	9423	8292	5306	9423	5306	8395
	Total segment capital employed	**97571**	**99484**	**87920**	**97571**	**87920**	**104282**
	Unallocated capital employed	12761	7024	10219	12761	10219	(110)
	Total capital employed	**110332**	**106508**	**98139**	**110332**	**98139**	**104172**

Notes:

1. **Statement of assets and liabilities** (Rs. lacs)

Particulars	STANDALONE	
	As at current half year end 30.9.2013 (Unaudited)	As at previous year end 31.3.2013 (Audited)
	(1)	(2)
EQUITY AND LIABILITIES		
Shareholders' Funds		
(a) Share capital	1040	1040
(b) Reserves and surplus	109292	103132
Sub-total - Shareholders' funds	**110332**	**104172**
Non-current liabilties		
(a) Long -term borrowings	12146	16613
(b) Deferred tax liabilities (net)	-	384
(c) Other long-term liabilities	22	20
(d) Long-term provisions	3819	3582
Sub-total - Non-current liabilities	**15987**	**20599**
Current liabilties		
(a) Short-term borrowings	854	5926
(b) Trade payables	13737	15747
(c) Other current liabilities	43531	26103
(d) Short-term provisions	2824	6299
Sub-total - Current liabilities	**60946**	**54075**
TOTAL EQUITY AND LIABILITIES	**187265**	**178846**
ASSETS		
Non -Current Assets		
(a) Fixed assets	70833	71439
(b) Non-current investments	23150	16150
(c) Deferred tax assets (net)	1726	-
(d) Long-term loans and advances	5108	4199
Sub-total - Non-current assets	**100817**	**91788**
Current Assets		
(a) Current investments	18000	15703
(b) Inventories	47793	53835
(c)Trade receivables	8929	7930
(d) Cash and bank balances	2678	2211
(e) Short -term loans and advances	7416	5850
(f) Other current assets	1632	1529
Sub-total - Current assets	**86448**	**87058**
TOTAL ASSETS	**187265**	**178846**

2. The above results are as per Clause 41 of the Listing Agreement and have been taken on record by the Board of Directors at its meeting held on November 9, 2013 after being reviewed by the Audit Committee.

3. In accordance with the accounting policy consistently followed by the Company, exchange loss amounting to Rs. 3229 lacs and Rs.979 lacs, arising from restatement of foreign currency loan liabilities at the prevailing rates of exchange, have been recognised in the above results for the half years ended on September 30, 2013 and September 30, 2012 respectively.

4 The exceptional item represents compensation paid to unionized staff and workmen attached to the Company's plant at Andheri, Mumbai, pursuant to the voluntary retirement schemes announced by the Company.

5 Figures for the previous periods have been re-classified/re-grouped, wherever necessary, to correspond with the current period's classification/disclosure.

Limited Review :

The Limited Review, as required under Clause 41 of the Listing Agreement has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the quarter and half year ended September 30, 2013 which needs to be explained.

(K.K.Modi)
Managing Director

Registered Office: 'Macropolo Building', Ground Floor, Next to Kala Chowky Post Office, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai - 400 033.

New Delhi: November 9, 2013