

August 14, 2023

- 1. The Secretary**  
**BSE Limited**  
**Phiroze Jeejeebhoy Towers,**  
**25<sup>th</sup> Floor, Dalal Street,**  
**Mumbai – 400 001**  
**Fax No: 91-22-22721919**
- 2. The Secretary**  
**National Stock Exchange of India Limited**  
**Exchange Plaza, 5<sup>th</sup> Floor,**  
**Plot No. C-1, Block – G,**  
**Bandra Kurla Complex,**  
**Bandra (East)**  
**Mumbai – 400051**

**Scrip Code: 500163**

**Scrip Symbol: GODFRYPHLP**

**Sub:** Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“LODR Regulations”)

Dear Sir/Madam,

Pursuant to the amendment to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule III and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, **Godfrey Phillips India Limited** (“the Company”) is required to disclose “*Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity*” including any continuing event or information which becomes material pursuant to notification of the amendment within thirty days from the effective date of the amendment.

Accordingly, the disclosure regarding “*Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity*” is enclosed herewith as **Annexure – A**.

These matters are currently sub-judice and the Company, based on its assessment, believes that none of these matters are expected to have any material financial implications on the Company.

This is for your information and record.

Thank you.

Yours Faithfully,  
**For Godfrey Phillips India Limited**

**Sanjay Kumar Gupta**  
**Company Secretary**  
**M. No.: 7545**  
Encl.: As above



**GODFREY PHILLIPS**  
—INDIA LIMITED—

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**Annexure- A**

Particulars	Matter 1	Matter 2	Matter 3
Name of the opposing party	Principal Commissioner, Central Goods & Service Tax (CGST) & Central Excise, Mumbai East	Additional Director, Directorate General of GST Intelligence (DGGSTI)	Commissioner, Central Excise, Pune
Court/Tribunal/Agency where litigation is filed	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai	The Additional Commissioner, CGST, Delhi East Commissionerate	Commissioner, Central Excise, Pune
Brief details of dispute/litigation	<p>This issue pertains to classification of “Tipper” Brand Cigarette for the purposes of levy of excise duty. The Company had classified this Cigarette under the heading “Other than Filter Cigarette”. The Central Excise Department (the Department) alleged that the Cigarette manufactured were “Filter Cigarette” and accordingly demanded the differential excise duty by issuing show cause notices for the period from 2006 to 2009.</p> <p>The Company initially received a favorable order by the Commissioner in the year 2009 against which the Department filed an appeal before the CESTAT Mumbai and the CESTAT remanded the matter for fresh adjudication by the Commissioner.</p> <p>In second round of litigation by virtue of remand, entire demand was dropped in June 2020 by the Commissioner, Mumbai accepting the classification adopted by the Company as “Other than Filter Cigarettes” as against “Filter Cigarettes” alleged by the Department.</p>	<p>The Company has received a show cause notice (SCN) in April 2022 issued by the DGGSTI, Delhi alleging that Input Tax Credit (ITC) relating to the period July 2017 to June 2018 and pertaining to the services availed/procured at Head Office/Corporate Office of the Company and subsequently cross charged to all establishments and Goods &amp; Service Tax (GST) registrations of the Company across the country, is ineligible for credit at the Head Office/Corporate Office of the Company since it was not registered as Input Service Distributor (ISD). Hence, in view of the DGGSTI, the ITC availed by the Company becomes recoverable with applicable interest and penalty.</p> <p>The Company had adopted the cross-charge mechanism instead of ISD basis the legal advice obtained by it. Recently this issue has also been covered by the CBIC in its Circular No.199/11/2023-GST dated 17.07.2023 which appears to have the effect of clarifying that as per the present provisions of the CGST Act and CGST Rules, it is not mandatory for the Head Office of a company to distribute ITC by ISD mechanism alone and appears to be meant to provide relief to the taxpayers who have adopted the cross-charge mechanism.</p>	<p>The Department has alleged that the Company has short paid excise duty on the manufacture of pan masala during the period July 2010 to September 2012 in terms of Pan Masala Packing Machines (Capacity Determination and Calculation of Monthly Duty Liability) Rules, 2008 (hereinafter referred as the Pan Masala Rules) and accordingly issued show cause notices (SCNs) based on Duty Determination Orders passed by the Assistant Commissioner, Baramati. The key contentions raised by the Department in the SCNs are summarised as under:</p> <p>(1) Excise duty is payable for complete month even though a packing machine is operated for part of the month (except where whole factory is closed for continuous period of at least 15 days) and abatement of excise duty, if any, shall be claimed subsequently.</p> <p>(2) Packing machines which have been sealed by the Department (but not uninstalled/ removed from the factory) shall also be charged to excise duty.</p> <p>(3) Where the Company has operated more than one retail sale price (RSP) (Say Rs. 2 and Rs. 4) on separately assigned packing machines, each packing</p>



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	<p>The Department has once again filed the appeal before the CESTAT, Mumbai in October 2020 and the matter is pending adjudication. The matter at present is pending.</p>	<p>The matter is at the SCN stage and is yet to be adjudicated by the Additional Commissioner.</p>	<p>machine shall be counted as two machines as if each such machine is used for the manufacture of both such RSP and excise duty liability shall be computed accordingly.</p> <p>The Company appealed before the CESTAT, Mumbai which then remanded back the matter for fresh adjudication by the Department and the same is now pending before the Commissioner, Pune.</p>
<p>Expected financial implications, if any, due to compensation, penalty etc.</p>	<p>The Company, based on its assessment and considering certain judicial precedents on the same matter, believes that it has a good case on merit and therefore, does not expect any material financial implications.</p>	<p>The Company, based on its assessment and considering the recent circular mentioned above, believes that it has a good case on merit and therefore, does not expect any material financial implications.</p>	<p>The Company, based on its assessment, believes that it has correctly calculated and paid the excise duty and does not agree with the Department's interpretation of the Pan Masala Rules to demand the differential amount of excise duty and therefore, does not expect any material financial implications.</p>
<p>Quantum of claims, if any (As quantified by the Department)</p>	<p>Rs. 1,386,729,719</p>	<p>Rs. 277,232,936</p>	<p>Rs. 956,441,643</p>



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