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LODHA
& CO

CHARTERED ACCOUNTANTS

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LIMITED REVIEW REPORT

To
The Board of Directors
GOLDEN TOBACCO LIMITED

1. We have reviewed the accompanying statement of standalone unaudited financial results of **GOLDEN TOBACCO LIMITED** for the quarter ended 31st December, 2011 which has been initiated by us for identification purpose except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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 these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 financial statements are 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. A Flat-Gross Block of Rs.66.45 lacs (Net Block Rs.41.79 Lacs) as on 31st December, 2011 which, as explained by the Management, is in the wrongful possession of the family member of an ex- employee for a long time. The Company has already initiated legal proceedings against the said ex- employee and on his demise, the names of his family members were substituted. The Company is pursuing litigation so that the flat can be vacated at the earliest. We are, however, unable to comment as to when the said flat would be released to the Company and on the ultimate realisability of the carrying value thereof.
4. In accordance with the consistent practice followed by the Company, no provision has been made in the accounts in respect of the estimated total liability for future payment of gratuity of Rs. 595.37 lacs (including Rs. 7.40 lacs for the quarter and Rs.18.90 lacs for nine months period ended) determined on the basis of actuarial valuation as on March 31, 2011 and estimated accruing liability for the quarter and nine months ended on December 31, 2011. The accounting method of providing gratuity liability as and when due is not in accordance with the accounting method prescribed in Accounting Standard 15 of "Accounting for Employee Benefits" issued by Companies (Accounting Standards) Rules, 2006.
5. Certain Sundry Debtors and Loans & Advances aggregating to Rs. 493.62 lacs though long overdue, have been considered good by the management are, in our opinion, doubtful of recovery and are therefore, to be provided for as doubtful debts.
6. Inventories held by the Company include Rs. 104.95 lacs which in our opinion needs to be provided for because of its obsolescence.
7. We further report that, without considering the matter referred to in paragraph 3 above, the effect of which could not be determined, had the observations made by us in paragraphs 4 to 6 above been considered, the loss after tax for the quarter would have been higher by Rs. 1193.94 lacs.

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8. (a) We refer to the notes to the unaudited financial results (provisional) for the quarter ended 31st December, 2011 and state that: -

Management's comments in note 3 with regard to the qualifications by the Auditors in their report on the accounts for the year ended 31st March, 2011 and their review reports for the subsequent periods are not in conformity with the requirements of Para (iv)(c) appearing under clause 41 of the Listing Agreement, inasmuch as that the Company has not disclosed the reasons for the non resolving of qualifications and the appropriate steps which the Company intends to take in the matters under qualification.

- (b) Interest expense disclosed in the accompanying statement of quarterly results is net of interest income of Rs.4.53 Lacs for the quarter ended 31st December, 2011.

9. Based on our review conducted as above and subject to what is stated at paragraphs 7 and 8 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For LODHA & COMPANY
Chartered Accountants
Firm Registration No. 301051E

Sd/-

A.M. Hariharan
Partner
Membership No.: 38323

Place: Mumbai
Date : February 14, 2012