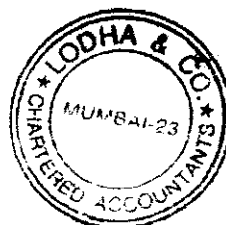


LIMITED REVIEW REPORT

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, 2009 which has been initialed by us for purpose of identification. 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) 2400, engagement to Review Financial Statements 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 results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *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.13,09,11,370 as on 31st March, 2009 determined on the basis of actuarial valuation and estimated amount of Rs. 8,377,936 for the quarter ended 31st December, 2009. The accounting method of providing gratuity liability as and when due is not in accordance with the accounting method prescribed in Accounting Standard(AS) 15 of "Accounting for Employee Benefits" issued by Companies (Accounting Standards) Rules, 2006.*
4. *A Flat-Gross Block of Rs.66.45 Lacs (Net Block Rs.44.12 Lacs) as on 31st December, 2009 which is in the possession of family member of an ex-employee for a long time. In view of this, we are 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.*



- (a) We refer to the notes to the unaudited financial results (provisional) for the quarter ended 31st December, 2009 and state that: -

Management's comments in note 2, with regard to the comments of the Auditors in their report on the accounts for the year ended 31st March, 2009 is not in conformity with the requirements of Para (iv)(c) appearing under clause 41 of the Listing Agreement inasmuch as the Company has not disclosed the reasons for the non resolving qualifications and the steps which the Company intends to take in the matter.

- (b) Interest expense disclosed in the accompanying statement of quarterly results is net of interest income of Rs.1.88 Lacs for the quarter ended on 31st December, 2009.

6. Attention is also drawn to Note No. 7 (a) in Schedule 'Q' to the audited financial statements for the year ended 31st March, 2009 in respect of advances of Rs.53.50 Crores (Rs. 20 crores given in December, 2007 and Rs. 33.50 crores given in March, 2008) towards purchase of properties (given to shareholder promoters) which have now become long overdue. As explained, the management is confident of recovering in cash or in kind the same in due course of time.
7. Based on our review conducted as above and *subject to what is stated at paragraphs 3 to 5 above* and read with what is stated in para 6 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

R.P. Baradiya

R.P. Baradiya
Partner

Membership No.: 44101

Place: Mumbai
Date: 26th February, 2010

