

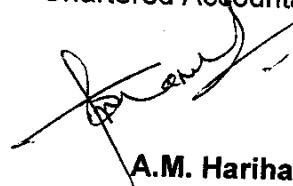
**LIMITED REVIEW REPORT**

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 30th September, 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. *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. 5,87,97,152 determined on the basis of actuarial valuation as on March 31, 2011 and estimated accruing liability for half year ended on September 30, 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.*
4. *A Flat-Gross Block of Rs.66.45 Lacs (Net Block Rs.42.09 Lacs) as on 30th September, 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.*

5. Certain Sundry Debtors and Loans & Advances aggregating to Rs. 49,309,336 which, 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. 10,494,596 which in our opinion needs to be provided for because of its obsolescence.
7. (a) We refer to the notes to the unaudited financial results (provisional) for the quarter ended 30th September, 2011 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 31<sup>st</sup> March, 2011, 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.2.40 Lacs for the quarter ended 30th September, 2011.
8. Based on our review conducted as above and subject to what is stated at paragraphs 3 to 7 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



**A.M. Hariharan**  
Partner

**Membership No.: 38323**  
**Firm Registration No. 301051E**

Place: Mumbai  
Date : 14<sup>th</sup> November, 2011