

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 June, 2012 which has been initialed 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 provide 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.41.21 Lacs) as on 30th June, 2012 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. 496.84 lacs (including Rs. 9.55 lacs for the current quarter) determined on the basis of actuarial valuation as on March 31, 2012 and estimated accruing liability for the quarter ended on June 30, 2012. The accounting policy 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 Trade Receivables and Loans & Advances aggregating to Rs. 605.61 lacs which, have been classified by the management as 'considered good' are, in our opinion, doubtful of recovery and are therefore need to be provided for as doubtful debts.*
6. *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 and 5 above been considered, the loss after tax for the quarter would have been higher by Rs. 1,102.45 lacs.*
7. *We refer to the notes to the unaudited financial results for the quarter ended 30th June, 2012 and state that the above qualifications of the auditors are yet to be resolved.*
8. *We draw attention to the fact that there is a substantial diminution in the carrying value of certain long term investments, particularly in respect of quoted investments- the diminution being Rs. 336.36 lacs as compared to its market value, which in the opinion of the management is temporary and therefore, no provision is considered necessary at this stage as the same are long term and strategic in nature.*
9. *Based on our review conducted as above and subject to what is stated at paragraphs 6 and 7 and read together with paragraph 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

sdf

A.M. Hariharan
Partner
Membership No.: 38323

Place: Mumbai
Date : 6th August, 2012