

56th

**ANNUAL REPORT
2011-2012**



Golden Tobacco Limited.

GOLDEN TOBACCO LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

SANJAY DALMIA	-	CHAIRMAN
ANURAG DALMIA	-	VICE CHAIRMAN
A.K.JOSHI	-	ACTING MANAGING DIRECTOR
R.R.KUMAR	-	NON EXECUTIVE INDEPENDENT DIRECTOR
J.P.KHETAN	-	NON EXECUTIVE NON INDEPENDENT DIRECTOR
BHARAT B.MERCHANT	-	NON EXECUTIVE INDEPENDENT DIRECTOR
V.K.BHANDARI	-	NON EXECUTIVE INDEPENDENT DIRECTOR
RISHABH JAIN	-	NON EXECUTIVE INDEPENDENT DIRECTOR
V.ANISH BABU	-	NOMINEE DIRECTOR-IFCI

COMPANY SECRETARY

MANOJ KUMAR SRIVASTAVA

STATUTORY AUDITORS

M/S LODHA & CO.
CHARTERED ACCOUNTANTS,MUMBAI

SOLICITORS

M/S KHAITAN JAYAKAR SUD & VOHRA (KJSV)

REGISTERED OFFICE AND WORKS

AT DARJIPURA,POST-AMALIYARA,
VADODARA-390022,GUJARAT, INDIA
TEL.(0265)2540281 Fax (0265)2540281

INVESTORS' CELL

TOLL FREE NO. 1800223951
EMAIL: share@goldentobacco.in

REGISTRAR & TRANSFER AGENT

M/S LINK INTIME INDIA P.LTD.
C-13,PANNA LAL SILK MILLS COMPOUND,
L.B.S.MARG,BHANDUP(W),MUMBAI-400078
TEL.(22)25963838 Fax (22)25946969
EMAIL : Mumbai@linkintime.co.in

BANKERS

CANARA BANK
SYNDICATE BANK
VIJAYA BANK
STATE BANK OF BIKANER AND JAIPUR
ALLAHABAD BANK

STOCK EXCHANGE(S)

BOMBAY STOCK EXCHANGE LTD.
NATIONAL STOCK EXCHANGE OF INDIA LTD.

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56TH ANNUAL GENERAL MEETING

DAY, DATE & TIME	:	THURSDAY, 27TH SEPTEMBER, 2012 AT 3.30 PM
VENUE	:	AT DARJIPURA, POST AMALIYARA, VADODARA-390022 GUJARAT
BOOK CLOSURE DATE	:	24TH SEPTEMBER TO 27TH SEPTEMBER, 2012 (BOTH DAYS INCLUSIVE)



NOTICE

NOTICE is hereby given that the **FIFTY- SIXTH ANNUAL GENERAL MEETING** of the Members of GOLDEN TOBACCO LIMITED will be held on Thursday, the 27th September, 2012 at 3.30 P.M. at Darjipura, Post-Amaliyara, Vadodara - 390022, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri J.P. Khetan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Vijay Kumar Bhandari, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Lodha & Co. Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

5. **APPOINTMENT OF AND REMUNERATION PAYABLE TO SHRI A. K. JOSHI AS ACTING MANAGING DIRECTOR OF THE COMPANY :**

TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to requisite approvals including Central Government, if any, **approval**, be and is, hereby accorded to the appointment of Shri A. K. Joshi as Acting Managing Director of the Company w.e.f. 17th December, 2011 to ensuing Annual General Meeting i.e. 27th Sep. 2012 on the terms and conditions of appointment including remuneration payable as set out in the draft agreement to be entered into by the Company with him, with liberty to the Board of Directors to alter and/ or to vary the terms and conditions of the said Agreement, including the terms of remuneration, as may be agreed to between the Board of Directors and Shri A. K. Joshi.

“**RESOLVED FURTHER THAT** Shri A. K. Joshi shall not be paid any sitting fees for attending meetings of the Board of Directors or its Committees from the date of his appointment and neither be liable to retire by rotation nor be reckoned with for determining the number of Directors liable to retire by rotation, till the time he holds the Office as Acting Managing Director of the Company.”

6. **APPOINTMENT OF AND REMUNERATION PAYABLE TO SHRI A. K. JOSHI AS MANAGING DIRECTOR OF THE COMPANY:**

TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to requisite approvals including Central Government, if any, **approval**, be and is, hereby accorded to the appointment of Shri A. K. Joshi as Managing Director of the Company for a period of three years w.e.f. 28th September, 2012 to 27th September, 2015 on the terms and conditions of appointment including remuneration payable as set out in the draft agreement to be entered into by the Company with him, with liberty to the Board of Directors to alter and/ or to vary the terms and conditions of the said agreement including the terms of remuneration as may be agreed to between the Board of Directors and Shri A. K. Joshi.

“**RESOLVED FURTHER THAT** Shri A. K. Joshi shall not be paid any sitting fees for attending meetings of the Board of Directors or its Committees from the date of his appointment and neither be liable to retire by rotation nor be reckoned with for determining the number of Directors liable to retire by rotation, till the time he holds the Office as Managing Director of the Company.”

7. **ALTERATION OF ARTICLES OF ASSOCIATION :**

TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“**RESOLVED THAT** the approval, be and is, hereby accorded pursuant to Section 31 of the Companies Act, 1956 to the alteration in the Articles of Association as detailed below :

i) SUBSTITUTION OF EXISTING CLAUSE 4 BY FOLLOWING NEW CLAUSE

CAPITAL

4 The Authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company

ii) INSERTION OF FOLLOWING NEW CLAUSE 11B

BUY-BACK OF SECURITIES

11B Notwithstanding anything contained in these Articles, but subject to the provisions of Section 77A and 77B and any other section(s) applicable, if any, of the Act, the Company may purchase its own shares or other specified securities (hereinafter referred to as 'Buy-Back') out of its

(a) free reserves: or

(b) The Securities Premium Account: or

(c) The proceeds of any shares or other specified securities, in accordance with the provisions of Sections 77A & 77B of the Act and the Rules/Circulars/Guidelines etc. prescribed by the Central Government and / or by Securities and Exchange Board of India (SEBI) in this behalf.

iii) INSERTION OF FOLLOWING NEW CLAUSE 137A

POSTAL BALLOT

137A Notwithstanding anything contained in these Articles but subject to provisions of Section 192A and any other Section(s) applicable, if any, of the Act and the Rules / Circulars / Guidelines etc. prescribed by the Central Government and / or by Securities and Exchange Board of India (SEBI) in this behalf, the Company may, and in case of the resolutions relating to such business as the Central Government may declare to be conducted, only by postal ballot (by electronic or any other mode), get any resolution passed by means of a postal ballot, instead of, transacting the business in General Meeting of the Company.'

iv) INSERTION OF FOLLOWING NEW CLAUSE 99(4)

NOTICE BY ELECTRONIC MODE

99(4) Notwithstanding anything contained in these Articles, the Company may send any communication including Notice of General Meeting, Balance Sheet and Auditors' Report etc. to any persons by electronic mode in accordance with the provisions of the Act and Rules / Circulars / Guidelines etc. prescribed by the Central Government and / or by Securities and Exchange Board of India (SEBI) in this behalf.

(v) INSERTION OF FOLLOWING NEW CLAUSE 181(3)

COMMUNICATION WITH DIRECTOR BY ELECTRONIC MODE

181(3) Notwithstanding anything contained in these Articles, the Company may send any communication to any Director including Notice of Board Meeting etc. by electronic mode in accordance with the provisions of the Act and Rules / Circulars / Guidelines etc. prescribed by the Central Government and / or by Securities and Exchange Board of India (SEBI) in this behalf.

(vi) INSERTION OF FOLLOWING NEW CLAUSE 137B

MEETING BY ELECTRONIC MODE

137B Notwithstanding anything contained in these Articles, the Company may hold General Meeting(s) / Board Meeting(s) / Committee Meeting(s) etc. with participation of entitled persons by electronic mode (video conferencing) including voting and any other incidental thing(s) by electronic mode in accordance with the provisions of the Act and Rules / Circulars / Guidelines etc. prescribed by the Central Government and / or by Securities and Exchange Board of India.



(vii) **INSERTION OF FOLLOWING NEW CLAUSE 192A**

GENERAL AUTHORITY

192A Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company can carry out any transaction only if so authorized by its Articles, then and in that case and even otherwise also these regulations hereby authorize and empower the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act.

**By Order of the Board,
For GOLDEN TOBACCO LIMITED**

**Place: Mumbai
Date :6th August, 2012**

**Manoj Kumar Srivastava
Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE PROXY FORM SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th Sep.2012 to 27th Sep.2012 (both days inclusive).
4. All the documents referred in this Notice and explanatory statement are open for inspection of the Members at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of Annual General Meeting.
5. Members may note that all unpaid/unclaimed dividend up to 1993-94 declared by the Company has been transferred by it to the General Revenue Account of the Central Government. Unpaid dividend pertaining to the year 1994-95 is being paid as per schedule fixed by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 16.12.2002. The balance amount would be paid as per the Modified Draft Rehabilitation Scheme (MDRS), which is under consideration with Hon'ble BIFR.
6. M/s Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078, is the Registrar for dematerialization of shares as well as Shares and Transfers Agent. Members holding shares in the physical form are requested to notify/ send to the following to them to facilitate better service:
 - a. Any change in their address, particulars mentioning the pin code number, folio no., no. of shares held etc.
 - b. Share Certificates, if any in multiple folios in identical names or joint accounts in the same order of names, for consolidations of such shareholding into one folio.
 - c. Any query relating to the Annual Accounts or otherwise must be sent to the Registered Office of the Company at least 10 days before the Annual General Meeting.
7. Members /Proxies attending this meeting are requested to bring with them the following:
 1. The Copy of Annual Report as no separate copy will be given at the time of AGM.
 2. The Attendance Slip sent herewith duly filled in is to be lodged with the Company at the venue. The holders of shares in demat form are requested to fill in their DP ID and Client ID in the Attendance Slip/ Proxy Form for easy identification. In case of joint holder(s), if more than one holder intends to attend the meeting, they may obtain the additional admission slip on request from the Registered Office of the Company on or before 20th September, 2012 to avoid inconvenience.
8. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item No. 5 to 7 is annexed to the Notice.
9. Information of the Directors seeking appointment /reappointment as required by Clause 49(IV)(G)(i) of the Listing Agreement is given under para I of the report of Corporate Governance for the year 2011-12 which forms part of Annual Report for the year ended 31st March, 2012.

BREIF RESUME OF DIRECTORS SEEKING RE-ELECTION AT THIS ANNUAL GENERAL MEETING:

Name	Shri J. P. Khetan	Shri Vijay Kumar Bhandari	Shri A. K. Joshi
Date of Birth & Age	27th April, 1943 (69 Years)	14th October, 1943 (69 Years)	1st January, 1958 (54 Years)
Date of Appointment	25th August 1989	31st July, 2009	21st Oct, 2003
Qualifications	Inter(Arts)	F.C.A.	B.Com., F.C.A.
No. of Shares held	1950	80	NIL
Experience	Shri J. P. Khetan is having 48 years of rich experience in the fields of commercial and corporate. He has been associated with the Company for more than 33 years in various managerial positions	He has more than 42 years of rich experience in the fields of Banking & Finance, Audit and accounts. He worked in the Central Bank of India from 1971 to 2003. He retired as General Manager on October 31st, 2003. Since then he is Practising Chartered Accountant.	Shri A.K. Joshi was appointed in the Board on 21st Oct, 2003 as Executive Director and promoted as Acting Managing Director in the year 2011. He is having 29 years rich experience in the field of Finance and Accounts.
\$Directorship in other public companies	Golden Realty & Infrastructure Limited	<ul style="list-style-type: none"> • Jayant Agro-organics Ltd. • Hindustan Sanitaryware & Industries Ltd. • Supreme Smelters Ltd. • Capital Local Area Bank Ltd. • Gurunanak Auto Enterprises Ltd. 	<ul style="list-style-type: none"> • Western Express Industries Ltd. • Golden Realty & Infrastructure Ltd.
@ Chairmanship/ membership of committees	NIL	NIL	NIL

\$ Directorship in private companies, foreign companies and associates are excluded.

@ Represents Membership/Chairmanships of Audit Committee and Shareholders'/Investors Grievance Committee only.



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956, TO THE ACCOMPANYING NOTICE DATED 6TH AUGUST, 2012:

ITEM NOS. 5 & 6

Your Directors have appointed Shri A. K. Joshi as Acting Managing Director of the Company w.e.f. 17th December, 2011 up to next Annual General Meeting i.e. 27th September, 2012. Considering his valuable contribution and able guidance and on recommendation of Remuneration Committee, your Directors at their Meeting held on 6th August, 2012 have appointed him as Managing Director for the period of three years w.e.f. 28th September, 2012 to 27th September, 2015 without any change in remuneration on following major terms and conditions:

Other Conditions:

- I. Shri A. K. Joshi shall have the power of General Conduct and Management of the business and affairs of the Company subject to the superintendence, control and direction of the Board.
- II. Basic Salary (P.M.) Rs. 1,63,200/- as Acting Managing Director and Rs. 2,18,000/- w.e.f. 1st April, 2012.
- III. **Perquisites & Allowances (P.M.):** HRA @ 60% of Basic, Servant Allowance @ 15% of Basic, Gas & Electricity @ 8.33% of Basic, Home Maintenance Allowance @ 8.33% of Basic, Children Education Allowance: Rs.1500/-, Books & Periodicals: Rs. 3000/-, Business Promotion: Rs. 3000/-, Special Pay: Rs.150000/-, Car Scheme: Rs. 75000/-.

IV. Other Perquisites & Allowances:

- (I) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act 1961.
- (II) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and Encashment of Leave at the end of the tenure.
- (III) Provision of the Company's maintained Car and driver's salary for use of the Company's business and telephone at residence shall not be considered as perquisites.
- (IV) Reimbursement of entertainment, traveling and all other actual expenses properly incurred for the purpose of the Company's business shall not be considered as remuneration.
- (V) No sitting fees to be paid for attending Meetings of the Board of Directors or any of its Committees.
- (VI) Personal accident and Medical Insurance as per Company policy
- (VII) Use of car (if required) and telephone at residence,
- (VIII) Medical expenses incurred for self and all dependent family members subject to a ceiling of one month's basic salary per year.
- (IX) Leave Travel Concession once in a year from the place of residence to anywhere in the world by air (business class) or by train (AC first class) for self and all dependent family members, subject to a ceiling of one month's basic salary.
- (X) Hospitalization reimbursement in accordance with the Scheme and Rules of the Company.

V. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of Shri A.K. Joshi as the Acting Managing Director/Managing Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, within the limits as may be allowable in Schedule XIII of the Companies Act, 1956 from time to time.

VI. TERMINATION

The aforesaid appointment may be terminated by either party giving at least six months' notice in writing in that behalf or notice pay in lieu thereof at the end of which period, termination of the contract shall take effect.

ANNEXURE 'I'

ADDITIONAL INFORMATION REQUIRED AS PER AMENDED SCHEDULE XIII TO THE COMPANIES ACT, 1956 RELATING TO ITEM NOS. 5&6 OF THE NOTICE OF ANNUAL GENERAL MEETING :

I. GENERAL INFORMATION :

(1) **Nature of Industry :**

The Company's products are classified under tobacco industry.

(2) **Commencement of Commercial Production :**

The Company's plant for manufacturing Tobacco Products (Licensed Capacity of 14500 Million and installed Capacity of 13532 Million) are already in operation.

(3) **Financial Performance :**

(Rs. In Lacs)

Particulars	Financial Year	
	2011-12	2010-11
Effective Capital	7,167.30	9,932.97
Total Income	7,189.99	11,435.20
Profit/Loss (Before Tax)	2,903.38	3,386.73

(4) **Export performance and Net Foreign Exchange Earning:**

(Rs. In Lacs)

Particulars	Financial Year	
	2011-12	2010-11
Export	2,881.14	3,304.43
Net Foreign Exchange Earned	2,815.44	3,255.14

(5) The Company has neither made any foreign investment nor has any foreign collaboration

II. INFORMATION ABOUT THE APPOINTEE :

(1) **Background Detail of the Managerial Personnel :**

Shri A. K. Joshi is a Commerce Graduate and Chartered Accountant. Right from the inception of his career spanning around more than 29 years, he has held various position at senior level at reputed business houses. He joined the Company in the year 1993 as DGM-Finance, was promoted as Director Finance in the year 2003 and was re-designated as Acting Managing Director in the year 2011.

(2) **Past Remuneration : Per Annum:**

(Rs. In Lacs)

Sr. No.	Particulars	As Acting M.D.
1	Basic Salary	40,70,160
2	Retiral Benefits *	5,28,768
3	Other Benefits & Allowances	12,07,456

* Besides Salary and Perks, Executive Directors are also entitled to the Company's contributions to Provident fund & Superannuation Fund, Gratuity and Encashment of Leave at the end of tenure.

(3) **Recognition or awards :**

The Company has no information to offer.



(4) Job Profile and suitability :

Shri A. K. Joshi as Acting Managing Director of the Company is vested with powers of General Conduct and Management of the business and affairs of the Company subject to the superintendence, control and direction of the Board.

(5) Remuneration Proposed:

Basic Salary (P.M.) Rs. 1,63,200/- as Acting Managing Director and Rs. 2,18,000/- w.e.f. 1st April, 2012 plus perquisites as aforesaid.

(6) Shri A. K. Joshi is not related to any managerial personnel of the Company.

III. OTHER INFORMATION :

(1) Reasons for losses:

- a) High borrowing cost.
- b) Steep increase in the excise duty and levy of VAT in some state upto 40 %.
- c) Sale of cigarette through grey market affected the organized sector particularly in our Company.

(2) Steps taken for improvement :

- a) Company has taken various measures to increase the domestic sale by introducing new brand.
- b) Exploring the new export market to increase sale.
- c) Cost cutting measures in operational areas.

IV. DISCLOSURE:

Remuneration package of Shri A. K. Joshi is set out in the Corporate Governance Report for the information of the Shareholders.

Additional information as set out above shall be treated as requisite statement in compliance with Item No. (iv) of sub paragraph 'c' of paragraph (1) of section II of Part II of Schedule XIII to the Companies Act, 1956

Your Directors seek your approval to the resolution as appearing in item no. 5 & 6 of the accompanying notice by way of Special Resolution. No Director shall be deemed to be interested or concerned in the resolution except Shri A.K.Joshi.

ITEM NO. 7

Ministry of Corporate Affairs in pursuit of 'Green Initiative' and other objectives have issued various Circulars in recent past permitting the Company to hold Board Meeting(s) / Committee Meeting(s) / General Meeting(s) of shareholders through video conferencing, communication to the shareholders including Notice for General Meeting, Balance Sheet and Auditors' Report as well as postal ballot and its voting through electronic mode as also communication to the Directors including Notice of Board /Committee Meeting. It is proposed to alter Articles of Association suitably to enable the Company to implement above. It is also proposed to alter Article of Association suitably in respect of buy back, general authority etc.

Your Directors seek your approval to the resolution as appearing in item no. 7 of the accompanying notice by way of Special Resolution. No Director shall be deemed to be interested or concerned in the resolution.

**By order of the Board,
For GOLDEN TOBACCO LIMITED**

**Place: Mumbai
Date :6th August,2012**

**Manoj Kumar Srivastava
Company Secretary**

**Registered Office:
Darjipura, Post-Amaliyara,
Vadodara, Gujarat- 390022**



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Fifty-Sixth Annual Report together with the Audited Accounts for the year ended 31st March, 2012:

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	Current year Ended 31.03.2012	Previous year Ended 31.03.2011
Profit/(Loss) before Interest, Depreciation, Exceptional item and Tax	(531.90)	(1554.55)
Interest-Net	2266.45	1679.66
Depreciation	105.02	152.52
Profit/(Loss) before Taxation	2903.38	(3386.73)
Provision for Taxation	1.40	1.60
Profit/(Loss) after Taxation	(2904.78)	(3386.33)
Loss brought from previous year	(6404.81)	3016.48
Loss carried over to Balance Sheet	(9309.59)	(6404.81)

PERFORMANCE OF THE COMPANY

During the year the performance of the Company is deteriorated in view of drop in the turnover compared to previous year mainly due to rapid increase of grey market and increasing in VAT ranging as high as between 20 to 40% in few state. During the year, the Company has launched aromatic new brands of cigarettes viz. Koffee and Pan Aroma. The response from the market is encouraging and your Company is hopeful of increase in the turnover. The export market performance has improved and the Company is expected to spread its wings in few more countries as well increase the number of brands which inturn would contribute to the Company's turnover for the next financial year.

DIVIDEND

Your Directors do not recommend any dividend on equity shares of the Company in view of the carried forward losses,

STATUS OF BIFR SCHEME

As per the Hon'ble Delhi High Court order the Company has filed Modified Draft Rehabilitation Scheme before the Hon'ble BIFR for extension of implementation of Scheme period which was in operation up to 31st March, 2011. Accordingly, Hon'ble BIFR has appointed Canara Bank as monitoring agency to appraise the Scheme and submit the final report to them for their consideration.

SHIFTING OF REGISTERED OFFICE

Registered Office of Your Company shifted from Tobacco House, Vile Parle (W), S.V.Road, Mumbai to At Darjipura ,Post Amliyara, Dist. Vadodara, Gujarat w.e.f. 25th October,2011 consequent to approval of Company Law Board Mumbai Bench and other requisite authority.

REAL ESTATE DEVELOPMENTS

The Company had started the Real Estate Business in the year 2007-2008, when its Hyderabad property was offered for Joint Development and the Company also entered into a Memorandum of Understanding (MOU) in the year 2009-10 with reputed developers to jointly develop its Vile Parle, Mumbai property. However, the development could not be proceeded because the parties failed to make further payment as agreed. Apart from the above, the Company's minority shareholders have filed a suit in the Hon'ble City Civil Court Mumbai challenging the MOU signed by the Company with the developers for Vile Parle property. The Hon'ble Court has granted ad-interim stay in respect of operation of the MOU.

Consequent to the above, the Company in the Modified Draft Rehabilitation Scheme (MDRS) submitted to the Hon'ble BIFR has sought to refund the advances received from the developers on the Company being able to raise the funds from a new Investors / Financials by



providing the aforesaid property as security. In view of this, the Company has proposed in the Modified Draft Rehabilitation Scheme to develop the said land on its own with the support of the strategic investor who would infuse the required fund for this purpose.

Pending Central Excise and Income Tax departments litigation before the Hon'ble BIFR and Hon'ble AAIFR, it would be difficult to proceed in the real estate business of the Company. However in view of submission of MDRS before BIFR your Directors are optimistic of commencement of real estate business on receiving approval of Hon'ble BIFR.

As regards Hyderabad property, the existing developer has expressed his inability to proceed in the development agreement. The Company has now floated enquiry in the market to find out alternative investors/developer for the development of the said property.

CORPORATE GOVERNANCE

The Company is committed to maximize the value of its stakeholders by adopting the principles of good Corporate Governance in line with the provision of law and in particular those stipulated in the Listing Agreement with the Stock Exchanges. A separate report of Corporate Governance stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is given under the separate head where the detailed operational performance of the Company has been comprehensively discussed, which forms part of Directors' Report.

ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY

Good environment as well as safe & healthy working conditions are at the root of the good performance. Your Company has been in a constant quest for providing to its employees, a very congenial work environment which will in turn add to the performance of the Company. Keeping in mind the dynamism in the environment, your Company is continuously imparting requisite training to its employees in their respective fields of work.

Health and safety of our employees is of prime concerns to us. The workplace is designed to abate the hazards naturally prone to our product. No accident or any pollution problem was noticed during the year. Care is taken to ensure that all laws pertaining to environment, pollution, health and safety of employees and other relevant enactments are being scrupulously adhered to. Our commitment towards the society in terms of providing a clean and healthy environment is of our utmost concern and we pledge to take active efforts to preserve the same.

BOARD OF DIRECTORS

As per section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Shri J.P.Khetan and Shri Vijay Kumar Bhandari Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

The particulars of employees drawing remuneration of Rs. 60 lacs per annum or Rs. 5.00 lacs per month for part of the year or more pursuant to provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended, are set out below:

Sr. No.	Name	Designation	Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Age	Last Employment
1	Shri J P Khetan*	Managing Director	65,76,619	Inter Arts	49	10.02.1979	69	Dalmia Industries Ltd, as Comm. Manager, 7 years
2	Shri A K Joshi	Acting - Managing Director	58,06,384	B. Com, F.C.A.	33	01.02.1993	54	Chinar Exports Ltd, Sr. Manager - Finan.& Accts, 2 years

*Retired as MD on 31st July, 2011 and is on the Board as Director w.e.f. 1.8.2011

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- That the preparations of the annual accounts and applicable accounting standards have been followed along with proper explanations relating to material departures.

-
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
 - iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
 - iv. That the Directors have prepared annual accounts on a going concern basis.

AUDITORS' REPORT:

With reference to the observations and qualifications made by the Auditors in the notes to the accounts as referred in the Auditors Report are self-explanatory. Directors further clarify that:

The Company has a consistent practice to account for the gratuity liability as and when the employees retire and the amount is due, and as such, no provision is considered necessary in respect of estimated liability for future payment of gratuity of Rs.4,87,29,868/-which is determined on the basis of actuarial valuation.

The Company has not made provision for the overdue Sundry Debtors and Loans & Advances aggregating to Rs 605,07,890/- since the Management has taken suitable measures to recover the same and is hopeful of its recovery in due course.

AUDITORS

M/s. Lodha and Co., Chartered Accountants, statutory auditors, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment and if made would be within prescribed limit under section 224(1B) of the Companies Act 1956.

SUBSIDIARY COMPANY & CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements enclosed with the accounts are prepared in accordance with Accounting Standard 21. In view of the general exemption granted by the Ministry of Corporate Affairs, the Report and Accounts of subsidiary companies are not required to be attached to your Company's Accounts. Shareholders desirous of obtaining the report and accounts of your Company's subsidiaries may obtain the same upon request. The report and accounts of the subsidiary companies will be kept for inspection at your Company's Registered Office and those of subsidiary companies. The Golden Realty & infrastructure Limited, Golden Investment (Sikkim) Private Limited, Western Express Industries Limited, GTC INC B.V. and Raigadh Papers Limited, a subsidiary of Western Express Industries Limited are the subsidiary companies of your Company.

OTHER INFORMATION

Certificate, as required under Clause 49 of the Listing Agreement with the Stock Exchanges in India, confirming compliance by the Company with the provisions of Corporate Governance as given by the Auditors, M/s. Lodha and Co., Chartered Accountants, declaration by the CEO certifying compliance with the Code of Conduct of the Company and Certificate given by the CEO and CFO as required under the Listing Agreement are annexed herewith. Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to Foreign Exchange Earnings and Out Go, Conservation of Energy and Technology Absorption and Export Market Developments is also provided as an annexure to this report.

Additional disclosures in the form of Consolidated Financial Statements and Related Party Transactions have been made by your Company in compliance with the Listing Agreement.

ACKNOWLEDGEMENTS

Your Directors express their deep gratitude and sincere appreciation for the whole-hearted assistance and co-operation extended to the Company by the Bankers, Financial Institutions, Business associates, Employees and above all the Shareholders of the Company, who have continued to repose utmost faith in the Company.

For and on behalf of the Board

**Chairman
Sanjay Dalmia**

Place: Mumbai

Dated: 25th May 2012



ANNEXURE TO THE DIRECTORS' REPORT

Information in accordance with Section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31st March, 2012.

A	1.	<p>CONSERVATION OF ENERGY. The Company continues to emphasize on conservation of energy, power and other energy sources.</p> <p>As a part of continuous efforts, the company has taken following steps:</p> <p>i) Implementation of the latest know-how in each stages of production resulting into enhancement in productivity levels.</p> <p>ii) Planned maintenance and upgradation of machineries and equipments to ensure optimum energy consumption.</p>
	2.	<p>Benefits resulted from above for reduction of energy consumption and impact on the cost of production of goods:</p> <p>i) Reduction in specific consumption of electrical energy.</p> <p>ii) Enhanced operational efficiency.</p>
B.	I.	<p>TECHNOLOGY ABSORPTION: Specific Areas in which R&D is carried out by the Company:</p> <p>(a) Developing blends of Cigars, Tipped Cigars, Pipe Tobacco and Smoking Mixture as per requirement and quality standard of International market.</p> <p>(b) Developing of Slim & Super Slim cigarettes of various types for global market.</p> <p>(c) Online monitoring of process control parameters, for achieving high quality of product with optimum yield.</p> <p>(d) On going development in Packaging in enhancing the appearance in line with international quality and also improving the product durability by adopting advanced packaging technologies.</p> <p>(e) Improving Printing Technologies to achieve high quality printed packaging material.</p>
	II.	<p>Benefits Derived As A Result of R&D.</p> <p>(a) An appreciable enhancement in export volume, Cigars, & Cigarillos made in various categories of Fruity Flavors resulted in very wide acceptance in the Global Market.</p> <p>(b) Resulted a significant entry in the world of highly demanding Slims and Super Slims cigarettes.</p> <p>(c) Improved product consistency, yield and minimized fluctuations in tobacco chemistry.</p> <p>(d) Impressive packet look and protection of the product from weather changes and increased shelf life.</p> <p>(e) Offering the customers products with International pack design/appearance in line with premium International Brands.</p>
	III.	<p>Further Plan for Action Research will be carried out on the above mentioned areas.</p>
	IV.	<p>Expenditure on R&D</p> <p>(a) Recurring: Rs 45.93 lacs</p> <p>(b) Efforts in brief, made towards technology, adaptation and innovation.</p> <p>1. i) Use of specific additives for improving product quality and smoke characteristics.</p> <p>ii) Monitoring each stage of production to ensure a final product.</p> <p>iii) Continuous monitoring at each stage of production to ensure proper cost management with best and highest possible standard in quality parameters</p> <p>iv) Offering customer unique products at a competitive price by continuous development work and close monitoring of each stage ensuring control on cost parameters at various stages of production.</p> <p>2. Benefits derived as a result of above efforts are quality products at optimized production cost.</p> <p>3. Technology Imported : NIL</p>
C.		<p>ACTIVITIES RELATED TO EXPORTS AND FUTURE OUTLOOK: Though the export of cigarettes/cigars is highly competitive and is emerging tough due to various restrictions imposed by different countries / governments, the Company has performed fairly well in export of its various brands and is confident to escalate the export volume in the years to come.</p> <p>1. The Company has exported during the year various brands of cigarettes aggregating to Rs. 2881.14 lacs.</p> <p>2. During the year under review 686 million sticks were exported.</p> <p>3. Total foreign exchange used : Travel & Other Expenses : Rs. 65.71 lacs</p> <p>Total foreign Exchange Earned : Rs. 2873.94 lacs</p> <p style="padding-left: 100px;">Cigarettes : Rs.2650.47 lac</p> <p style="padding-left: 100px;">Tobacco : Rs. 223.47 lac</p>

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The cigarette industry recorded a growth of 8% in the year 2011-2012, but, mini segment declined by 6% this year.

The government relief to mini & plain segments as well as introduction of mini filter to correct the early years situation, could not do any better to cigarette industry. The grey market activities remained as it is. In grey market, regular filter cigarettes are being sold at Rs. 1/- per stick. Whereas excise, Vat and other levies alone cost more than Rs. 1/- per stick. Continuation of this phenomenon didn't allow mini plain segment to benefit and the losses to the segment continued at the same level.

Increase of VAT by states, have affected the margin of the Tobacco Industry adversely.

Our Company being the leader in mini plains segment, could retained some volumes despite all adversities, but not enough. The volume of variants of Panama continued at same levels. The marketing strategy continues to focus for growth in the regular filter and image driver in kings segment.

Restructuring of sales and distribution has resulted in huge savings and high productivity, which continues to give recurring benefits.

OPPORTUNITIES, THREATS AND FUTURE OUTLOOK

Introduction of 65 mm plain and filter cigarettes by the Government in the budget 2012-13 is a welcome step. This is an opportunity for the industry in general and to our Company in particular. Both the segments have a good possibilities to capture the Indian market and the Company has taken necessary steps to maximize the benefits from the same.

The grey market cigarettes continue to be the biggest threat to the organized sector. These units which have been set up as SSI continue their illegal acts and control a sizable volume of the total industry. The management has taken up this issue with the Government at the highest level.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

Segment wise / product wise performance reporting is not applicable to the Company since it is a uni-product Company.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has a sound and well defined internal control system commensurate with the size and nature of its business activities, which records transactions and operations; ensures protection against misuse or loss of the Company's assets; ensures efficiency in operations of the plant and facilitates transparency and accuracy of financial reporting. Under the system, regular Internal Audit is conducted to review the existing financial and operating controls, working and the feedback generated is used in improvements. These reports are placed before the Audit committee for their review at regular intervals. The system is assisted by an Enterprise Resource Planning (ERP) package named Baan employed to ensure efficient operation of the business enterprise.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Your Company endeavors to move ahead with its most valuable resources, its employees. Our progress as a Company is very intimately entwined with the well being of our manpower. Realizing the essence, we have and will continue in the future to have cordial and healthy relations with the Unions. We pledge to continue to maintain these good industrial relations through concerted positive efforts.

The Company had 414 employees as on 31st March, 2012 as compared to 488 at the beginning of the year, comprising of 90 in management / supervisory cadres, 45 in the staff cadres and 279 as workmen.

FINANCIAL PERFORMANCE

Due to various adversities as mentioned in the Directors' Report, the Company's performance was affected. The gross turnover for the year under review stood at Rs. 1,26,41.96 Lacs as against Rs. 15280.50 Lacs of the previous year. The Net Profit/(loss) before tax for the year under review was (Rs 2903.37) lacs as against (Rs.3386.73) lacs. After making adjustments for various tax provisions the Net Profit/(Loss) after tax was Rs. 2904.77. Lacs as against Rs.3388.33 lacs of the previous year.

CAUTIONARY STATEMENT

The above statements are based on the current scenario and the input available to the Directors. Any extraneous developments may have an impact on the above perceptions.



CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the through owner of the Company and of their own role as trustees on behalf of the shareholders.

Thus, the Company firmly believes in and has consistently endeavored to practice good Corporate Governance. It endeavors to provide detailed information on various issues concerning the Company's business and financial performance to the shareholders.

I. BOARD OF DIRECTORS

- (I) As on March 31, 2012, out of total strength of nine Directors, the Company has on its Board four non independent Directors comprised of non executive Chairman, non executive Vice Chairman , one non Executive non independent Director and only one executive Director i.e. Acting Managing Director. Rest of five directors are non executive Independent Directors including one IFCI nominee. The composition of the Board is in conformity with Clause 49 of Listing Agreements entered into with the stock exchanges.
- (II) None of the Directors on the Board, are members of more than ten committees or Chairman of more than five Committees across all the companies in which they are Directors .Necessary disclosures regarding Committee positions in other public companies as on March 31, 2012 have been made by the Directors.
- (III) The names and categories of the Directors on the Board, their attendance at Board Meetings and AGM held during the year and the number of Directorships and Committee Chairmanship/memberships held by them in other companies are given herein below :

Name of the Director	Category	No. of Board Meetings Attended	Whether Attended AGM	Number of Directorships in Other Companies\$		No. of Committee Positions # held in Other Companies*	
				Chairman	Member Other than Chairman	Chairman	Member Other than Chairman
Shri Sanjay Dalmia	Non-Executive, Non-Independent	1	No	1	-	-	-
Shri Anurag Dalmia	Non-Executive, Non-Independent	-	No	-	1	-	1
Shri R.R. Kumar	Non-Executive, Independent	4	No	1	4	1	3
Shri J.P. Khetan	Director-Non Executive, Non-Independent*	4	Yes	-	1	-	-
Shri A.K. Joshi	Acting Managing Director, Non-Independent	5	Yes	-	2	-	-
Shri V.K. Bhandari	Non-Executive Independent	3	Yes	-	5	-	-
Shri Bharat B. Merchant	Non-Executive Independent	5	Yes	-	1	-	-
Shri V.Anish Babu	IFCI Nominee Independent	3	No	-	3	-	-
Shri Rishabh Jain	Non-Executive Independent	2	No	-	-	-	-

* retired as MD on 31st July,2011 and was inducted as non executive Director w.e.f.1st August ,2011

\$ Excluding directorship in Private Companies and foreign companies.

Represents Membership/chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee. None of the executive/non-executive directors hold any shares in the Company except Shri J.P. Khetan, non-executive non independent director as well as Shri Bharat B. Merchant and Shri V.K. Bhandari, non-executive independent directors who hold 1950, 100 and 80 shares respectively in the Company.

Number of Board Meetings held during the year ended 31st March, 2012 and Dates of the Meetings.

During the year, Five Board Meetings were held on May 25, 2011, August 8, 2011, November 14, 2011, December 17, 2011 and February 14, 2012 respectively.

II. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee are broadly as under:

- (i) Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial information reflects a true and fair position and that sufficient and credible information is disclosed.
- (ii) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- (iii) Discussion with external auditors before the audit commences, of the nature and scope of audit as well post-audit discussion to ascertain any area of concern.
- (iv) Reviewing the financial statement and draft audit report, including the quarterly /half yearly financial information
- (v) Reviewing with the management, the annual financial statement before submission to the Board, focusing primarily on the following:
 1. Any change in accounting policies.
 2. Major accounting entries based on exercise of judgment of management.
 3. Qualifications in draft auditors' report.
 4. Significant adjustment arising out of audit.
 5. The going concern assumption.
 6. Compliance with accounting standard.
 7. Compliance with stock exchanges and legal requirement concerning financial statements.
 8. Any related party transactions as per Accounting Standard 18.
- (vi) Reviewing the Company's financial and risk policies.
- (vii) Disclosure of contingent liabilities.
- (viii) Reviewing the Management, external and internal auditors, the adequacy of internal control system.
- (xi) Reviewing the adequacy of the internal audit function, including the audit charter the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- (x) Discussion with internal Auditor.

Composition

Name	Category	Number of Meeting during the year 2011-12	
		Held	Attended
Shri R.R.Kumar (Chairman)	Independent(Non-Executive)	4	4
Shri Bharat B.Merchant	Independent(Non-Executive)	4	4
Shri V.Anish Babu	Independent(Non-Executive)	4	2

Shri A.K. Joshi, Acting Managing Director of the Company and Statutory Auditors were invitees at the meetings. The invitees have attended all the Audit Committee Meetings during the year 2011-12. Shri Manoj Kumar Srivastava, Company Secretary, attended the meeting as Secretary of the Audit Committee.



Four Meetings of the Audit Committee were held on May 25, 2011, August 8, 2011, November 14, 2011 and February 14, 2012.

The necessary quorum was present in all the meetings.

B. REMUNERATION COMMITTEE

(i) The Company has a Remuneration Committee of Directors.

The broad terms of the reference of the Remuneration Committee are as under:

(ii) The Remuneration Committee of the Company recommends to the Board the compensation terms of Executive Directors. The recommendations of the Remuneration Committee are considered and approved by the Board subject to the approval of the Shareholders, the Central Government wherever applicable.

(iii) The composition of the Remuneration Committee and the details of Meetings attended by its members are given below:

Composition

The Composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meeting during the year 2011-12	
		Held	Attended
Shri R.R.Kumar (Chairman)	Independent (Non-Executive)	1	1
Shri Bharat B. Merchant	Independent (Non-Executive)	1	1

(iv) Meeting of the Remuneration Committee was held during the year on December 09, 2011.

(v) Company does not have any Employee Stock Option Scheme

Details of Remuneration paid to the Directors for the year ended 31st March, 2012

S.N.	Name of the Directors	Salaries	Perquisites Rs.##	PF & Superannuation Fund	Sitting fees	Total Rs.
1.	Shri Sanjay Dalmia	-	-	-	5000	5000
2.	Shri Anurag Dalmia	-	-	-	-	-
3.	Shri R.R. Kumar	-	-	-	1,30,000	1,30,000
4.	Shri Bharat B. Merchant	-	-	-	50,000	50,000
5.	Shri V.K. Bhandari	-	-	-	15,000	15,000
6.	Shri Rishabh Jain	-	-	-	10,000	10,000
7.	Sri V. Anish Babu	-	-	-	30,000	30,000
8.	Shri A.K. Joshi	40,70,160	12,07,456	5,28,768	0	58,06,384
9	Shri J.P. Khetan*	9,77,520	6,05,028	2,28,096	0	65,76,619**
	Total	86,50,980	38,33,439	15,94,404	2,40,000	1,90,79,798

*retired as MD on 31st July,2011.

**During the year, Settlement amount has been paid Rs.47,65,975

All perquisites & allowance are evaluated as per Income-tax Rules, 1962 and in the absence of any such rules evaluations are made at actual cost.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors except payment of sitting fees, reimbursement of expenses incurred for travel etc. for attending Board and its Committee Meetings.

Besides, sitting fees being paid to Non-Executive Directors in accordance with the provisions of the Companies Act, 1956 and Articles of Association, no other remuneration is being paid to them by the Company. Commission @ 2% and 0.5% of the net profit of the Company calculated as per section 349 of the Companies Act, 1956 are payable to Managing Director and Whole-Time Directors respectively. No other performance linked incentive is paid to any other director of the Company. However, in view of the accumulated losses, no commission has been paid to Managing Director/Whole-Time Directors for the year 2011-12.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Company has a Shareholders'/Investors' Grievance Committee of Directors to look into the redressal of complaints of Investors such as transfer of/ Credit of shares, non receipt of annual reports etc.

COMPOSITION

The Composition of the Shareholders' /Investors' Grievance Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meeting during the year 2011-12	
		Held	Attended
Shri R.R.Kumar(Chairman)	Independent (Non-Executive)	17	17
Shri A.K.Joshi	Acting Managing Director	17	17

Share Transfer details meeting-wise:

Date of Meeting	Total No. of Shares
30.04.2011	667
31.05.2011	935
27.06.2011	785
30.07.2011	1280
30.08.2011	1857
30.09.2011	200
14.10.2011	468
31.10.2011	720
14.11.2011	753
30.11.2011	800
14.12.2011	812
31.12.2011	140
16.01.2012	267
31.01.2012	227
14.02.2012	90
29.02.2012	550
21.03.2012	2495

All transfers received have been processed within the prescribed time with no pending transfers as on 31st March, 2012. The Company has received 33 complaints during the financial year ended 31st March, 2012 and all are resolved during the year and there are no pending complaints as at year end at the Company or at the Registrar and Transfer Agent, M/s Link In Time India Private Ltd.

III General Body Meetings

(A) Annual General Meeting:

Details	Date	Time	Venue	Special Resolution Passed
A.G.M.-2008-09	September 15, 2009	3.30 PM	Shri Bhaidas Mangal Sabhagriha, U-1 Development Scheme, Vile Parle (W), Mumbai 400056.	1. Reappointment of Shri A.K. Joshi 2. Reappointment of Shri Vinay Mehra 3. Reappointment of Shri J.P.Khetan
A.G.M.-2009-10	September 18, 2010	3.30 PM	Shri Bhaidas Mangal Sabhagriha, U-1 Development Scheme, Vile Parle (W), Mumbai 400056.,	Shifting of Registered Office from state of Maharashtra to state of Gujarat
A.G.M.-2010-11	December 17, 2011	3.30 P.M.	At Darjipura, Post Amaliyara, Dist. Vadodara, Gujarat 390022,	NIL



(B) Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the year 2011-12.

(C) Postal Ballot

No Postal Ballot was conducted during the year 2011-12.

IV Disclosures

- (i) During the year under review, besides the transactions reported in the Notes to the Accounts for the year, there was no materially significant related party transaction of the Company having potential conflict with the interests of the Company at large.
 - (ii) The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years 2009-2010, 2010-2011 and 2011-2012 with no penalties or strictures imposed on the Company.
 - (iii) The Company has in place mechanism to inform Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by the Executive Management.
 - (iv) The Company has duly complied with all the mandatory requirements.
- (D) Secretarial Audit :** A qualified Practising Company Secretary carried out to reconcile the total admitted equity shares with the National Securities Depositories Limited (NSDL) and the Central Depository Services Limited (CDSL) and the total Issued and listed equity share capital are in agreement with the total issued/paid up capital of the Company.

V. Means of Communication

1. Financial Results

- a) The quarterly, half yearly and annual results of the Company are published in one English and one vernacular leading newspaper.
 - b) No half yearly report was sent to the shareholders; however the same was published in the newspapers.
 - c) The quarterly un-audited financial results are displayed on the official website of the Company and whenever there will be any official release; the same will be displayed on the website. The name of the website is www.goldentobacco.in
2. No presentation to any institutional investor or analysis has been made during the year ended 31st March, 2012. A Management Discussion and Analysis Statement is a part of the annual report .

VI. Golden Tobacco Limited Code for Prevention of insider Trading Practices

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board of Directors of the Company formulated 'the Golden Tobacco Limited Code of Conduct for Prevention of Insider Trading' in the shares and securities of the Company by its employees. The Golden Tobacco Limited Code, inter alia, prohibits purchase/sale of shares by employees, while in the possession of unpublished price sensitive information in relation to the Company. The Company Secretary acts as the Compliance Officer to implement the provisions of the aforesaid Insider Trading Regulations.

VII. Code of Conduct.

The Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company to ensure adherence to a high ethical professional conduct by them in the discharge of their duties. All the Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for the year 2011-12.

VIII. General Shareholders Information

56th Annual General Meeting is scheduled to be held on :

Date & Time	:	27th September, 2012 at 3.30 p.m.
Venue	:	At Darjipura, Post- Amaliyara, Vadodara 390022, GUJARAT (INDIA)
Book Closure Date	:	24th September, 2012 to 27th September, 2012(both days inclusive)

As required under Clause 49(IV)(G)(I) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (AGM) are given in the annexure to the notice of the AGM to be held on 27th September, 2012

I. Registered Office and Works : DARJIPURA, POST-AMALIYARA
DIST-VADODARA, GUJARAT-390022

II. Financial Calendar:

Calendar of events for the Financial Year 2012-13 as under:

Audited Annual Results for Previous Year ended 31 st March, 2012	On 25 th May, 2012
Unaudited First Quarter Results	By 15 th August, 2012
Unaudited Second Quarter Results	By 15 th November, 2012
Unaudited Third Quarter Results	By 15 th February, 2013
Audited Fourth Quarter Results	By 30 th May, 2013

III. Listing on Stock Exchanges and Stock Code

Name of the Stock Exchange	Stock code No.
National Stock Exchange of India Ltd. Exchange Plaza, 5 th floor, Plot No.C/1, 'G' Block, Bandra Kurla Complex, Mumbai 400 051.	5251
Bombay Stock Exchange Ltd. Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400 021	151

IV. Market Price Data:

Performance in to comparison to be broad based indicate such BSE; SENSEX; NSE; Monthly High and Low Quotes during the year.

BSE Sensex

Month	High(Rs.)	Low(Rs.)	Sensex	
			High	Low
April'2011	86.95	76.00	19701.73	19091.17
May'2011	78.50	71.50	17386.08	16022.48
June'2011	76.00	70.40	18845.87	17506.63
July,2011	77.10	67.55	19078.30	18197.20
August, 2011	71.35	58.15	18314.33	15848.83
September'2011	67.00	57.05	17165.54	16051.10
October'2011	62.40	53.35	17804.80	15792.41
November'2011	57.95	41.70	17569.53	15695.43
December' 2011	47.85	28.20	16877.06	15175.08
January'2012	40.20	26.50	17233.98	15517.92
February'2012	50.25	32.75	18428.61	17300.58
March'2012	39.00	33.20	17919.30	17053.78



NSE

Month	High(Rs.)	Low(Rs.)
April'2011	86.00	76.55
May 2011	88.10	71.10
June 2011	75.80	70.25
July 2011	77.45	67.00
August 2011	58.15	59.25
September 2011	64.00	55.00
October 2011	60.25	53.05
November 2011	57.70	41.70
December 2011	47.20	29.10
January 2012	40.00	29.15
February 2012	46.70	32.60
March 2012	39.00	33.35

V. Distribution of Shareholding as on March 31, 2012

No. of Shares	No. of Shareholders	% of shareholders	No. of shares	% of shareholding
1-500	32036	94.51	3340449	18.97
501-1000	982	2.90	763242	4.33
1001-2000	427	1.26	643654	3.66
2001-3000	152	0.45	387570	2.20
3001-4000	67	0.20	234783	1.33
4001-5000	57	0.17	269520	1.53
5001-10000	65	0.19	487339	2.77
10001 and above	110	0.32	11482252	65.21
TOTAL	33896	100.00	17608802	100.00

VI. Shareholding Pattern as on March 31, 2012

Sr. No.	Shareholders	No. of Shares Demat	No. of Shares Physical	Total	% Shareholding
1.	Promoters	2909946	1769076	4679022	26.57
2.	Financial Institutions / Banks	105755	2130	107885	0.61
3.	Mutual Funds	190	850	1040	0.01
4.	FIs	495877	9935	505812	2.82
5.	Bodies Corporate	5531341	18464	5549805	31.52
6.	Non-Resident	64386	18190	82576	0.47
7.	General Public	5265637	1416050	6681687	37.99
8.	Trusts	975	-	975	0.01
	Total	14374107	3234695	17608802	100.00

VII. GDR's/ADR's

The Company has not issued any GDR's/ADR's and there was no warrants or any convertible instruments outstanding.

VIII. Share Transfer System

On receipt of the applications for transfers, deletion of names, transmission etc. in physical form and if the same are found to be in order are normally registered by our Registrar and Share Transfer Agent within the stipulated period as mentioned in the listing agreement of the stock exchanges. Also the shares under objections are returned within the stipulated time frame.

Registrar and Transfer Agent

M/s.Link In Time India Pvt.Ltd.

Head Share Registry
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai 400 078.
Telephone: (022)25963838 Fax: (022) 2594 6969
Email: mumbai@linkintime.co.in

However, shareholders holding shares in the electronic mode should address all correspondence to their respective Depository Participants.

IX. Dematerialization of Shares

As per SEBI's Circular, the Company's shares are put under compulsory trading in dematerialized form in all the Stock Exchanges where the equity shares of the Company are listed. The electronic connectivity with National Securities Depository Limited (NSDL) and Central Depository Services Ltd. (CDSL) has been established and M/s.Link Intime India Private Ltd. is acting as Registrar for Electronic Connectivity with NSDL and CDSL.

The ISIN allotted to your Company is INE973A01010. As on 31st March, 2012, 14374107 i.e 81.63% of the shares of the Company are in electronic form .

X. Risk Management Framework

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are being reviewed periodically to ensure the executive management controls risk through means of a properly defined framework.

XI. Management Discussion and Analysis Report

Management Discussion and Analysis Report is given as a separate section after the end of the Directors' Report.

XII. Non-Mandatory Requirements:

Remuneration Committee:

The Company has set up a Remuneration Committee as per the details under Item No. II (B) of this Report.

OTHER REQUIREMENTS:

The Company is yet to adopt other Non Mandatory Requirements like maintenance of Non Executive Chairman's Office, Sending of the Half Yearly financial performance including summary of significant events in past six months to shareholders, restricting the tenure of the independent directors in aggregate to a period of nine years on the Board of the Company, unqualified financial statements, training of Board Members, mechanism of evaluation of Non Executive Board Members and Whistle Blower Policy would be complied with at an appropriate time.



DECLARATION

This is to confirm that the Company has adopted a Code of Conduct for its Directors and senior management personnel.

I, A.K.Joshi, Acting Managing Director of Golden Tobacco Limited, hereby certify and acknowledge that all the members of the Board of Directors and the Senior Management Personnel of the Company have complied with the Code of Conduct of the Company and have already given the Annual Affirmation of the compliance with the Code of Conduct.

For Golden Tobacco Limited

Place: Mumbai
Dated: 25th May, 2012

A.K. JOSHI
(ACTING MANAGING DIRECTOR)

CERTIFICATION BY CEO AND CFO

We hereby certify that for the financial year 2011-12 we have reviewed the Annual Accounts, financial statements and the Cash Flow statement and that to the best of our knowledge and belief, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations except to the extent explained in comments extent in paragraph 7 of the Auditors Report read with note no. 24 and 25 in significant accounting policies and accompanying notes to financial statements. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2011-12 which are fraudulent, illegal or vocative the Company's code of conduct. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of internal control systems and have taken the required steps to rectify the deficiencies.

We further certify that there have been no significant changes in internal control over financial reporting during this year. There have been no significant changes in accounting policies during this year. There have been no instances of fraud we have become aware of and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

For Golden Tobacco Limited

Place: Mumbai
Dated: 25th May, 2012

A.K. JOSHI
(ACTING MANAGING DIRECTOR)



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Golden Tobacco Limited

We have examined the compliance of the conditions of Corporate Governance by Golden Tobacco Limited ("the Company") for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the Management of the Company, we certify that the Company has complied in all material in respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For LODHA & CO.
Chartered Accountants

Place: Mumbai
Dated: 25th May, 2012

A.M. HARIHARAN
PARTNER
M.No. 38323



AUDITORS' REPORT

To
The Members,
Golden Tobacco Limited

1. We have audited the attached Balance Sheet of Golden Tobacco Limited as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (herein after referred to as the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - (b) *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. 4,87,29,868 determined on the basis of actuarial valuation as on March 31, 2012. 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. (Refer Note 7.1 in notes to financial statements);*
 - (c) *Certain Trade Receivables and Loans & Advances aggregating to Rs. 6,05,07,890 which, have been classified by the Management as 'considered good' are, in our opinion, doubtful of recovery and are therefore required to be provided for as doubtful debts. (Refer Note 12.1 and 14.1 in notes to financial statements);*
 - (d) Subject to what is stated in paragraph 4(b) above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (e) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (f) *Subject to what is stated in paragraph 4(b) above, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, to the extent applicable ;*
 - (g) On the basis of written representations received from Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director of the Company in terms of Section 274(1)(g) of the Act ;
 - (h) *We further report that, without considering the matter referred to in clause 1(b) of the Annexure to this report, the effect of which could not be determined, had the observations made by us in paragraph 4(b) and 4(c) above been considered, the loss for the year would have been Rs. 39,97,15,410 (as against reported loss figure of Rs.29,04,77,652), accumulated losses would have been Rs. 1,04,01,96,524(as against reported figure of Rs. 93,09,58,766), Assets would have been Rs. 3,44,50,50,289(as against reported figure of Rs3,50,55,58,179) and Equity and Liabilities would have been Rs. 3,55,42,88,047(as against reported figure of Rs3,50,55,58,179) ;*
 - (i) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements subject to our comments in paragraph 4(h) above and read together with Note 25.1 regarding contingent liabilities, Note 10.1 regarding amount invested in and advances due from a subsidiary Company, Note 9.1 regarding carrying value of certain long term investments and other accompanying notes give the information required by the Act, in the manner so required and give a

true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 ;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date ; and
- (c) in the case of the Cash Flow statement, of the Cash Flows of the Company for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants

A. M. Hariharan
Partner

Membership No.38323
Firm Registration No. : 301051E

Place : Mumbai
Dated : May 25, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of Auditors' Report of even date on the financial statements for the year ended and as at 31st March, 2012 of Golden Tobacco Limited)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year, the management has physically verified the fixed assets generally in accordance with a phased programme which, in our opinion needs to be strengthened to be reasonable having regard to the size of the Company and nature of its assets. The discrepancies noticed on such verification have been dealt with in the books of account *except a Flat-Gross Block of Rs.66,44,825 (Net Block Rs.41,50,744) as on 31st March, 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 rigorously following litigation so that 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 (Refer Note no. 8 (d) of the financial statements).*
- (c) During the year, no substantial part of the fixed assets has been disposed off by the Company.
2. (a) The inventories of the Company at all its locations have been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit as on 31st March, 2012 have been verified by the management with reference to confirmation or statement of account or correspondence obtained from the third parties and /or subsequent receipt of inventory.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory and the discrepancies noticed between the physical stocks and the book records were not material considering the operations of the Company and have been properly dealt with in the books of account.
3. The Company has not taken or granted any loans, secured or unsecured, from / to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanation given to us, having regard to the explanations that purchase of certain items of fixed assets and inventory are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our



examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor we have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under the said Section have been so entered .
- b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any fixed deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and rules framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business with respect to coverage of area such as, human resource department, statutory dues and banks etc.
8. On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government under Section 209 (1) (d) of the Act have been maintained. However, we are not required to and thus have not carried out any detailed examination of such accounts and records, with a view to ascertain whether these are accurate and complete.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable have generally been regularly deposited by the Company during the year with the appropriate authorities and there were no arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and the information and explanations given to us by the management, there are no amounts in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute except for the amounts mentioned below :

NAME OF THE STATUTES	NATURE OF DUES	PERIOD TO WHICH IT RELATES	AMOUNT (IN RS.)	FORUM WHERE DISPUTED
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1993-98	6,88,531	Sales Tax Commissioner (Appeals)
Employees' State Insurance Act, 1948	E.S.I.C.	Various Years	19,17,978	Deputy Regional Officer
Entry Tax (Bihar)	Entry Tax	Various Years	13,70,39,667	High Court
Entry Tax (Madars)	Entry Tax	Various Year	3,03,59,060	Supreme Court
Entry Tax – Madhya Pradesh	Entry Tax	Various Years	44,19,012	Supreme Court
Entry Tax (Luknow)	Entry Tax	Various Year	68,66,890	Joint Commissioner Sales Tax
Income Tax Act, 1961	Income Tax	Various Years	74,40,52,749	Income tax Appellate Tribunal
			84,42,41,328	Income Tax Commissioner (Appeals)
			48,82,91,307	Assessing Officer
Central Excise Act, 1944	Excise Duty	Various Years	30,17,57,160	Supreme Court
			5,03,56,013	High Court
			39,59,84,327	Customs, Excise, Service Tax Appellate Tribunal
			2,63,74,237	Commissioner

10. The accumulated losses of the Company at the end of the financial year are more than 50% of its net worth after considering, interalia, the matters referred in para 4 (b) and 4(c) of the auditors' report and without considering the matters referred to in clause

1(b) herein above, the effect of which could not be determined. The Company has incurred cash losses during the current financial year as well as in the immediately preceding financial year.

11. The Company has not defaulted in repayment of dues to banks and debenture holder.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the Company is not a nidhi /mutual benefit fund/society, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loan was applied for the purposes for which it was obtained.
17. According to the information and explanations given to us and on an overall examination of the Cash Flow statement and Balance Sheet of the Company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act or in the recent past.
19. The Company has not raised any money by way of issue of debentures.
20. The Company has not raised any money by way of public issue during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For LODHA & CO.
Chartered Accountants**

A. M. Hariharan
Partner

Membership No.38323
Firm Registration No. : 301051E

Place : Mumbai
Dated : May 25, 2012



BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012	(Amount in Rs.) As at March 31, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	1	175,880,212	175,880,212
Reserves and surplus	2	<u>(271,271,280)</u>	<u>22,133,640</u>
2 Non-current liabilities			
Long-term borrowings	3	1,024,633,332	1,010,722,905
Other Long Term Liabilities	4	1,773,386,277	1,534,988,409
3 Current liabilities			
Short-term borrowings	5	428,459,500	422,720,123
Trade payables		125,171,223	186,047,442
Other current liabilities	6	236,332,085	354,375,035
Short-term provisions	7	12,966,830	21,349,664
TOTAL		<u>3,505,558,179</u>	<u>3,728,217,430</u>
II. ASSETS			
1 Non Current Assets			
Fixed Assets			
Tangible Assets	8	263,016,303	243,686,641
Non-Current investments	9	86,445,889	86,445,889
Long-term Loans and Advances	10	2,141,354,022	2,139,512,871
2 Current Assets			
Inventories	11	781,922,124	1,006,319,158
Trade Receivables	12	143,465,764	166,484,918
Cash and Bank Balances	13	36,080,333	34,133,011
Short Term Loans and Advances	14	47,103,486	36,987,022
Other Current Assets	15	6,170,258	14,647,920
TOTAL		<u>3,505,558,179</u>	<u>3,728,217,430</u>

Significant accounting policies and
Accompanying Notes form an integral part of financial statements 24 & 25

As per our attached Report of even date

For LODHA & CO.
Chartered Accountants

For and on behalf of the Board

A.M.Hariharan
Partner

A K Joshi
Acting Managing Director

J P Khetan
Director

R R Kumar
Director

Rishabh Jain
Director

Place: Mumbai
Date : May 25, 2012

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

		(Amount in Rs.)	
	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
I	Revenue from operations	713,344,684	960,880,906
II	Other income	5,654,751	182,639,016
III	Total Revenue	718,999,435	1,143,519,922
IV	Expenses		
	Cost of materials consumed	292,471,168	375,927,530
	Purchases for resale	91,035,443	115,338,111
	Manufacturing and Operating Costs	20,143,748	27,709,212
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	70,682,438	139,896,779
	Employee Benefits Expense	108,364,319	407,397,592
	Finance costs	226,645,818	168,705,369
	Depreciation and Amortization Expense	13,348,241	18,371,005
	Less : Transferred from Revaluation Reserve	<u>(2,846,225)</u>	<u>(3,119,054)</u>
		10,502,016	15,251,951
	Other Expenses	189,492,137	231,966,853
	Total Expenses	1,009,337,087	1,482,193,397
	Loss before tax	(290,337,652)	(338,673,475)
	Tax Expense :		
	Wealth Tax	140,000	160,000
	Loss for the year from continuing operations	(290,477,652)	(338,833,475)
	Earnings per equity share of the face value of Rs.10 each :	25.9	
	Basic & Diluted	(16.52)	(19.27)
	Significant accounting policies and Accompanying Notes form an integral part of financial statements	24 & 25	

As per our attached Report of even date

For LODHA & CO.
Chartered Accountants

For and on behalf of the Board

A.M.Hariharan
Partner

A K Joshi
Acting Managing Director

J P Khetan
Director

R R Kumar
Director

Rishabh Jain
Director

Place: Mumbai
Date : May 25, 2012

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
A Cash flow from Operating Activities:		
Net loss before tax and exceptional items	(290,337,652)	(338,673,475)
Add: Adjustments for :		
Depreciation	10,502,016	15,251,951
Interest Expenses	226,645,818	168,705,369
Interest received (other than investment)	(1,160,807)	(739,317)
Dividend received on long term non trade investments	(878,192)	(879,176)
(Profit)/Loss on sale of fixed assets	(1,061,452)	(163,591)
Liabilities no longer required	(536,157)	(50,120,138)
Fixed assets discarded/written off	-	49,838
Foreign Exchange (Gain)/Loss, Net	3,519,600	70,836
Surplus on conversion of land into Stock-in-Trade	-	(129,163,685)
Operating Profit before Working Capital changes	(53,306,826)	(335,661,388)
Adjustments for changes in Working Capital :		
- Trade and other Receivables	12,763,118	(801,378,010)
- Inventories	224,397,034	126,731,435
- Trade and Other Payable	51,492,022	644,882,199
Cash generated from Operations	235,345,348	(365,425,764)
Income Taxes Paid	-	(655,335)
Net cash from/(used in) Operating Activities - A	235,345,348	(366,081,099)
B Cash flow from Investing Activities:		
Purchase of Fixed Assets	(33,314,862)	(11,348,282)
Sale of fixed Assets	1,617,368	288,591
Dividend and Interest from Investments	878,192	879,176
Net Cash from/(used in) Investing Activities - B	(30,819,302)	(10,180,515)
C Cash flow from Financing Activities:		
(Repayment)/Proceeds of borrowings	19,649,804	553,964,565
Interest paid	(226,645,818)	(168,705,369)
Interest received (other than Investment)	1,160,807	739,317
Net cash from/(used in) Financing Activities - C	(205,835,207)	385,998,513
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,309,161)	9,736,899
Opening Cash and Cash Equivalents	19,742,658	10,005,759
Closing Cash and Cash Equivalents	18,433,497	19,742,658

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3, Cash Flow Statement prescribed by Companies (Accounting Standards) Rules, 2006.
- Pledged Fixed Deposits and Right Issue Collection accounts have been excluded from Cash and Cash equivalents and included in Other Receivables.
- Previous year's figures have been regrouped/rearranged where necessary.

As per our attached Report of even date

For LODHA & CO.
Chartered Accountants

For and on behalf of the Board

A.M.Hariharan
Partner

A K Joshi
Acting Managing Director

J P Khetan
Director

R R Kumar
Director

Rishabh Jain
Director

Place: Mumbai
Date : May 25, 2012

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012

1 Share Capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of Rs. 100 each	1,000,000	100,000,000	1,000,000	100,000,000
	26,000,000	350,000,000	26,000,000	350,000,000
Issued				
Equity Shares of Rs. 10 each	17,608,802	176,088,020	17,608,802	176,088,020
Subscribed & Paid up				
Equity Shares of Rs. 10 each	17,598,016	175,980,160	17,598,016	175,980,160
Less : Allotment/Call money unpaid other than Directors	-	99,948	-	99,948
Total	17,598,016	175,880,212	17,598,016	175,880,212

1.1 Rights of Equity Shareholders

The Company has only one class of Equity Shares having par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining

1.2 Reconciliation of numbers of equity shares

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	17,608,802	176,088,020	17,608,802	176,088,020
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	17,608,802	176,088,020	17,608,802	176,088,020

1.3 Details of members holding equity shares more than 5%

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
J. P. Financial Services Pvt Ltd	1,090,000	6.19%	1,090,000	6.19%

1.4 Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date

Particulars	As at March 31, 2012	As at March 31, 2011
	No. of Shares	No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of general reserve and securities premium Account	2,423	2,618



2 Reserves and Surplus

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Securities Premium Account		
Opening Balance	534,547,235	534,547,235
Less : Allotment/call money unpaid other than Directors	926,332	926,332
Closing Balance	533,620,903	533,620,903
Revaluation Reserve (On revaluation of Land, Buildings and Plant & Equipment)		
Opening Balance	128,993,851	140,266,996
Less : Relating to assets sold /discarded/written off/transferred to stock in Trade	81,043	8,154,091
Less : Transferred to Statement of Profit & Loss being the difference between depreciation for the year on revalued amount and original cost of the assets	2,846,225	3,119,054
Closing Balance	126,066,583	128,993,851
Deficit: Statement of Profit and Loss		
Opening Balance	(640,481,114)	(301,647,639)
Add : Loss for the year transferred from Statement of Profit and Loss	(290,477,652)	(338,833,475)
Closing Balance	(930,958,766)	(640,481,114)
Total	(271,271,280)	22,133,640

3 Long Term Borrowings

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured :		
Term loans :		
from banks	30,958,842	11,458,843
from Bodies Corporate	968,674,490	974,264,062
Unsecured Loan :		
from Body Corporate	25,000,000	25,000,000
Total	1,024,633,332	1,010,722,905

3.1 Repayment & other terms of the Borrowings as on March 31, 2012 are as follows :

(Amount in Rs.)

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
Secured Loans :				
From a Bank :				
Secured by way of deposit of title deeds of property situated at Palghar, Dist Thane Maharashtra.	14.75% (fixed)	43,958,842	13,000,000	30,958,842
From Bodies Corporate				
Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad. .	13.2% - 15%	968,674,490	-	968,674,490
Total		1,012,633,332	13,000,000	999,633,332

3.2 Repayment & other terms of the Borrowings as on March 31, 2011 are as follows :

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
Secured Loans :				
From Banks				
Term loan availed from Bank is secured by way of deposit of title deeds of property situated at Palghar, Dist Thane Maharashtra.	14.75%	30,178,042	18,719,199	11,458,843
From Bodies Corporate				
Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad. .	15%	1,043,188,076	68,924,014	974,264,062
Total		1,073,366,118	87,643,213	985,722,905

4 Other Long term Liabilities

Amount in Rs.

Particulars	As at March 31, 2012	As at March 31, 2011
Unpaid Dividend	7,115,143	19,762,294
Other Liabilities (also refer Note No. 25.7(b))	1,766,271,134	1,515,226,115
Total	1,773,386,277	1,534,988,409

5 Short Term Borrowings

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured Working Capital Facilities :		
from banks	428,459,500	422,720,123
Total	428,459,500	422,720,123

5.1 Working Capital Facilities :

- Working capital facilities and non fund based limits of Rs. 1000 lacs (Previous Year Rs. 1000 lacs) are secured by hypothecation of inventories and book debts and further secured by way of mortgage of third charges on immovable properties at Baroda.
- Guarantees given by the Company's Bankers are secured/to be secured by hypothecation of stocks, book debts, fixed deposits with banks and certain machineries, equitable mortgage of certain immovable properties at Baroda subject to prior charge in favour of Trustees for the debenture holders and /or pledge of fixed deposit receipts.

6 Other Current Liabilities

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Current maturities of long term debt	13,000,000	87,643,213
12% Secured Redeemable Non-Convertible Debentures of Rs. 100 each (Privately Placed with IFCI LTD)		10,000,000
Interest accrued and due on borrowings	-	17,963,297
Security Deposits	112,384,864	114,463,492
Other Liabilities	98,189,979	109,884,512
Due to a Subsidiary Company	3,115,935	3,132,285
Statutory Dues Payable	9,641,307	11,288,236
Total	236,332,085	354,375,035



7 Short-term Provisions

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits	12,966,830	21,349,664
Total	12,966,830	21,349,664

7.1 No provision has been made in the accounts in respect of estimated total liability for future payment of gratuity of Rs. 4,87,29,868 (Previous Year Rs. 5,76,46,424) determined on the basis of actuarial valuation, as the Company's practice is to account for the same as and when due for payment.

8 Fixed Assets

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	Balance as at 1st April 2011	Additions during the year	Disposals during the year	Balance as at 31st March 2012	Balance up to 31st March 2011	Depreciation charge for the year	Disposals during the year	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2011
Tangible Assets										
Land & Building (At Book value)	206,660,618	32,572,563	-	239,233,181	53,331,452	2,621,327		55,952,779	183,280,402	153,329,166
Electric Installations (At Cost)	3,056,874	-	-	3,056,874	2,763,573	40,872		2,804,445	252,429	293,301
Plant and Equipment (At Book value)	685,604,700	513,615	10,403,171	675,715,144	612,945,174	7,826,915	10,318,411	610,453,678	65,261,466	72,659,526
Furniture and Fixtures (At Cost)	7,343,687	-	-	7,343,687	6,807,264	97,346	-	6,904,610	439,077	536,423
Vehicles (At Cost)	11,018,175	-	3,834,751	7,183,424	8,932,963	494,041	3,282,552	6,144,452	1,038,972	2,085,212
Factory & Office equipment (At Cost)	48,455,327	228,684	-	48,684,011	33,672,314	2,267,740	-	35,940,054	12,743,957	14,783,013
Total	962,139,381	33,314,862	14,237,922	981,216,321	718,452,740	13,348,241	13,600,963	718,200,018	263,016,303	243,686,641
Previous Year	986,810,007	11,348,282	36,018,908	962,139,381	727,435,399	18,371,005	27,353,664	718,452,740	243,686,641	

Notes:

- Gross value of Land and Building includes a sum of Rs. 25,30,760 (Previous Year Rs. 25,30,760) being the cost of Land/Premises on ownership basis acquired in terms of agreement to purchase
- Gross value of Land and Building includes a sum of Rs. 250 (Previous Year Rs. 250) being the cost of shares in Co-operative Societies.
- Bifurcation of the Book value of Land and Building is not possible in view of the non-availability of separate value of certain Land and Building.
- Land and Building includes a Flat of Rs. 66,44,825 (Previous Year Rs. 66,44,825): Net Block Rs. 41,50,744 (Previous Year Rs. 42,66,950). In the possession of heir of an Ex-Employee.
- Also refer note no. 25.7 (b)

9 Non Current Investments

Sr.	Name of the Body Corporate	Trade/ Non Trade	No. of Shares / Units		Face Value	Extent of Holding (%)\$		Amount (Rs.)		
			2012	2011		2012	2011	2012	2011	
A	Investments in Equity Shares- Long Term									
	In Subsidiary Companies : (Unquoted and fully paid up)									
		Golden Realty & Infrastructure Limited (at cost)	Non-Trade	50,000	50,000	Rs. 10	100%	100%	500,000	500,000
		Golden Investment (Sikkim) Private Limited# (at cost)	Non-Trade	5,998	5,998	Rs. 10	99.97%	99.97%	59,980	59,980
		Western Express Industries Limited (at cost)	Non-Trade	7,500,000	7,500,000	Rs. 10	100%	100%	23,120,000	23,120,000
		Raigadh Papers Limited (at depreciated value)	Non-Trade	10,000	10,000	Rs. 100	6.66%	6.66%	1	1
	GTC Inc., B.V.(at cost)	Non-Trade	40	40	Euro 455	100%	100%	1,089,270	1,089,270	
B	In Other Body Corporate : (Unquoted, fully paid up)									
		World Growth Fund Limited * (at depreciated value)	Non-Trade	10,000	10,000	Rs. 10			1	1
		WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	Rs. 10			1	1
		Filter and Filteraids Limited# (at depreciated value)	Trade	1,800	1,800	Rs. 10			1	1
C	In Other Body Corporate : (Quoted, fully paid up)									
		GHCL Limited (at cost)	Non-Trade	416,578	416,578	Rs. 10			49,590,697	49,590,697
		General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	Rs. 10			1,584,000	1,584,000
		Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	Rs. 10			10,500,000	10,500,000
		ITC Limited (at cost)	Trade	7,680	7,680	Rs. 1			772	772
		Godfrey Phillips India Limited(at cost)	Trade	228	228	Rs. 10			758	758
	VST Industries Limited(at cost)	Trade	64	64	Rs. 10			407	407	
	Total							86,445,889	86,445,889	
	Aggregate amount of Quoted Investments							61,676,634	61,676,634	
	Aggregate amount of Un-quoted Investments							24,769,255	24,769,255	
	Aggregate Market Value of Quoted Investments							28,159,773	29,902,448	
	Aggregate Provision for diminution in value of Investments							-	-	

Shares lying with Income Tax Department. \$ Information provided to the extent of presently available.

*Share certificates are yet to be received

- 9.1 There is a substantial diminution in the carrying value of certain long term investments as compared to its market book 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.

10 Long term loans and advances

(Amount in Rs.)

Particulars		As at March 31, 2012		As at March 31, 2011
Unsecured, Considered good				
Capital Advance		30,738,636		38,483,046
Security Deposits		8,129,751		8,387,569
Loans and Advances				
To Subsidiaries (Also refer Note no. 25.7(d))		1,740,137,520		1,855,285,189
To an Associate		18,000,000		18,000,000
To Others		236,964,085		112,057,328
Payment of Tax (Net Provisions of Rs. 32,80,07,840; Previous year Rs. 32,80,27,840)		107,384,030		107,299,739
Considered Doubtful	17,158,422		17,158,422	
Less:Provision for doubtful loans and advances	17,158,422	-	17,158,422	-
Total		2,141,354,022		2,139,512,871



10.1 The Company has given an advance of Rs.9,88,60,201 (Previous Year Rs. 10,14,86,007) to and made an investment of Rs. 2,31,20,000 (Previous Year Rs.2,31,20,000) in Western Express Industries Limited (WEIL), a wholly owned subsidiary Company, which has accumulated losses far in excess of its paid up capital and reserves & surplus. However, the management is hopeful of recovering / realising the same in due course of time in view of expected revival of activities / developments in the said subsidiary.

Further, as a nominee of the Company, WEIL had acquired 100% ownership of Raigadh Papers Limited (RPL) for a consideration of Rs.1,20,00,000 in the year 2007. RPL is having extensive land at Raigadh, whose value, based on an independent valuer's opinion exceeds the aggregate amount of advance given/investment made. The acquisition of ownership of RPL has strengthened the asset base of WEIL significantly and has provided adequate financial coverage to the aforesaid advance and investment by the Company in WEIL. In view of what is stated above, no provisioning has been considered necessary.

11 Inventories *

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Raw Materials	250,119,041	369,805,256
Work-in-progress	39,170,312	34,244,229
Finished goods	60,885,035	100,825,830
Packing Materials	58,057,976	55,402,558
Stock in Trade (Immovable Property)	352,198,748	413,198,748
Stores and spares	31,985,608	32,842,537
	792,416,720	1,006,319,158
Less : Provision for Non Moving Stock	10,494,596	-
Total	781,922,124	1,006,319,158

Valued at cost or net realisable value whichever is lower

11.1 The Company has provided excise duty/customs duty of Rs.3,49,83,347 (Previous year Rs. 5,03,01,293) on the goods lying in bonded premises as on the Balance Sheet date and included the same in the inventory value.

12 Trade Receivables

(Secured against Machinery is in the Company's possession)

(Amount in Rs.)

Particulars		As at March 31, 2012		As at March 31, 2011
Secured (secured against Machinery in the Company's possession)				
Trade receivables outstanding for a period of exceeding six months				
Considered good		48,779,012		50,269,772
Unsecured				
Trade receivables outstanding for a period of exceeding six months				
Considered good		43,137,544		21,941,137
Considered doubtful	4,518,069		4,668,069	
Less : Provision for doubtful debts	4,518,069		4,668,069	
Others				
Considered good		51,549,208		94,274,009
Total		143,465,764		166,484,918

12.1 No provision has been considered necessary in respect of certain overdue trade receivables aggregating to Rs. 4,21,07,890 (Previous Year Rs. 3,09,09,336) since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

13 Cash and Bank Balances
(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
(I) Cash and Cash Equivalents		
Balances with banks		
In Current Accounts	17,438,414	19,537,349
Cash on hand	995,083	205,309
	18,433,497	19,742,658
(II) Earmarked Bank balances		
Fixed Deposits with maturities less than twelve months pledged with banks against Guarantees and Credit facilities and with Government authorities for VAT/Entry Tax registration	17,580,366	14,323,883
Right Issue Collection Accounts	66,470	66,470
	17,646,836	14,390,353
Total	36,080,333	34,133,011

14 Short term loans and advances
(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured, Considered good		
Advances (secured against Machinery is in the Company's possession)	6,879,407	6,879,407
Unsecured, Considered good		
Balances with Excise authorities	7,465,516	6,674,548
Other Loans and Advances	32,758,563	23,433,067
Total	47,103,486	36,987,022

14.1 No provision has been considered necessary in respect of certain overdue loans & advances aggregating to Rs. 1,84,00,000 (Previous Year Rs. 1,84,00,000) since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

15 Other Current Assets
(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Interest accrued but not due on fixed deposits	1,271,718	957,060
Export Incentive receivable	4,456,688	13,311,147
Prepaid Expenses	441,852	379,713
Total	6,170,258	14,647,920

16 Revenue from operations
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of Products	1,264,196,555	1,528,049,824
Less : Excise Duty	(567,543,259)	(602,057,964)
	696,653,296	925,991,860
Scrap Sale	4,835,487	12,790,186
Export Incentives	11,855,901	22,098,860
Total	713,344,684	960,880,906


17 Other Income
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Income	1,160,807	739,317
Dividend income from long term non trade investments	878,192	879,176
Liabilities no longer required written back	536,157	50,120,138
Provision for doubtful debts written back	150,000	-
Surplus on conversion of Land into stock in trade	-	129,163,685
Profit on sale of fixed assets (net)	1,061,452	163,591
Miscellaneous Income	1,868,143	1,573,109
Total	5,654,751	182,639,016

18 Cost of Materials Consumed
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Raw Materials consumed	201,280,346	265,911,082
Packing Materials consumed	91,190,822	110,016,448
Total	292,471,168	375,927,530

19 Manufacturing and Operating Costs
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Consumption of stores and spare parts	6,000,648	7,750,242
Power and fuel	12,522,279	14,364,110
Repairs to machinery	1,620,821	5,594,860
Total	20,143,748	27,709,212

20 Changes in Inventories of Finished Goods & Work in Progress
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Opening Stock:		
Finished Goods	100,825,830	66,678,941
Work in Progress	34,244,229	29,690,303
Stock in Trade(Immovable Property)	413,198,748	566,050,028
Total	548,268,807	662,419,272
Closing Stock		
Finished Goods	60,885,035	100,825,830
Work in Progress	39,170,312	34,244,229
Stock in Trade (immovable Property)	352,198,748	413,198,748
Total	452,254,095	548,268,807
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	(25,332,274)	25,746,314
Total	70,682,438	139,896,779

21 Employee Benefits Expense (Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries and wages	92,023,745	386,162,530
Contributions to provident and other funds	8,815,568	10,822,598
Staff welfare expenses	7,525,006	10,412,464
Total	108,364,319	407,397,592

21.1 Salaries and Wages include Rs. Nil (Previous year - Rs. 18,01,38,843) paid on account of Voluntary Retirement Scheme.

22 Finance Costs (Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Expenses	226,645,818	168,705,369
Total	226,645,818	168,705,369

23 Other Expenses (Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Rent	7,582,886	7,947,484
Repairs & Maintenance - Building	3,639,470	4,158,019
Insurance	1,385,968	2,193,083
Rates and taxes	1,448,457	1,456,143
Travelling & Conveyance Expenses	15,245,420	21,114,827
Legal & Professional charges	24,757,714	42,106,116
Director's sitting Fees	230,000	250,000
Loss on Variation in Foreign Exchange Rates (Net)	3,519,600	70,836
Selling and Distribution Expenses	81,091,871	92,172,885
Provision for Non moving Stock	10,494,596	-
Commission on sales	-	777,575
Miscellaneous Expenses	40,096,155	59,719,885
Total	189,492,137	231,966,853



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2012

24. SIGNIFICANT ACCOUNTING POLICIES :

- A.** The financial statements are prepared under the historical cost convention (except for revaluation of certain Fixed Assets), on the accounting principles of a going concern, in accordance with the applicable accounting standards and on accrual basis except specifically stated here below.

All income and expenses to the extent considered receivable / payable with reasonable certainty are accounted for on accrual basis except specifically stated here below.

B. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result may some time differ from these estimates. Any revision to accounting estimates is recognized prospectively.

C. FIXED ASSETS

- I. a) Certain Land & Buildings and Plant & Equipment were revalued from time to time and are stated at updated book values less depreciation, where applicable.
- b) Other assets are stated at cost less depreciation/amortisation. Cost comprises of all expenses incurred upto commissioning/putting the assets to use.

II. IMPAIRMENT OF ASSETS

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to the statement of profit and loss. If at the Balance Sheet date, there is any indication that a previously assessed impairment loss no longer exists, than such loss is reversed and the asset is restated to that effect.

D. DEPRECIATION / AMORTISATION

- a) Depreciation on Fixed Assets is provided for on written down value method in accordance with Schedule XIV to the Companies Act, 1956 (hereinafter referred to as the 'Act'). In respect of assets whose actual cost does not exceed Rupees Five thousand and acquired before 01.04.1993, depreciation is continued to be provided for at the general rates applicable to them under the said Schedule and those acquired thereafter, at the rate of 100% in the year of acquisition.
- b) Depreciation on the revalued Fixed Assets is provided for on straight line method on the increased book value of the assets (Net of scrap/ salvage value) based on the balance life of the said assets as estimated by the valuer. Out of the depreciation so calculated, the amount of depreciation as stated in (a) above is charged to the Statement of profit and loss and the balance is adjusted against a like amount transferred from Revaluation Reserve.
- c) Depreciation on spares purchased subsequently for specific machinery and having irregular use is provided prospectively over the residual life of the specific machinery.

E. INVESTMENTS

Non current investments are carried at cost less write offs, if any, for diminution other than temporary in the value of such investments, determined for each investment individually.

F. VALUATION OF INVENTORIES

- a) (i) Stock in Trade-Immovable Properties is valued at estimated market value as per the expert opinion received in the matter.
- (ii) Other Inventories are valued at lower of cost and estimated net realisable value. Obsolete, defective and unserviceable stocks are provided for.
- b) Cost of Inventories is computed on moving weighted average /FIFO basis.
- c) Cost of finished goods, work-in-progress and other materials includes conversion and other costs incurred in bringing the inventories to their present location and condition.

- d) Advertisement and Sales promotion materials/items are charged to revenue as and when purchased.

G. REVENUE RECOGNITION

- a) Sale of goods is recognised when the property and all the significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales include Excise Duty and are net of Discounts / Margins (as considered appropriate by the management), Value Added Tax and Damaged & Dented stocks. Damaged & Dented stocks are accounted/ provided for as and when inspected and destroyed.
- b) Export sales are accounted for on the basis of the date of Bill of Lading / Mates Receipt.
- c) Export Benefit Claims are accounted in the year of export.

H. EMPLOYEE BENEFITS

- (a) Contributions towards provident fund and superannuation fund are made under defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The superannuation fund is administered by the Trustees of the GTL Management Staff Superannuation Scheme and is funded under Group Superannuation Scheme of Life Insurance Company Limited. The Company is required to contribute a specific percentage of payroll cost towards retirement benefits. The contributions are charged to Statement of profit and loss in the respective year.
- (b) Leave entitlement liability is provided for on the basis of actuarial valuation carried out at the year-end. Actuarial gains and losses are recognized immediately in the statement of profit and loss.
- (c) Gratuity liability is paid in accordance to a defined benefit plan but is accounted for as and when employees retire and the amount is due.

I. RESEARCH AND DEVELOPMENT EXPENSES

Research & Development expenses of revenue nature are charged to the Statement of profit and loss and that of capital nature are shown as an addition to the respective Fixed Assets.

J. TRANSLATION OF FOREIGN CURRENCY ITEMS

- a) Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transaction.
- b) Assets, liabilities and capital commitments denominated in foreign currency are restated at the rate of exchange prevailing at the year end.
- c) In case of forward contracts, the premium/discount is dealt with in the Statement of profit and loss over the period of the contracts.
- d) The exchange differences are adjusted to Statement of profit and loss.

K. BORROWING COSTS

Borrowing Costs attributable to acquisition or construction of qualifying assets are capitalised as part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the Statement of profit and loss.

L. TAXATION

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable/virtual certainty that these would be realized in future.

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Disputed show cause notices / show cause-cum-demand notices are not considered as contingent liabilities. Contingent assets are not recognized or disclosed in the financial statements.



25. NOTES TO FINANCIAL STATEMENTS :

1) Contingent liabilities not provided for in respect of :

- 1.1) (a) Guarantees and counter guarantees given by the Company to Banks/Financial Institutions / Others in respect of loans / guarantees to / for other companies (excluding in respect of Excise Duty referred to in Note no.(c) below) Rs.10,55,73,000 plus interest, if any (Previous Year Rs. 10,55,73,000 plus interest, if any).
- (b) Guarantees given by the Bankers on behalf of the Company (excluding in respect of Excise Duty referred to in Note no.(c) below) Rs.98,25,039 (Previous Year Rs. 3,54,51,041).
- (c) Disputed Excise claims/demands, of Rs.89,53,05,903 (Previous year Rs.69,46,15,026) excluding interest liability, of any, against and/or relating to the Company and counter claims by the Company are pending or otherwise being contested before the various Excise Authorities /Courts against which the Company has paid Rs.12,08,34,166 (Previous year Rs.29,07,295) (included in Loans & Advances) under protest in the opinion of the management, appropriate provisions have been made in the books of account in respect of Excise claims/ demands that may become payable based on the legal advice /present status of various matters. Further, various show cause notices/show cause-cum-demand notices/attachment notice including in respect of Vile Parle Property, Mumbai have been received from Excise Authorities by the Company and/or in relation to the Company. Since these notices are in the nature of explanations required, the Company does not consider them to constitute any liability. All these notices have been replied/attended to and are pending at different stages including BIFR/AAIFR.
- (d) Excluding the claims/demands against the Company not acknowledged as debts as mentioned in (c) above :
 - (i) Income Tax in respect of earlier years under dispute for which appeals/ rectification petitions have been / are being preferred by the Company and / or pending final assessments: Rs.2,16,47,04,107 (Previous Year Rs. 7,67,76,44,439) including interest up to the date of respective demands and excluding further interest liability if any and penalty of Rs.1,54,16,20,033 (Previous Year Rs. 4,88,75,07,440)
 - (ii) Other Income Tax proceedings in respect of earlier years decided in the Company's favour by the Appellate Authorities against which the Department is in further appeals excluding further interest liability, if any : Rs.651,56,21,760 (Previous Year Rs.100,16,18,582).
- (e) As per order of Hon'ble High Court of Delhi, the Company had filed a Modified Draft Rehabilitation Scheme (MDRS) to BIFR, which is pending and consequential impact, if any, would be considered, including reliefs asked for waiver of interest and penalties arising on implementation of the modified scheme as and when sanctioned.
- (f) The Company expects to succeed in all the pending disputes, as per the expert opinions obtained by the management.
- (g) Other disputed amounts for which the Company is contingently liable :

	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
I) Disputed Demands of employees/ex-employees	31,63,277	34,58,527
ii) Disputed Sales Tax	7,48,721	7,48,721
iii) Disputed Entry Tax	21,97,04,352	21,25,81,897
iv) Disputed Land Revenue Tax	3,76,023	3,14,823
v) Disputed E.S.I.C (Employees' State Insurance)	19,17,978	18,71,197
vi) Services/materials suppliers/advance forfeited and other business related disputed matters)	22,66,30,864	15,17,18,049
vii) The Company has received notices from certain States in USA with regard to claims against cigarettes sold in those States. However, as per an expert legal opinion obtained, the Company is not liable for claims, whatsoever-amount unascertainable.		

1.3) Capital Commitment :

Estimated amount of contracts remaining to be executed on Capital account and not provided for Rs.2,01,30,882 (Previous Year Rs. 2,97,38,896) (Net of advances of Rs. 3,07,38,636 (Previous Year of Rs. 3,84,83,046)

1.4) Other Commitments :

Disclosure in respect of Operating Leases :

Assets taken on lease :

- (a) The Company has taken various residential / commercial premises under cancelable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms.
 - (b) The rental expense in respect of Operating Leases are charged as rent under Note 23.
 - (c) The rental income in respect of Operating Leases is included in "Miscellaneous Income" amounting to Rs. 12,66,980 (Previous Year Rs. 10,99,397) shown under Note 17.
- 2) Land & Buildings and Plant & Equipment were revalued as on 30th June, 1980, 30th June, 1984, 30th June, 1986 (only Land and Buildings), 30th June, 1988 and 31st March,1993. The total increase as a result of these revaluations were transferred to Revaluation Reserve in the respective years. All the above stated revaluations were carried out by an external approved valuer on the basis of market/replacement value of similar assets, using standard indices and after considering the obsolescence and age of individual assets. The revalued amounts, net of withdrawals, of Rs. 14,66,98,190 for Land & Buildings and Rs 64,58,08,462 for Plant & Equipment (Previous Year Rs. 14,66,98,190 and Rs. 65,62,11,633, respectively) remain substituted for the historical costs in the gross block of Fixed Assets (refer Note 8).
- 3) (a) In the opinion of the management, assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- (b) The Accounts of certain Trade Receivables, Trade Payables, Non-operative Banks / Lenders and Loans & Advances are however, subject to formal confirmations / reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.
- 4) Other Liabilities includes Rs. 3,07,90,749 (Previous Year Rs.3,07,90,749) on account of income tax refund received pertaining to earlier years as the disputed matters are yet to be decided.
- 5) (i) There are no Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly, no additional disclosures have been made.
- (ii) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- 6) As a matter of prudence, the following net deferred tax asset as on 31st March,2012 has not been recognized

Particulars	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
Deferred Tax Assets:		
Unabsorbed loss and depreciation	456,443,924	37,95,11,072
Expenses allowable U/s. 43B of Income Tax Act, 1961 on payment basis (including VRS)	61,430,281	7,61,44,885
Deferred Tax Liability:Depreciation	(1,05,89,464)	(96,39,951)
Net Deferred Tax Assets	52,84,63,669	46,52,95,908

7) The Company as a part of development activities of Realty Division :-

- (a) (i) Certain Flats situated at Mumbai, hitherto held as fixed assets having book value of Rs. NIL (Previous Year Rs. 2,02,888) were converted into "Stock-in-Trade" at an amount of Rs. Rs. NIL (Previous Year Rs. 2,70,00,000) being the fair market value on the dates of conversion i.e. 30th June,2010. The fair market value was determined based on the relevant reckoner maintained by the Stamp Authorities. Consequent to conversion of flat at fair market value, the surplus of Rs. NIL



(Previous Year Rs. 2,67,97,112) being the difference between the fair market value and book value arising on this account is transferred to Statement of profit and loss and shown under the head "Other Income".

- (ii) Also some of the Land & Building situated at Andhra Pradesh, hitherto held as fixed assets having book value of Rs. NIL (Previous Year Rs. 1,33,427) were converted into "Stock-in-Trade" at an amount of Rs. NIL (Previous Year Rs. 10,25,00,000) being the fair market value on the dates of conversion i.e. 16th Feb,2011. The fair market value was determined based on the relevant card rates maintained by the Stamp Authorities. Consequent to conversion at fair market value, the surplus of Rs. NIL (Previous Year Rs. 10,23,66,573) being the difference between the fair market value and book value arising on this account is transferred to Statement of profit and loss and shown under the head "Other Income".
- (b) The Company had entered into Memorandum of Understanding (MOU) in December, 2009 with M/s Sheth Developers Pvt. Ltd. and Suraksha Realty Ltd. and received an advance of Rs. 1,32,00,00,000 (Previous Year Rs. 1,32,00,00,000) to jointly develop its Vile Parle property. However, the aforesaid parties have disputed further payments due in March 2011, (in terms of the said MOU).

In terms of MOU, notice dated March 26, 2011 was served upon the parties advising them to make final payment by March 31, 2011 which they have not paid. The company's minority shareholder filed a suit in the City civil Court, Dindoshi, Mumbai, challenging the MOU entered into by the company with the developer. The City Civil Court, Mumbai vide its order dated 26.04.2011 granted ad-interim stay in respect of operation of the MOU.

As a result of the above, the Company has in the Modified Draft Rehabilitation Scheme (MDRS) submitted to the BIFR has sought for refunding the above advance, on the Company being able to raise the funds from a new investor/financier by providing the aforesaid property as security.

- (i) According to the MDRS, the Company has proposed that the money received under the aforesaid MOU be refunded along with Interest as approved by the BIFR.
- (ii) The Company has decided to develop its Vile Parle Property on its own by making arrangement with a strategic investor who will infuse funds for proposed development.

Asuitable arrangement between the strategic investor and Company shall be made by the approval of Hon'ble BIFR.

Further, title deeds of the property are lying in Escrow Account with the solicitor.

- (c) The Company had entered a development agreement in September, 2007 and a supplemental agreement dated October, 2008 with a developer to jointly develop its Hyderabad property and advance of Rs. 5,00,00,000 was received. The developer however, now is not interested to go further with the said agreement. Hence, the Company has floated proposal to tie up with a new developer to which certain developers have evinced interest and the negotiations are going on.
- (d) The Company has given advances aggregating to Rs. 1,63,93,41,602 (Previous Year Rs. 1,75,22,75,686) to Golden Reality and Infrastructure Limited (a subsidiary of the Company) which in turn utilized to acquire certain development right in the two plots of land situated in Delhi for Joint Development pursuant to Development agreement in this regard.

8) Related Party Disclosures :

Related party disclosures as required by AS – 18 "Related Party Disclosures" are given below:

I. List of related parties :

1. Parties where Control Exists – Subsidiary Companies :

Western Express Industries Limited
Golden Investment (Sikkim) Private Limited.
Golden Realty & Infrastructure Limited
GTC Inc B.V, Netherland
Raigadh Papers Limited –Fellow Subsidiary

2. Associates/Joint Ventures :

GHCL Limited
M/s Ashoka Developers & Builders Ltd.

3. Other Parties with whom the Company has entered into transactions during the year :

(i) Key Management Personnel

Shri J. P. Khetan	-	Director (Managing Director upto 31st July, 2011)
Shri A. K. Joshi	-	Acting Managing Director

(ii) Relatives of Key Management Personnel

Smt. Madhu Khetan	-	Wife of Shri J. P. Khetan
Shri Amit Joshi	-	Son of Shri A. K. Joshi
Shri Ashwin Joshi	-	Son of Shri A. K. Joshi

II. During the year, the following transactions were carried out with the related parties in the ordinary course of business and outstanding balances as on March 31, 2012 :

(Amount in Rs.)

Particulars	Associates	Joint Venture	Subsidiaries					Key Management Personnel	Relatives of Key Management Personnel	Total
	GHCL Ltd	M/s Ashoka Developers & Builders Ltd	Golden Realty & Infrastructure Limited	Western Express Industries Limited	Golden Investment (Sikkim) Private Limited	GTC Inc B.V.	Raigadh Papers Limited			
Sales : Immovable Property	---	---	---	---	---	---	---	1,08,00,000		1,08,00,000
Expenses : Remuneration	---	---	---	---	---	---	---	1,23,83,003	---	1,23,83,003
	(---)	(---)	(---)	(---)	(---)	(---)	(---)	(1,22,23,774)	(---)	(1,22,23,774)
Rent	---	---	---	---	---	---	---	---	5,20,000	5,20,000
	(---)	(---)	(---)	(---)	(---)	(---)	(---)	(---)	(15,60,000)	(15,60,000)
Car hire Charges	---	---	---	---	---	---	---	---	3,30,000	3,30,000
	(---)	(---)	(---)	(---)	(---)	(---)	(---)	(---)	(3,30,000)	(3,30,000)
Finance & Investment : Loans & Advances given	---	---	---	9,69,194	---	4,26,009	---	---	---	13,95,203
	(---)	(---)	(75,67,83,000)	(15,90,822)	(---)	(2,13,195)	(---)	(---)	(---)	(75,85,87,017)
Amount repaid	---	---	11,29,34,084	35,95,000	16,350	13,788	---	---	---	11,65,59,222
	(---)	(---)	(---)	(1,24,00,000)	(13,300)	(---)	(---)	(---)	(---)	(1,24,13,300)
Outstandings Payables	---	5,00,00,000	---	---	31,15,935	---	---	47,65,975	27,500	5,79,09,410
	(---)	(5,00,00,000)	(---)	(---)	(31,32,285)	(---)	(---)	(22,25,400)	(1,54,220)	(5,55,11,905)
Receivables	1,80,00,000	---	1,63,93,41,602	9,88,60,201	---	19,35,717	---	---	---	175,81,37,215
	(1,80,00,000)	(---)	(1,75,22,75,686)	(10,14,86,007)	(---)	(15,23,496)	(---)	(---)	(---)	(187,32,85,189)
Investments	4,95,90,697	---	5,00,000	2,31,20,000	59,980	10,89,270	---	---	---	7,43,59,948
	(4,95,90,697)	(---)	(5,00,000)	(2,31,20,000)	(59,980)	(10,89,270)	(---)	(---)	(---)	(7,43,59,948)
Guarantee provided	---	---	---	---	---	---	7,50,000	---	---	7,50,000
	(---)	(---)	(---)	(---)	(---)	(---)	(7,50,000)	(---)	(---)	(7,50,000)

Notes :

- 1 Related parties have been identified by the management and relied upon by the auditors.
- 2 No amount pertaining to related parties has been provided for as doubtful debts. Also, no amount has been written off/written back in respect of aforesaid parties during the year.
- 3 Figures in brackets pertain to previous year



9) The computation of Earnings per Share :

Particulars	CURRENT YEAR	PREVIOUS YEAR
(A) Numerator :		
Net Loss as per Statement of profit and loss (after tax)	(29,04,77,652)	(33,88,33,475)
(b) Denominator :		
Number of weighted average Equity Shares outstanding For Basic & diluted Earnings per share	1,75,88,021	1,75,88,021
(c) Earnings per Equity Share		
Basic and diluted	(16.52)	(19.27)
(d) Nominal value per Equity Share	Rs.10	Rs.10

10) Research and Development Expenses/ Cost charged :

Particulars	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
a) to appropriate heads of expenses	31,46,406	62,66,765
b) to Miscellaneous Expenses, amongst other expenses, include the following :		
Salaries, Wages and Bonus	13,44,406	42,02,655
Gratuity	--	17,85,577
Contribution to Provident and Other Funds	1,00,100	2,76,191
Workmen and Staff Welfare Expenses	--	26,969
Stores & Spare parts Consumed	1,735	4,131
Machinery Repairs and Maintenance	--	71,231

11) Expenses incurred for purchase of Tobacco, amongst other incidental expenses and maintenance charges of purchasing centers and depots, include :

Particulars	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
Salaries, Wages and Bonus	43,87,455	93,38,333
Contribution to Provident and Other Funds	4,55,628	9,16,566
Gratuity	13,10,740	28,40,422
Workmen and Staff Welfare Expenses	15,096	44,867
Power and Fuel	3,27,881	4,29,199
Building Repairs and Maintenance	1,03,932	4,14,325
Rates and Taxes	15,54,418	9,68,926
Insurance	3,42,032	4,43,225
Rent	99,000	1,63,450

12) The respective consumption figures are net of the following sales and profit/loss, if any, remains adjusted therein:

(a) Raw Materials	13,42,427	66,70,539
Packing Materials	15,05,977	26,48,032
Stores & Spare Parts	Nil	6,83,116
(b) Consumption of raw materials, packing materials and stores & spare parts includes write-offs/diminutions in the value of stocks on account of un-serviceability / obsolescence / damages / shortages.		
(c) Consumption of raw materials, packing materials and stores & spare parts has been arrived at on the basis of opening stock plus purchases less closing stock as physically verified and sale, if any.		

13) Payments to Auditors:

Particulars	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
(i) Audit Fees	7,50,000	7,50,000
(ii) In other capacity for :		
(a) Company Law matters/Management Services	1,92,000	1,92,000
(b) Tax Audit	1,50,000	1,50,000
(c) Certification fees	3,30,000	3,30,000
	14,22,000	14,22,000
(iii) Reimbursement of expenses [including service tax of Rs. 1,46,466 (Previous Year Rs.1,46,466)]	2,48,292	2,87,153
Total	16,70,292	17,09,153

14) Selling and Distribution Expenses" includes :

Rent	96,000	68,447
Insurance	Nil	1,83,403
Entry Tax/Octroi/Toll Tax	24,62,531	27,22,064

15) ADDITIONAL INFORMATION PURSUANT TO REVISED SCHEDULE VI :

A: Information in respect of Sales :

(Amount in Rs.)

Particulars	Sales	Closing Inventory	Opening Inventory
Cigarettes	1,06,93,29,284 (1,16,37,05,353)	6,08,85,035 (9,85,14,452)	9,85,14,452 (5,86,97,790)
Cigar	- (1,70,930)	- (23,11,378)	23,11,378 (77,57,151)
Raw Tobacco	9,59,31,134 (12,11,88,788)	Nil (Nil)	Nil (Nil)
Processed Tobacco	2,23,47,780 (5,53,47,216)	Nil (Nil)	Nil (Nil)
Stock in Trade Immovable Property	7,13,00,000 (18,75,00,000)	35,21,98,748 (41,31,98,748)	41,31,98,748 (43,65,50,028)
Others	52,88,357 (1,37,537)	N.A. (N.A.)	N.A. (N.A.)
Total	1,26,41,96,555 (1,52,80,49,824)	41,30,83,783 (51,40,24,578)	51,40,24,578 (50,30,04,969)



B. Sales include transfer for own consumption of cigarettes at Sales values Rs. 2,04,126
(Previous year Rs. 27,970)

C. Raw Materials Consumed # : (as certified by the Management) (Amount in Rs.)

Particulars	CURRENT YEAR	PREVIOUS YEAR
Tobacco	137,403,432	178,942,067
Cigarette Paper	18,645,293	28,361,220
Filter Rods	32,797,411	44,033,669
Others	12,434,210	14,574,126
Total	201,280,346	265,911,082

Only data relating to the Company's principal products and main materials have been indicated above.

D. Value of Imports calculated on C.I.F. basis : (Amount in Rs.)

Particulars	CURRENT YEAR	PREVIOUS YEAR
(a) Raw Materials	3,56,24,212	2,63,55,789
(b) Stores and Spare Parts	1,26,280	70,786
(c) Packing Materials	6,03,125	68,75,954

E. Value of Imported and Indigenous Raw Materials, Stores and Spare Parts consumed and percentage thereof to the total consumption : (as certified by the Management)

Particulars	Raw Materials		Stores and Spare Parts	
	Rupees	%	Rupees	%
Imported	1,88,17,999 (2,77,65,375)	9.35 (10.44)	1,39,855 (10,74,297)	2.33 (13.86)
Indigenous	18,24,62,347 (23,81,45,707)	90.65 (89.56)	58,60,793 (66,75,945)	97.67 (86.14)
Total	20,12,80,346 (26,59,11,082)	100.00 (100.00)	60,00,648 (77,50,242)	100.00 (100.00)

(Figures in brackets in Note No. A and E pertain to Previous Year)

		(Amount in Rs.)	
16) Particulars	CURRENT YEAR	PREVIOUS YEAR	
(i) Expenditure in Foreign Currency : (On actual payment basis)			
Travelling, Legal & Profess	62,22,365	21,05,291	
Advertisement Expenses	3,48,376	78,746	
Commission	Nil	7,77,575	
(ii) Earning in foreign currency : (On accrual basis)			
(a) Exports of Goods on F.O.B. basis (including exports through/by third parties)	28,73,94,028	32,84,73,447	
(b) Recovery towards Freight and Insurance on Export	7,19,525	19,70,498	
Total	28,81,13,553	33,04,43,945	

17. Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows :

Particulars	Type of Foreign currency	As at 31-03-2012		As at 31-03-2011	
		Amount in Foreign currency	Amount in Rs.	Amount in Foreign currency	Amount in Rs.
Trade Receivable	US\$	1,93,332	98,25,113	57,474	25,95,718
	EURO	3,026	2,05,254	-	-
Trade Payable	US\$	6,53,691	3,32,20,584	8,48,444	3,82,27,613
	EURO	-	-	2,007	1,17,839

18. As per Accounting Standards (AS) 17 "Segment Reporting", segment information has been provided in the notes to Consolidated Financial Statements.

19. The Previous Year's figures have been rearranged, reinstated and/or regrouped wherever necessary to conform to the Current Year's presentation.

Signatures to Notes 1 to 25

For and on behalf of the Board

A K Joshi
Acting Managing Director

J P Khetan
Director

R R Kumar
Director

Rishabh Jain
Director

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director

Place: Mumbai
Date : May 25, 2012



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES:

PARTICULARS	GOLDEN INVESTMENT (SIKKIM) PVT. LIMITED	WESTERN EXPRESS INDUSTRIES LIMITED	RAIGADH PAPERS LIMITED	GTC INC B.V	GOLDEN REALTY & INFRASTRUCTURE LIMITED
1 The Financial Year of the Company ending on	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012
2 Fully paid Equity Shares of the Subsidiary Companies of Rs. held by Golden Tobacco Limited, the Holding Co. (%)	5,998 10 each (99.97)	7,500,000 10 each (100.00)	150,000 100 each (100.00)	40 27231.75 each * (100.00)	50,000 10 each (100.00)
3 The net aggregate Profit (Loss) of the Subsidiary Company Dealt with in the accounts of the Holding Company					
i) For the Financial year (Rs.)	Nil	Nil	Nil	Nil	Nil
ii) For the Previous Financial years (RS.)	4,948,350	47,545,000	Nil	Nil	Nil
4 Not dealt with in the accounts of the Holding Company in so far as it relates to the Company					
i) For the Financial year (Rs.)	(14,638)	(63,028)	(740,445)	(363,370)	(56,435,564)
ii) For the Previous Financial years (Rs.)	2,996,857	(157,856,576)	(18,534,899)	(3,010,000)	(1,639,766)
5 a) Change of interest of the Company in the Subsidiaries between the end of the financial year of the Subsidiaries and the financial year of the Company	Nil	Nil	Nil	Nil	Nil
b) Material Changes between the end of the financial year of the Subsidiaries and the end of financial year of the Company					
i) Fixed Assets	Nil	Nil	Nil	Nil	Nil
ii) Investments	Nil	Nil	Nil	Nil	Nil
iii) Monies lent by the Subsidiary	Nil	Nil	Nil	Nil	Nil
iv) Monies borrowed by the Subsidiary other than for meeting current liabilities	Nil	Nil	Nil	Nil	Nil

* Represents 455 Euro per share.

For and on behalf of the Board

A K Joshi
Acting Managing Director

J P Khetan
Director

R R Kumar
Director

Rishabh Jain
Director

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director

Place: Mumbai
Date : May 25, 2012



AUDITORS' REPORT

To
The Board of Directors of
GOLDEN TOBACCO LIMITED

1. We have audited the attached Consolidated Balance Sheet of GOLDEN TOBACCO LIMITED (the 'Parent Company') and its subsidiaries as at March 31, 2012, the Consolidated Statement of Profit & Loss and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Parent Company's management and have been prepared by them on the basis of separate financial statements and other financial information regarding its subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of 3 subsidiaries included in the consolidated financial statements, whose financial statements reflect the total assets of Rs. 3,34,68,883 as at March 31, 2012 and total revenue for the year ended March 31, 2012 of Rs. NIL. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Parent Company's management in accordance with the requirements of the Accounting Standards (AS) 21 - Consolidated Financial Statements prescribed by Companies (Accounting Standards) Rules, 2006 as amended from time to time.
5. *Flat-Gross Block of Rs.66,44,825 (Net Block Rs.41,50,744) as on 31st March, 2012 is in the wrongful possession of the family member of an ex- employee for a long time. The Parent Company has already initiated legal proceedings against the said ex-employee and on his demise, the names of his family members were substituted. The Parent Company is rigorously following litigation so that flat can be vacated at the earliest. We are, however, unable to comment as to when the said flat would be released to the Parent Company and on the ultimate realisability of the carrying value thereof.*
6. *No provision has been made in the accounts in respect of the estimated total liability for future payment of gratuity of Rs. 4,87,29,868 determined on the basis of actuarial valuation. (Refer Note no.7.1 in notes to financial statements);*
7. *Certain Trade Receivables, Loans and Advances aggregating to Rs.6,05,07,890 which have been classified by the management as 'considered good' are, in our opinion, doubtful of recovery and are therefore required to be provided for as doubtful debts. (Refer Note no.12.1 and 14.1 in notes to financial statements).*
8. *We further report that, without considering the matter referred in paragraph 5 above, had the observations made by us in paragraph 6 and 7 above been considered, the loss for the year would have been Rs.45,73,32,454(as against reported loss figure of Rs. 34,80,94,696), accumulated losses would have been Rs. 1,27,55,12,040 (as against reported figure of Rs. 1,16,62,74,282), Assets would have been Rs.5,52,89,71,315 (as against reported figure of Rs. 5,58,94,79,205) and Equity and Liabilities would have been Rs. 5,63,82,09,073(as against reported figure of Rs. 5,58,94,79,205);*
9. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the said Consolidated Financial Statements subject to our comments in paragraph 8above and read together with note no. 25.1 regarding contingent liabilities, note no. 9.1 regarding carrying value of certain long term investments and other accompanying notes give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of Consolidated Balance Sheet, of the state of affairs of the Golden Tobacco Limited and its subsidiaries as at March 31, 2012;
 - (ii) in the case of Consolidated Statement of Profit and Loss, of the loss of the Golden Tobacco Limited and its subsidiaries for the year ended on that date; and
 - (iii) in the case of Consolidated Cash Flow Statement, of the cash flows of the Golden Tobacco Limited and its subsidiaries for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants

A. M. Hariharan
Partner

Membership No.38323
Firm Registration No. : 301051E

Place : Mumbai
Dated : May 25, 2012



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012	(Amount in Rs.) As at March 31, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	1	175,880,212	175,880,212
Reserves and surplus	2	(431,357,061)	(80,106,625)
2 Minority Interest			
		1,013	1,018
3 Non-current liabilities			
Long-term borrowings	3	2,973,044,761	1,011,278,905
Other Long Term Liabilities	4	1,893,386,277	1,534,988,409
4 Current liabilities			
Short-term borrowings	5	428,459,500	422,720,123
Trade payables	6	125,171,223	186,047,442
Other current liabilities	7	411,926,450	356,516,523
Short-term provisions	8	12,966,830	21,349,664
TOTAL		<u>5,589,479,205</u>	<u>3,628,675,671</u>
II. ASSETS			
1 Non Current Assets			
Fixed Assets			
Tangible Assets	9	269,701,642	250,372,445
Non-Current investments	10	62,878,173	62,878,173
Long-term Loans and Advances	11	4,154,608,708	2,013,300,814
2 Current Assets			
Inventories	12	781,922,124	1,006,319,158
Trade Receivables	13	143,465,764	166,484,918
Cash and Bank Balances	14	97,986,334	49,638,519
Short Term Loans and Advances	15	71,568,003	65,033,724
Other Current Assets	16	7,348,457	14,647,920
TOTAL		<u>5,589,479,205</u>	<u>3,628,675,671</u>

Significant accounting policies and
Accompanying Notes form an integral part of Consolidated
Financial Statements

24 & 25

As per our attached Report of even date

For LODHA & CO.
Chartered Accountants

For and on behalf of the Board

A.M.Hariharan
Partner

A K Joshi
Acting Managing Director

J P Khetan
Director

R R Kumar
Director

Rishabh Jain
Director

Place: Mumbai
Date : May 25, 2012

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

		(Amount in Rs.)	
	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
I Revenue from operations	16	713,344,684	960,880,906
II Other income	17	7,539,181	182,644,716
III Total Revenue		<u>720,883,865</u>	<u>1,143,525,622</u>
IV Expenses			
Cost of materials consumed	18	292,471,168	375,927,530
Purchases for resale		91,035,443	115,338,111
Manufacturing and Operating Costs	19	20,143,748	27,709,212
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	70,682,438	139,896,779
Employee Benefits Expense	21	108,366,719	407,397,592
Finance costs	22	284,531,573	168,705,369
Depreciation and Amortization Expense		13,348,706	18,371,549
Less : Transferred from Revaluation Reserve		<u>(2,846,225)</u>	<u>(3,119,054)</u>
		10,502,481	15,252,495
Other Expenses	23	191,104,996	234,133,074
Total Expenses		<u>1,068,838,566</u>	<u>1,484,360,162</u>
IX Loss before tax		<u>(347,954,701)</u>	<u>(340,834,540)</u>
X Tax Expense :			
Wealth Tax		<u>140,000</u>	<u>160,000</u>
XI Loss for the year from continuing operations		<u>(348,094,701)</u>	<u>(340,994,540)</u>
Minority Interest (Loss)		5	5
Loss for the year		<u>(348,094,696)</u>	<u>(340,994,535)</u>
XVI Earnings per equity share of the face value of Rs.10 each :			
Basic & Diluted	25.8	(19.79)	(19.39)

Significant accounting policies and Accompanying Notes form an integral part of consolidated financial statements

24 & 25

As per our attached Report of even date

For LODHA & CO.
Chartered Accountants

For and on behalf of the Board

A.M.Hariharan
Partner

A K Joshi
Acting Managing Director

J P Khetan
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Director

Rishabh Jain
Director

Place: Mumbai
Date : May 25, 2012

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
A Cash flow from Operating Activities:		
Net (loss) before tax and exceptional items	(347,954,701)	(340,834,540)
Add: Adjustments for :		
Depreciation and Amortization	10,502,481	15,252,495
Interest Expenses	261,826,193	168,705,369
Interest received (other than investment)	(2,903,087)	(739,317)
Dividend received on non current trade investments	(886,172)	(884,876)
(Profit)/Loss on sale of fixed assets	(1,061,452)	(163,591)
Liabilities no longer required	(670,327)	(50,120,138)
Fixed assets discarded/written off	-	49,838
Surplus on conversion of land into Stock-in-Trade	-	(129,163,685)
Effects of Foreign Currency translation	(663,703)	11,783
Foreign Exchange (Gain)/Loss, net	3,519,600	70,836
Operating Profit/(loss) before Working Capital changes	(78,291,168)	(337,815,826)
Adjustments for changes in Working Capital :		
-Trade and other Receivables	(2,123,334,080)	(817,907,355)
-Inventories	224,397,034	126,731,435
- Trade and Other Payable	(13,849,126)	647,049,247
Cash generated from Operations	(1,991,077,340)	(381,942,499)
Income Taxes Paid	-	(655,335)
Net cash from/(used in) Operating Activities - A	(1,991,077,340)	(382,597,834)
B Cash flow from Investing Activities:		
Purchase of Fixed Assets	(33,314,862)	(11,348,282)
Sale of fixed Assets	1,617,368	288,591
Dividend and Interest from Investments	886,172	884,876
Net Cash from/(used in) Investing Activities - B	(30,811,322)	(10,174,815)
C Cash flow from Financing Activities:		
(Repayment)/Proceeds of long term borrowings	2,325,903,101	553,964,565
Interest paid	(261,826,193)	(168,705,369)
Interest received (other than Investment)	2,903,087	739,317
Net cash from/(used in) Financing Activities - C	2,066,979,994	385,998,513
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	45,091,332	(6,774,136)
Opening Cash and Cash Equivalents	35,248,166	42,022,302
Closing Cash and Cash Equivalents	80,339,498	35,248,166

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3, Cash Flow Statement prescribed by Companies (Accounting Standards) Rules, 2006.
- 2 Pledged Fixed Deposits and Right Issue Collection accounts have been excluded from Cash and Cash equivalents and included in Other Receivables.
- 3 Previous year's figures have been regrouped/rearranged where necessary.

As per our attached Report of even date

For LODHA & CO.
Chartered Accountants

For and on behalf of the Board

A.M.Hariharan
Partner

A K Joshi
Acting Managing Director

J P Khetan
Director

R R Kumar
Director

Rishabh Jain
Director

Place: Mumbai
Date : May 25, 2012

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012

1 Share Capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of Rs. 100 each	1,000,000	100,000,000	1,000,000	100,000,000
	26,000,000	350,000,000	26,000,000	350,000,000
Issued				
Equity Shares of Rs. 10 each	17,608,802	176,088,020	17,608,802	176,088,020
Subscribed & Paid up				
Equity Shares of Rs. 10 each	17,598,016	175,980,160	17,598,016	175,980,160
Less : Allotment/Call money unpaid other than Directors	-	99,948	-	99,948
Total	17,598,016	175,880,212	17,598,016	175,880,212

2 Reserves and Surplus

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Capital Reserve		
a) on profit on sale of Investments	10,848,900	10,848,900
b) on account of monies received against forfeited shares	90,000	90,000
c) Capital Reserve on Consolidation		
i) Reserves capitalized by a subsidiary company on issue of bonus shares	25,000,000	25,000,000
ii) goodwill capitalized in view of write off by the subsidiary	26,880,000	26,880,000
iii) In respect of investment made by a subsidiary	2,457,673	2,457,673
iv) General reserve of a subsidiary company	4,021,711	4,021,711
v) Investment allowance reserve of a subsidiary company	5,657,500	5,657,500
Closing Balance	74,955,784	74,955,784
Securities Premium Account		
Opening Balance	534,547,235	534,547,235
Less : Allotment/call money unpaid other than Directors	926,332	926,332
Closing Balance	533,620,903	533,620,903
Revaluation Reserve (On revaluation of Land, Buildings and Plant & Equipment)		
Opening Balance	129,429,082	140,266,996
Add : of a subsidiary on Consolidation	435,231	435,231
Less : Relating to assets sold /discarded/written off/transferred to stock in Trade	81,043	8,154,091
Less : Transferred to Statement of Profit & Loss being the difference between depreciation for the year on revalued amount and original cost of the assets	2,846,225	3,119,054
Closing Balance	126,937,045	129,429,082
Foreign Currency Translation Reserve		
Opening Balance	67,192	55,411
Add: Movement during the year	(663,703)	11,781
Closing Balance	(596,511)	67,192
Deficit: Statement of Profit and Loss		
Opening Balance	(818,179,586)	(477,185,051)
Add : Loss for the year transferred from Statement of Profit and Loss	(348,094,696)	(340,994,535)
Closing Balance	(1,166,274,282)	(818,179,586)
Total	(431,357,061)	(80,106,625)



3 Long Term Borrowings

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured :		
Term loans :		
from banks	30,958,842	11,458,843
from Bodies Corporate	2,916,585,919	974,320,062
Unsecured :		
from Body Corporate	25,500,000	25,500,000
Total	2,973,044,761	1,011,278,905

4 Other Long term Liabilities

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Unpaid Dividend	7,115,143	19,762,294
Other Liabilities (Also refer Note No. 25.6 (b))	1,886,271,134	1,515,226,115
Total	1,893,386,277	1,534,988,409

5 Short Term Borrowings

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured		
Working Capital Facilities :		
from banks	428,459,500	422,720,123
Total	428,459,500	422,720,123

6 Other Current Liabilities

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Current maturities of long term debt	165,088,571	87,643,213
12% Secured Redeemable Non-Convertible Debentures of Rs. 100 each (Privately Placed with IFCI LTD)	-	10,000,000
Interest accrued and due on borrowings	17,362,338	17,963,297
Security Deposits	112,384,864	114,463,492
Other Liabilities	103,207,853	115,158,285
Statutory Dues Payable	13,882,825	11,288,236
Total	411,926,450	356,516,523

7 Short-term Provisions

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits	12,966,830	21,349,664
Total	12,966,830	21,349,664

7.1 No provision has been made in the holding Company's accounts in respect of estimated total liability for future payment of gratuity of Rs. 4,87,29,868 (Previous Year Rs. 5,76,46,424) determined on the basis of actuarial valuation, as the holding Company's practice is to account for the same as and when due for payment.

8 Fixed Assets

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	Balance as at 1st April 2011	Additions during the year	Disposals during the year	Balance as at 31st March 2012	Balance up to 31st March 2011	Depreciation charge for the year	Disposals during the year	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2011
Tangible Assets										
Land & Building (At Book value)	2,13,343,051	32,572,563	-	245,915,614	53,331,451	2,621,327	-	55,952,778	189,962,836	160,011,600
Electric Installations (At Cost)	3,056,874	-	-	3,056,874	2,763,572	40,872	-	2,804,444	252,430	293,302
Plant and Equipment (At Book value)	685,604,700	513,615	10,403,171	675,715,144	612,945,174	7,826,915	10,318,411	610,453,678	65,261,466	72,659,526
Furniture and Fixtures (At Cost)	7,343,687	-	-	7,343,687	6,807,265	97,346	-	6,904,611	439,076	536,422
Vehicles (At Cost)	11,018,175	-	3,834,751	7,183,424	8,932,965	494,041	3,282,552	6,144,454	1,038,970	2,085,210
Factory & Office equipment (At Cost)	48,487,592	228,684	-	48,716,276	33,701,207	2,268,205	-	35,969,412	12,746,864	14,786,385
Total	968,854,079	33,314,862	14,237,922	987,931,019	718,481,634	13,348,706	13,600,963	718,229,377	269,701,642	250,372,445
Previous Year	993,524,705	11,348,282	36,018,908	968,854,079	727,463,749	18,371,549	27,353,664	718,481,664	250,372,445	

9 Non Current Investments

Sr.	Name of the Body Corporate	Trade/ Non Trade	No. of Shares / Units		Face Value	Extent of Holding (%) * \$		Amount (Rs.)		
			2012	2011		2012	2011	2012	2011	
A	Investments in Equity Shares- Long Term									
	In Other Body Corporate : (Unquoted, fully paid up)									
		World Growth Fund Limited * (at depreciated value)	Non-Trade	10,000	10,000	Rs. 10			1	1
		WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	Rs. 10			1	1
		Dalmia Finance Ltd.	Non-Trade	120,000	120,000	Rs. 10			1,200,000	1,200,000
		Tendong Services Pvt. Ltd. (at depreciated value)	Non-Trade	311	311	Rs. 100			1	1
		Filter and Filteraids Limited# (at depreciated value)	Trade	1,800	1,800	Rs. 10			1	1
		J K Cigarettes Limited#(at depreciated value)	Trade	20,000	20,000	Rs. 10			1	1
	Premier Paper Mills Ltd.	Trade	40,000	40,000	Rs. 100			5	5	
B	In Other Body Corporate : (Quoted, fully paid up)									
		GHCL Limited (at cost) \$	Non-Trade	416,578	416,578	Rs. 10			49,590,697	49,590,697
		General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	Rs. 10			1,584,000	1,584,000
		Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	Rs. 10			10,500,000	10,500,000
		ITC Limited** (at cost)	Trade	15,360	15,360	Rs. 1			1,544	1,544
		Godfrey Phillips India Limited(at cost)	Trade	456	456	Rs. 10			1,515	1,515
	VST Industries Limited(at cost)	Trade	64	64	Rs. 10			407	407	
	Total							62,878,173	62,878,173	
	Aggregate amount of Quoted Investments							61,678,163	61,678,163	
	Aggregate amount of Un-quoted Investments							1,200,010	1,200,010	
	Aggregate Market Value of Quoted Investments							29,743,456	29,902,448	
	Aggregate Provision for diminution in value of Investments							-	-	

Shares lying with Income Tax Department

*Share certificates are yet to be received

** No. 3,840 Original Shares certificates are not found

\$ Presently not available

9.1 There is a substantial diminution in the carrying value of certain long term investments as compared to its market book 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.



10 Long term loans and advances

(Amount in Rs.)

Particulars		As at March 31, 2012		As at March 31, 2011
Unsecured, Considered good				
Capital Advance		30,738,636		38,483,046
Security Deposits		8,129,751		8,387,569
Loans and Advances				
To an Associate		18,000,000		18,000,000
To Others		236,964,085		112,057,328
Advance for acquiring development rights (also refer Note no. 25.6 (d))		3,749,610,000		1,725,500,000
Payment of Tax (Net Provisions of Rs.33,05,35,299; Previous year Rs.33,05,55,299)		111,166,236		110,872,871
Considered Doubtful	18,047,569		18,047,569	
Less:Provision for doubtful loans and advances	18,047,569	-	18,047,569	-
Total		4,154,608,708		2,013,300,814

11 Inventories *

(Amount in Rs.)

Particulars		As at March 31, 2012		As at March 31, 2011
Raw Materials		250,119,041		369,805,256
Work-in-progress		39,170,312		34,244,229
Finished goods		60,885,035		100,825,830
Packing Materials		58,057,976		55,402,558
Stock in Trade (Immovable Property)		352,198,748		413,198,748
Stores and spares		31,985,608		32,842,537
		792,416,720		1,006,319,158
Less : Provision for Non Moving Stock		10,494,596		-
Total		781,922,124		1,006,319,158

* Valued at cost or net realisable value whichever is lower

12 Trade Receivables

(Amount in Rs.)

Particulars		As at March 31, 2012		As at March 31, 2011
Secured (Secured against Machinery is in the Company's possession)				
Trade receivables outstanding for a period of exceeding six months		48,779,012		50269772
Considered good				
Unsecured				
Trade receivables outstanding for a period of exceeding six months		43,137,544		21,941,137
Considered good				
Considered doubtful	4,518,069		4,668,069	
Less : Provision for doubtful debts	4,518,069	-	4,668,069	-
Others				
Considered good		51,549,208		94,274,009
Total		143,465,764		166,484,918

12.1 No provision has been considered necessary in respect of certain overdue trade receivables aggregating to Rs. 4,21,07,890 (Previous Year Rs. 3,09,09,336) since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

13 Cash and Bank Balances
(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
(I) Cash and Cash Equivalents		
Balances with banks		
In Current Accounts	28,850,532	35,041,442
Cash on hand	998,966	206,724
Term deposits with maturity for less than twelve months	50,490,000	-
	80,339,498	35,248,166
(II) Earmarked Bank balances		
Fixed Deposits with maturities less than twelve months pledged with banks against Guarantees and Credit facilities and with Government authorities for VAT/Entry Tax registration	17,580,366	14,323,883
Right Issue Collection Accounts	66,470	66,470
	17,646,836	14,390,353
Total	97,986,334	49,638,519

14 Short term loans and advances
(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured, Considered good		
Loans	23,550,000	27,145,000
Advances (secured against Machinery is in the Company's possession)	7,521,007	6,879,407
Unsecured, Considered good		
Balances with Excise authorities	7,712,433	6,674,548
Other Loans and Advances	32,784,563	24,334,769
Total	71,568,003	65,033,724

14.1 No provision has been considered necessary in respect of certain overdue loans & advances aggregating to Rs. 1,84,00,000 (Previous Year Rs. 1,84,00,000) since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

15 Other Current Assets
(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Interest accrued but not due on fixed deposits	2,449,917	957,060
Export Incentive receivable	4,456,688	13,311,147
Prepaid Expenses	441,852	379,713
Total	7,348,457	14,647,920

16 Revenue from operations
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of Products	1,264,196,555	1,528,049,824
Less : Excise Duty	(567,543,259)	(602,057,964)
	696,653,296	925,991,860
Scrap Sale	4,835,487	12,790,186
Export Incentives	11,855,901	22,098,860
Total	713,344,684	960,880,906


17 Other Income
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Income	2,903,087	739,317
Dividend income from long term non trade investments	886,172	884,876
Liabilities no longer required written back	670,327	50,120,138
Provision for doubtful debts written back	150,000	-
Profit on sale of fixed assets (net)	1,061,452	163,591
Surplus on conversion of Land into stock in trade	-	129,163,685
Miscellaneous Income	1,868,143	1,573,109
Total	7,539,181	182,644,716

18 Cost of Materials Consumed
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Raw Material consumed	201,280,346	265,911,082
Packing Materials consumed	91,190,822	110,016,448
Total	292,471,168	375,927,530

19 Manufacturing and Operating Costs
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Consumption of stores and spare parts	6,000,648	7,750,242
Power and fuel	12,522,279	14,364,110
Repairs to machinery	1,620,821	5,594,860
Total	20,143,748	27,709,212

20 Changes in Inventories of Finished Goods & Work in Progress
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Opening Stock:		
Finished Goods	100,825,830	66,678,941
Work in Progress	34,244,229	29,690,303
Stock in Trade(Immovable Property)	413,198,748	566,050,028
Total	548,268,807	662,419,272
Closing Stock		
Finished Goods	60,885,035	100,825,830
Work in Progress	39,170,312	34,244,229
Stock in Trade (immovable Property)	352,198,748	413,198,748
Total	452,254,095	548,268,807
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	(25,332,274)	25,746,314
Total	70,682,438	139,896,779

21 Employee Benefits Expense
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries and wages	92,026,145	386,162,530
Contributions to provident and other funds	8,815,568	10,822,598
Staff welfare expenses	7,525,006	10,412,464
Total	108,366,719	407,397,592

22 Finance Costs
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Expenses	261,826,193	168,705,369
Other Borrowing Cost	22,705,380	-
Total	284,531,573	168,705,369

23 Other Expenses
(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Rent	7,591,286	7,955,884
Repairs & Maintenance - Building	3,639,470	4,158,019
Insurance	1,385,968	2,193,083
Rates and taxes	1,560,961	1,528,404
Travelling & Conveyance Expenses	15,245,420	21,114,827
Legal & Professional charges	25,292,901	43,209,194
Director's sitting Fees	230,000	536,600
Loss on Variation in Foreign Exchange Rates (Net)	3,519,600	70,836
Selling and Distribution Expenses	81,091,871	92,172,885
Provision for Non moving Stock	10,494,596	-
Commission on sales	-	777,575
Miscellaneous Expenses	41,052,923	60,415,767
Total	191,104,996	234,133,074



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012

NOTE 24

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Consolidation

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules 2006.

B. Principles of Consolidation

The Consolidated Financial Statements relate to Golden Tobacco Limited, (The Holding Company) and its subsidiaries. The name, country of incorporation and proportion of ownership interest are as under :

Name of the Subsidiary Company	Country of Incorporation	Share Holding Percentage
1 Golden Investment (Sikkim) Pvt. Limited	India	99.97 %
2 GTC INC.B.V	Netherland	100.00 %
3 Golden Realty & Infrastructure Limited	India	100.00 %
4 Western Express Industries Limited	India	100.00 %
5 Raigadh Papers Limited	India	100.00 %

C. Consolidation Procedures

For preparation of Consolidated Financial Statements, the financial statements of the Holding Company and its Subsidiaries have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses. Impact of Inter-Company transactions has been eliminated on consolidation.

D. The accounting policies followed by the holding Company and its subsidiaries are disclosed in their respective financial statements.

NOTES-25:

1) Contingent liabilities not provided for in respect of:

- 1.1) (a) Guarantees and counter guarantees given by the holding Company to Banks/Financial Institutions/Others in respect of loans / guarantees to / for other companies (excluding in respect of Excise Duty referred to in Note no.(c) below) : Rs.10,55,73,000 plus interest, if any (Previous Year Rs.10,55,73,000 plus interest, if any).
- (b) Guarantees given by the Bankers on behalf of the holding Company (excluding in respect of Excise Duty referred to in Note no.(c) below) : Rs. 98,25,039 (Previous Year Rs. 3,54,51,041).
- (c) Disputed Excise claims/demands, of Rs.89,53,05,903 (Previous year Rs.69,46,15,026) excluding interest liability, of any, against and/or relating to the Company and counter claims by the Company are pending or otherwise being contested before the various Excise Authorities /Courts against which the Company has paid Rs.12,08,34,166 (Previous year Rs.29,07,295) (included in Loans & Advances) under protest in the opinion of the management, appropriate provisions have been made in the books of account in respect of Excise claims/ demands that may become payable based on the legal advice /present status of various matters. Further, various show cause notices/show cause-cum-demand notices/attachment notice including in respect of Vile Parle Property, Mumbai have been received from Excise Authorities by the Company and/or in relation to the Company. Since these notices are in the nature of explanations required, the Company does not consider them to constitute any liability. All these notices have been replied/attended to and are pending at different stages including BIFR/AAIFR.
- (d) Excluding the claims/demands against the holding Company and its subsidiaries not acknowledged as debts as mentioned in (c) above :
 - (i) Income Tax in respect of earlier years under dispute for which appeals/ rectification petitions have been/ are being preferred by the group and / or pending final assessments Rs.2,16,90,14,929 (Previous Year Rs. 7,68,19,55,261) including interest upto the date of respective demands and excluding further interest liability if any and penalty of Rs. 1,54,16,20,033 (Previous Year Rs. 4,88,75,07,440).

(ii) Other Income Tax proceedings in respect of earlier years decided in the holding Company's favour by the Appellate Authorities against which the Department is in further appeals excluding further interest liability, if any : Rs. 651,56,21,760 (Previous Year Rs. 100,16,18,582).

(e) As per order of H'able High Court of Delhi, the holding Company has filed a modified draft rehabilitation scheme to BIFR, which is pending and consequential impact, if any including reliefs asked for waiver of interest and penalties arising on implementation of the modified scheme as and when sanctioned.

(f) The holding Company and its subsidiaries expects to succeed in all the pending disputes, as per the expert opinions obtained by the management.

1.2) (a) Other disputed Contingent Liabilities :

Particulars	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
i) Disputed Demands of employees/ex-employees of holding Company	31,63,277	34,58,527
ii) Disputed Sales Tax	8,00,209	8,00,209
iii) Disputed Entry Tax of holding Company	21,97,04,352	21,25,81,897
iv) Disputed Land Revenue & other Taxes of holding Company	3,76,023	3,14,823
v) Disputed E.S.I.C. (Employees' State Insurance)	19,17,978	18,71,197
vi) Services/materials suppliers/advance forfeited and other business related disputed matters (excluding differential interest, if any,)	24,00,81,693	16,51,68,878

(b) The holding Company has received notices from certain States in USA with regard to claims against cigarettes sold in those States. However, as per an expert legal opinion obtained, the Company is not liable for any claims, whatsoever-amount unascertainable.

1.3) Capital Commitments :

Estimated amount of Contracts remaining to be executed on Capital account in holding Company and not provided for Rs. 2,01,30,882 (Previous Year Rs. . 2,97,38,896) (Net of Advances of Rs. 3,07,38,636 (Previous Year Rs. 3,84,83,046).

1.4) Other Commitments :

Disclosure in respect of Operating Leases

Assets taken on lease :

(a) The holding Company has taken various residential / commercial premises under cancelable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms.

(b) The rental expense in respect of Operating Leases are charged as rent under Note 23.

(c) The rental income in respect of Operating Leases is included in "Miscellaneous Income" amounting to Rs. 12,66,980 (Previous Year Rs. 10,99,397) shown under Note 17.

2) Land & Buildings and Plant & Equipment were revalued as on 30th June, 1980, 30th June, 1984, 30th June, 1986 (only Land and Buildings), 30th June, 1988 and 31st March,1993. The total increase as a result of these revaluations were transferred to Revaluation Reserve in the respective years. All the above stated revaluations were carried out by an external approved valuer on the basis of market/replacement value of similar assets, using standard indices and after considering the obsolescence and age of individual assets. The revalued amounts, net of withdrawals, of Rs.14,66,98,190 for Land & Buildings and Rs 64,58,08,462 for Plant & Equipment (Previous Year Rs. 14,66,98,190 and Rs. 65,62,11,633, respectively) remain substituted for the historical costs in the gross block of Fixed Assets (Refer Note no. 8).

3) (a) The Accounts of certain Trade Receivables, Trade Payables, Non-operative Banks / Lenders and Loans & Advances are however, subject to formal confirmations / reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.

(b) In the opinion of the management, assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.



4) **Payments to Auditors (Holding Company) :**

Particulars	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
(i) Audit Fees	7,50,000	7,50,000
(ii) In other capacity for :		
(a) Company Law matters / Management Services	1,92,000	1,92,000
(b) Tax Audit	1,50,000	1,50,000
(c) Certification fees	3,30,000	3,30,000
	14,22,000	14,22,000
(iii) Reimbursement of expenses (including service tax Rs. 1,46,466 (Previous Year Rs. 1,46,466))	2,48,292	2,87,153
Total	16,70,292	17,09,153

5) As a matter of prudence the net deferred tax asset as on 31st March, 2012 has not been recognized.

6) **The holding Company as a part of development activities of Realty Division :-**

- (a) (i) Certain Flats situated at Mumbai, hitherto held as fixed assets having book value of Rs. NIL (Previous Year Rs. 2,02,888) were converted into "Stock-in-Trade" at an amount of Rs. Rs. NIL (Previous Year Rs. 2,70,00,000) being the fair market value on the dates of conversion i.e. 30th June,2010. The fair market value was determined based on the relevant reckoner maintained by the Stamp Authorities. Consequent to conversion of flat at fair market value, the surplus of Rs. NIL (Previous Year Rs. 2,67,97,112) being the difference between the fair market value and book value arising on this account is transferred to Statement of profit and loss and shown under the head "Other Income".
- (ii) Also some of the Land & Building situated at Andhra Pradesh, hitherto held as fixed assets having book value of Rs. NIL (Previous Year Rs. 1,33,427) were converted into "Stock-in-Trade" at an amount of Rs. NIL (Previous Year Rs. 10,25,00,000) being the fair market value on the dates of conversion i.e. 16th Feb,2011. The fair market value was determined based on the relevant card rates maintained by the Stamp Authorities. Consequent to conversion at fair market value, the surplus of Rs. NIL (Previous Year Rs. 10,23,66,573) being the difference between the fair market value and book value arising on this account is transferred to Statement of profit and loss and shown under the head "Other Income".
- (b) The holding Company had entered into Memorandum of Understanding (MOU) in December, 2009 with M/s Sheth Developers Pvt. Ltd. and Suraksha Realty Ltd. and received an advance of Rs. 1,32,00,00,000 (Previous Year Rs. 1,32,00,00,000) to jointly develop its Vile Parle property. However, the aforesaid parties have disputed further payments due in March 2011, (in terms of the said MOU).

In terms of MOU, notice dated March 26, 2011 was served upon the parties advising them to make final payment by March 31, 2011 which they have not paid.

The holding company's minority shareholder filed a suit in the City civil Court, Dindoshi, Mumbai, challenging the MOU entered into by the holding company with the developer. The City Civil Court, Mumbai vide its order dated 26.04.2011 granted ad-interim stay in respect of operation of the MOU.

As a result of the above, the holding Company has in the Modified Draft Rehabilitation Scheme (MDRS) submitted to the BIFR has sought for refunding the above advance, on the holding Company being able to raise the funds from a new investor/financier by providing the aforesaid property as security.

- (i) According to the MDRS, the holding Company has proposed that the money received under the aforesaid MOU be refunded along with Interest as approved by the BIFR.
- (ii) The holding Company has decided to develop its Vile Parle Property on its own by making arrangement with a strategic investor who will infuse funds for proposed development.

A suitable arrangement between the strategic investor and the holding Company shall be made by the approval of Hon'ble BIFR.

Further, title deeds of the aforesaid property are lying in Escrow Account with the solicitor.

- (c) The holding Company had entered a development agreement in September, 2007 and a supplemental agreement dated October, 2008 with a developer to jointly develop its Hyderabad property and advance of Rs.5,00,00,000 was received. The developer however, now is not interested to go further with the said agreement. Hence, the holding Company has floated proposal to tie up with a new developer to which certain developers have evinced interest and the negotiations are going on.
- (d) The group has given advances aggregating to Rs. 3,74,96,10,000 (Previous Year Rs. 1,72,55,00,000) to acquire certain development right in the two plots of land situated in Delhi for Joint Development pursuant to Development agreement in this regard.

7 Segment Reporting :-

Disclosures under Accounting Standards-17 "Segment Reporting" are as under :

(Amount in Rs.)

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Segment Revenue :		
(a) Tobacco Products	62,53,53,296	73,84,91,860
(b) Realty	7,13,00,000	18,75,00,000
(c) Others/Unallocable	---	---
Total	69,66,53,296	92,59,91,860
Add : Other Income		
(a) Tobacco Products	2,14,67,947	3,74,85,201
(b) Realty	15,61,642	17,91,63,685
(c) Others/Unallocable	12,00,980	8,84,876
Total	2,42,30,569	21,75,33,762
Net/Sales income from operations	72,08,83,865	1,14,35,25,622
Segment Results Profit/(Loss) before tax and interest from segment :		
(a) Tobacco Products	(7,48,70,026)	(38,38,06,606)
(b) Realty	1,17,50,191	21,38,38,500
(c) Others/Unallocable	(3,04,293)	(21,61,065)
Total	(6,34,23,128)	(17,21,29,171)
Less : Interest expenses	28,45,31,573	16,87,05,369
Provision for Taxation	1,40,000	1,60,000
Total Profit/(Loss) after taxation	(34,80,94,701)	(34,09,94,540)
Minority Interest (loss)	5	5
Net Profit/(Loss)	(34,80,94,696)	(34,09,94,535)
Segment Assets :		
(a) Tobacco Products	1,37,85,57,178	1,424,882,890
(b) Realty Division	4,18,02,37,219	2,169,824,893
(c) Others/Unallocable	3,06,84,808	33,967,888
Total Assets	5,58,94,79,205	3,628,675,671
Segment Liabilities :		
(a) Tobacco Products	97,50,20,866	1,114,439,217
(b) Realty Division	4,86,52,77,238	2,413,221,672
(c) Others/Unallocable	46,56,937	5,240,177
Total Liabilities	5,58,49,55,041	3,532,901,066
Capital Expenditure :		
(a) Tobacco Products	3,33,14,862	1,13,48,282
(b) Realty Division	---	---
(c) Others/Unallocable	---	---
Total Capital Expenditure	3,33,14,862	1,13,48,282
Depreciation/Amortisation :		
(a) Tobacco Products	1,05,02,016	15,251,951
(b) Realty Division	---	---
(c) Others/Unallocable	465	544
Total Depreciation/Amortization	1,05,02,481	15,252,495



(b) The Group has its operating activities mainly in India and all its assets are mostly located in India.

(Amount in Rs.)

9) Related Party Disclosures :

Related party disclosures as required by AS - 18 "Related Party Disclosures" are given below:

A. List of related parties :

(i) Key Management Personnel

Shri J. P. Khetan Director (Managing Director up to 31st July, 2011)
Shri A. K. Joshi Acting Managing Director

(ii) Associates/Joint Ventures

GHCL Limited
M/s Ashoka Developers & Builders Ltd

(iii) Relatives of Key Management Personnel

Smt. Madhu Khetan Wife of Shri J. P. Khetan
Shri Amit Joshi Son of Shri A. K. Joshi
Shri Ashwin Joshi Son of Shri A. K. Joshi

B. During the year, the following Transactions were carried out with the related parties in the ordinary course of business :

Particulars	Associates	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Total
	GHCL Ltd	M/s Ashoka Developers & Builders Ltd			
Sales : Immovable Property				1,08,00,000	1,08,00,000
Expenses : Remuneration	---	---	1,23,83,003	---	1,23,83,003
	(---)	(---)	(1,22,23,774)	(---)	(1,22,23,774)
Rent	---	---	---	5,20,000	5,20,000
	(---)	(---)	(---)	(15,60,000)	(15,60,000)
Car hire Charges	---	---	---	3,30,000	3,30,000
	(---)	(---)	(---)	(3,30,000)	(3,30,000)
Outstandings : Payable	---	5,00,00,000	47,65,975	27,500	5,47,93,475
	(---)	(5,00,00,000)	(22,25,400)	(1,54,220)	(5,23,79,620)
Receivable	1,80,00,000	---	---	---	1,80,00,000
	(1,80,00,000)	(---)	(---)	(---)	(1,80,00,000)
Investments	4,95,90,697	---	--	---	4,95,90,697
	(4,95,90,697)	(---)	(---)	(---)	(4,95,90,697)

Notes:

- 1 Related parties have been identified by the management and relied upon by the auditors.
- 2 No amount pertaining to Related Parties has been provided for as doubtful debts. Also, no amount has been written off/written back in respect of aforesaid parties during the year.
- 3 Figures in brackets pertain to previous year.

8) The computation of Earnings per Share :

	CURRENT YEAR Rupees	PREVIOUS YEAR Rupees
(a) Numerator : Net Profit/(Loss) as per Statement of Profit and Loss (after tax) after minority interest	(34,80,94,696)	(34,09,94,535)
(b) Denominator : Number of weighted average Equity Shares outstanding For Basic & diluted Earning per share	1,75,88,021	1,75,88,021
(c) Earnings per Equity Share Basic and diluted	(19.79)	(19.39)
(d) Nominal value per Equity Share	Rs.10	Rs.10

9) The Previous Year's figures have been rearranged, reinstated and / or regrouped wherever necessary to conform the Current Year's presentation.

Signatures to Notes 1 to 25

For and on behalf of the Board

A K Joshi
Acting Managing Director

J P Khetan
Director

R R Kumar
Director

Rishabh Jain
Director

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director

Place: Mumbai
Date : May 25, 2012



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES:

(Amount in Rs.)

	PARTICULARS	GOLDEN INVESTMENT (SIKKIM) PVT. LIMITED	WESTERN EXPRESS INDUSTRIES LIMITED	RAIGADH PAPERS LIMITED *	GTC INC B. V.	GOLDEN REALTY & INFRASTRUCTURE LIMITED
1	Share Capital	60,000	75,000,000	15,000,000	1,274,000	500,000
2	Reserves	2,983,114	(146,980,704)	(9,160,901)	(3,373,370)	(58,075,330)
3	Total Assets	3,365,914	44,410,056	7,449,915	4,340	3,822,772,437
4	Total Liabilities	322,800	116,390,760	1,610,816	2,103,710	3,880,347,767
5	Investment (Other than Subsidiaries)	2	1,201,533	NIL	NIL	NIL
6	Turnover	NIL	246,768	NIL	NIL	1,561,642
7	Profit / (Loss) before Taxation	(14,642)	(63,028)	(740,445)	(363,370)	(56,435,564)
8	Provision for Taxation	NIL	NIL	NIL	NIL	NIL
9	Profit / (Loss) after Taxation	(14,642)	(63,028)	(740,445)	(363,370)	(56,435,564)
10	Proposed Dividend	NIL	NIL	NIL	NIL	NIL

* Subsidiary of Western Express Industries Limited

For and on behalf of the Board

A K Joshi
Acting Managing Director

J P Khetan
Director

R R Kumar
Director

Rishabh Jain
Director

Place: Mumbai
Date : May 25, 2012

Manoj Kumar Srivastava
Company Secretary

Bharat B Merchant
Director

V K Bhandari
Director

Form 2B
(See rules 4 CCC and 5 D)

NOMINATION FORM
(To be filled in by individual applying singly or jointly)
(if jointly, only up to two persons)

I / We, _____ and _____ the holder(s) of Shares / Debentures / Deposits / bearing Folio / Receipt Number(s) _____ and accruals thereon of _____ wish to make a nomination and to hereby **(Name of company)** nominate the following person in whom all rights and / or amount payable in respect of Shares / Debentures / Deposits shall vest in the event of my/ our death

Name and Address of Nominee

Name : _____
Address : _____
_____ Pin code _____

Date of Birth : _____
(To be furnished in case the nominee is minor)

Signature of Nominee
(Optional)

* The nominee is a minor whose Guardian is
Name and Address of Guardian _____

Signature(s) of Holder(s)

Signature : _____ (1 st Holder)	Signature : _____ (2 nd Holder)
Name : _____	Name : _____
Address : _____	Address : _____
Date : _____	Date : _____

Signature of Two Witness :

Name and Address	Signature with Date
1.	
2.	

Instructions:

1. The Nomination can be made only by individuals applying / holding shares / debentures on their own behalf singly or jointly up to two persons. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power off attorney cannot nominate. If the securities are held jointly , all joint holders will sing the nomination Form.
2. A minor can be nominated by holder(s) of shares / debenture / deposits and in that event the name and address of the guardian shall be given by the holder(s)
3. The nominee shall not be a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian van be nominee on repatriable basis provided RBI approval granted to the nominee is registered with the company.
4. Nomination shall stand rescinded upon transfer of shares / debenture of repayment / renewal of deposits made.
5. Transfer of shares/ debentures in favour of a nominee and repayment of amount of deposit to nominee shall be valid discharge by the company against the legal heir.

FOR OFFICE USE ONLY

Nomination Regn. No. _____
Date of Registration _____
Checked by _____



GOLDEN TOBACCO LIMITED

Registered Office : Darjipura, Post-Amaliyara, Vadodara - 390022, Gujarat, INDIA.

56th AGM

Fifty Sixth Annual General Meeting to be held on 27th September, 2012 at 3.30 P.M.

PROXY FORM

I / We
of being a member / members of
GOLDEN TOBACCO LIMITED hereby appoint
of or falling him
of as my / our proxy to attend and vote for me / us on my /
our behalf at the Fifty Sixth Annual General Meeting of the COMPANY to be held on Thursday, 27th September, 2012 at 3.30 p.m.
and my adjournment thereof.

In witness whereof

I / We have signed

in this _____ day of _____ 2012.

Reg , Folio no: _____

*DP Id: _____ *Client Id _____

Revenue
Stamp
of
Re. 1

This Proxy Form duly completed must be received at the Company's Registered Office at least 48 hours before the meeting.

*Applicable for Investors holding shares in Electronic form.



GOLDEN TOBACCO LIMITED

Registered Office : Darjipura, Post-Amaliyara, Vadodara - 390022, Gujarat, INDIA.

56th AGM

Fifty Sixth Annual General Meeting to be held on 27th September, 2012 at 3.30 P.M.

ADMISSION SLIP

Reg. Folio No. : _____

*DP Id : _____ * Client Id: _____

NAME & ADDRESS

I/We certify that I am / We are
Member(s) / Proxy of the Members
of the Company; holding
_____ shares.

Signature of the member(s)/ proxy

- A member / proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance.
- A member intending to appoint a proxy may please complete the above proxy form and deposit at the Company's Registered Office at least 48 hours before the meeting.

*Applicable for Investors holding shares in Electronic form

Name of the Proxy in Block letters

Proxy Signature

Book-Post



Regd. Office: Darjipura, Post - Amaliyara, Vadodara, Gujarat - 390022
Email: share@goldentobacco.in, website: www.goldentobacco.in