

57th

Annual
Report
2012-13



Golden Tobacco Limited

GOLDEN TOBACCO LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Sanjay Dalmia	- Chairman
Shri Anurag Dalmia	- Vice Chairman
Shri A. K. Joshi	- Managing Director
Shri R. R. Kumar	- Non Executive Independent Director
Shri J. P. Khetan	- Non Executive Non Independent Director
Shri Bharat B. Merchant	- Non Executive Independent Director
Shri V. K. Bhandari	- Non Executive Independent Director
Shri Rishabh Jain	- Non Executive Independent Director
Shri V. Anish Babu	- Nominee Director-IFCI
Shri Jaskaran S. Khurana	- Whole Time Director
Shri Ved Berry	- Whole Time Director

COMPANY SECRETARY

Manoj Kumar Srivastava

STATUTORY AUDITORS

M/s. Lodha & Co.
Chartered Accountants
Mumbai

SOLICITORS

M/s. Khaitan Jayakar Sud & Vohra (KJSV)

REGISTERED OFFICE ANDWORKS

At Darjipura, Post Amaliyara,
Vadodara - 390 022 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, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai - 400078
Tel. (22) 25963838 Fax (22) 25946969
Email : rnt.helpdesk@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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57TH ANNUAL GENERAL MEETING

Day, Date & Time	: Friday, 27th September, 2013 at 3.30 PM
Venue	: At Darjipura, Post Amaliyara, Vadodara - 390 022 Gujarat
Book Closure Date	: 24th September to 27th September, 2013 (Both Days inclusive)



NOTICE

NOTICE is hereby given that the **FIFTY-SEVENTH ANNUAL GENERAL MEETING** of the Members of GOLDEN TOBACCO LIMITED will be held on Friday, the September 27, 2013 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, 2013 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 Sanjay Dalmia, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Anurag Dalmia, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Bharat B. Merchant, who retires by rotation and being eligible offers himself for reappointment.
5. 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:

6. TO APPOINT SHRI JASKARAN S. KHURANA AS A DIRECTOR:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Jaskaran S. Khurana, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Clause 147 of the Articles of Association of the Company to hold office upto the ensuing Annual General Meeting and in respect of whom the Company has received a requisite notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is, hereby appointed as a Director of the Company liable to retire by rotation".

7. TO APPOINT SHRI VED BERRY AS A DIRECTOR:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Ved Berry, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Clause 147 of the Articles of Association of the Company to hold office upto the ensuing Annual General Meeting and in respect of whom the Company has received a requisite notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is, hereby appointed as a Director of the Company liable to retire by rotation".

8. REVISION OF 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), following resolution as a Special Resolution:

"RESOLVED THAT in modification of earlier resolution passed and pursuant to the provisions of Section 198, 269, 309, 310 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 revision of remuneration payable to Shri A. K. JOSHI as Managing Director of the Company w.e.f. 1st April, 2013 on the terms and conditions 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 as may be agreed to between the Board of Directors and Shri A. K. JOSHI for his residual tenure ending on 26th September, 2015."

9. APPOINTMENT OF AND REMUNERATION PAYABLE TO SHRI JASKARAN S. KHURANA AS WHOLE TIME DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), 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 Jaskaran S. Khurana as Whole Time Director of the Company for a



period of three years w.e.f. May 23, 2013 to May 22, 2016 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 Jaskaran S. Khurana.

“RESOLVED FURTHER THAT Shri JASKARAN S. KHURANA shall not be paid any sitting fees for attending meetings of the Board of Directors or its committees from the date of his appointment.”

10. APPOINTMENT OF AND REMUNERATION PAYABLE TO SHRI VED BERRY AS WHOLE TIME DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), 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 VED BERRY as Whole Time Director of the Company for a period of three years w.e.f. May 23, 2013 to May 22, 2016 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 VED BERRY.

“RESOLVED FURTHER THAT Shri VED BERRY shall not be paid any sitting fees for attending meetings of the Board of Directors or its committees from the date of his appointment.”

By order of the Board,
For GOLDENTOBACCO LIMITED,

Manoj Kumar Srivastava
Company Secretary

Place : Mumbai
Date : May 23, 2013

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 September 24, 2013 to September 27, 2013 (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 the 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.
6. M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandoop (West), Mumbai-400078, is the registrar for dematerialization of shares as well Shares and Transfer 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 certificate, if any, in multiple folios in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one folio.
 - c. Any query relating to the Annual Accounts or otherwise should 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:
- The Copy of Annual Report as no separate copy will be given at the time of Annual General Meeting.
 - 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, 2013 to avoid inconvenience.
8. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item No. 6 to 10 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 as follows:

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

Name	Shri Sanjay Dalmia	Shri Anurag Dalmia	Shri Bharat B. Merchant	Shri Jaskaran S. Khurana	Shri Ved Berry
Date of Birth & Age	17.03.1944 69 years	11.05.1956 57 years	24.06.1948 64 years	22.09.1972 40 years	18.08.1951 61 years
Date of Appointment	30.08.2007	30.08.2007	26.07.2002	23.05.2013	23.05.2013
Qualifications	B.A.	B.Com.	B.A. (H), LL.M (Cornell University, USA)	B.Com(H), MBA	B.Com., DBM
No. of Shares held	Nil	Nil	100	Nil	Nil
Experience	He has over 45 years of experience in industries and Business Management and is Chairman of several companies. He has actively participated in various courses and seminars conducted by national and international agencies on banking, finance, taxation and industrial Development.	He is a graduate with over 35 year of experience in Business Management and is a director on the board of several companies.	He is a practicing Advocate since 1972. He is a Sole Proprietor of the firm M/s Thakordas and Madgavkar, Advocates & Solicitors, one of the largest legal firms in India and is actively involved in conducting arbitration, commercial litigation and attending corporate and property matters. He is a Member of the Bombay Incorporated law Society.	He is a COO of the Company and is expert in the field of finance, production and strategy, planning and international business with more than 17 years of experience.	He has more than 37 years of rich experience in the field of domestic Sales and Marketing.
\$ Directorship in other public companies	GHCL Limited	GHCL Limited			
@Chairmanship/membership of committees	Nil	Nil	Nil	Nil	Nil

\$ Directorship in private companies, foreign companies and associations 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 MAY 23, 2013:

ITEM NO. 6 & 7

Your Directors at their meeting held on May, 23, 2013 have appointed Shri Jaskaran S. Khurana and Shri Ved Berry as Additional Directors to hold office upto ensuing Annual General Meeting.

Shri Jaskaran S. Khurana has a rich experience and expertise in the fields of finance, strategy, production, planning and International business of more than 17 years and since 2010 exclusively in cigarette industry.

Shri Ved Berry also has a rich experience and expertise in the fields of domestic Sales and Marketing of more than 37 years out of that around 25 years in the cigarettes Industry.

Your Directors recommend appointment of Shri Jaskaran S. Khurana and Shri Ved Berry as Directors liable to retire by rotation for whom requisite notice pursuant to Section 257 of the Companies Act, 1956 have been received.

Your Directors seek your approval to the resolutions appearing in item no. 6 & 7 of accompanying notice by way of Ordinary Resolution.

No Director, except Shri Jaskaran S. Khurana & Shri Ved Berry in their respective resolution, shall be deemed to interested or concerned in the resolution.

ITEM NO. 8

By keeping in view, valuable and the prolonged dedicated services, wise counsel and onerous responsibilities being shouldered by Shri A.K. Joshi, as a Managing Director and on recommendation of Remuneration Committee at their meeting held on May 23, 2013, your Directors at their meeting held on May 23, 2013 revised the remuneration as follows:

Remuneration:

- I. **Basic Salary (P.M.)** : ` 2,26,410/- w.e.f. 1st April, 2013 with the grade of ` 1,20,000 - to - ` 2,26,410 - to - ` 6,50,000.
- II. **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: ` 1,500/-, Special Pay: ` 1,50,000/-. Personal Adjustment Allowance ` 58,044/-.

In addition to the above, he would be entitled to Variable Performance Pay (VPP), as per scheme of the Company, subject to maximum of ` 20 Lacs per annum. He would also be entitled to reimbursement of Business Promotion, Books and Periodicals upto ` 0.72 Lacs and Car Expenses upto ` 10.80 Lacs per annum with no change in other terms and conditions of the appointment.

Your Directors seek your approval to the resolutions appearing in item no. 8 of the accompanying notice by way of Special Resolution.

No Directors, except Shri A.K. Joshi, shall be deemed to be interested or concerned in the resolution.

ITEM NOS. 9 & 10

By keeping in view rich experience and expertise of Shri Jaskaran S. Khurana in the fields of finance, strategy, Production, planning and International business for more than 17 years and of Shri Ved Berry in the fields of domestic Sales & Marketing for more than 37 years, your Directors at their meeting held on May 23, 2013 have appointed Shri Jaskaran S. Khurana as a Director- Production and Exports as well as Shri Ved Berry as a Director- Sales & Marketing as Whole Time Directors who will work under the superintendence, direction and control of the Board of Directors of the Company on the terms and conditions as set out in the respective draft agreement including on major terms and conditions, of remuneration as approved by Remuneration Committee as follows:

Remuneration :

- I. **Basic Salary (P.M.)** ` 1,38,215/- with the grade of ` 50,000 - to - ` 1,38,215 - to - ` 4,50,000.
- II. **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: ` 1500/-, Special Pay: ` 55,291/- Special Allowance ` 20,732/- (only in case of Shri Ved Berry).



III. 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 (only in the case of Shri Jaskaran S. Khurana).
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and part thereof.
- (iii) Encashment of leave at the end of the tenure.
- (iv) Reimbursement of Business Promotion, Books & Periodicals up to ` 0.72 Lacs and Car expenses up to ` 9.00 lacs per annum.
- (v) 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.
- (vi) Medical expenses incurred for self and all dependent family members subject to a ceiling of one month's basic salary per year.
- (vii) Hospitalization reimbursement in accordance with the scheme and rules of the Company.
- (viii) Provision of the Company's maintained car and drivers' salary for use of the Company's business and telephone at residence shall not be considered at perquisites.
- (ix) Reimbursement of entertainment, travelling and all other actual expenses properly incurred for the purpose of the Company's business shall not be considered as remuneration.
- (x) No sitting fees to be paid for attending Meetings of the Board of Directors or of its Committee.
- (xi) Personal accident and medical insurance as per Company policy.

In addition to the above, Shri Jaskaran S. Khurana and Shri Ved Berry would be entitled to Variable Performance Pay (VPP), subject to maximum of ` 12 Lacs per annum as per scheme of the Company.

IV. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of the appointment, 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 or as approved by the Central Government as the case may be.

V. TERMINATION

The aforesaid appointment may be terminated by either party giving at least three 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.

Your Directors seek your approval to the resolutions as set out in the item no 9 and 10 of the accompanying notice by way of special resolution. Additional information as required under Schedule XIII to the Companies Act, 1956 is also annexed as Annexure "I" of the accompanying notice .

None of the Directors shall be deemed to be concerned or interested to the resolution except Shri Jaskaran S. Khurana and Shri Ved Berry in their respective resolution.

ANNEXURE 'I'

ADDITIONAL INFORMATION REQUIRED AS PER SCHEDULE XIII TO THE COMPANIES ACT, 1956 RELATING TO ITEM NOS. 8, 9 & 10 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 :

(` In Lacs)

Particulars	Financial Year	
	2012 – 13	2011-12
Effective Capital	(4648.42)	7167.30
Total Income	6944.77	7189.99
Profit/(Loss) (Before Tax)	(3811.88)	(2903.38)

(4) Export performance and Net Foreign Exchange Earning:

(` In Lacs)

Particulars	Financial Year	
	2012 – 13	2011-12
Export	3142.28	2881.14
Net Foreign Exchange Earned	3109.13	2815.74

(5) The Company has neither made any foreign investment nor has any foreign collaboration during the year.

II. INFORMATION ABOUT THE APPOINTEE :

(I) Background details of the Managerial Personnel:

- (i) **Shri A.K. Joshi** is a Chartered Accountant. He has a bright academic career and rich experience of around more than 33 years in the field of Banking, Finance and Accounts to his credit. Your Directors recommend and seek your approval by way of Special Resolution for revision of the remuneration w.e.f. 1st April, 2013. The remuneration will be as per the Schedule XIII of the Companies Act, 1956 and other applicable rules and regulations, if any.
- (ii) **Shri Jaskaran S. Khurana** is a Commerce Graduate and M.B.A. in finance. Right from the inception of his career spanning around more than 17 years, he has held various position at senior level at reputed business houses. He joined the Dalmia's Group in the year 2007 as General Manager- Strategy and Secretary to Chairman till the year 2010, looking after several other managerial position in group companies and then was transferred in the Company as Chief Operating Officer (COO) in the April, 2010.
- (iii) **Shri Ved Berry** is a Commerce Graduate and diploma in Business Management. Right from the inception of his career spanning around more than 37 years, he has held various positions at senior level at reputed business houses. He joined the Company in the year 1993 and worked up to year 2001.

(1) Past Remuneration : Per Annum:

(Amount in `)

Sr. No.	Particulars	Shri A.K.Joshi	Shri Jaskaran S. Khurana	Shri Ved Berry
1.	Basic Salary	63,96,000	34,99,572	22,25,850
2.	Retiral Benefits *	8,32,090	5,09,483	Nil
3.	Other benefits & Allowances	19,493	Nil	21,74,260

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

(2) Recognition or awards :

The Company has no information to offer.



(3) Job Profile and suitability :

Shri A. K. Joshi is a Managing Director vested with, substantial power of the management of the Company subject to the superintendence, direction and control of the Board of Directors.

Shri Jaskaran S. Khurana, Wholetime Director of the Company is vested with powers of Director- Production and Exports of the Company subject to the superintendence, direction and control of the Board of Directors of the Company.

Shri Ved Berry Wholetime Director of the Company is vested with the powers of Director-Sales & Marketing subject to the superintendence, direction and control of the Board of Directors of the Company.

Having regard to the academic and professional background and vast experience of aforesaid Executive Directors, your Directors are of the opinion that Executive Directors are suitable to hold their respective position and proposed remuneration is reasonable.

(4) Remuneration Proposed:

Basic Salary (P.M.) ` 2,26,410/- of Shri A.K. Joshi as Managing Director of the Company w.e.f. April 1, 2013 with the grade of ` 1,20,000 - to - ` 2,26,410 - to - ` 6,50,000 plus perquisites as per resolution passed by the Board of Directors at its meeting held on May 23, 2013.

Basic Salary (P.M.) ` 1,38,215/- of Shri Jaskaran S. Khurana as Whole Time Director of the Company w.e.f. May 23, 2013 with the grade of ` 50,000 - to - ` 1,38,215 - to - ` 4,50,000 plus perquisites as per resolution passed by the Board of Directors at its meeting held on May 23, 2013.

Basic Salary (P.M.) ` 1,38,215/- of Shri Ved Berry as Wholetime Director of the Company w.e.f. May 23, 2013, with the grade of ` 50,000 - to - ` 1,38,215 - to - ` 4,50,000 plus perquisites as per resolution passed by the Board of Directors at its meeting held on May 23, 2013.

(5) The aforesaid Directors are 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 up to 50%.
- c) Sale of cigarette through grey market affecting the organized sector particularly our Company.

(2) Steps taken for improvement :

- a) Various measures to increase the domestic sale by introducing new brands.
- b) Exploring the new export market to increase sale.
- c) Cost cutting measures in operational areas.

DISCLOSURE:

Remuneration package of Shri A.K. Joshi, Shri Jaskaran S. Khurana and Shri Ved Berry is set out in the Corporate Governance Report for the information of 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. 8, 9 & 10 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, Shri Jaskaran S. Khurana and Shri Ved Berry in their respective resolution.

By order of the Board,
For GOLDENTOBACCO LIMITED,

Manoj Kumar Srivastava
Company Secretary

Place : Mumbai
Date : May 23, 2013
Registered Office:
At Darjipura, Post-Amaliyara,
Vadodara, Gujarat- 390022,



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Fifty-Seventh Annual Report together with the Audited Accounts for the year ended 31st March, 2013:

FINANCIAL HIGHLIGHTS

Particulars	(` in Lacs)	
	Current Year ended 31 st March, 2013	Previous year ended 31 st March, 2012
Profit/(Loss) before Interest, Depreciation, Exceptional item and Tax	(1361.95)	(531.90)
Interest-Net	2324.71	2266.45
Depreciation	125.22	105.02
Profit/(Loss) before Taxation	(3811.88)	(2903.38)
Provision for Taxation	1.36	1.40
Profit/(Loss) after Taxation	(3813.24)	(2904.78)
Exceptional Item	528.49	Nil
(Loss) for the year	(4341.73)	(2904.78)
(Loss) brought forward from previous year	(9309.59)	(6404.81)
(Loss) carried over to Balance Sheet	(13651.32)	(9309.59)

PERFORMANCE OF THE COMPANY

During the year, despite a decline in industry volume, the Company volume improved by 11% compared to the previous year. Increased grey market activities coupled with steep excise and VAT increases are the factors that have adversely affected the organized sector.

Your Company has been able to achieve growth through launch of products in the new 65mm category i.e Panama Delux Filter-HLP and SS, PPF, Delux Filter, Style 69 etc. and also intensified rural penetration. The response from the market is encouraging and your Directors are hopeful of increased turnover. The export market performance continues to be on increasing path. Several new markets have been opened up and new brand names have been added. This is likely to increase top line as well as bottom line and increase the contribution of the Company in the coming 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. Further as per the recent direction given by the BIFR, the Company has to submit amended MDRS to Canara bank for their examination and onward submission to the BIFR for their consideration. The Company is in the process of submitting the same.

REAL ESTATE DEVELOPMENT

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 in the year 2009-10 with reputed developers to jointly develop its Vile Parle, Mumbai property. However, the development could not be proceeded because of the failure of the parties to make further payment as agreed as also in view of filing of suit by the Company's minority shareholders 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.

Besides the above, the Hon'ble Supreme Court has also put an embargo for disposal of the said property. As already decided by the Company to develop the property on its own and in line with the same, 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 since the Company is hopeful of raising the fund as and when the sale of the prospective/constructed sale of the proposed development of the said property would take place. In view of this, the Company is in dialogue with some strategic investors who would infuse the required fund for the purpose of the said development of property.

Central Excise department litigation is pending before the Hon'ble BIFR and Hon'ble AAIFR. However, the Income Tax department litigation is pending with the Hon'ble Supreme Court. Hence, at present, the Company is unable to proceed in its real estate business. However, the management is hopeful to resolve the said issues in Company's favour. Your Directors are therefore optimistic of commencement of real estate business on receipt of approval of MDRS which is pending before the 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 identify some strategic investors/developers for the development of the said property. Now after a gap of a long period, the real estate market scenario is gradually moving upwards and the Company is in look out for right opportunity to enter into the market and find a strategic investor to raise the required fund 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 provisions of laws and in particular those stipulated in the Listing Agreement with the Stock Exchange(s). A separate report on 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 concern 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 utmost concern and we pledge to put in 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 Sanjay Dalmia, Chairman, Shri Anurag Dalmia, Vice Chairman and Shri Bharat B. Merchant, 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 ` 60 lacs per annum or ` 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 are set out below:

Name	Designation	Remuneration (`)	Qualification	Experience (yrs.)	Date of Joining	Age (yrs.)	Last Employment held
Shri A. K. Joshi	Managing Director	72,47,583	B.Com. F.C.A.	33	01.02.1993	55	Chinar Exports Ltd, Sr. Manager- Fin. & A/cs, 2 years

Note :

1. Remuneration includes Salary, Allowances and Contribution to retiral benefits and monetary value of perquisites at cost of the Company.
2. He does not hold any shares of the Company by himself or their spouse and dependent children.
3. His service is of contractual nature.



DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. 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:

Emphasis of Matter:

We draw attention to the paragraph of "emphasis of matter" of the Auditor's Report, without considering the same as qualification as follows :

- (a) There is substantial diminution in the carrying value of certain long term investments, particularly in respect of quoted investments- the diminution being ` 3,45,31,403 as compared to its market value which in the opinion of the management, is temporary and no provisioning is considered necessary at this stage as the same are long term and of strategic in nature. (Refer note no.9.1)
- (b) Overdue advances of ` 9,94,60,043 and an investment made of ` 2,31,20,000 in Western Express Industries Limited (WEIL), a wholly owned subsidiary company has accumulated losses far in excess of its paid up capital and reserves & surplus. As explained, the management is hopeful of recovering/realizing the same in due course of time in view of expected revival of activities/development in the said subsidiary. (Refer note no. 10.1)

AUDITORS

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

COST AUDITORS

Your Directors have appointed M/s Diwanji & Co, Cost Accountants, as the Cost Auditors of the Company, in compliance with the Companies (Cost Accounting Records) Rules 2011 and pursuant to MCA Order No.F.No.52/26/CAB-2010 dated Nov.6, 2012 and as amendment time to time.

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 Outgo, 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 Government, Bankers, Financial Institutions, Business associates, Employees and all the Shareholders of the Company who have continued to repose utmost faith in the Company.

For and on behalf of the Board

Place : New Delhi
Dated : May 23, 2013

Sanjay Dalmia
Chairman

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, 2013.

A CONSERVATION OF ENERGY.

The Company continues to emphasize on conservation of energy, power and other energy sources.

1. As a part of continuous efforts, the Company has taken following steps:

- i) Implementation of the latest know-how in each stages of production resulting into enhancement in productivity levels.
 - ii) Planned maintenance and upgradation of machineries and equipments to ensure optimum energy consumption.
- #### 2. Benefits resulted from above for reduction of energy consumption and impact on the cost of production of goods:
- i) Reduction in specific consumption of electrical energy.
 - ii) Enhanced operational efficiency.

B. TECHNOLOGY ABSORPTION:

I. Specific Areas in which R&D is carried out by the Company:

- (a) Developing blends of Cigars, Tipped Cigars, Pipe Tobacco and Smoking Mixture as per requirement and quality standard of International market.
 - (b) Developing of Slim & Super Slim cigarettes of various types for global market.
 - (d) Online monitoring of process control parameters, for achieving high quality of product with optimum yield.
 - (c) 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.
- #### 2. Improving Printing Technologies to achieve high quality printed packaging material.

II. Benefits Derived As A Result of R&D.

- (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.
 - (b) Resulted into significant entry in the world of highly demanding Slims and Super Slims cigarettes.
 - (c) Improved product consistency, yield and minimized fluctuations in tobacco chemistry.
 - (d) Impressive packet look and protection of the product from weather changes and increased shelf life.
- #### 2. Offering the customers products with International pack design/appearance in line with premium International Brands.

III. Further Plan for Action

Research will be carried out on the above mentioned areas.

IV. Expenditure on R&D

- (a) Efforts in brief, made towards technology, adaptation and innovation.
 1.
 - i) Use of specific additives for improving product quality and smoke characteristics.
 - ii) Monitoring each stage of production to ensure a final product.
 - iii) Continuous monitoring at each stage of production to ensure proper cost management with best and highest possible standard in quality parameters.
 - 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.
 2. Benefits derived as a result of above efforts are quality products at optimized production cost.
 3. Technology Imported : N.A.

C. 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.

1. The Company has exported during the year various brands of cigarettes aggregating to ` 3142.28 lacs
2. During the year under review 808 million sticks were exported.
3. **Total foreign exchange used**
Travel & Other Expenses : ` 33.15 lacs
Total foreign Exchange Earned : ` 3142.28 lacs



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The new 65mm filter category announced in the budget has added more than 1200 million to industry volume in the lower price sectors. Despite this gain, the industry has declined. This is mainly because of the grey market products that have mushroomed across all states. These cigarettes sell at ₹ 1 per stick where as the component of excise, vat and other levies is more than ₹ 1. Further these cigarettes offer trade more than 250% margin which the organized sector can ill afford. Increase of VAT by state governments every year, is not only widening the price gap between grey market and organized sector but is also adversely affecting the profitability of the cigarette industry.

Though, your Company has gained in the new 65mm filter category, it has been unable to do so in the 65mm plain category in which it was the leader. This is because now plain and filter are now clubbed into the same price bracket, putting plain at a disadvantage. As such the marketing strategy will now focus more sharply on this fast growing filter segment.

Restructuring in sales and distribution activities has resulted in considerable savings and also in increased productivity. This will remain an ongoing effort and will give recurring benefits.

OPPORTUNITIES, THREATS AND FUTURE OUTLOOK:

The Government in the budget 2012-13 has not increased Excise Duty on the 65mm length category which was the welcome step. This is an opportunity for the industry in general and your Company in particular. This segment has already shown good growth prospect and your Company has already taken steps to maximize benefits from the same.

The grey market cigarettes continue to be the biggest threat to the organized sector. These units have been set up in most of the state and continue their illegal acts and now account for a sizable volume of the total industry. The management has taken up this issue with the government at the highest level.

Anti smoking campaign has been gaining momentum and is now resulting in a decline in the incidence of smoking, particularly in the above 50 age group. State governments are also strictly enforcing no smoking zones. This campaign is also likely to adversely impact the industry.

SEGMENTWISE / 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 401 employees as on March 31, 2013 as compared to 490 at the beginning of the year, comprising of 88 in management / supervisory cadres, 39 in the staff cadres and 274 as workmen.

FINANCIAL PERFORMANCE

The performance of the Company adversely affected due to various reasons as mentioned in the Directors' Report. The gross turnover for the year under review stood at ₹ 1,29,98.65 Lacs as against ₹ 1,26,41.96 Lacs of the previous year. The Net Profit/(loss) before tax for the year under review is ₹ (3811.88) Lacs as against ₹ (2903.38) Lacs of the previous year. After making adjustments for various tax provisions the Net Profit/(Loss) after tax was ₹ (4341.73) Lacs as against ₹ (2904.78) Lacs of 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 REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of system and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owner of the Company and of their own role as trustees on behalf of the shareholders. 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

Composition:

The composition of the Board of Directors ("the Board") is in conformity with Clause 49 of the Listing Agreement with the Stock Exchange(s). The Board has optimum combination of Executive and Non executive Independent Directors. The composition of the Board as on 31st March, 2013 was as under:

Category	No. of Directors
Promoter – Non Executive Directors	2
Executive – Director	1
Non Executive – Independent Directors	5
Non Executive – Non Independent Directors	1

Meetings and attendance:

During the year, five (5) Board Meetings were held i.e. on May 25, 2012, August 6, 2012, November 9, 2012, September 27, 2012 and February 13, 2013 respectively. Attendance of Directors at the meeting of the Board of Directors (BOD) held during the year 2012-13 and Annual General Meeting (AGM) held on September 27, 2012, are as under :

Name of the Directors	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	Promoter-Non-Executive	-	No	1	-	-	-
Shri Anurag Dalmia	Promoter-Non-Executive	-	No	-	1	-	1
Shri A.K. Joshi	Managing Director	5	Yes	-	2	-	1
Shri J.P.Khetan	Non Executive, Non-Independent	5	Yes	-	1	-	-
Shri R.R.Kumar	Non-Executive, Independent	5	Yes	1	4	1	3
Shri V.K.Bhandari	Non-executive Independent	5	Yes	-	5	-	-
Shri Bharat B. Merchant	Non-executive Independent	5	Yes	-	1	-	-
Shri V.Anish Babu	Non-executive Independent*	2	No	-	3	-	-
Shri Rishabh Jain	Non-Executive Independent	2	No	-	-	-	-

* IFCI Nominee director

\$ Excluding directorship in Private Companies and foreign companies.

Represents Membership/chairmanship of Audit Committee and Shareholders/Investors Grievance Committee only.



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 entered into with the Stock Exchanges read with section 292A of the Companies Act, 1956.

Terms of Reference :

- (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 Statutory Auditors, fixation of audit fee and also approval for payment for any other services.
- (iii) Discussion with Statutory Auditors before the audit commences, 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 financial information and reports.
- (v) Review of annual financial statement before submission to the Board, focusing primarily on any change in accounting policies, qualifications in draft Auditors' report, compliance with accounting standard, compliance with the stock exchanges and legal requirement concerning financial statements,
- (vi) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relative etc. that may have potential conflict with the interest of the Company at large.
- (vii) Reviewing the Company's financial and risk policies.
- (viii) Disclosure of contingent liabilities.
- (ix) Reviewing, with the Management, external and internal auditors, the adequacy of internal control system.
- (x) Review and discussion with the Internal Auditors regarding the adequacy of the internal audit function, approval of the audit plan and its execution, structure, coverage and frequency of internal audit.

Composition and Attendance :

During the year, four (4) meetings of the Audit Committee were held i.e. on May 25, 2012, August 6, 2012, November 9, 2012 and February 13, 2013. The necessary quorum was present in all the meetings. The Audit Committee consists of three Non Executive Independent Directors. Details of meetings and attendances are as under :

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Shri R. R. Kumar	Chairman	4	4
Shri Bharat B. Merchant	Member	4	4
Shri V. Anish Babu	Member	4	2

All the members of Audit Committee are having financial and accounting knowledge. The Audit Committee invites such of the executives as it considers appropriate to be present at its meetings. Shri A.K. Joshi, Managing Director and Statutory Auditors also attend the Audit Committee meetings as invitee. Shri Manoj Kumar Srivastava, Company Secretary, attended all the meetings and acts as Secretary of the Audit Committee.

B. REMUNERATION COMMITTEE

Terms of reference :

Pursuant to Clause 49 of the Listing Agreement and Schedule XIII of the Companies Act, 1956, the terms of the Remuneration Committee is to determine overall Company's policy on remuneration packages to Executive Directors and other terms of employment of Executive Directors of the Company including any compensation payments and also to approve payment of remuneration to Managing Directors or Whole Time Directors fixed by members of the Company and recommends to the Board of Directors for their approval.



Composition and Attendance :

During the year, two (2) Remuneration Committee meetings were held i. e. on May 25, 2012 and August 6, 2012, the details of meeting and attendance as under :

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Shri R.R.Kumar	Chairman	2	2
Shri Bharat B. Merchant	Member	2	2

All the members of Remuneration Committee are Non Executive Independent Directors.

Remuneration to Non Executive Directors :

(Amount in `)

S.N.	Name of the Directors	Sitting fees	Total `
1.	Shri Sanjay Dalmia	NIL	NIL
2.	Shri Anurag Dalmia	NIL	NIL
3.	Shri R.R. Kumar	1,30,000	1,30,000
4.	Shri Bharat B. Merchant	55,000	55,000
5.	Shri V.K.Bhandari	25,000	25,000
6.	Shri Rishabh Jain	10,000	10,000
7.	Sri V. Anish Babu	20,000	20,000
8.	Shri J.P.Khetan	NIL	NIL
	Total	2,40,000	2,40,000

Sitting fees is 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. 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.

Remuneration to Executive Director:

Name of the Director	Salary (`)	Retiral Benefits* (`)	Other Benefits/ Allowances (`)	Total `
Shri A.K. Joshi	63,96,000	8,32,090	19,493	72,47,583

*Besides salary and perks, Executive Director is also entitled to the Company's contribution to provident fund & Superannuation Fund, Gratuity and Encashment of Leave at the end of tenure.

However, the performance linked incentive is to be paid to the Executive Director as per the Performance Linked package approved by the Remuneration Committee of the Company.

Information of Directors' Shareholding as on 31 st March, 2013 :

Name of Director	No. of Shares
Shri J.P. Khetan	1950
Shri Bharat B. Merchant	100
Shri Vijay Kumar Bhandari	80

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Terms of Reference:

The Company has a Shareholders'/Investors' Grievance Committee of Directors. The Committee looks after the shareholders'/ Investors' Grievance and redressal of Investor's/ Shareholder's complaints related to transfer of shares, non receipt of balance sheet, non receipt of dividend etc.



COMPOSITION

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

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Mr. R. R. Kumar	Chairman	15	15
Mr. A.K. Joshi	Member	15	15

Status of Investor's Complaints as on 31st March, 2013 and reported under Clause 41 of the Listing Agreement:

During the year, the Company has received 25 (Twenty Five) complaints and all the complaints have been resolved and no complaints are pending as on 31st March, 2013.

III General Body Meetings

The details of last three Annual General Meetings are as under:

Financial Year	Date	Day	Time	Venue	Special Resolution
2009-10	18th September, 2010	Saturday	3.00 PM	Shri Bhaidas Maganlal Sabhagriha, U-1 Juhu Development Scheme, Vile Parle (West), Mumbai 400056	1
2010-11	17th December, 2011	Saturday	3.30 P.M.	Registered Office	NIL
2011-12	27th September, 2012	Thursday	3.30 P.M.	Registered Office	2

All the resolutions, including special resolutions set out in the respective notice were passed by the shareholders. No resolution was proposed to be passed through postal ballots during the year under review and there is no proposal to pass any agenda that needs approval by postal ballots.

Disclosures

- There are no materially significant related party transactions having potential conflict with the interests of the Company at large.
- The Company is in compliance with the various rules and regulations prescribed by Stock Exchanges, SEBI and other statutory authority, on all matters relating to capital markets, during the last three years.
- 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.
- The Code of Conduct applicable to directors and senior management personnel of the Company have been complied with and they have confirmed their adherence to the provisions of the said code.
- No personnel have been denied access to the Audit Committee.
- All mandatory requirements are complied with and the non mandatory provisions are adopted wherever necessary.

V. Means of Communication

- The quarterly financial results of the Company are forwarded to the Stock Exchanges Immediately on the approved by the Board of Directors and are also published in widely circulated national daily and local Gujarati Daily.
- The Financial results and official news releases are also displayed on the Company's website www.goldentobacco.in
- Management Discussion and Analysis forms part of the Annual Report.

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

In accordance with the SEBI (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.



VIII. General Shareholders Information

Annual General Meeting (AGM)

The 57th Annual General Meeting is scheduled to be held on :

Day, Date and Time	: Friday, September 27, 2013 at 3.30 PM
Venue	: At Darjipura, Post- Amaliyara, Vadodara, 390022. GUJARAT
Book Closure Date	: 24.09.2013 to 27.09.2013 (both days inclusive)
Dividend	: Nil

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 (A.G.M.) are given in the annexure to the notice of the Annual General Meeting to be held on September 27, 2013.

- I. **Registered Office** : At DARJIPURA, POST-AMALIYARA, DIST- VADODARA, GUJARAT-390022
 II. **Financial Calendar** : 1st April 2013 to 31st March, 2014

Events for the Financial Year 2013-14 as under:

Audited Annual Results for Previous Year ended 31st March, 2013	On 23rd May, 2013
Unaudited First Quarter Results	By 15 th August, 2013
Unaudited Second Quarter Results	By 15 th November, 2013
Unaudited Third Quarter Results	By 15 th February, 2014
Audited Fourth Quarter Results	By 30 th May, 2014

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	500151

IV. ISIN No. : INE973A01010

V. Market Price Data :

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	39.35	32.40	39.50	33.00
May, 2012	34.90	30.00	34.90	29.75
June, 2012	34.60	30.60	35.15	30.50
July, 2012	37.50	32.25	37.80	32.00
August, 2012	36.50	31.90	37.00	31.60
September, 2012	37.90	31.05	37.65	31.00
October, 2012	35.95	32.60	35.50	32.45
November, 2012	39.95	32.10	39.85	32.30
December, 2012	35.30	30.30	35.20	30.50
January, 2013	34.85	30.00	34.85	29.20
February, 2013	34.90	31.30	34.85	31.10
March, 2013	32.65	19.50	32.65	19.90



VI. Distribution of Shareholding as on March 31, 2013

No. of Shares	No. of Shareholders	% of shareholders	No. of shares	% of shares
1-500	30847	94.5009	3211310	18.2370
501-1000	948	2.9042	732543	4.1601
1001-2000	396	1.2132	597300	3.3921
2001-3000	145	0.4442	368374	2.0920
3001-4000	67	0.2053	238907	1.3567
4001-5000	59	0.1807	278660	1.5825
5001-10000	72	0.2206	545422	3.0974
10001 and above	108	0.3309	11636286	66.0822
TOTAL	32642	100.0000	17608802	100.0000

VII. Shareholding Pattern as on March 31, 2013

Sr.No.	Shareholders	No. of Demat Shares	No. of Physical Shares	Total	% Shares
1.	Promoters	4512700	169076	4681776	26.59
2.	Financial Institutions / Banks	105145	8935	114080	0.65
3.	Mutual Funds	190	850	1040	* 0.00
4.	FIs	495877	-	495877	2.82
4.	Bodies Corporate	5388928	18304	5407232	30.71
5.	Non-Resident	68876	14620	83496	0.47
6.	General Public	5430141	1394244	6824385	38.76
7.	Trusts	916	-	916	* 0.00
	Total	16002773	1606029	17608802	100.00

* negligible

VIII. GDR's/ADR's

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

IX. 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 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 (RTA)

Share Transfer and all other Investors' /Shareholders' related activities are attended and processed by our Registrar and Transfer Agent for lodgment of transfer deeds and any other documents with M/s Link Intime India Pvt.Ltd.,C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078. Tel. No.(022) 2596 3838, 2594 6970. Email: mt.helpdesk@linkintime.co.in. However, shareholders holding shares in the electronic mode should address all correspondence to their respective Depository Participants.

X. Dematerialization of Shares & Liquidity :

The process of conversion of Shares from physical form to electronic form is known as dematerialization. For dematerialization of shares, the shareholders have to open a Demat account with Depository Participant (DP). The shareholders are required to fill in a Demat Request Form (DRF) and submit the same along with Share Certificate(s) to the DP. The DP will allocate a Demat Request Number (DRN) and shall forward the request, both physically and electronically, through NSDL/CDSL to the RTA. On receipt of the Demat request electronically and after verification, the shares are Dematerialized and an electronic credit of shares is given in the account of the shareholder. As on 31st March, 2013, 16002773 i.e. 90.88% of the shares of the Company are in electronic form.



PLANT LOCATION OF THE COMPANY :

At Darjipura, Post–Amaliyara, Vadodara, Gujarat-390022

COMPLIANCE:

In compliance with Listing Agreement executed with the Stock Exchanges, the Company has obtained the certificate regarding compliance of conditions of Corporate Governance from M/s Lodha & Co., Mumbai, which appears as a part of the Annual Report of the Company.

ADDRESS FOR CORRESPONDANCE :

Shareholders' correspondence should be addressed to the Company RTA at the address mentioned above. The Shareholders having securities in the dematerialized form should give instruction relating to change of address, nomination and /or power of attorney executed by the shareholders directly to their respective Depository Participants. Alternatively, shareholders may contact to the Company Secretary at the registered office of the Company or email at share@goldentobacco.in

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT PURSUANT TO REVISED CLAUSE 49 OF THE LISTING AGREEMENT :

This is to confirm that all Board members and senior Management Personnel of the Company have complied with the code of conduct for Directors & Senior Management Personnel (i.e. D & S Code) during the year ended March 31, 2013.

For Golden Tobacco Limited

Place : Mumbai
Date : May 23, 2013

A.K.JOSHI
MANAGING DIRECTOR

CERTIFICATION BY CEO/CFO

We hereby certify that for the financial year 2012-13, 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 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 2012-13 which are fraudulent, illegal or violative of 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
Date : May 23, 2013

A.K.JOSHI
MANAGING DIRECTOR



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Golden Tobacco Limited
Vadodara

We have examined the compliance of the conditions of Corporate Governance by Golden Tobacco Limited ("the Company"), for the year ended on 31st March, 2013, 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 statements 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 respects 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 M/s LODHA & CO.
Firm Regn. No. 301051E
Chartered Accountants

A.M. HARIHARAN
Partner
Membership No. 38323

Place : Mumbai
Date : May 23, 2013



INDEPENDENT AUDITORS' REPORT

To
The Members of
GOLDEN TOBACCO LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **GOLDEN TOBACCO LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 March 31, 2013;
- (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 for the year ended on that date.

Emphasis of Matter:

Without qualifying, we draw attention to the following:

- (a) There is substantial diminution in the carrying value of certain long term investments, particularly in respect of quoted investments- the diminution being ` 3,45,31,403 as compared to its market value which in the opinion of the management, is temporary and no provisioning is considered necessary at this stage as the same are long term and of strategic in nature. (Refer note no.9.1)
- b) The Company has given an advances of ` 9,94,60,043 and made an investment of ` 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. As explained, the management is hopeful of recovering/realizing the same in due course of time in view of expected revival of activities/development in the said subsidiary. (Refer note no. 10.1)



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) 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.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

A.M. Hariharan
Partner
Membership No. 38323

Place : Mumbai
Date : May 23, 2013

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE GOLDENTOBACCO 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 in accordance with a phased programme which, in our opinion, is considered 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 ` 66,44,825 (Net Block ` 40,34,532) as on 31st March, 2013 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 had already initiated legal proceedings against the said ex-employee and on his demise, the names of his family members were substituted. The Company is pursuing litigation so that 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.*
- (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 its major 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, 2013 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 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 explanations 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. 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, there are no 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.
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 adequate internal audit system commensurate with the size and nature of its business.
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 and also considering the Modified Draft Rehabilitation Scheme filed (awaiting sanction), 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, 2013 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, customs 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 `)	FORUM WHERE DISPUTED
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1993-98	261,308	Sales Tax Appellate Tribunal- Coimbatore
Kerala Value Added Tax Act, 2003	Sales Tax	2010-11	64,79,417*	Deputy Commissioner Commercial Taxes (Appeals)- Ernakulam
Employees' State Insurance Act, 1948	E.S.I.C.	1999-2011	18,86,378	Deputy Regional Officer
The Bihar Tax on Entry of Goods into Local Areas for Consumption, Use or Sale therein Act, 1993	Entry Tax	2003-2011	13,70,39,667	High Court- Bihar
The Tamilnadu Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	Various Year	3,03,59,060	Supreme Court
The Entry Tax Act, 1976 - Madhya Pradesh	Entry Tax	2006-2013	44,19,012	Supreme Court



NAME OF THE STATUTES	NATURE OF DUES	PERIOD TO WHICH IT RELATES	AMOUNT (IN `)	FORUM WHERE DISPUTED
The Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	Various Year	60,66,890*	Joint Commissioner Sales Tax
The Income Tax Act, 1961	Income Tax	1984-85 to 2008-09	1,206,531,721	Income tax Appellate Tribunal
		1984-85 to 86-87 and 2004-05 and 2008-09	837,544,047	Income Tax Commissioner (Appeals)
		1987-88 to 1995-96	456,501,861	Assessing Officer
Central Excise Act, 1944	Excise Duty	1979,1986,1997 and 1998	29,58,17,161	Supreme Court of India
		2000,2003 and 2004	50,243,013	High Court, Mumbai
		1983,1994,1995,1999, 2002,2003,2007 and 2011	252,05,29,637	Customs, Excise, Service Tax Appellate Tribunal
		1979 to 2011	13,449,400	Commissioner of Central Excise

*stay granted by respective forums

10. The accumulated losses of the Company at the end of the financial year are more than 50% of its net worth. 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.
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 chit fund or 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 overall examination of the Cash flow statement and balance sheet of the Company and on the basis of financial position at the year end, the funds raised on short-term basis have not been used for long term investment except for long term borrowing of ` 76,01,14,418 taken in the past and invested in long-term assets, have now become short-term as the same are falling due within one year.
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 & COMPANY
Chartered Accountants
 Firm Registration No. 301051E

A.M. Hariharan
Partner
 Membership No. 38323

Place : Mumbai
Date : May 23, 2013



BALANCE SHEET AS AT MARCH 31, 2013

	Note No.	As at March 31, 2013	(Amount in `) As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(707,797,777)	(271,271,280)
Non-Current Liabilities			
Long-Term Borrowings	3	277,235,683	1,024,633,332
Other Long Term Liabilities	4	1,892,596,920	1,773,386,277
Current Liabilities			
Short-Term Borrowings	5	413,320,796	428,459,500
Trade Payables		205,509,961	125,171,223
Other Current Liabilities	6	1,200,667,388	236,332,085
Short-Term Provisions	7	65,592,014	12,966,830
TOTAL		3,523,005,198	3,505,558,179
ASSETS			
1. Non Current Assets			
Fixed Assets(Net)			
Tangible Assets	8	254,210,374	263,016,303
Non-Current Investments	9	86,445,889	86,445,889
Long-term Loans and Advances	10	2,184,521,297	2,141,354,022
2. Current Assets			
Inventories	11	825,670,211	781,922,124
Trade Receivables	12	96,731,279	143,465,764
Cash and Bank Balances	13	25,425,416	36,080,333
Short Term Loans and Advances	14	42,394,838	47,103,486
Other Current Assets	15	7,605,895	6,170,258
TOTAL		3,523,005,198	3,505,558,179

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

1 - 25

As per our attached Report of even date

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

For and on behalf of the Board

A.M.Hariharan
Partner
Membership No. 38323

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place: Mumbai
Date : May 23, 2013

Place : Mumbai
Date : May 23, 2013



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	For the year ended March 31, 2013	(Amount in `) For the year ended March 31, 2012
Income			
Revenue from operations			
Sale of Products		1,299,865,324	1,264,196,555
Less: Excise Duty		(628,043,973)	(567,543,259)
Other income from Operation	16	17,178,938	16,691,388
		689,000,289	713,344,684
Other income	17	5,476,485	5,654,751
Total Income		694,476,774	718,999,435
Expenses			
Cost of materials consumed	18	333,927,726	292,471,168
Purchases for resale		68,687,100	91,035,443
Manufacturing and Operating Costs	19	22,584,757	20,143,748
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(9,540,404)	77,350,030
Employee Benefits Expense	21	130,747,742	108,364,319
Finance Costs	22	232,471,166	226,645,818
Depreciation and Amortization Expense	8	14,684,423	13,348,241
Less : Transferred from Revaluation Reserve		(2,162,416)	(2,846,225)
		12,522,007	10,502,016
Other Expenses	23	288,384,581	182,824,545
Total Expenses		1,079,784,675	1,009,337,087
Loss before tax		(385,307,901)	(290,337,652)
Tax Expense :			
Wealth Tax		136,000	140,000
Loss for the year from continuing operations before Exceptional items		(385,443,901)	(290,477,652)
Exceptional items (Refer note no. 7.1)		48,729,868	-
Loss for the year		(434,173,769)	(290,477,652)
Earnings per equity share of the face value of ` 10 each :	25.9		
Basic & Diluted :			
Before Exceptional item		(21.92)	(16.52)
After Exceptional item		(24.69)	(16.52)
Significant accounting policies and Accompanying Notes form an integral part of financial statements	1 - 25		

As per our attached Report of even date

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

For and on behalf of the Board

A.M.Hariharan
Partner
Membership No. 38323

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place: Mumbai
Date : May 23, 2013

Place : Mumbai
Date : May 23, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A Cash flow from Operating Activities:		
Net loss before tax and exceptional items	(385,307,901)	(290,337,652)
Add: Adjustments for :		
Depreciation & amortisation expenses	12,522,007	10,502,016
Interest Expenses	232,471,166	226,645,818
Provision for doubtful debts written back	-	150,000
Interest received (other than investment)	(1,662,960)	(1,160,807)
Dividend received on long term non trade investments	(880,996)	(878,192)
(Profit)/Loss on sale of fixed assets	(375,526)	(1,061,452)
Liabilities no longer required written back	(382,629)	(536,157)
Provision for doubtful debts	65,985,499	-
Foreign Exchange (Gain)/Loss, Net	2,741,751	3,519,600
Operating Profit/(Loss) before Working Capital changes	(74,889,589)	(53,156,826)
Adjustments for changes in Working Capital :		
- Trade and other Receivables	(61,287,599)	12,613,118
- Inventories	(43,748,087)	224,397,034
- Trade and Other Payable	273,210,443	51,492,022
Cash generated from Operations	93,285,168	235,345,348
Income Taxes Paid	(103,847)	-
Net cash from/(used in) Operating Activities - A	93,181,321	235,345,348
B Cash flow from Investing Activities:		
Purchase of Fixed Assets	(6,081,426)	(33,314,862)
Sale of fixed Assets	388,146	1,617,368
Interest received (other than Investment)	1,617,372	1,160,807
Dividend received	880,996	878,192
Net Cash from/(used in) Investing Activities - B	(3,194,912)	(29,658,495)
C Cash flow from Financing Activities:		
(Repayment)/Proceeds of borrowings	(15,421,935)	19,649,804
Interest paid	(84,769,397)	(226,645,818)
Net cash from/(used in) Financing Activities - C	(100,191,332)	(206,996,014)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(10,204,923)	(1,309,161)
Opening Cash and Cash Equivalents	18,433,497	19,742,658
Closing Cash and Cash Equivalents	8,228,574	18,433,497

Notes:

- 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
Firm Registration No. 301051E

For and on behalf of the Board

A.M.Hariharan

Partner

Membership No. 38323

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place: Mumbai

Date : May 23, 2013

Place : Mumbai

Date : May 23, 2013



NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2013

1 Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount in `	Number	Amount in `
Authorised				
Equity Shares of ` 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of ` 100 each	1,000,000	100,000,000	1,000,000	100,000,000
		350,000,000		350,000,000
Issued				
Equity Shares of ` 10 each	17,608,802	176,088,020	17,608,802	176,088,020
Subscribed and Paid up				
Equity Shares of ` 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
	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 ` 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.

1.2 Reconciliation of numbers of equity shares

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount in `	Number	Amount in `
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, 2013		As at March 31, 2012	
	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 During the previous five years, the Company had not issued bonus shares/bought back/issued share for consideration other than cash.

2 Reserves and Surplus
(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
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 & Machinery)		
Opening Balance	126,066,583	128,993,851
Less : Relating to assets sold /discarded/written off/transferred to stock in Trade	190,312	81,043
Less : Transferred to Statement of Profit & Loss being the difference between depreciation for the year on revalued amount and original cost of the assets	2,162,416	2,846,225
Closing Balance	123,713,855	126,066,583
Deficit: Statement of Profit and Loss		
Opening Balance	(930,958,766)	(640,481,114)
Add : Loss for the year transferred from Statement of Profit & Loss	(434,173,769)	(290,477,652)
Closing Balance	(1,365,132,535)	(930,958,766)
Total	(707,797,777)	(271,271,280)

3 Long Term Borrowings
(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured :		
Term Loans :		
from banks	22,157,969	30,958,842
from Bodies Corporate	230,077,714	968,674,490
Unsecured Loans :		
from Body Corporate	25,000,000	25,000,000
Total	277,235,683	1,024,633,332

3.1 Repayment & other terms of the Borrowings as on March 31, 2013 are as follows :
(Amount in `)

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)	31,877,582	9,719,613	22,157,969
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%	980,472,519	750,394,805	230,077,714
Total		1,012,350,101	760,114,418	252,235,683



3.2 Repayment & other terms of the Borrowings as on March 31, 2012 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, 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

4 Other Long Term Liabilities (Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Unpaid Dividend*	7,115,143	7,115,143
Statutory Dues Payable*	69,882,851	69,882,851
Advance Received Towards Property Development (Also refer Note No. 25.7(a))*	1,320,000,000	1,320,000,000
Advance Received Towards Project Development (Also refer Note No. 25.7(a)ii)	407,500,000	290,000,000
Other Liabilities	88,098,926	86,388,283
Total	1,892,596,920	1,773,386,277

* Considering MDRS filed pending sanction. (Also refer Note No. 25(1)(1.1)(e))

5 Short Term Borrowings (Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Working Capital Facilities : from banks	413,320,796	428,459,500
Total	413,320,796	428,459,500

5.1 Working Capital Facilities :

- Working capital facilities and non fund based limits of ` 1000 lacs (Previous Year ` 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.

5.2 In respect of 12% Secured Redeemable Non-Convertible Debentures privately placed with IFCI Limited Company had in the previous year repaid the entire amount of debentures. However, till date the Company has not received the "No Due Certificate" from IFCI, therefore, the Company could not file the form for satisfaction of charge which was created on company's property situated at village Dhanot in the State of Gujarat and a first charge by way of hypothecation of the Company's movable properties subject to prior charge on specified movables in favour of the Company's Bankers for Working Capital facilities and was further secured by equitable mortgage of the Company's immovable properties at Baroda, Gujarat ranking pari passu with the Bankers who have given working capital term loan.

6 Other Current Liabilities
(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of long term debt	760,114,418	13,000,000
Interest accrued and due on borrowings	147,701,769	-
Security Deposits	117,536,458	112,384,864
Other Liabilities	46,825,375	24,526,047
Payable towards purchase of Fixed Assets	584,057	
Advances from Customers	35,582,092	38,680,585
Due to a Subsidiary Company	3,108,935	3,115,935
Excise Duty accrued but not due	51,990,125	34,983,347
Statutory Dues Payable	37,224,158	9,641,307
Total	1,200,667,388	236,332,085

7 Short-term Provisions
(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits	65,592,014	12,966,830
Total	65,592,014	12,966,830

7.1 During the year, the Company has provided for Gratuity Liability of ` 52,849,032 (` 48,729,868 for earlier years disclosed as an exceptional item) determined on the basis of actuarial valuation, as hitherto was provided the same based on 'as and when due for payment'.

7.2 Provision for Gratuity liability of ` 52,849,032 (previous year ` Nil) have been made during the year based on Actuarial valuation carried out using projected unit method and assumptions used for such valuation are as follows :

Actuarial Assumptions	As on March 31, 2013	As on March 31, 2012
- Discount Rate	8.00%	NIL
- Expected rate of return on assets	NIL	NIL
- Mortality Rate	Indian Assured Lives Mortality (2006-08)ultimate	NIL
- Future salary increases consider inflation, seniority, promotion and other relevant factors.	5%	NIL

8 Fixed Assets
(Amount in `)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2012	Additions during the year	Disposals during the year	Balance as at 31st March, 2013	Balance up to 31st March, 2012	Charge for the year	Disposals during the year	Balance as at 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
Tangible Assets										
Land & Building (At Book value)	239,233,181	2,530,790	-	241,763,971	55,952,779	5,973,708	-	61,926,487	179,837,484	183,280,402
Electric Installations (At Cost)	3,056,874	-	88,082	2,968,792	2,804,445	35,075	84,423	2,755,097	213,695	252,429
Plant and Equipment (At Book value)	675,715,144	2,951,679	1,562,400	677,104,423	610,453,678	6,306,619	1,372,064	615,388,233	61,716,190	65,261,466
Furniture and Fixtures (At Cost)	7,343,687	110,296	74,707	7,379,276	6,904,610	80,895	74,207	6,911,298	467,978	439,077
Vehicles (At Cost)	7,183,424	-	581,028	6,602,396	6,144,452	269,593	572,591	5,841,454	760,942	1,038,972
Factory & Office equipment (At Cost)	48,684,011	488,661	-	49,172,672	35,940,054	2,018,533	-	37,958,587	11,214,085	12,743,957
Total	981,216,321	6,081,426	2,306,217	984,991,530	718,200,018	14,684,423	2,103,285	730,781,156	254,210,374	263,016,303
Previous Year	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	

Notes :

- Gross value of Land and Building includes a sum of ` 25,30,760 (Previous Year ` 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 ` 250 (Previous Year ` 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 ` 66,44,825 (Previous Year ` 66,44,825): Net Block ` 40,34,532 (Previous Year ` 41,50,744). In the possession of a legal heir of an Ex-Employee.
- Referred Note No. 25.7(a)



9 Non Current Investments

Sr.	Name of the Body Corporate	Trade/ Non Trade	No. of Shares / Units		Face Value	Extent of Holding (%)		Amount (`)	
			March 31, 2013	March 31, 2012		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
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	` 10	100%	100%	500,000	500,000
	Golden Investment (Sikkim) Private Limited#(at cost)	Non-Trade	5,998	5,998	` 10	99.97%	99.97%	59,980	59,980
	Western Express Industries Limited (at cost)	Non-Trade	7,500,000	7,500,000	` 10	100%	100%	23,120,000	23,120,000
	Raigadh Papers Limited (at depreciated value)	Non-Trade	10,000	10,000	` 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	` 10			1	1
	WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	` 10			1	1
	Filter and Filteraids Limited# (at depreciated value)	Trade	1,800	1,800	` 10			1	1
J K Cigarettes Limited# (at depreciated value)	Trade	20,000	20,000	` 10			1	1	
C	In Other Body Corporate : (Quoted , fully paid up)								
	GHCL Limited (at cost)	Non-Trade	416,578	416,578	` 10			49,590,697	49,590,697
	General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	` 10			1,584,000	1,584,000
	Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	` 10			10,500,000	10,500,000
	ITC Limited (at cost)	Trade	7,680	7,680	` 1			772	772
	Godfrey Phillips India Limited(at cost)	Trade	228	228	` 10			758	758
	VST Industries Limited(at cost)	Trade	64	64	` 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						29,605,415	28,159,773	
	# Shares lying with Income Tax Department								
	*Share certificates are yet to be received								

9.1 There is a substantial diminution in the carrying value of certain long term quoted investment as compared to its market value which in the opinion of the management is temporary and therefore, no provision is considered necessary at this stage as the same are long term and strategic in nature.

10 Long term loans and advances

(Amount in `)

Particulars	As at March 31, 2013		As at March 31, 2012	
Unsecured, Considered good				
Capital Advance		49,413,636		30,738,636
Security Deposits		8,091,301		8,129,751
Balances with Excise/Sales tax authorities		178,604,367		174,491,986
Loans and Advances				
To Subsidiaries		1,785,615,795		1,740,137,520
To an Associate		-		18,000,000
To Others		55,439,892		62,472,099
Payment of Tax (Net of Provisions of ` 32,80,03,840; Previous year ` 32,80,07,840)		107,356,306		107,384,030
Considered Doubtful	35,558,422		17,158,422	
Less: Provision for doubtful loans and advances	35,558,422		17,158,422	
		-		-
Total		2,184,521,297		2,141,354,022

10.1 The Company has given an advance of ` 9,94,60,043 (Previous Year ` 9,88,60,201) to and made an investment of ` 2,31,20,000 (Previous Year ` 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. As explained, 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 ` 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.

10.2 Refer Note no. 25.7c regarding advances to a subsidiary of ` 168,33,47,606 (Previous Year ` 1,63,93,41,602)

11 Inventories *

(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw Materials	251,338,823	249,662,683
Work-in-progress	28,507,246	32,804,747
Finished goods (Including goods in transit of ` 1,16,52,612 ; Previous year ` 57,26,770)	92,959,161	60,583,008
Packing Materials	70,153,491	56,123,808
Stock in Trade (Immovable Property)	352,198,748	352,198,748
Stores and spares	30,512,742	30,549,130
Total	825,670,211	781,922,124

* Valued at cost or net realisable value whichever is lower except Stock-in-trade (Immovable Property) refer note no. 24.F

11.1 The Company has provided excise duty/customs duty of ` 5,19,90,125 (Previous year ` 3,49,83,347) on the goods lying in bonded premises as on the Balance Sheet date and included the same in the inventory value.

12 Trade Receivables

(Amount in `)

Particulars	As at March 31, 2013		As at March 31, 2012	
Secured (Secured Against Machinery in the Company's Possession)				
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment				
Considered good		50,469,001		49,779,012
Unsecured				
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment				
Considered good		1,195,140		42,137,544
Considered doubtful	52,103,568		4,518,069	
Less : Provision for doubtful debts	52,103,568		4,518,069	
		-		-
Others				
Considered good		45,067,138		51,549,208
Total		96,731,279		143,465,764


13 Cash and Bank Balances

(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and Cash Equivalents		
Balances with banks	7,216,385	17,438,414
Cash on hand	1,012,189	995,083
Total	8,228,574	18,433,497
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	17,130,372	17,580,366
Right Issue Collection Accounts	66,470	66,470
Total	17,196,842	17,646,836
Total	25,425,416	36,080,333

14 Short term loans and advances

(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured, Considered good:		
Advances (Secured against Machinery in the Company's possession)	8,668,562	6,879,407
Unsecured, Considered good:		
Balances with Excise authorities	4,424,629	7,465,516
Advances to suppliers	12,008,543	15,588,952
Other Loans and Advances	17,293,104	17,169,611
Total	42,394,838	47,103,486

15 Other Current Assets

(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest accrued but not due on fixed deposits	1,317,306	1,271,718
Export Incentive receivable	5,394,612	4,456,688
Prepaid Expenses	893,977	441,852
Total	7,605,895	6,170,258

16 Other Income from operations

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Other operating revenues from Scrap Sale	2,458,183	4,835,487
Export Incentives	14,720,755	11,855,901
Total	17,178,938	16,691,388

17 Other Income

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Income	1,662,960	1,160,807
Dividend income from long term investments	880,996	878,192
Liabilities no longer required written back	382,629	536,157
Provision for doubtful debts written back	-	150,000
Profit on sale of fixed assets (net)	375,526	1,061,452
Rental Income	1,924,533	1,266,980
Miscellaneous Income	249,841	601,163
Total	5,476,485	5,654,751

18 Cost of Materials Consumed

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw Materials consumed	227,759,284	201,280,346
Packing Materials consumed	106,168,442	91,190,822
Total	333,927,726	292,471,168

19 Manufacturing and Operating Costs

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Consumption of stores and spare parts	5,059,527	6,000,648
Repairs to machinery	1,735,154	1,620,821
Power and fuel	15,790,076	12,522,279
Total	22,584,757	20,143,748

20 Changes in Inventories of Finished Goods & Work in Progress

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening Stock:		
Finished Goods	60,583,008	100,825,830
Work in Progress	32,804,747	34,244,229
Stock in Trade(Immovable Property)	352,198,748	413,198,748
Total	445,586,503	548,268,807
Closing Stock		
Finished Goods	92,959,161	60,583,008
Work in Progress	28,507,246	32,804,747
Stock in Trade (immovable Property)	352,198,748	352,198,748
Total	473,665,155	445,586,503
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	18,538,248	(25,332,274)
Total	(9,540,404)	77,350,030


21 Employee Benefits Expense
(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	112,909,176	92,023,745
Contributions to provident and other funds	9,293,950	8,815,568
Staff welfare expenses	8,544,616	7,525,006
Total	130,747,742	108,364,319

22 Finance Costs
(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Expenses	220,673,137	226,645,818
Other Borrowing Costs	11,798,029	-
Total	232,471,166	226,645,818

23 Other Expenses
(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Rent	6,984,422	7,582,886
Repairs & Maintenance - Building	3,155,642	3,639,470
Insurance	1,923,372	1,385,968
Rates and taxes	3,213,800	1,448,457
Travelling & Conveyance Expenses	19,074,708	15,245,420
Legal & Professional charges	30,361,946	24,757,714
Director's sitting Fees	260,000	230,000
Loss on Variation in Foreign Exchange Rates (Net)	2,741,751	3,519,600
Selling and Distribution Expenses	113,433,423	81,091,871
Provision for Non moving Stock	-	3,827,004
Provision for Doubtful Debts/Advances	65,985,499	-
Commission on sales	116,165	-
Miscellaneous Expenses	41,133,853	40,096,155
Total	288,384,581	182,824,545

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 prescribed by (Accounting Standards) Rules 2006 and on accrual basis.

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

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, then 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

Noncurrent 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 defined benefit plan and 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.

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 capitalized 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) ` 10,55,73,000 plus interest, if any (Previous Year ` 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) ` 30,79,386 (Previous Year ` 98,25,039).
- (c) Disputed Excise claims/demands, of ` 3,00,08,73,377 (Previous year ` 89,53,05,903) excluding interest liability, if 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 ` 12,08,34,166 (Previous year ` 12,08,34,166) (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 appropriately been replied/attended to.
- (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: ` 2,62,01,66,348 (Previous Year ` 2,16,47,04,107) including interest up to the date of respective demands and excluding further interest liability, if any, and penalty of ` 1,99,50,37,107 (Previous Year ` 1,54,16,20,033)
- (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 : ` 1,05,03,11,158 (Previous Year ` 651,56,21,760).
- (iii) The Hon'ble Supreme Court on SLP filed by Income Tax department has ordered that pending further orders from this court, the Company shall not encumber or in any way alienate the property.
- (e) Pursuant to the Order of Hon'ble High Court of Delhi, the Company has filed a Modified Draft Rehabilitation Scheme (MDRS) to Hon'ble 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	PREVIOUS YEAR
i) Disputed Demands of employees/ex-employees	33,21,277	31,63,277
ii) Disputed Sales Tax	76,53,655	7,48,721
iii) Disputed Entry Tax	22,37,02,975	21,97,04,352
iv) Disputed Land Revenue Tax	3,14,823	3,76,023
v) Disputed E.S.I.C (Employees' State Insurance)	18,86,378	19,17,978
vi) Services/materials suppliers/advance forfeited and other business related disputed matters	29,62,13,539	22,66,30,864
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.		



1.2) **Capital Commitment** :Estimated amount of contracts remaining to be executed on Capital account and not provided for ` 64,18,286 (Previous Year ` 2,01,30,882) (Net of advances of ` 4,94,13,636 (Previous Year of ` 3,07,38,636)

1.3) **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.
- 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 ` 14,66,98,190 for Land & Buildings and ` 64,42,46,062 for Plant & Equipment (Previous Year ` 14,66,98,190 and ` 64,58,08,462, 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 ` 3,07,90,749 (Previous Year ` 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) The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small, Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sr. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

6) As a matter of prudence, the following net deferred tax asset as on March 31, 2013 has not been recognized

Particulars	CURRENT YEAR	PREVIOUS YEAR
Deferred Tax Assets:		
Unabsorbed loss and depreciation	48,21,81,378	45,64,43,924
Expenses allowable U/s. 43B of Income Tax Act, 1961 on payment basis (including VRS and Provision for Doubtful Debts expenses disallowed)	12,41,37,281	6,14,30,281
Deferred Tax Liability:		
Depreciation	65,87,484	1,05,89,464
Net Deferred Tax Assets	61,29,06,143	52,84,63,669



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, 2013 :

(In `)

Particulars	Associates GHCL Ltd	Subsidiaries							Total	
		Golden Realty & Infrastructure Limited	Western Express Industries Limited	Golden Investment (Sikkim) Private Limited	GTC Inc B.V.	Raigadh Papers Limited	Key Manage- ment Personnel	Relatives of Key Manage- ment Personnel		
Sales :										
Immovable Property	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (1,08,00,000)	— (—)	— (1,08,00,000)
Expenses :										
Remuneration	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	71,21,813 (1,23,83,003)	— (—)	71,21,813 (1,23,83,003)
Provision for doubtful advances	1,80,00,000 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	1,80,00,000 (—)
Rent	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (5,20,000)	— (5,20,000)
Car hire Charges	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	3,60,000 (3,30,000)	3,60,000 (3,30,000)
Finance & Investment :										
Loans & Advances given	— (—)	9,09,06,004 (—)	6,25,842 (9,69,194)	— (—)	8,76,462 (4,26,009)	— (—)	— (—)	— (—)	— (—)	15,04,804 (13,95,203)
Amount received	—	4,69,00,000 (11,29,34,084)	26,000 (35,95,000)	7,000 (16,350)	4,033 (13,788)	— (—)	— (—)	— (—)	— (—)	4,40,43,037 (11,65,59,222)
Outstandings :										
Payable	— (—)	— (—)	— (—)	31,08,935 (31,15,935)	— (—)	— (—)	17,75,580 (47,65,975)	30,000 (27,500)	— (—)	5,31,38,935 (5,79,09,410)
Receivable	1,80,00,000 (1,80,00,000)	1,68,33,47,606 (163,93,41,602)	9,94,60,043 (9,88,60,201)	— (—)	28,08,146 (19,35,717)	— (—)	— (—)	— (—)	— (—)	180,36,15,795 (175,81,37,215)
Investments	4,95,90,697 (4,95,90,697)	5,00,000 (5,00,000)	2,31,20,000 (2,31,20,000)	59,980 (59,980)	10,89,270 (10,89,270)	— (—)	— (—)	— (—)	— (—)	7,43,59,948 (7,43,59,948)
Provision for doubtful Advance	1,80,00,000 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	1,80,00,000 (—)
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 except disclosed above. 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) before Exceptional Item	(38,54,43,901)	(29,04,77,652)
Add : Exceptional Item	4,87,29,868	NIL
Net Loss as per Statement of profit and loss (after tax) after Exceptional Item	(43,41,73,769)	(29,04,77,652)
(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 Before Exceptional Item	(21.92)	(16.52)
After Exceptional Item	(24.69)	(16.52)
(d) Nominal Value Per Equity Share	Rs.10	Rs.10

10) Research and Development Expenses/ Cost charged :

Particulars	CURRENT YEAR	PREVIOUS YEAR
a) to appropriate heads of expenses	17,98,093	31,46,406
b) to Miscellaneous Expenses, amongst		
Other expenses, include the following :		
Salaries, Wages and Bonus	13,89,969	13,44,406
Contribution to Provident and Other Funds	1,04,496	1,00,100
Workmen and Staff Welfare Expenses	50029	—
Stores & Spare parts Consumed	30542	1,735
Machinery Repairs and Maintenance	52118	—

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

Particulars	CURRENT YEAR	PREVIOUS YEAR
Salaries, Wages and Bonus	42,38,424	43,87,455
Contribution to Provident and Other Funds	4,76,901	4,55,628
Gratuity	1,43,121	13,10,740
Workmen and Staff Welfare Expenses	12,267	15,096
Power and Fuel	3,52,284	3,27,881
Building Repairs and Maintenance	85,360	1,03,932
Rates and Taxes	15,58,356	15,54,418
Insurance	3,21,452	3,42,032
Rent	99,000	99,000



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

(a) Raw Materials	4,20,181	13,42,427
Packing Materials	3,84,068	15,05,977
(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	PREVIOUS YEAR
(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 ` 2,10,546 (Previous Year ` 1,46,466)]	3,47,905	2,48,292
	17,69,905	16,70,292

14) "Selling and Distribution Expenses" includes :

Particulars	CURRENT YEAR	PREVIOUS YEAR
Rent	96,000	96,000
Entry Tax/Octroi/Toll Tax	34,66,884	24,62,531

15) **ADDITIONAL INFORMATION PURSUANT TO REVISED SCHEDULE VI :**

A: Information in respect of Sales :

(Amount in `)

Particulars	Sales	Closing Inventory	Opening Inventory
Cigarettes	1,22,71,89,848 (1,06,93,29,284)	9,29,59,161 (6,08,85,035)	6,08,85,035 (9,85,14,452)
Cigar	NIL (NIL)	NIL (NIL)	NIL (23,11,378)
Raw Tobacco	6,89,97,340 (9,59,31,134)	NIL (NIL)	NIL (NIL)
Processed Tobacco	30,34,924 (2,23,47,780)	NIL (NIL)	NIL (NIL)
Stock in Trade (Immovable Property)	NIL (7,13,00,000)	35,21,98,748 (35,21,98,748)	35,21,98,748 (41,31,98,748)
Others	6,43,212 (52,88,357)	NIL (NIL)	NIL (NIL)
Total	1,29,98,65,324 (1,26,41,96,555)	44,54,59,936 (41,30,83,783)	41,30,83,783 (51,40,24,578)

- B : Sales include transfer for own consumption of cigarettes at Sales values ` 2,72,693 (Previous year ` 2,04,126)
- C. Raw Materials Consumed # : (as certified by the management)

(Amount in `)

Particulars	CURRENT YEAR	PREVIOUS YEAR
Tobacco	14,46,84,546	13,74,03,432
Cigarette Paper	2,15,40,857	1,86,45,293
Filter Rods	4,92,29,850	3,27,97,411
Others	1,23,04,031	1,24,34,210
Total	22,77,59,284	20,12,80,346

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 `)

Particulars	CURRENT YEAR	PREVIOUS YEAR
(a) Raw Materials	5,13,31,148	3,56,24,212
(b) Stores and Spare Parts	1,01,664	1,26,280
(c) Packing Materials	9,45,128	6,03,125

- 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	
	`	%	`	%
Imported	2,27,14,333 (1,88,17,999)	9.97 (9.35)	2,55,219 (1,39,855)	2.25 (2.33)
Indigenous	20,50,44,951 (18,24,62,347)	90.03 (90.65)	48,04,308 (58,60,793)	97.75 (97.67)
Total	22,77,59,284 (20,12,80,346)	100.00 (100.00)	50,59,527 (60,00,648)	100.00 (100.00)

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



16) (i) Expenditure in Foreign Currency : (On actual payment basis)

Particulars	CURRENT YEAR	PREVIOUS YEAR
Travelling, Legal & Professional and Subscription etc.	23,42,618	62,22,365
Advertisement Expenses	8,55,932	3,48,376
Commission	1,16,165	Nil
(ii) Earning in Foreign Currency :		
(a) Exports of Goods on F.O.B. basis (including exports through/by third parties)	31,42,28,154	28,73,94,028
(b) Recovery towards Freight and Insurance on Export	26,40,786	7,19,525
Total	31,68,68,940	28,81,13,553

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

Particulars	Type of foreign currency	As at 31-03-2013		As at 31-3-2012	
		Amount in foreign currency	Amount in `	Amount in foreign currency	Amount in `
Trade Receivable	US\$	6,099	3,33,920	1,93,332	98,25,113
	EURO	NIL	NIL	3,026	2,05,254
Advances from Customer	US\$	5,00,937	2,74,26,301	6,53,691	3,32,20,584

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

As per our attached Report of even date

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

For and on behalf of the Board

A.M.Hariharan
Partner
Membership No. 38323

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place: Mumbai
Date : May 23, 2013

Place : Mumbai
Date : May 23, 2013



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 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013
2 Fully paid Equity Shares of ₹ 10 each held by Golden Tobacco Limited, the Holding Co. (%)	6,000 10 each (99.97)	7,500,000 100 each (100.00)	150,000 100 each * (100.00)	40 31697 10 each (100.00)	50,000 (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 (`)	Nil	Nil	Nil	Nil	Nil
ii) For the Previous Financial years (`)	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 (`)	(14,129)	(43,932)	(706,420)	(527,776)	(300,771,854)
ii) For the Previous Financial years (`)	2,982,219	(157,919,604)	(19,275,344)	(3,373,370)	(58,075,330)
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.

** Subsidiary of Western Express Industries Limited

For and on behalf of the Board

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place : Mumbai
Date : May 23, 2013



INDEPENDENT AUDITORS' REPORT

To
The Members of
GOLDENTOBACCO LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GOLDENTOBACCO LIMITED** ("the Parent Company") and its subsidiaries collectively referred to as 'the Group, comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Flat-Gross Block of ` 66,44,825 & Net Block of ` 40,34,532 as on 31st March, 2013 (Gross Block of ` 66,44,825 & Net Block of ` 41,50,744 as at March 31, 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 Parent Company had 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 pursuing 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.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us *subject to what is stated in Basis of Qualified Opinion Paragraph above*, the consolidated financial statements 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:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date, and
- in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter:-

Without qualifying, we draw attention to note no. 9.1 regarding substantial diminution in the carrying value of certain long term investments, particularly in respect of quoted investments- the diminution being ` 34,531,403 as compared to its market value which in the opinion of the management, is temporary and no provisioning is considered necessary at this stage as the same are long term and of strategic in nature.

Other Matter:

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ` 11,134,243 as at March 31, 2013 and total revenues of ` Nil for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of such other auditors. Our opinion is not qualified in respect of this matter.

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

A.M. Hariharan
Partner

Membership No. 38323

Place : Mumbai
Date : May 23, 2013



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Note No.	As at March 31, 2013	(Amount in `) As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(1,169,881,550)	(431,357,061)
Minority Interest		1,008	1,013
Non-Current Liabilities			
Long-Term Borrowings	3	1,346,315,457	2,973,044,761
Other Long Term Liabilities	4	1,892,596,920	1,893,386,277
Current Liabilities			
Short-Term Borrowings	5	413,320,796	428,459,500
Trade Payables		206,570,198	125,171,223
Other Current Liabilities	6	2,376,622,437	411,926,450
Short-Term Provisions	7	65,592,014	12,966,830
TOTAL		<u>5,307,017,493</u>	<u>5,589,479,205</u>
ASSETS			
Non Current Assets			
Fixed Assets(Net)			
Tangible Assets	8	260,895,317	269,701,642
Non-Current Investments	9	62,878,173	62,878,173
Long-term Loans and Advances	10	3,981,709,620	4,154,608,708
Current Assets			
Inventories	11	825,670,211	781,922,124
Trade Receivables	12	96,731,279	143,465,764
Cash and Bank Balances	13	28,400,400	97,986,334
Short Term Loans and Advances	14	42,889,484	71,568,003
Other Current Assets	15	7,843,009	7,348,457
TOTAL		<u>5,307,017,493</u>	<u>5,589,479,205</u>

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

1 - 25

As per our attached Report of even date

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

For and on behalf of the Board

A.M.Hariharan
Partner
Membership No. 38323

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place: Mumbai
Date : May 23, 2013

Place : Mumbai
Date : May 23, 2013



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	For the year ended March 31, 2013	(Amount in `) For the year ended March 31, 2012
Income			
Revenue from operations			
Sale of Products		1,299,865,324	1,264,196,555
Less: Excise Duty		(628,043,973)	(567,543,259)
Other income from Operation	16	17,178,938	16,691,388
		689,000,289	713,344,684
Other income	17	6,127,142	7,539,181
Total Income		<u>695,127,431</u>	<u>720,883,865</u>
Expenses			
Cost of materials consumed	18	333,927,726	292,471,168
Purchases for resale		68,687,100	91,035,443
Manufacturing and Operating Costs	19	22,584,757	20,143,748
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(9,540,404)	77,350,030
Employee Benefits Expense	21	130,747,742	108,366,719
Finance Costs	22	533,481,885	284,531,573
Depreciation and Amortization Expense	8	14,684,821	13,348,706
Less : Transferred from Revaluation Reserve		(2,162,416)	(2,846,225)
		<u>12,522,405</u>	10,502,481
Other Expenses	23	290,088,236	184,437,404
Total Expenses		<u>1,382,499,447</u>	<u>1,068,838,566</u>
Loss before tax		(687,372,016)	(347,954,701)
Tax Expense :			
Wealth Tax		136,000	140,000
Loss for the year from continuing operations before Exceptional items		(687,508,016)	(348,094,701)
Exceptional items (Refer note no. 7.1)		48,729,868	-
Loss before Minority Interest		<u>(736,237,884)</u>	<u>(348,094,701)</u>
Minority Interest(Loss)		5	5
Loss for the year		<u>(736,237,879)</u>	<u>(348,094,696)</u>
Earnings per equity share of the face value of ` 10 each :	25.9		
Basic & Diluted :			
Before Exceptional item		(39.09)	(19.79)
After Exceptional item		(41.84)	(19.79)

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

1 - 25

As per our attached Report of even date

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

For and on behalf of the Board

A.M.Hariharan
Partner
Membership No. 38323

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place: Mumbai
Date : May 23, 2013

Place : Mumbai
Date : May 23, 2013



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A Cash flow from Operating Activities:		
Net (loss) before tax and exceptional items	(687,372,016)	(347,954,701)
Add: Adjustments for :		
Depreciation and Amortization	12,522,405	10,502,481
Provision for Doubtful debts	65,985,499	-
Interest Expenses	521,683,856	261,826,193
Interest received (other than investment)	(2,276,831)	(2,903,087)
Dividend received on Investment	(890,116)	(886,172)
(Profit)/Loss on sale of fixed assets	(375,526)	(1,061,452)
Liabilities no longer required written back	(382,629)	(670,327)
Effect of Foreign Currency Translation	(369,113)	(663,703)
Foreign Exchange (Gain)/Loss, net	2,741,751	3,519,600
Operating Profit/(loss) before Working Capital changes	(88,732,720)	(78,291,168)
Adjustments for changes in Working Capital :		
- Trade and other Receivables	179,909,397	(2,123,334,080)
- Inventories	(43,748,087)	224,397,034
- Trade and Other Payable	270,053,486	(13,849,126)
Cash generated from Operations	317,482,076	(1,991,077,340)
Income Taxes Paid	(137,819)	-
Net cash from/(used in) Operating Activities - A	317344257	(1,991,077,340)
B Cash flow from Investing Activities:		
Purchase of Fixed Assets	(6,081,426)	(33,314,862)
Sale of fixed Assets	388,141	1,617,368
Dividend received	890,116	886,172
Interest received (other than Investment)	2,276,831	2,903,087
Net Cash from/(used in) Investing Activities - B	(2,526,338)	(27,908,235)
C Cash flow from Financing Activities:		
(Repayment)/Proceeds from long term borrowings	18,421,935	2,325,903,101
Interest paid	(365,531,925)	(261,826,193)
Net cash from/(used in) Financing Activities - C	(2,007,399,933)	2,064,076,907
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(69,135,940)	45,091,332
Opening Cash and Cash Equivalents	80,339,498	35,248,166
Closing Cash and Cash Equivalents	11,203,558	80,339,498

Notes:

- 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
Firm Registration No. 301051E

For and on behalf of the Board

A.M.Hariharan
Partner
Membership No. 38323

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place: Mumbai
Date : May 23, 2013

Place : Mumbai
Date : May 23, 2013



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2013

1 Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount in `	Number	Amount in `
Authorised				
Equity Shares of ` 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of ` 100 each	1,000,000	100,000,000	1,000,000	100,000,000
Total		350,000,000		350,000,000
Issued				
Equity Shares of ` 10 each	17,608,802	176,088,020	17,608,802	176,088,020
Subscribed and Paid up				
Equity Shares of ` 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 `)

Particulars	As at March 31, 2013	As at March 31, 2012
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 & Machinery)		
Opening Balance	126,937,045	129,429,082
Add : of a subsidiary on Consolidation	435,231	435,231
Less : Relating to assets sold /discarded/written off/transferred to stock in Trade	190,312	81,043
Less : Transferred to Statement of Profit & Loss being the difference between depreciation for the year on revalued amount and original cost of the assets	2,162,416	2,846,225
Closing Balance	125,019,548	126,937,045
Foreign Currency Translation Reserve		
Opening Balance	(596,511)	67,192
Add: Movement during the year	(369,113)	(663,703)
Closing Balance	(965,624)	(596,511)
Deficit: Statement of Profit and Loss		
Opening Balance	(1,166,274,282)	(818,179,586)
Add : Loss for the year transferred from Statement of Profit & Loss	(736,237,879)	(348,094,696)
Closing Balance	(1,902,512,161)	(1,166,274,282)
Total	(1,169,881,550)	(431,357,061)

3 Long Term Borrowings (Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured :		
Term Loans :		
from banks	22,157,969	30,958,842
from Bodies Corporate	230,077,714	2,916,585,919
Unsecured Loans :		
from Body Corporate	1,094,079,774	25,500,000
Total	1,346,315,457	2,973,044,761

4 Other Long Term Liabilities (Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Unpaid Dividend*	7,115,143	7,115,143
Statutory Dues Payable*	69,882,851	69,882,851
Advance Received Towards Property Development (also refer note no. 25.7(a))*	1,320,000,000	1,320,000,000
Advance Received Towards Project Development (also refer note no. 25.7(a)(ii))*	407,500,000	290,000,000
Other Liabilities	88,098,926	206,388,283
Total	1,892,596,920	1,893,386,277

*Considering MDRS filed pending sanction. (also refer note no. 25(1)(1.1)(e))

5 Short Term Borrowings (Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Working Capital Facilities :		
from banks	413,320,796	428,459,500
Total	413,320,796	428,459,500

6 Other Current Liabilities (Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of long term debt	1,756,446,073	165,088,571
Interest accrued and due on borrowings	173,514,269	17,362,338
Security Deposits	117,536,458	112,384,864
Overdue Borrowings	152,088,571	-
Other Liabilities	50,944,515	29,543,920
Payable towards Purchase of Fixed Assets	584,057	-
Advances from Customers	35,582,092	38,680,585
Excise Duty accrued but not due	51,990,125	34,983,347
Statutory Dues Payable	37,936,276	13,882,825
Total	2,376,622,437	411,926,450

7 Short-term Provisions (Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits	65,592,014	12,966,830
Total	65,592,014	12,966,830



8 Fixed Assets

(Amount in `)

Particulars	Gross Block			Balance as at 31st March, 2013	Accumulated Depreciation/Amortisation			Net Block		
	Balance as at 1st April, 2012	Additions during the year	Disposals during the year		Balance up to 31st March, 2012	Charge for the year	Disposals during the year	Balance as at 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
Tangible Assets										
Land & Building (At Book value)	245,915,614	2,530,790	-	248,446,404	55,952,778	5,973,708	-	61,926,486	186,519,918	189,962,836
Electric Installations (At Cost)	3,056,874	-	88,082	2,968,792	2,804,444	35,075	84,423	2,755,096	213,696	252,430
Plant and Equipment (At Book value)	675,715,144	2,951,679	1,562,400	677,104,423	610,453,678	6,306,619	1,372,066	615,388,231	61,716,192	65,261,466
Furniture and Fixtures (At Cost)	7,343,687	110,296	74,707	7,379,276	6,904,611	80,895	74,207	6,911,299	467,977	439,076
Vehicles (At Cost)	7,183,424	-	581,028	6,602,396	6,144,454	269,593	572,591	5,841,456	760,940	1,038,970
Factory & Office equipment (At Cost)	48,716,276	488,661	-	49,204,937	35,969,412	2,018,931	-	37,988,343	11,216,594	12,746,864
Total	987,931,019	6,081,426	2,306,217	991,706,228	718,229,377	14,684,821	2,103,287	730,810,911	260,895,317	269,701,642
Previous Year	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	

9 Non Current Investments

Sr.	Name of the Body Corporate	Trade/	No. of Shares / Units		Face Value	Amount (`)	
			March 2013	March 2012		March 2013	March 2012
Investments in Equity Shares- Long Term							
A	In Other Body Corporate : (Unquoted , fully paid up)						
	World Growth Fund Limited * (at depreciated value)	Non-Trade	10,000	10,000	` 10	1	1
	WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	` 10	1	1
	Filter and Filteraids Limited# (at depreciated value)	Trade	1,800	1,800	` 10	1	1
	J K Cigarettes Limited#(at depreciated value)	Trade	20,000	20,000	` 10	1	1
	Premier Paper Mills Limited (at depreciated value)	Trade	40,000	40,000	` 100	5	5
	Dalmia Finance Limited (at cost)	Non-Trade	120,000	120,000	` 10	1,200,000	1,200,000
	Tendoring Services Pvt. Limited (at depreciated value)	Non-Trade	311	311	` 100	1	1
B	In Other Body Corporate : (Quoted , fully paid up)						
	GHCL Limited (at cost) \$	Non-Trade	416,578	416,578	` 10	49,590,697	49,590,697
	General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	` 10	1,584,000	1,584,000
	Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	` 10	10,500,000	10,500,000
	ITC Limited** (at cost)	Trade	15,360	15,360	` 1	1,544	1,544
	Godfrey Phillips India Limited(at cost)	Trade	456	456	` 10	1,515	1,515
	VST Industries Limited(at cost)	Trade	64	64	` 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					32,604,844	29,743,456

Shares lying with Income Tax Department

*Shares certificate are yet to be received

** No. 3840 Original Shares certificate are not found

\$ Presently not available

9.1 There is a substantial diminution in the carrying value of certain long term quoted investment as compared to its market value which in the opinion of the management is temporary and therefore, no provision is considered necessary at this stage as the same are long term and strategic in nature.

10 Long term loans and advances
(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, Considered good		
Advances given towards acquisition of Development rights (refer note no. 25(6)(c))	3,549,010,000	3,749,610,000
Capital Advance	55,413,636	30,738,636
Security Deposits	8,091,301	8,129,751
Balances with Excise/Sales tax authorities	178,604,367	
Loans and Advances	-	
To an Associate	-	18,000,000
To Others	79,631,492	236,964,085
Payment of Tax (Net of Provision of ` 33,05,31,299; Previous year ` 33,05,35,299)	110,958,824	111,166,236
Considered Doubtful	36,447,569	18,047,569
Less: Provision for doubtful loans and advances	(36,447,569)	(18,047,569)
Total	3,981,709,620	4,154,608,708

11 Inventories
(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw Materials	251,338,823	249,662,683
Work-in-progress	28,507,246	32,804,747
Finished goods (Including goods in transit of ` 1,16,52,612 ; Previous year ` 57,26,770)	92,959,161	60,583,008
Packing Materials	70,153,491	56,123,808
Stock in Trade (Immovable Property)	352,198,748	352,198,748
Stores and spares	30,512,742	30,549,130
Total	825,670,211	781,922,124

12 Trade Receivables
(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured (Secured Against Machinery in the group's Possession)		
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment Considered good	50,469,001	48,779,012
Unsecured		
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment Considered good	1,195,140	43,137,544
Considered doubtful	52,103,568	4,518,069
Less : Provision for doubtful debts	52,103,568	4,518,069
Others		
Considered good	45,067,138	51,549,208
Total	96,731,279	143,465,764


13 Cash and Bank Balances

(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and Cash Equivalents		
Balances with banks	10,137,071	28,850,532
Term deposits with maturity for less than twelve months	20,000	50,490,000
Cash on hand	1,046,487	998,966
	11,203,558	80,339,498
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	17,130,372	17,580,366
Right Issue Collection Accounts	66,470	66,470
Total	17,196,842	17,646,836
Total	28,400,400	97,986,334

14 Short term loans and advances

(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured, Considered good:		
Loans	-	23,550,000
Advances (Secured against Machinery in the group's possession)	8,668,562	7,521,007
Unsecured, Considered good:		
Balances with Excise authorities	4,671,546	7,712,433
Advances to suppliers	12,008,543	15,588,952
Other Loans and Advances	17,540,833	32,784,563
Total	42,889,484	71,568,003

15 Other Current Assets

(Amount in `)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest accrued but not due on fixed deposits	1,317,306	2,449,917
TDS on Interest Receivables	237,114	-
Export Incentive receivable	5,394,612	4,456,688
Prepaid Expenses	893,977	441,852
Total	7,843,009	7,348,457

16 Other Income from operations

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Other operating revenues from Scrap Sale	2,458,183	4,835,487
Export Incentives	14,720,755	11,855,901
Total	17,178,938	16,691,388

17 Other Income

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Income	2,276,831	2,903,087
Dividend income from long term investments	890,116	886,172
Liabilities no longer required written back	382,629	670,327
Provision for doubtful debts written back	27,666	150,000
Profit on sale of fixed assets (net)	375,526	1,061,452
Rental Income	1,924,533	1,266,980
Miscellaneous Income	249,841	601,163
Total	6,127,142	7,539,181

18 Cost of Materials Consumed

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw Materials consumed	227,759,284	201,280,346
Packing Materials consumed	106,168,442	91,190,822
Total	333,927,726	292,471,168

19 Manufacturing and Operating Costs

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Consumption of stores and spare parts	5,059,527	6,000,648
Repairs to machinery	1,735,154	1,620,821
Power and fuel	15,790,076	12,522,279
Total	22,584,757	20,143,748

20 Changes in Inventories of Finished Goods & Work in Progress

(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening Stock:		
Finished Goods	60,583,008	100,825,830
Work in Progress	32,804,747	34,244,229
Stock in Trade(Immovable Property)	352,198,748	413,198,748
Total	445,586,503	548,268,807
Closing Stock		
Finished Goods	92,959,161	60,583,008
Work in Progress	28,507,246	32,804,747
Stock in Trade (immovable Property)	352,198,748	352,198,748
Total	473,665,155	445,586,503
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	18,538,248	(25,332,274)
Total	(9,540,404)	77,350,030


21 Employee Benefits Expense
(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	112,909,176	92,026,145
Contributions to provident and other funds	9,293,950	8,815,568
Staff welfare expenses	8,544,616	7,525,006
Total	130,747,742	108,366,719

22 Finance Costs
(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Expenses	521,683,856	261,826,193
Other Borrowing Costs	11,798,029	22,705,380
Total	533,481,885	284,531,573

23 Other Expenses
(Amount in `)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Rent	6,992,822	7,591,286
Repairs & Maintenance - Building	3,155,642	3,639,470
Insurance	1,923,372	1,385,968
Rates and taxes	3,294,284	1,560,961
Travelling & Conveyance Expenses	19,074,708	15,245,420
Legal & Professional charges	31,318,994	25,292,901
Director's sitting Fees	301,500	230,000
Loss on Variation in Foreign Exchange Rates (Net)	2,741,751	3,519,600
Selling and Distribution Expenses	113,433,423	81,091,871
Provision for Non moving Stock	-	3,827,004
Provision for Doubtful Debts/Advances	65,985,499	-
Commission on sales	116,165	-
Miscellaneous Expenses	41,750,076	41,052,923
Total	290,088,236	184,437,404



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) : ` 10,55,73,000 plus interest, if any (Previous Year ` 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) : ` 30,79,386 (Previous Year ` 98,25,039).
- (c) Disputed Excise claims/demands, of ` 3,00,08,73,377 (Previous year ` 89,53,05,903) excluding interest liability, of any, against and/or relating to the holding Company and counter claims by the holding Company are pending or otherwise being contested before the various Excise Authorities /Courts against which the holding Company has paid ` 12,08,34,166 (Previous year ` 12,08,34,166) (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 holding Company and/or in relation to the holding Company. Since these notices are in the nature of explanations required, the holding Company does not consider them to constitute any liability. All these notices have appropriately replied/attended to.
- (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 ` 2,62,44,77,170 (Previous Year ` 2,16,90,14,929) including interest upto the date of respective demands and excluding further interest liability if any and penalty of ` 1,99,50,37,107 (Previous Year ` 1,54,16,20,033).



(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 : ₹ 1,05,03,11,158 (Previous Year ₹ 651,56,21,760).

(iii) The Hon'ble Supreme Court on SLP filed by Income Tax department has ordered that pending further orders from this court, the holding Company shall not encumber or in any way alienate the property.

(e) Pursuant to the Order of Hon'ble High Court of Delhi, the holding Company has filed a Modified Draft Rehabilitation Scheme (MDRS) to Hon'ble 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 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	PREVIOUS YEAR
i) Disputed Demands of employees/ ex-employees of holding Company	33,21,277	31,63,277
ii) Disputed Sales Tax	77,05,143	8,00,209
iii) Disputed Entry Tax of holding Company	22,37,02,975	21,97,04,352
iv) Disputed Land Revenue & other Taxes of holding Company	3,14,823	3,76,023
v) Disputed E.S.I.C. (Employees' State Insurance)	18,86,378	19,17,978
vi) Services/materials suppliers/advance forfeited and other business related disputed matters (excluding differential interest, if any,)	30,92,16,829	24,00,81,693

(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 holding 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 ₹ 64,18,286 (Previous Year ₹ 2,01,30,882); Net of Advances of ₹ 5,54,13,636 (Previous Year ₹ 3,07,38,636).

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.

2) Land & Buildings and Plant & Machinery 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 ₹ 14,66,98,190 for Land & Buildings and ₹ 64,42,46,062 for Plant & Equipment (Previous Year ₹ 14,66,98,190 and ₹ 64,58,08,462, respectively) remain substituted for the historical costs in the gross block of Fixed Assets (refer Note 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	PREVIOUS YEAR
(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
(iii) Reimbursement of expenses (including service tax ` 2,10,546 (Previous Year ` 1,46,466)	14,22,000 3,47,905	14,22,000 2,48,292
Total	17,69,905	16,70,292

5) As a matter of prudence the net deferred tax asset in respect of holding/subsidiaries Company as on 31st March, 2013 has not been recognized.

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

(a) 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 ` 132,00,00,000 (Previous Year ` 132,00,00,000) to jointly develop its Vile Parle property. However, the aforesaid parties have disputed further payments due in March 2011.

In terms of MOU, notice dated March 26, 2011 was served upon the aforesaid parties advising them to make final payment by March 31, 2011 which they failed to pay.

The holding Company's minority shareholder filed a suit in the City Civil Court, Mumbai, challenging the MOU entered into by the holding Company with the developers. The Court 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, 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. (Reference is however, invited to Note no. 1.1d(iii) above.

(i) According to the MDRS, the holding Company has proposed that the money received under the aforesaid MOU be refunded along with interest, if any as decided by 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.

(b) 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 an interest free advance of ` 5,00,00,000 (Previous Year ` 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.

(c) The group has given advances aggregating to ` 3,54,90,10,000 (Previous Year ` 3,74,96,10,000) to acquire certain development right in the two plots of land situated in Delhi for Joint Development pursuant to Development agreement in this regard. During the year, ` 21,80,00,000 (Previous Year ` Nil) has been received back by the group in respect of one of the plot on cancellation of the development agreement without any compensation, interest, etc.



7 Segment Reporting :-

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

Particulars	(Amount in `)	
	Year Ended 31 st March,2013	Year Ended 31 st March,2012
Segment Revenue :		
(a) Tobacco Products	67,18,21,351	62,53,53,296
(b) Realty	—	7,13,00,000
(c) Others/Unallocable	—	—
Total	67,18,21,351	69,66,53,296
Add : Other Income		
(a) Tobacco Products	2,26,55,423	2,14,67,947
(b) Realty	4,48,870	15,61,642
(c) Others/Unallocable	2,01,787	12,00,980
Total	2,33,06,080	2,42,30,569
Net/Sales income from operations	69,51,27,431	72,08,83,865
Segment Results Profit/(Loss) before tax and interest from segment :		
(a) Tobacco Products	(20,15,66,603)	(7,48,70,026)
(b) Realty	2,38,865	1,17,50,191
(c) Others/Unallocable	(12,92,261)	(3,04,293)
Total	(20,26,19,999)	(6,34,23,128)
Less : Finance Cost	53,34,81,885	28,45,31,573
Provision for Taxation	1,36,000	1,40,000
Total Profit/(Loss) after taxation	(73,62,37,884)	(34,80,94,701)
Minority Interest (loss)	(5)	(5)
Net Profit/(Loss)	(73,62,37,879)	(34,80,94,696)
Segment Assets :		
(a) Tobacco Products	1,31,86,59,285	1,37,85,57,178
(b) Realty Division	3,95,68,88,728	4,18,02,37,219
(c) Others/Unallocable	3,14,69,479	3,06,84,808
Total Assets	5,30,70,17,492	5,58,94,79,205
Segment Liabilities :		
(a) Tobacco Products	1,15,08,08,711	97,50,20,866
(b) Realty Division	5,14,87,24,472	4,86,52,77,238
(c) Others/Unallocable	14,84,639	46,56,938
Total Liabilities	6,30,10,17,822	5,84,49,55,042
Capital Expenditure :		
(a) Tobacco Products	60,81,426	3,33,14,862
(b) Realty Division	—	—
(c) Others/Unallocable	—	—
Total Capital Expenditure	60,81,426	3,33,14,862
Depreciation/Amortisation :		
(a) Tobacco Products	1,25,22,007	1,05,02,016
(b) Realty Division	—	—
(c) Others/Unallocable	398	465
Total Depreciation/Amortization	1,25,22,405	1,05,02,481

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

8) 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 A. K. Joshi — Managing Director
 Shri J.P. Khetan — Managing Director (upto July 31, 2011)
- (ii) Associate GHCL Limited
- (iii) Relatives of Key Management Personnel
 Shri Amit Joshi — Son of Mr. A. K. Joshi
 Shri Ashwin Joshi — Son of Mr. A. K. Joshi
 Smt. Madhu Khetan — Wife of Mr. J.P. Khetan

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

(Amount in `)

Particulars	Associate GHCL Ltd.	Key Management Personnel	Relatives of Key Management Personnel	Total
Sales				
Immovable property	— (—)	— (1,08,00,000)	— (—)	— (1,08,00,000)
Expenses :				
Remuneration	— (—)	71,21,813 (1,23,83,003)	— (—)	71,21,813 (1,23,83,003)
Provision for doubtful advances	1,80,00,000 (—)	— (—)	— (—)	1,80,00,000 (—)
Rent	— (—)	— (—)	— (5,20,000)	— (5,20,000)
Car Hire charges	— (—)	— (—)	3,60,000 (3,30,000)	3,60,000 (3,30,000)
Outstanding :				
Payable	— (—)	17,75,580 (47,65,975)	30,000 (27,500)	18,05,580 (47,93,475)
Receivable	1,80,00,000 (1,80,00,000)	— (—)	— (—)	1,80,00,000 (1,80,00,000)
Provision for doubtful advances	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 except disclosed above. 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 and minority interest) before Exceptional Item	(68,75,08,011)	(34,80,94,696)
(b) Add : Exceptional Item	4,87,29,868	
Net Loss as per Statement of profit and loss (after tax) after Exceptional Item		
Denominator :		NIL
	(73,62,37,879)	(34,80,94,696)
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		
Before Exceptional Item	(39.09)	(19.79)
After Exceptional Item	(41.84)	(19.79)
(d) Nominal Value per Equity Share	10	10

10) 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

As per our attached Report of even date

For LODHA & CO.

Chartered Accountants

Firm Registration No. 301051E

A.M.Hariharan

Partner

Membership No. 38323

Place: Mumbai

Date : May 23, 2013

For and on behalf of the Board

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place : Mumbai

Date : May 23, 2013



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

(Amount in `)

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	1,267,867	500,000
2 Reserves	2,968,981	(147,024,636)	(9,867,321)	(3,882,110)	(358,847,184)
3 Total Assets	3,356,181	45,067,891	7,527,537	255,733	3,568,050,606
4 Total Liabilities	327,200	117,092,527	(2,394,858)	2,869,976	3,926,397,790
5 Investment (Other than subsidiaries)	2	1,201,533	NIL	NIL	NIL
6 Turnover	NIL	NIL	NIL	NIL	NIL
7 Profit / (Loss) before Taxation	(14,133)	(43,932)	(706,420)	(525,677)	(300,771,854)
8 Provision for Taxation	NIL	NIL	NIL	NIL	NIL
9 Profit / (Loss) after Taxation	(14,133)	(43,932)	(706,420)	(525,677)	(300,771,854)
10 Proposed Dividend	NIL	NIL	NIL	NIL	NIL

* Subsidiary of Western Express Industries Limited

For and on behalf of the Board

A. K. Joshi
Managing Director

J. P. Khetan
Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place : Mumbai
Date : May 23, 2013

GOLDEN TOBACCO LIMITED

Regd. Office : At Darjipura, Post Amaliyara,
Vadodara - 390 022 Gujarat, India

DP ID	Client ID	Folio No.	No. of shares held

PROXY

I/We _____

of _____

being a member(s) of Golden Tobacco Ltd. hereby appoint _____

_____ of _____

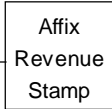
or failing him/her _____

of _____

as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 27th September, 2013 at 3.30 p.m. or at any adjournment thereof.

Signed this _____ day of _____ 2013.

Signature(s) of the Shareholder(s) _____ L.F. No. _____



Note : The proxy must be returned so as to reach the registered office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.

----- CUT HERE -----

GOLDEN TOBACCO LIMITED

Regd. Office : At Darjipura, Post Amaliyara,
Vadodara - 390 022 Gujarat, India

DP ID	Client ID	Folio No.	No. of shares held

ATTENDANCE SLIP

Annual General Meeting - 2013

at Regd. Office : At Darjipura, Post Amaliyara, Vadodara - 390 022 Gujarat, India

Name of the attending Member/Proxy (In block letters) :

I hereby record my presence at the Annual General Meeting held at 3.30 p.m. on 27th September, 2013.

Member's / Proxy's Signature

- Notes :
1. Please bring this attendance slip to the meeting and handover at the entrance duly filled in.
 2. Members are requested to bring copy of Annual Report with them.

Dear Members,

As you know, the Ministry of Corporate Affairs has undertaken a '**Green Initiative in Corporate Governance**' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively.

Your Company proposes to deliver electronically various communication/documents such as Notice of General Meeting, Annual Reports, Postal Ballot documents and such other necessary communication/ documents from time to time to the Members, who have provided their email address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are required to inform their address to the Registrar and Transfer Agent of the Company.

Email addresses as registered in you respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered email address for serving the necessary communication/documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members, who wish to inform any updations/changes of their email address, are requested to promptly update the same with their DP/the Registrar and Transfer Agent of the Company, as the case may be, from time to time.

As a member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of requisition from you. We request you to support this initiative and opt for the electronic mode of communication by submitting your email address to your DP or to the Company.

Book-Post

To,

If undelivered, please return to :

Regd. Office : Darjipura, Post - Amaliyara,
Vadodara, Gujarat - 390022


Email : share@goldentobacco.in

Website : www.goldentobacco.in

FORM-A

Clause 31(a) of the Listing Agreement


Annual Audit Report (Standalone)

1.	Name of Company	Golden Tobacco Limited
2.	Annual Financial Statement for the year ended	March 31, 2013
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	<p>1. Refer Para (a) of the Auditors' report appearing first time in the year 2012-13 regarding diminution in the carrying value of certain long term investments, particularly in respect of quoted investments</p> <p>2. Refer Para (b) of the Auditors' report appearing since 2005-06 regarding carrying value of investments and overdue advances recoverable from a subsidiary</p>
5.	<p>Signature :</p> <ul style="list-style-type: none"> • Managing Director Golden Tobacco Limited • M/s Lodha & Co., Statutory Auditors • Chairman- Audit Committee Golden Tobacco Limited 	<p align="center">  A.K. Joshi </p> <p align="center">  A. M. Hariharan Partner Membership No. 38323 Firm Regn. No. 301051E </p> <p align="center">  R. R. Kumar </p> <div align="right">  </div>

FORM-B

Clause 31(a) of the Listing Agreement

Annual Audit Report (Consolidated)

1.	Name of Company	Golden Tobacco Limited
2.	Annual Financial Statement for the year ended	March 31, 2013
3.	Type of Audit Qualification	Qualified with respect to Immovable property (Flat) is in the wrongful possession of an ex- employee
4.	Frequency of observation	Refer Para (b) of the Auditors' report appearing since 2005-06
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	No note appearing in the Financial Statements and directors report.
6.	Additional comments from the board/audit committee chairman	The flat is in the wrongful possession of the family member of an ex- employee. The management had already initiated legal proceedings against the said ex- employee and on his demise, the names of his family members so that flat can be vacated at the earliest.
7.	Signature :	<p><i>A.K. Joshi</i> A.K. Joshi</p> <p><i>A. M. Hariharan</i> A. M. Hariharan Partner Membership No. 38323 Firm Regn. No. 301051E</p> <p><i>R. R. Kumar</i> R. R. Kumar</p> <p></p>