Golden Tobacco Limited

(Estd. 1930 • Founder : Late Narsee Monjee • Incorporated 1955)

Manufacturers of Quality Cigarettes / Cigars

June 2, 2015

GTL/SE/SEC/2015-16

To,

The Manager,
Corporate Relations Department,
Bombay Stock Exchange,
14th Floor, P.J. Towers,
Dalal Street,
MUMBAI-40000
Email:corp.compliance@bseindia.com
Email:corp.relation@bseindia.com

Scrip Code: 151

The Secretary,
National Stock Exchange of India Ltd
'Exchange Plaza'
Bandra Kurla Complex, Bandra (East)
MUMBAI - 400 051
Email: cmlist@nse.co.in

Scrip Code: 5251

Dear Sir,

Sub: Codes under SEBI (Prohibition of Insider Trading) Regulation, 2015:

We would like to inform that the Board of Directors at the meeting held on May 25, 2015 approved and adopted the following Codes effective from May 15, 2015:

1. Code of Practices and Procedures for Fair disclosure Unpublished Price Sensitive Information (UPSI),the said code has been posted on the Company's website www.goldentobacco.in

2. Golden Tobacco Ltd. Code of Conduct for Prevention of Insider Trading -2015.

This information is being sent in terms of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI Circular No. CIR/ISD/01/2015 dated May 11, 2015. Kindly take the same on record.

Yours Faithfully,
For Golden Tobacco Limited

Manoj Kumar Srivastava
Company Srivastava &
Compliance Officer

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Encl: copy of code

GOLDEN TOBACCO LIMITED - CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. **Corporate Disclosure Policy:**

This Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), in relation to the Securities of the Company, is framed in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 effective from May 15, 2015. The Board of Directors of the Company in its meeting held on May 25, 2015 was approved and adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the 'Code'). The Board of Directors of the Company shall ensure prompt public disclosure of Unpublished Price Sensitive Information (UPSI) as required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with an objective to make such information generally available in public domain.

1.1. The term "Unpublished Price Sensitive Information" is defined under Regulation 2(1) (n) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which is reproduced as under:

"unpublished price sensitive information" *means any information, relating to acompany or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –*

(i) financial results;

(ii) dividends;

(iii) change in capital structure;

(iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;

(v) changes in key managerial personnel; and

(vi) material events in accordance with the listing agreement.

Examples of information or events which may be 'material' to the company are set out in **Annexure – 1**. This list is for a guidance and not exhaustive.

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1.2. The disclosure of Unpublished Price Sensitive Information shall be in a uniform manner and shall not be on selective basis.

1.3. In order to do this, Company Secretary of the Company shall act and designated as a Chief Investor Relations Officer (CIRO) of the Company and shall deal with dissemination and disclosure of UPSI on an uniform manner

1.4. Ensuring that the Company complies with principle of fair disclosure of Unpublished Price Sensitive Information, such as

(i) prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently, or otherwise to make such information generally available;

(ii) appropriate and fair response to queries on news reports and clarification/ verification of market rumours by regulatory authorities;

(iii) ensuring information shared with analysts and research personnel is not unpublished price sensitive information;

(iv) developing best practices for recording of proceedings of meeting with analysts and other investor relations forum and getting it promptly posted at official website of the company and

(v) handling of all unpublished price sensitive information on a need to know basis.

1.5. Company Secretary shall obtain prior approval from the Board of Directors /Managing Director before releasing any price sensitive information to the media and analysts.

1.6. In case of any doubt regarding release of information or understanding the nature of materiality of information, Company Secretary shall consult and seek approval of Managing Director / or Executive Director or such other person who are experts in the domain.

1.7. If any Unpublished Price Sensitive Information is accidently disclosed or disclosed selectively without prior approval, the person responsible for

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disclosing such information, shall inform the Managing Director and Company Secretary immediately. On receipt of such information Company Secretary in consultation with Managing Director shall disclose the same to the stock exchanges and also get the same be posted at website of the company so as to make such information generally available.

2. Responding to Market Rumours:

2.1 The Directors and Employees of the Company shall promptly direct any queries or requests for verification of market rumours received from the stock exchanges or from the press or media or from any other source to the Company Secretary.

2.2 It is the general policy of the company not to respond to market rumours or speculations unless required by the regulatory authorities. The standard response shall be "it is the company's policy ***not to comment rumours or speculation".*** However, any rumours that has had or is likely to have a substantial effect on the price of the company's securities will be clarified or confirmed in accordance with securities regulations.

2.3 The Company Secretary shall on receipt of requests as aforesaid, consult the Managing Director and / Executive Director and respond to the same without any delay.

2.4 The Company Secretary, in consultation with the Managing Director and / or Executive Director shall decide as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

2.5 All the requests/ queries received shall be documented and as far as practicable, the Company Secretary, shall request for such queries / request in writing.

3. Disclosure / dissemination of Unpublished Price Sensitive Information with special reference to Analysts, Research Personnel and Institutional Investor.

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3.1 Sharing of Public Information:

3.1.1 The Directors, Officers, and Employees of the company shall provide only public information to the analysts / research personnel/ large investors like financial institutions, private equity etc.

3.1.2 In case non-public information is proposed to be provided, by the Directors, Officers, and Employees, the person proposing to so provide information shall consult Managing Director and the Company Secretary. The Company Secretary having consultation with Managing Director in such cases, shall ensure that the information provided to the analysts/ research personnel / investors as above is made public simultaneously with such disclosure.

3.2 Handling of unanticipated questions:

3.2.1 The Company shall take extreme care and caution when dealing with analysts' questions and raise issues outside the intended scope of discussion.

3.2.2 Managing Director / Executive Director/ Company Secretary should tackle the unanticipated questions carefully. The unanticipated questions may be noted and considered response may be given later on in consultation with the Managing Director . If answer to any question requires dissemination of Price Sensitive Information, the Managing Director / Company Secretary / Executive Directors, shall ensure that the same shall be disseminated to the Stock Exchanges and uploaded at the website of the company to make it generally available, before responding to the question raised by the analysts, research personnel etc.

3.2.3 **Simultaneous Release of Information:**

Whenever the Company proposes to organize meetings with investment analysts/ institutional investors, the Company shall make a

press release or post relevant information on its website after every such meeting. The company may also consider live webcasting of analyst meets.

The Company Secretary in consultation with the Managing Director / Executive Director shall draft the press release or the text of the information to be posted on the Company's website.

4 Medium of Disclosure / dissemination of Price Sensitive Information:

4.1 The Company shall disseminate all Price Sensitive Information promptly and on a continuous basis to stock exchanges where its securities are listed and thereafter to the electronic or print media so as to make generally available.

4.2 As a good corporate practice, the Price Sensitive Information disclosed to the Stock Exchanges and to the electronic and print media may also be supplemented by prompt updates on the Company's website. The Company may also consider other modes of public disclosure of Price Sensitive Information so as to improve investor access to the same.

4.3 The information filed by the Company with the Stock Exchanges under the Stock Exchange listing agreement shall also be posted on the Company's website.

5. Process for Public Disclosure

The Company shall comply with all applicable laws and regulations regarding the timely disclosure of UPSI and changes. In order to decide that information is material or not, it must be discussed with the respective head of department and thereafter with the Managing Director of the company. Once a decision is made that information is material, the Company will immediately initiate a process to ensure full, true, plain and timely disclosure of that information via recognized new services, in compliance with applicable SEBI laws, Insider Trading Regulations and Listing Agreement which require prompt disclosure, and broad dissemination to the public in a manner that is both accurate and complete. Unfavourable news must be disclosed as promptly and completely as favourable news.

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The principal method of publicly disclosing Price Sensitive Information shall be through the stock exchanges and print and electronic media. The Company will file material change reports when required in accordance with applicable SEBI laws, regulations, circulars and notification.

6. Sharing of Unpublished Price Sensitive Information on need to know basis:

Price Sensitive Information must be handled on a 'need to know' basis. Such information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

6.1 Need to Know Principle

In certain circumstances, the Company Secretary may delay disclosure of Unpublished Price Sensitive Information where immediate or premature release of the information would be unduly detrimental to the interests of the Company. Such circumstances will be infrequent and in the necessary course of business, and justified by assessment that harm to the Company's business from immediate disclosure will outweigh the general benefit to the market of immediate disclosure. In such cases, Company may withhold public disclosure for a limited period of time but it must ensure the information remains confidential.

When Unpublished Price Sensitive Information is being temporarily withheld, Company will take the following precautions to keep the information confidential:

(a) the information will only be disclosed to Company Personnel, the controlling shareholder (if any) and credit rating agencies in the necessary course of business and on a "need to know" basis;

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(b) if and when the information is disclosed in the necessary course of business, recipients of such information will be educated and regularly reminded of the need to keep it confidential inside and outside the Company;

(c) confidentiality agreements will be used to ensure protection and confidentiality of the information by third parties;

(d) Reasonable care will be taken to ensure appropriate security and protection of the information.

(e) These responsibilities and procedures also apply during the period of time when news releases involving Unpublished Price Sensitive Information are being developed, until the information has been released and disseminated to the investing public.

(f) When the confidential Unpublished Price Sensitive Information being withheld involves a material change, Company will file a report with the Exchange and relevant securities regulators on a confidential basis in accordance with applicable securities legislation.

(g) If, at any time or in any circumstance, confidential Unpublished Price Sensitive Information is inadvertently divulged in a way that results in selective disclosure to any member of the investing public, the Company will initiate a process to ensure full public disclosure and dissemination.

6.2 <u>Standard Practice for information seeker:</u>

(a) Request for seeking price sensitive information must be in writing;

(b) Purpose of obtaining information must be disclosed;

(c) Declaration must be given that information shall be used for legitimate purposes, cannot be given to anyone except to discharge legal obligation and it is essential for discharge of his duties;

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(d) Such other conditions which may be required to strengthen the system;

6.3 Standard Practice for information provider:

(a) Ensuring that request is received from the official email id or under the signature of information seeker;

(b) Ensuring that he is assigned for the purpose for which he is seeking such information by discussing with him or his senior;

(c) Shall maintain the data bank for the information shared;

(d) Confidential information preferably be given in hard copy or password protected file.

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Annexure – I: Material Information

The following information shall be called **"Material Information"**

Changes in Corporate or Capital Structure:

1. Changes in control of management of the Company;
2. Major reorganizations, amalgamations, or mergers; Take-over bids, Issuer bids, or Insider bids;
3. Buy back of Shares, preferential allotment of shares, Right Issue, Bonus Issue, Issue of FCCB, ADR and GDR or any hybrid securities;
4. Splits of equity shares or consolidation of shares, share exchange ratio, or declaration of dividend or change in dividend policy;
5. Substantial modifications to the rights of security holders;

Changes in Financial Results:

1. A significant increase or decrease in earnings prospects;
2. Unexpected changes in the financial results for any periods;
3. Shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs;
4. Substantial changes in the value or composition of the Company's assets;
5. Any substantial change in the company's accounting policy

Changes in Business and Operations:

1. A significant change in capital investment plans or corporate objectives;
2. Major labour disputes or disputes with major contractors or suppliers;
3. Significant new contracts or significant losses of contracts or business;
4. Significant discoveries;
5. Changes to the board of directors or executive management, including the departure of the Company's Chief Executive Officer, Chief Finance Officer, Chief Operating Officer, Company Secretary or President (or persons in equivalent positions);

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6. The commencement of, or developments in, material legal proceedings or regulatory matters;
7. Waivers of corporate ethics and conduct rules for officers, directors, and other key employees;
8. De-listing of the Company's securities;

Acquisitions and Dispositions:

1. Significant acquisitions or dispositions of assets, property or joint venture interests;
2. Acquisitions of other companies, including a take-over bid for, or merger with, another company;

Changes in Credit Arrangements

1. The borrowing or lending of a significant amount of money;
2. Any mortgaging or encumbering of the Company's assets;
3. Defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors;
4. Significant new credit arrangements;

External Political, Economic and Social Developments:

Companies are not generally required to interpret the impact of external political, economic and social developments on their affairs. However, if an external development will have or has had a direct effect on the business and affairs of the Company but not on other companies engaged in the same business or industry, the Company will, if practical, explain the particular impact on its business. For example, a change in government policy in the country in which the Company is undertaking exploration that affects most companies in the mining industry does not require an announcement, but if it affects only the Company in a substantial way, the Company should make an announcement.

The above examples and the type of events or information which may be 'material' is not exhaustive it is an indicative only.

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SCHEDULE – A

(See sub-regulation (1) of regulation 8)

Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

1. Prompt public disclosure of Unpublished Price Sensitive Information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.
4. Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

The Code shall be posted on the Company's website i.e. www.goldentobacco.in. The Code is subject to review by the Board of Directors of the Company as and when deemed necessary.

FOR GOLDEN TOBACCO LIMITED

MANOJ KUMAR SRIVASTAVA
COMPANY SECRETARY

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