भारतीय नौवहन निगम लिमिटेड
(भारत सरकार का उद्यम)
पंजीकृत कार्यालय: शिपिंग हाउस, 245 मादाम कामा रोड, मुंबई - 400 021.
फोन: 91-22-2202 6666, 2277 2000 फैक्स: 91-22-2202 6905 वेबसाइट: www.shipindia.com

SCI
Navratna Company
ISO 9001:2008

**The Shipping Corporation Of India Ltd.**
(A GOVERNMENT OF INDIA ENTERPRISE)
Regd. Office: Shipping House, 245, Madame Cama Road, Mumbai-400 021. Ph: 91-22 2202 6666, 2277 2000
Fax: 91-22 22026905 • Website: www.shipindia.com
सीआईएन/CIN-L63030MH1950GOI008033

Ref.No.: A10-SEC- BD-808

29.06.2017

To,

| | |
|---|---|
| Corporate Relationship Department,<br>**Bombay Stock Exchange Ltd,** 1st Floor, New Trading Ring, Rotunda Building, P.J. towers, Dalal Street, Fort, Mumbai – 400 001 | The Manager,<br>Listing Department, **The National Stock Exchange of India Ltd.,** 'Exchange Plaza' Bandra-Kurla Complex, Bandra ( East )<br>MUMBAI - 400 051. |
| The Secretary<br>**The Calcutta Stock Exchange Association Ltd.**<br>7, Lyons Range, KOLKATA 700 001. | |

**Amendment to SCI Code of Conduct for Prevention of Insider Trading**

Pursuant to Regulation 8(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015., we hereby notify that, paragraph dealing with 'Protection of Price Sensitive Information' under 'SCI Code of Conduct for Prevention of Insider Trading ' has been amended . The copy of amended code is enclosed for your kind information and records.

Thanking You,

Yours faithfully,

कृते भारतीय नौवहन निगम लिमिटेड
For THE SHIPPING CORPORATION OF INDIA LTD.

दिपांकर हालदार/DIPANKAR HALDAR
कार्यकारी निदेशक (विधिक मामले) एवं कंपनी सचिव
Executive Director (Legal Affairs) & Company Secretary

## SCI CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

### A. BACKGROUND:

1. The Shipping Corporation of India Ltd. (hereinafter referred to as "the Company") believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

2. The SEBI (Prohibition of Insider Trading) Regulations, 2015 ["the Regulations"] has laid down a framework for prohibition of insider trading in securities and requires a Code for Fair Disclosure and Conduct ('the Code") be laid down by companies to prevent such insider trading in securities. In line with such requirement, the Company has formulated the following guidelines which shall serve as the Code to prevent insider trading.

All capitalized terms used and not defined herein, shall bear the meaning as defined under the Regulations.

### B. THE CODE:

#### Compliance Officer

3. The Board shall appoint a senior officer as a Compliance Officer who shall be responsible for monitoring and regulating the policies as provided in the Code.

4. The Compliance Officer shall report to the Board of Directors of the Company and shall furnish such reports as may be required, to the Chairman of the Audit Committee, if any or to the Chairman of the Board of Directors, on quarterly basis.

5. The Compliance Officer will maintain a record of the shareholding of the employees and Designated Persons in the Company and any changes made therein.

6. The Compliance Officer would assist all the employees in addressing any clarification regarding the Regulations and Code.

7. The Compliance Officer shall also deal with dissemination of information and disclosure of Unpublished Price Sensitive Information. (UPSI)

#### Designated Persons

The Designated Persons shall include the following:

a. All Directors, including Chairman & Managing Director, whole-time Directors and non-Executive Directors, including Government Directors.

b. Executive Directors / Senior Vice Presidents.

c. Vice Presidents.

d. All employees in the Finance & Accounts Department, Board Secretariat , PR Department,ISM Department and Accounts personnel in Profit Centres.

e. Officers dealing with budgeting/monitoring of results in the Profit Centres.

f. All employees in the Secretariats of Chairman & Managing Director, whole-time Directors and Executive Directors / Senior Vice Presidents.

g. Connected Persons as defined under clause 2 of the Regulations which states as follows:

Quote

(d) "connected person" means,-

(i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

(a). an immediate relative of connected persons specified in clause (i); or

(b). a holding company or associate company or subsidiary company; or

(c). an intermediary as specified in section 12 of the Act or an employee or

director thereof; or

(d). an investment company, trustee company, asset management company or an employee or director thereof; or

(e). an official of a stock exchange or of clearing house or corporation; or

(f). a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or

(g). a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or

(h). an official or an employee of a self-regulatory organization recognised or authorized by the Board; or

(i). a banker of the company; or

(j). a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

NOTE: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

Unquote

Protection of 'Price Sensitive Information'

Information in regard to the following cases shall be considered as Price Sensitive Information:

a. Financial Results

b. Declaration of dividends (interim and final).

c. Any change in Capital Structure

d. Any major expansion plans or execution of new projects. For the purpose of this clause, major expansion plans shall mean "increase in DWT by 20% or more".

e. Amalgamation, merger, demerger, takeovers, delisting and buy-back.

f. Disposal of whole or substantially the whole of the undertaking to the extent of 20% or more of the networth or 20% or more of the total income of the Company or 20% or more of the value of the undertaking, during the previous financial year, whichever is less. (The limit has been set based on the definition in section 180(1)(a) of the Companies Act 2013. ) This shall exclude mortgages.

g. Any changes in policies, plans or operations of the Company which will have effect on networth to the extent of 20% or more.

h. Changes in Key Managerial Personnel(except where the information is not generally available); and

i. Material events in accordance with Listing Agreement.

8. All information shall be handled within the organisation on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the Insider's legitimate purposes, performance of duties or discharge of his legal obligations. Preferably, the. Unpublished Price Sensitive Information shall be disclosed only to the Chairman & Managing Director, Director (Finance), Senior Vice President (Accounts), the Officer dealing with Accounts Closing, such other

Officers nominated by Director (Finance), Designated Officer in Budgeting & Control Department and Statutory Auditors.

9. It shall be the duty of each Managerial Personnel/ Directors/ Key Mangerial Personnel to ensure that no UPSI is provided to any personnel without authority and all such UPSI provided and/or shared with such personnel shall only be done under specific authority and with the necessary clearance in writing. Employees/Directors shall maintain the confidentiality of all "Price Sensitive Information". They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

10. The Compliance Officer may require the person providing such UPSI to any person to justify to the Board the reasons for providing such UPSI.

11. In the event any person connected with the Company is in knowledge of or gets hold of any UPSI, he shall immediately report such incident to the Compliance Officer. The Compliance Officer shall immediately inform the Board about such incident and shall take all such steps to either protect further leakage of such UPSI or make such UPSI generally available, as may be decided by the Board in each case.

12. Notwithstanding the clauses above, UPSI may be communicated, provided or allowed access to by the Board in the best interests of the Company or wherever it is required under law to do so.

13. It shall be the duty of the Compliance Officer to ensure that all documents and files containing confidential information of the Company is kept secure at all times. All information stored in electronic mode shall also be made secure through the use of anti-theft software and necessary encoded security protection.

**Publication of Price Sensitive Information**

The Compliance Officer along with the Board shall ensure the following:

14. There is prompt public disclosure of UPSI is made that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

15. There is uniform and universal dissemination of UPSI to avoid selective disclosure.

16. There shall be prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

17. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities is provided.

18. Ensuring that information shared with analysts and research personnel is not UPSI.

19. Transcripts or records of proceedings of meetings with analysts and other investor relations conferences will be on the company website to ensure official confirmation and documentation of disclosures made.

**Trading in securities**

20. All Employees and Designated Persons shall be governed by an internal code of conduct formulated by the Company while trading in securities and they also be subject to compliance with the Regulations.

21. The trading undertaken by the Employees and Designated Persons shall be routed through a notional Trading Window ("Trading Window") which has been created to monitor the trading done by them. It is only when such Trading Window is open, will the Employees and Designated Persons be allowed to carry on trade in the security of the Company. However, the Trading Window shall be closed when the Compliance Officer determines that a Designated Person or Employee can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates. The Employee and Designated Persons and their immediate relatives shall not trade in securities when the Trading Window is closed.

22. The Trading Window shall also be closed for the following events:

**Closing of Trading Window for financial results**

a. From 30th April upto Forty Eight hours after the announcement of the annual financial results (and dividend, if any) to the Stock Exchanges.

b. From 15th July upto Forty Eight hours after the announcement of the first quarter financial results to the Stock Exchanges.

c. From 15th October upto Forty Eight hours after the announcement of the second quarter financial results to the Stock Exchanges.

d. From 15th January upto Forty Eight hours after the announcement of the third quarter financial results to the Stock Exchanges.

23. The Trading Window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

24. The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty eight hours after the information becomes generally available.

25. When the Trading Window is open, trading by Employees and Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above such thresholds as the Board may stipulate in this regard. Nobody shall apply for pre-clearance of any proposed trade if such person is in possession of any UPSI even if the Trading Window is open.

26. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

27. The compliance officer shall confidentially maintain a list of such securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

28. The Compliance Officer shall place before the Chairman & Managing Director on a monthly basis all the details of the dealing in the securities by Employees and Designated Persons of the Company (including 'Nil' report, if any) and the accompanying documents that such person had executed under the pre-dealing procedure as envisaged in this code.

29. Within seven trading days, within which trades that have been pre-cleared, have to be executed, failing which fresh pre-clearance would be needed for the trades to be executed.

30. For six months, the Employees and Designated Persons who were permitted to trade through pre-clearance, shall not execute a contra trade. The Compliance Officer shall have the power to grant relaxation from strict application of this restriction for reasons to be recorded in writing provided that such relaxation does not violate the Regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act, 1992.

**Initial Disclosures**

31. Every promoter, key managerial personnel and director of the Company shall disclose his holding of securities of the company as on the date of the adoption of this Code by the Board of Directors.

32. Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

**Continual Disclosures**

33. Every promoter, employee and director of the Company shall disclose to the Company, the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified.

34. The Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

**Disclosures by other connected persons**

35. The Connected Person shall make disclosure of trading of SCI securities as well as his/ her / its holdings on quarterly basis till he/ she/ it has access to the UPSI. The disclosure can be discontinued on such UPSI becoming generally available.

**Periodical Disclosure**

36. Periodicity of reporting of the transactions in securities shall be on a quarterly basis, which would also include the cases where pre-clearance is also required. The Designated Persons shall submit his/her report within 15 days from the close of the previous quarter.

**Annual Disclosure**

37. Annual disclosure of number of shares and other securities held as on 31st March, including details of purchase/sale of shares and other securities during the financial year shall be made within 30 days from the close of each financial year by the Designated Persons.

38. The Compliance Officer shall maintain the records of all the declarations given in the appropriate form for a minimum period of three years.

**Reporting of Violations**

39. Compliance Officer shall promptly inform the Board of Directors of the Company, regarding violation of the Regulations. The Board of Directors shall inform the same to SEBI promptly.

**Restriction on Communication and Trading by Insiders**

40. The provisions of Chapter II of the Code shall be applicable w.r.t restrictions on Dealing with UPSI and Unauthorised use of UPSI.

**PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT**

Any employee/officer/director who trades in securities or communicates any information for trading in securities, in contravention of this Code of Conduct would be penalized and appropriate action against her/him would be taken by the Company.

The employees/officers/directors of the Company who violate the Code of Conduct shall also be liable to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

The action taken by the Company against the employee shall not preclude SEBI from taking any action, as it may deem fit, in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**By Order of the Board**

**Chairman & Managing Director**

**Date : 09.02.2017**