

THE SHIPPING CORPORATION OF INDIA LIMITED



WHISTLE BLOWER POLICY

1. **BACKGROUND:**

- 1.1 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.
- 1.2 The Company is committed to developing a culture where it is safe for all Director(s) or employee(s) of the Company including its stakeholders to raise concerns about any unethical, fraudulent or improper practice and any cases of misconduct.
- 1.3 Regulation 4 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 {SEBI(LODR)} provides that the listed entity shall devise an effective vigil mechanism/ whistle blower policy enabling stakeholders, to freely communicate their concerns about illegal or unethical practices. Regulation 22 of SEBI (LODR), *inter alia*, provides, a requirement, for all listed companies to establish a vigil mechanism/ whistle blower policy for directors or employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Regulation also stipulates the mechanism to provide for adequate safeguards against victimization of director(s) or employee(s) or other stakeholders who avail of the mechanism and also to provide for direct access to the Chairman of the Audit committee in exceptional cases.
- 1.4 Regulation 9A of (Prohibition of Insider Trading) (Amendment) Regulations, 2018 provides that the listed company shall have a whistle blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.
- 1.5 The Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises vide its Office Memorandum No.18(8)/2005-GM dated 14 May 2010 has issued guidelines on Corporate Governance for Central Public Enterprises (CPSEs). As per the guidelines, the Company may promulgate 'Whistle Blower Policy' in order to establish a mechanism for employees to report to the Management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's General Guidelines on conduct or ethics policy.

- 1.6 Section 177(9) of the Companies Act, 2013 provides that every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed (under the rules). Section 177(10) of the Companies Act, 2013 provides that the vigil mechanism shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.7 The purpose of this policy is to provide necessary safeguards for protection of whistle blowers from reprisals or victimisation, for whistle blowing in good faith and to provide opportunity to whistle blowers to access in good faith, to the Competent Authority/ the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse action against those whistle blower. However, a disciplinary action against the whistle Blower which occurs on account of his poor job performance or misconduct by the Whistle Blower and which is independent of any disclosure made by the Whistle Blower shall not be protected under this policy.
- 1.8 For the sake of clarity, it is specified that the Whistle blower Policy does not tantamount in any manner to dilution of the Vigilance mechanism available in SCI. Any Disclosure made by a whistle blower under this policy, having vigilance angle, may be taken up by CVO as per vigilance guidelines in force from time to time.

2. APPLICABILITY:

- 2.1 This policy applies to all stakeholders including director(s) or employee(s) of the Company.

3. DEFINITIONS:

- 3.1 **Adverse Personnel Action** - An employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.
- 3.2 **Alleged Wrongful Conduct** shall mean violation of law, infringement of Company's code of conduct or ethic policies, mismanagement, misappropriation of monies, fraud, leak of information which is Unpublished Price Sensitive Information under the SEBI (Prohibition of Insider Trading) Regulations, 2015, substantial and specific danger to public health and safety or abuse of authority.
- 3.3 **Audit Committee** shall mean a committee of Board of Directors of the Company, constituted in accordance with provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015.
- 3.4 **Company/ SCI** means "The Shipping Corporation of India Ltd.".
- 3.5 **Compliance Officer** means "Company Secretary" of the Company, and includes an officer so designated by the Board of Directors.
- 3.6 **Competent Authority** means the Chairman & Managing Director (CMD) of SCI and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (CMD being the subject person), Competent Authority means Chairman — Audit Committee.
- 3.7 **Employees** Employee means an employee as defined in the SCI - Conduct, Discipline and Appeal Rules, 2011 and as may be amended from time to time.

3.8 **Good Faith**

3.8.1 A whistle blower shall be deemed to be communicating in `good faith` if there is a reasonable basis for communication of unethical & improper practices or any other alleged wrongful conduct.

3.8.2 Good faith shall be deemed lacking when the whistle blower does not have personal knowledge of a factual basis for the communication or where the whistle blower knew or reasonably should have known the communication about unethical & improper practices or alleged wrongful conduct is malicious, false or frivolous.

3.9 **Improper Activity** means unethical behaviour, actual or suspected fraud or violation of the SCI's general guidelines on conduct or ethics policy by any employee of SCI.

3.10 **Investigators** mean those persons as recommended by the Screening Committee in connection with conducting investigation into a protected disclosure like CBI, Income Tax Office, the auditors of SCI and the police.

3.11 **Managerial personnel** for the purpose of this policy shall include director in whole time employment, officer, managers, departmental head, superior or other employee who has authority to make or materially influence significant personnel decisions.

3.12 **Policy or This Policy** means "Whistle Blower Policy".

3.13 **Protected Disclosure** means any communication made in good faith that discloses or demonstrates information that may be treated as evidence of unethical or "Improper Activity".

3.14 **Screening Committee** means a Committee constituted under Whistle Blower Policy of SCI, comprising, the Chairman & Managing Director(CMD) or in his absence, a Functional Director as nominated by CMD and the Chairman, Audit Committee or in his absence, a member of the Audit Committee as nominated by the Chairman, Audit Committee.

3.15 **Service Rules** means the SCI-Conduct, Discipline and Appeal Rules, 2011 and as may be amended from time to time.

3.16 **Subject** means an employee - officer / staff against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

3.17 **Whistle Blower** means a Stakeholder including Director(s) or Employee(s) of the Company making a Protected Disclosure under this policy.

4. **COVERAGE OF POLICY:**

4.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- a) Abuse of authority
- b) Acting in a manner prejudicial to the Company interests or in violation of any law for the time being in force,
- c) Negligence causing substantial and specific danger to public health and safety
- d) Manipulation of company data/records
- e) Financial irregularities, including fraud
- f) Criminal offence
- g) Pilferation of confidential/propriety information

- h) Wilful violation of law/regulation
- i) Wastage/ misappropriation of company funds/ assets
- j) Breach of employee Code of Conduct or Rules
- k) Any other unethical, biased, favoured, imprudent event
- l) leak of information which is Unpublished Price Sensitive Information under the SEBI(Prohibition of Insider Trading) Regulations, 2015
- m) Obtaining any valuables without consideration or with inadequate consideration from a person with whom he/she has or likely to have official dealings or his/her subordinates have official dealings or where he/she can exert influence.
- n) Exercising discretion in excess, where no public interest is evident.
- o) Deliberate concealment of any of the above

4.2 The following cases are excluded from the ambit of the Policy:

- a) General Harassment
- b) Dissatisfactory appointments and recruitments
- c) Company Policies
- d) Operational inefficiency

4.3 Policy should not be used in place of the Company's grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

5. INTERPRETATION:

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and/ or any other SEBI Regulation(s) as amended from time to time.

6. GUIDING PRINCIPLES

6.1 Protected disclosures shall be acted upon in a time bound manner.

6.2 Complete confidentiality of the Whistle Blower will be maintained.

6.3 The Whistle Blower and / or the person(s) processing the Protected Disclosure will not be subjected to victimization.

6.4 Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.

6.5 'Subject' of the Protected Disclosure i.e. Whistle blower against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.

6.6 The Whistle Blower should bring to attention of the Competent Authority at the earliest any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.

6.7 The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.

7. WHISTLE BLOWER - ROLE

7.1 The Whistle Blower's role is that of a reporting party with reliable information.

7.2 The Whistle Blower is not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

- 7.3 The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he shall not have a right to participate.
- 7.4 Protected Disclosure will be appropriately dealt with by the Competent Authority.
- 7.5 The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

8. INTERNAL POLICY & PROTECTION UNDER POLICY

- 8.1 This policy is an internal policy of the company.
- 8.2 This policy prohibits the Company to take any Adverse Personnel Action against its employees for disclosing in good faith any Improper practices or alleged wrongful conduct to the Compliance Officer. Any employee against whom any Adverse Personnel Action has been taken due to disclosure of information under this policy may approach the Competent Authority or in exceptional cases to the Board of Directors for appropriate relief. Any other employee assisting in the investigation shall also be protected to the same extent as the whistle blower.
- 8.3 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Disclosure under this Policy. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/ functions including making further Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Disclosure. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

9. FALSE ALLEGATION & LEGITIMATE ACTION

- 9.1 An employee who knowingly makes false, frivolous or unfounded allegations of unethical & improper practices or alleged wrongful conduct to the Compliance Officer shall be subject to disciplinary action, including major penalty as per terms of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defence by an employee against whom an Adverse Personnel Action has been taken independent of any disclosure of intimation by him and for legitimate reasons or cause under Company rules and policies.
- 9.2 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

10. PROCEDURES – ESSENTIALS AND HANDLING OF PROTECTED DISCLOSURE

- 10.1 Protected Disclosure shall be made to the Compliance Officer as soon as possible but not later than 45 consecutive calendar days after becoming aware of the same.
- 10.2 The Protected Disclosure / Complaint should be attached to a letter bearing the identity of the whistle blower / complainant i.e. his/her Name, Employee Number (if any) and Location, and should be inserted in an envelope which should be closed / secured / sealed. The envelope thus secured / sealed should be addressed to the Competent authority and should be superscribed

"Protected Disclosure". (If the envelope is not superscribed and closed /sealed / secured, it will not be possible to provide protection to the whistle blower as specified under this policy).

The authority receiving the complaint will not issue any acknowledgement of the complaint and the complainants are advised to neither write the name/address of the complainant on the envelope (if sent through courier or post) in the interest of the complainant. The authority will not normally enter into any further correspondence in order to protect the interest of the complainant unless it is really required.

- 10.3 If the whistle blower is unable to put disclosure in writing, he may approach Competent Authority directly or through his superior or any other employee. The Competent Authority shall arrange for a written summary of the whistle blower's disclosure and provide a copy to the whistle blower.
- 10.4 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the whistle blower, he may send his protected disclosure directly to the Chairman of the Audit Committee, SCI.
- 10.5 Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 10.6 Protected Disclosure should either be typed or written in legible handwriting in English, Hindi or Regional language of the place of employment of the whistle blower and should provide a clear understanding of the Improper Activity involved or issue / concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.
- 10.7 Investigations into any Improper Activity which is the subject matter of an inquiry or order under the Commissions of Inquiry Act, 1952 will not come under the purview of this policy.
- 10.8 The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:
**The Chairman & Managing Director,
Competent Authority,
Whistle Blower Mechanism
The Shipping Corporation of India Ltd.
245, Madame Cama Road, Mumbai – 400 021**
- 10.9 The contact details for addressing a protected disclosure to the Chairman, Audit Committee are as follows:
**Chairman, Audit Committee
The Shipping Corporation of India Ltd.
245, Madame Cama Road, Mumbai – 400 021**
- 10.10 The Competent Authority shall mark the envelope containing the Protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof and shall submit the same to the Screening Committee.
- 10.11 The Screening Committee shall weed out frivolous complaints and the Protected Disclosure(s) which require further investigation shall be forwarded to the investigator(s) nominated for this purpose, through the Confidential Section.
- 10.12 The Screening Committee shall endeavour to meet as early as possible, preferably within 15 days of receipt of a Protected Disclosure.

11. INVESTIGATIONS AND ROLE OF INVESTIGATORS:

Investigation:

- 11.1 Investigations shall be launched if the Screening Committee is satisfied after preliminary review that:
- (a) The alleged act constitutes an improper or unethical activity or conduct, and
 - (b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information; it is felt that the concerned matter deserves investigation.
- 11.2 The decision taken by the Screening Committee to conduct an investigation is by itself not to be construed as an accusation and is to be treated as a neutral fact finding process.
- 11.3 The identity of the Subject(s) and the Whistle Blower will be kept confidential.
- 11.4 Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.
- 11.5 Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 11.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subject(s).
- 11.7 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 11.8 The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
- 11.9 Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigators(s):

- 11.10 Investigator(s) are required to conduct a process towards fact-finding and analysis. Investigator(s) shall derive their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his / their report to the Competent Authority.
- 11.11 All Investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of professional standards.

12. ACTION

- 12.1 If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable in law, the Competent Authority may direct the concerned authority to take disciplinary action under applicable statutory provisions including referring the matter to Chief Vigilance Officer of SCI for appropriate action.
- 12.2 The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and /or to prevent the re-occurrence of such improper activity.
- 12.3 If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section.

13. RETENTION OF DOCUMENTS

- 13.1 All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

14. REPORTING AND REVIEW

- 14.1 The Competent Authority shall submit a quarterly report of the protected disclosures, received and of the investigation conducted, and of the action taken to the Audit Committee for review.

15. NOTIFICATION

- 15.1 This Policy will be notified through circulation among all employees or directors on its promulgation. All employees or directors joining the Company after its promulgation would be supplied a copy of this Policy, on joining by the HR department. The policy including any amendments/ modifications therein shall always remain posted on internal and external website of the Company.

16. ANNUAL AFFIRMATION

- 16.1 The Company shall annually affirm that it has not denied any employee access to the Competent Authority/Audit Committee and that it has provided protection to the Whistle Blower from Adverse Personnel Action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

17. AMENDMENTS

- 17.1 This policy can be modified at any time by the Board after review by the Audit Committee.