



**THE SHIPPING CORPORATION OF INDIA LTD**

**SCI'S POLICY FOR DETERMINATION OF MATERIALITY OF EVENT / INFORMATION**

**PREAMBLE:**

1 This Policy shall be called "Policy for Determination of Materiality of Event / Information (hereinafter referred to as the "the Policy") of The Shipping Corporation Of India Limited. (hereinafter referred to as "SCI")

2 The policy has been framed in compliance with the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Regulations").

**OBJECTIVE OF THE POLICY:**

3 The objective of this policy is to ensure continuous, adequate, accurate and timely disclosure of information by SCI to the Stock Exchanges on an ongoing basis to enable the investors to make informed investment decisions.

**DEFINITIONS:**

4 "Unpublished Price Sensitive Information" shall have same meaning as defined under The SEBI (Prohibition of Insider Trading) Regulations, 2015

5 "Compliance Officer" means the Company Secretary of the Company, so appointed.

6 "Senior Management Personnel" would comprise of all members of management one level below the Whole Time Directors, including head of departments directly reporting to Whole Time Directors.

7 "Stock Exchange" the stock exchanges where the equity shares of SCI are listed.

**CLASSIFICATION OF MATERIAL EVENTS / INFORMATION.**

**DEEMED MATERIAL EVENT / INFORMATION**

8 The following event / information shall be deemed to be material and be necessarily disclosed to the Exchange(s) within 24 hours of information of the event:

I Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger / demerger / restructuring), or sale or disposal of any ship(s), unit(s), division(s) or subsidiary of SCI or any other restructuring.

[The Term 'Acquisition' shall have same meaning as defined under explanation to clause 1(i) of Para A of Part A of Schedule III to the Regulations.]

- II Issuance or forfeiture of shares, split or consolidation of shares, buyback of shares, any restriction on transferability of shares or alteration in terms or structure of existing shares including forfeiture, reissue of forfeited shares, alteration of calls, redemption of shares etc.
- III Revision in Credit Rating(s).
- IV Outcome of the Meeting(s) of the Board of Directors of the Corporation - SCI shall disclose to the Exchange(s), within 30 minutes of the closure of the Board Meeting, held to consider the following:
  - a. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
  - b. any cancellation of dividend with reasons thereof;
  - c. the decision on buyback of securities;
  - d. the decision with respect to any proposed transaction of fund raising which is material in nature;
  - e. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched.
  - f. reissue of forfeited shares, or the issue of shares held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - g. short particulars of any other alterations of capital, including calls;
  - h. financial results
  - i. decision on voluntary delisting from stock exchanges(s).
- V Agreements [(viz.shareholder agreement(s), joint venture agreement(s)], or agreement(s) / treaty(ies) / contract(s) with media companies which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof as authorized by the Board of SCI from time to time.
- VI Fraud / defaults by Promoter or Key Managerial Personnel or by SCI or arrest of Key Managerial Personnel or Promoter.
- VII Change in Directors, Key Managerial Personnel, Auditor and Compliance officer for this Policy.
- VIII Appointment or discontinuation of Share Transfer Agent.
- IX Corporate Debt Restructuring
- X One time settlement with bank.
- XI Reference to BIFR and winding up petition filed by any party / creditors.

- XII Issuance of Notices, call letters, resolutions and circulars sent to shareholders or creditors or any class of them or advertised in the media by SCI.
- XIII Proceeding of Annual and Extra Ordinary General Meeting of SCI.
- XIV Amendments to Memorandum and Articles of Association of SCI, in brief.
- XV Schedule of Analyst or Institutional Investor Meet and presentation on financial results made by SCI to analysts or institutional investors.

**EVENT / INFORMATION ON THE BASIS OF GUIDELINES FOR MATERIALITY**

**Materiality**

**9** Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the information / event. In order to determine whether a particular event / information is material in nature, the following “quantitative” or “qualitative” criteria(s) shall be applied:

**10 Quantitative Criteria:**

- a. 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”.
- b. 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.
- c. Any changes in policies, plans or operations of the Company which will have effect on networth to the extent of 20% or more.

**11 Qualitative Criteria:**

Materiality shall become applicable to an event / information if the omission of which is likely to:

- result in a discontinuity or alteration of event or information already available publicly or
- result in significant market reaction if the said omission came to light at a later date.
- If in the opinion of the Board of Directors of SCI, the event / information is considered material.

**12** In circumstances where “quantitative” test may not be applicable, “qualitative” test may be applied to determine materiality.

**13** The authority for determining the materiality of an event or information for the purpose of this clause shall be Chairman & Managing Director and / or the Compliance Officer in consultation with the concerned Functional Director(s).

**14** The following event(s) / information shall be disclosed to the Exchange(s) upon application of the guidelines for materiality as specified above:-

## ANNEXURE I

- a. Date of Commencement, postponement in the date of commencement of commercial operation of a vessel or disposal thereof .
- b. Change in the general character or nature of business brought about by arrangement for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit / division (entirety or piecemeal).
- c. Major capacity addition or major/new product launch by SCI or discontinuation of any liner of passenger services of SCI.
- d. Awarding, bagging / receiving, amendment or termination of awarded orders/contracts not in the normal course of business which is material in nature.
- e. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and major revision(s) amendment(s) or termination(s) thereof.
- f. Disruption of operation of any ship of SCI due to natural calamity (earthquake, flood, fire etc.) force majeure or events such as strikes, lockouts etc.
- g. Effects arising out of change in the regulatory framework applicable to SCI.
- h. Litigation(s) / dispute(s) / regulatory action(s) by or against SCI which are quantitatively material in nature.
- i. Fraud / defaults etc. by Directors (other than Key Managerial Personnel) or employees of SCI.
- j. Option to purchase securities including ESOP/ESPS scheme.
- k. Giving of guarantees or indemnity or becoming a surety for any third party by SCI which is of quantitatively material nature.
- l. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

**15** Any other information / event viz. major development that is likely to affect business eg. Emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts etc. and brief details thereof and any other information which is exclusively known to SCI which may be necessary to enable the holders of securities of SCI to appraise its position and to avoid the establishment of a false market in such securities.

### Disclosure

**16** Upon receipt of information as mentioned in point no 13, the Compliance Officer of SCI shall make disclosure of said events to the Stock Exchanges with necessary consultation / approval in the line with the objective of the policy.

## ANNEXURE I

**17** The Compliance Officer shall disclose all material events / information mentioned in Para A of part A of Schedule III to the regulations [other than the events listed under clause 4 of Para A of Part A of Schedule III to the Regulations, which have to be disclosed within 30 minutes] as soon as reasonably possible and not later than 24 hours from the occurrence of events or receipt of the information.

**18** In case the receipt of information of disclosure is made after twenty four hours of occurrence of events or information, the explanation for delay shall also be provided along with the disclosure.

**19** All disclosure made by the company to the stock exchanges shall also be hosted on the website of the company and shall be maintained for a minimum period of 05 (Five) years.

### **AMENDMENTS TO THE POLICY**

**20** Any subsequent notifications, circulars, guidelines etc. or amendments under the Regulations, revised Listing Agreement, and all other applicable laws, in this regard, as may be issued from time to time shall be mutatis mutandis applicable to SCI without any further modification or amendment in this policy.

Subject to keeping the Board informed, Chairman & Managing Director is authorized to

- a) rectify any anomalies that may exist in connection with the effective execution of this Policy,
- b) amend this policy from time to time based on the amendments in the Regulations.

### **PUBLICATION OF POLICY**

**21** A copy of the policy shall also be hosted on the website of the company.