

## **Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons**

### **1. Introduction**

This Code of Conduct is called “NESCO LIMITED – Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons” (hereinafter referred to as ‘the Nesco Code’ or ‘the Code’).

The Board (as defined below) of the Company has adopted this Nesco Code to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (“SEBI Regulations”)

The Nesco Code will apply to Designated Persons and Insiders of the Company.

### **2. Objective**

The objective of Nesco Code is to ensure protection of Unpublished Price-Sensitive Information of Nesco Limited and serve as a guideline to Designated Persons/Insiders covered by Nesco Code for dealing in Securities of Nesco Limited. In addition to setting out the policy of the Company, it provides an understanding of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time and any other applicable law in relation to prevention of Insider Trading. The Nesco Code is subject to the applicable prevailing law in relation to prevention of Insider Trading and if there is any inconsistency between any of the provisions of the Nesco Code and applicable law; the applicable law shall prevail.

### **3. Definitions**

- 3.1** “Act” means the Securities and Exchange Board of India Act, 1992 and any statutory amendment or re-enactment thereof.
- 3.2** “Board” shall mean the board of Directors of the Company.
- 3.3** “Companies Act” means the Companies Act, 2013.
- 3.4** “Company” means Nesco Limited.
- 3.5** “Compliance Officer” means Company Secretary and in case the Company does not have Company Secretary, such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these Regulations designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the Rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.

**3.6** “Concerned Advisors/Consultants/Retainers” of the Company means such Advisors/Consultants/ Retainers/ Professionals who in the opinion of the Company, may have access to price sensitive information.

**3.7** “Connected Person” means

- (i) any person who is or has during the six months prior to the concerned event, been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with Company's 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 with 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) Persons falling within the following categories shall be deemed to be Connected Persons unless the contrary is established:
  - a. persons identified as Connected Persons by the Company;
  - b. an Immediate Relative of such Connected Persons as specified in clause (i) above;
  - c. a holding company or associate company or subsidiary company of the Company; or
  - d. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his/her Immediate Relative, has more than ten per cent of the holding or interest.

**3.8** “Designated Persons” means and includes

- a. Promoter;
- b. Directors of Nesco and its subsidiaries;
- c. Key Managerial Personnel;
- d. All employees two levels below the Board;
- e. Such employees at the Chairman's Office;
- f. Such persons in the finance, accounts and internal audit department;
- g. All employees in the secretarial department;
- h. Other employees or persons/consultants/advisors/retainers notified or advised of his/her categorization as an “Insider” by the Compliance Officer in consultation with the Board of Directors on the basis of their role and functions in the organization.
- i. Immediate relatives of (a) to (h) above.

**3.9** “Generally available information” means information that is accessible to the public on a non- discriminatory basis.

**3.10** “Immediate Relative” of a person means a spouse, or the parent, sibling or child of that person or his or her spouse, if they are either dependent financially on such person or consult such person in taking decisions relating to Trading in securities.

**3.11** “Insider” means any person who is

- (i) a Connected Person or
- (ii) a Designated Persons; or
- (iii) person in possession of or having access to Unpublished Price Sensitive Information;

**3.12** “Legitimate Purpose” shall include sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

**3.13** “Promoter” and “Promoter Group” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

**3.14** “Quiet Period” shall mean any period which the Compliance Officer may notify, during which Trading in Securities of the Company shall be prohibited and shall include the following:

- i. The period from the end of each quarter up to the date of announcement of quarterly results and 48 hours thereafter;
- ii. The period from the end of March quarter upto the date of announcement of the annual financial results and 48 hours thereafter;
- iii. Any other period during which trading window shall be closed when the Compliance Officer determines a Designated Person/Insider or class of persons can reasonably be expected to be in possession of Unpublished Price Sensitive Information. The Quiet Period shall be reopened after making the Unpublished Price Sensitive Information generally available information.

**3.15** “Regulations” means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

**3.16** “Securities” shall have the meaning assigned to it under the Securities Contracts (Regulations)Act, 1956 or any modification thereof except units of mutual fund.

- 3.17** "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, pledging of the securities of the Company including revocation/invocation of the pledge; and "trade" shall be construed accordingly.
- 3.18.** "Trading Day" means a day on which the recognized stock exchanges are open for trading.
- 3.19** "Trading Window" means a period for trading in Company's Securities by the Directors, the Designated Employees/Insiders, the Advisors/ Consultants/ Retainers and their immediate relatives.
- 3.20** "Unpublished Price Sensitive Information" means any information, relating to the company 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 (both interim and final);
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisition, delisting, disposal and expansion of business and such other transaction;
  - (v) changes in the Board of Directors or Key Managerial Personnel; and
  - (vi) Any other event or information as considered appropriate by the management or as may be prescribed under applicable laws.

All other words and expressions used and not defined in these Regulations but defined in the Securities and Exchange Board of India Act, 1992, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996. or the Companies Act, 2013, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Rules and Regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

#### **4. Responsibility of Board of Directors under this Code**

As per Regulation 9(1) of the Insider Trading Regulations, the Board shall ensure that the Company always has in place this Code to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of such Designated Persons.

The Board shall be responsible for monitoring the overall compliance of the Insider Trading Regulations. In accordance with the Insider Trading Regulations, the Board shall *inter-alia* ensure the following:

1. In consultation with the Compliance Officer and Chief Financial Officer, specify the Designated Persons/Insiders to be covered by this Code based on their functional role or access to Unpublished Price Sensitive Information in addition to seniority and professional designation;
2. That the Company maintains the Digital Database in conformity with the Insider Trading Regulations;
3. Formulate and review periodically the Policy for procedure to be followed for Fair Disclosure of Unpublished Price Sensitive Information including the Policy for determination of "Legitimate Purpose"; and
4. Formulate and review periodically, the Policy and Procedures for Inquiry in the Event of Leak or Suspected Leak of Unpublished Price Sensitive Information.

#### **5. Compliance Officer**

1. The Compliance Officer shall mean a Company Secretary and in case Company does not have Company Secretary, such other senior officer, who is financially literate and can appreciate requirements for legal and regulatory compliance, for the purpose of the Nesco Code and shall report to the Board.
2. In case of temporary absence of the Compliance Officer, the Chief Financial Officer shall act as the Compliance Officer or shall appoint such other senior officer as the Compliance Officer as he may deem fit.
3. The Compliance Officer shall review the Trading Plans to assess whether such plans would have any potential for violation of the Insider Trading Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of such plans.
4. The Compliance Officer may require the Insider to declare that such person is not in possession of Unpublished Price Sensitive Information or that such person shall

ensure that any Unpublished Price Sensitive Information in his possession becomes generally available before such person commences executing their trades. Once satisfied, the Compliance Officer may approve the Trading Plan, which would then have to be implemented in accordance with the Insider Trading Regulations.

5. The Compliance Officer shall provide periodic reports to the Chairman of the Audit Committee and the Board of the Company, including all the details of the Trading in Securities of the Company by the Insiders' and the accompanying documents, as may be necessary. Such reports shall also include details that would facilitate the Audit Committee and the Board to review compliance with Insider Trading Regulations and enable them to verify that the systems for internal control are adequate and operating effectively. The Compliance Officer shall *inter-alia*, under the overall supervision and direction of the Board:
  - (a) determine in consultation with the Chief Financial Officer, the Insiders based on the role and function of such Insider in the Company and the access that such role and function would provide to Unpublished Price Sensitive Information;
  - (b) update, maintain and monitor the Digital Database containing the details of Designated Persons and Insiders with whom any Unpublished Price Sensitive Information has been shared or who may have access to any Unpublished Price Sensitive Information of the Company, in the ordinary course of business and for Legitimate Purpose or in relation to substantial transactions involving takeovers, mergers or acquisitions or any other purpose in accordance with this Code;
  - (c) give notice to Insiders with whom Unpublished Price Sensitive Information has been shared for Legitimate Purpose;
  - (d) assist the Managing Director to put in place adequate and effective system of internal controls to ensure compliance with the requirements of Regulations; and
  - (e) assist the formulation and monitor the policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information.
6. The Compliance Officer will assist the Designated Persons and Insiders in addressing any clarifications regarding the Regulations and Nesco Code.
7. The Compliance Officer shall maintain all records under the Nesco Code and the Regulations for a minimum period of five (5) years or such time stipulated under the Regulations.
8. The Compliance Officer shall in consultation with the Board inform the Stock Exchanges of any violation of the Insider Trading Regulations or the Nesco Code in such form and such manner as may be specified by SEBI from time to time.
9. The Compliance Officer in consultation with the Chairman of the Audit Committee shall have the power to set forth any additional guidelines or procedures required for maintaining adequate and effective internal controls under this Code and

- ensuring compliance with the Insider Trading Regulations.
10. The Compliance Officer may engage external consultants, advisors or experts to put in place an IT-enabled software or system to automate the compliances under this Code including seeking disclosures and undertakings from Designated Persons and Insiders, sending intimations to such persons regarding Closure of Trading Window, etc.
- 6. Prohibition on communication or procurement of Unpublished Price Sensitive Information**
1. All Designated Persons, and Insiders must:
    - a. maintain confidentiality of all Unpublished Price Sensitive Information;
    - b. not communicate, provide or allow access to any Unpublished Price Sensitive Information to any person including other Insiders except where such communication is in furtherance of Legitimate Purpose, performance of duties or discharge of legal obligations and otherwise in accordance with this Code;
    - c. not procure from or cause the communication by any Insiders and their Immediate Relatives of any Unpublished Price Sensitive Information except in furtherance of Legitimate Purpose, performance of duties or discharge of legal obligations and otherwise in accordance with this Code; and
    - d. not pass on such information to any person directly or indirectly by way of making a recommendation for the Trading of Securities of the Company based on the same.
  2. All information within the Company must be handled strictly, on a '**need to know**' basis. Any Unpublished Price Sensitive Information should be disclosed only for the furtherance of a Legitimate Purpose as per the policy approved by the Board, to discharge duties and legal obligations and whose possession of such information will not give rise to a conflict of interest or misuse of information.
  3. Any person in receipt of or in possession of Unpublished Price Sensitive Information pursuant to the aforesaid shall be considered an "Insider" for purpose of the Nesco Code and due notice as per format prescribed under this Code shall be given to such persons, to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with the Insider Trading Regulations and this Code.
  4. Prior to sharing any Unpublished Price Sensitive Information, a confidentiality agreement shall be entered into with such Insider and the Insider shall provide his/her/its details, details which are pertaining to its employees, agents or representatives who are likely to have access to the said Unpublished Price Sensitive Information which shall include name, designation, address, Permanent Account Number ("PAN") or any other identifier authorized by law where PAN is not available in the format prescribed under this Code. The said details shall be updated by the Compliance Officer in the Digital Database.

5. Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
  - a. entail an obligation to make an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations") where the Board is of informed opinion that sharing of such information is in the best interests of the Company;
  - b. not attract the obligation to make an open offer under the SEBI Takeover Regulations but where the Board is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute Unpublished Price Sensitive Information is disseminated to be made Generally Available Information at least 2 (two) Trading Days prior to the proposed transaction being effected in such form as the Board may determine to be adequate and fair to cover all relevant and material facts.

For purposes of this clause, the Board shall require the parties to such transaction to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential and shall not otherwise trade in Securities of the Company when in possession of such Unpublished Price Sensitive Information. Files containing UPSI shall be kept secure under lock and key. Computer files must have adequate security of login and password etc. All Designated Persons must follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time-to-time in consultation with the person in charge of the Information Technology function.

All Unpublished Price Sensitive Information directly or indirectly received by any Designated Person should be reported to the Compliance Officer immediately.

6. Chinese wall procedures ("Chinese Walls") shall be used to manage confidential information and prevent the inadvertent spread and misuse of price sensitive information. Areas of the Company which routinely have access to confidential information including UPSI, shall be considered as 'inside areas', and areas who do not have access to such information, shall be considered as 'public areas'.

The Chinese Walls established by the Company shall operate as a barrier to the passing of confidential information, including Unpublished Price Sensitive Information and other confidential information. As ~~per~~ the said procedures:

- a. The promoters, directors and employees of the Company in the 'insider areas' shall not communicate any UPSI to anyone in the 'public areas';
- b. The establishment of Chinese Walls shall not be intended to suggest that Unpublished Price Sensitive Information can circulate freely within 'inside areas'. The "**need-to-know**" principle shall be fully in effect within 'insider areas'. In exceptional circumstances, employees from the 'public areas' may be allowed to

'cross the wall' and given Unpublished Price Sensitive Information by following the 'need-to-know' principle, under intimation to the Compliance Officer. The Compliance Officer would duly record reasons for crossing the wall in writing.

- c. Chinese Walls shall be set up and implemented in the manner set out by Compliance Officer from time to time.

## 7. Trading Restrictions during Quiet Period

- i. Designated Persons are prohibited to Trade in Securities of the Company during the Quiet Period. The Compliance Officer shall communicate the Quiet Period to all Designated Persons/Insiders through email or physical copies or any other prescribed mode. Irrespective of whether such communication has been received or not, Designated Persons/Insiders governed by this Code shall mandatorily verify with the Compliance Officer on the status of the Trading Window before undertaking any Trades in the Securities of the Company. Ignorance of the closure of the Trading Window or non-receipt of communication of closure of Trading Window shall not justify any Trades undertaken by Designated Persons during Quiet Period.
- ii. Every Designated Person should advise his/ her Immediate Relatives of the Quiet Period during which Trading in the Securities of the Company is prohibited.
- iii. Subject to the provisions of this Code and Insider Trading Regulations, the Trading window restrictions shall not apply in respect of:
  - a) Trades specified in clause (i) to (iv) and (vi) of the proviso to sub-regulation (1) of Regulations 4 of the Insider Trading Regulations and in respect of a pledge of shares for a bona fide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer;
  - b) Exercise of stock options by a Participant and consequent acquisition of Securities which may have vested in such Participant. However, this exception shall not be applicable to Trading in Securities (with respect to the Securities acquired), even if the same is offered by the Company at the time of exercise as a part of the employee stock option plan;
  - c) Trades which are undertaken in accordance with respective Regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.

- **Trading Restrictions otherwise:**

- i. Designated Persons shall not Trade in Securities of the Company while in possession of Unpublished Price Sensitive Information. If such persons have traded in Securities of the Company when in possession of Unpublished Price Sensitive Information, their Trades would be presumed to have been motivated by the knowledge and awareness of such information intheir possession. However, a Designated Person may prove his innocence by demonstrating the circumstances including as provided in Regulation 4 of the Insider Trading Regulations to be read with the format(s) for pre – clearance and declaration cum undertaking(s).
- ii. When the Trading Window is open, Trading by Designated Persons shall be subject to pre- clearance by the Compliance Officer. The code of conduct shall specify reasonable timeframe, which in the event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for trades to be executed.
- iii. For the avoidance of doubt, it is clarified that during the Quiet Period, no Designated Person is permitted to apply for pre-clearance of any proposed Trade.
- iv. Insiders and or Immediate Relatives when not in possession of Unpublished Price Sensitive Information and when the Trading Window is open, can undertake Trading in Securities upto a value of Rs. 1,00,000 (Rupees One Lakh Only) cumulatively, in one transaction or series of transactions in one financial year, without seeking pre-clearance of the Compliance Officer, anything beyond this limit, requires preclearance from the Compliance Officer. However, all other restrictions and requirement of making necessary disclosures under this Code as may be applicable will continue to apply for such Trades.
- v. Designated Persons who trade in Securities of the Company, will not undertake a contra/ opposite trade during 6 (six) consecutive months following the prior trade. However, these provisions shall not be applicable to trades executed pursuant to an approved Trading Plan. Subject to the Insider Trading Regulations, the Compliance Officer may relax the 6 (six) months contra-trade restriction in cases where the sale is necessitated by personal emergencyafter recording reasons in writing in this regard. An application in writing in this regard will need to be made to the Compliance Officer.

The above referred restriction on contra trade shall not apply in case of :

- the exercise of options granted under ESOP Plan announced by the Company from time to time;

- the sale of shares acquired under ESOP Plan, provided that the Designated Person is not in possession of UPSI at the time of such sale. However, once the shares acquired under the ESOP Plan are sold by the person, any subsequent purchase (other than exercise of ESOPs) will be subject to the aforesaid restriction of Opposite Transaction;
  - buy-back offers, open offers, rights issues, further public offers, bonus, exit offers etc.
- vi. Trading in derivatives pertaining Securities of the Company by Designated Persons, shall be subject to all restrictions under this Code. It is clarified that the Promoter, members of Promoter Group, Key Managerial Persons, Directors and their Immediate Relatives and other Designated Persons shall not deal in derivatives pertaining to the Securities of the Company.
- vii. In case, the Designated Persons/Insiders deal in the Securities of the Company through his/her portfolio manager/investment manager, the same shall be disclosed to the Compliance Officer and restrictions and procedures relating to Trading in Securities of the Company under this Code will also apply to the trading in securities of the Company through his/her portfolio manager/ investment manager. Provisions of seeking pre clearances, contra trade and all other provisions applies to trade executed by the Insiders through their Portfolio Managers.

Despite the above, if any Trading is done by Portfolio Managers, it will be treated as Trading done by Insider, and therefore the Insider will be held responsible for any such compliance and subject to such penalties as specified under the Code.

## 7. Disclosures/Reporting requirements for trading in securities

- a. **Initial Disclosure:** Every Director or Key Managerial Personnel (KMP) and Designated Person must disclose to the Compliance Officer the details as specified in the format prescribed under this Code and an initial undertaking in the format prescribed under this Code, within 7 (seven) days of becoming a Director, KMP, Designated Person of the Company. Every Designated Person shall be required to disclose their name and PAN or any other identifier authorized by law for himself and his Immediate Relatives, persons with whom such a Designated Person shares a Material Financial Relationship, phone and mobile numbers which are used by them, names of educational institutions from which the Designated Persons have graduated and names of their past employers, etc. to the Company on an annual basis and as and when the information changes.

Explanation: "Material Financial Relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but

shall exclude relationships in which the payment is based on arm's length transactions.

The Disclosures made by any Insider shall include those relating to trading by such person's immediate relatives by any other person who consults such Insider in trading decision relating to trading in securities. The disclosure of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account.

- b. **Continual Disclosures:** Every Promoter, member of the Promoter Group, Director Insider/Designated Person of the Company shall disclose to the Company, the number of Securities acquired or disposed of, if the value of the Securities Traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to Traded value in excess of Rs.10,00,000 (Indian Rupees ten lakh) or such other limit as may be prescribed under the said Regulations, within 2 (two) Trading Days of such Trade.

For avoidance of doubt, it is clarified that acquisition or disposal would include creation, revocation or invocation of pledge of the securities and such creation/invocation/revocation of pledge will be considered at the closing price of the market value on the date of pledge/invoke/revoke transaction.

The Compliance Officer shall notify the particulars of such trading to the Stock Exchanges within 2 (two) Trading Days of receipt of such disclosures or from becoming aware of such information. It is hereby clarified that the disclosure of the incremental Trades after any disclosure under this clause, shall be made when the Trades effected after the prior disclosure cross the limits specified above.

- c. **Annual Disclosure:** All Designated Persons must make an annual disclosure of the number of Securities held as on 31st March each year by them including details of purchase/sale of Securities during the financial year to the Compliance Officer. This disclosure must be made in the format prescribed under this Code within 30 (thirty) days from the close of each financial year, in electronic form.
- d. Disclosure of the incremental transactions after any disclosure under above, shall be made when the transactions effected after the prior disclosure cross the thresholds specified above.
- e. The Compliance Officer will maintain records in either physical or electronic form, of all disclosures and declarations made by the Directors, Promoters, members of the Promoter Group, Key Managerial Personnel and such other Designated/Insiders or Connected Person for a minimum period of five years.

- f. The Compliance Officer, in addition to the above, may at his discretion require any other Connected Person or class of Connected Persons to make disclosures of holdings and Trading in Securities of the company at such frequency as he may deem fit in order to monitor compliance with this Code and the Insider Trading Regulations.
- g. No Insider shall enter into any agreement or himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution.

## **8. Disclosures by Connected persons**

Every Connected person or class of connected persons 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.

## **9. Pre clearances by Insiders**

- a. Pre-clearance of Trades shall be required to be obtained by all Designated Persons prior to Trading in Securities beyond the threshold limits as specified herein above.
- b. Every Designated Person must make an e-application in the format prescribed under the Regulations to the respective authority for pre-clearance as mentioned below, indicating the estimated number of the Company Securities that such person intends to Trade in, mode of acquisition, and such other information as may be prescribed by the Insider Trading Regulations, amended and modified from time to time:

<b>Trading by the following persons</b>	<b>Authority for pre-clearance</b>
All Designated Persons/Insider including their Immediate Relatives (except Compliance Officer)	Compliance Officer
Compliance Officer	Chief Financial Officer

- c. Every Designated Person/Insider must sign an undertaking in the format prescribed under this Code. For the avoidance of doubt, each Designated Person/Insider shall also be required to make any other declarations and

undertakings as the Compliance Officer may require on a case-to-case basis.

- d. **Pre-clearance shall not be required for the following transactions:**
  - i. Trades executed pursuant to an approved Trading Plan;
  - ii. Off-market inter-se transfer between insiders who were in possession of the same UPSI without violating the Code and both parties had made a conscious and informed trade decision.
  - iii. Transaction carried out through the block deal window mechanism between persons who were in possession of the UPSI without violating the Code and both parties had made a conscious and informed trade decision
  - iv. Transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
  - v. Transactions pursuant to Transmission of shares in accordance with applicable law;
  - vi. Transactions involving transfer of Securities from Depository Participant to another provided that the shareholder and the beneficial owner of such Securities do not change; however, Trades involving pledge and revocation of pledge of Securities will continue to require pre-clearance as per this Code; and
  - vii. Transactions pursuant to merger, demerger, or any other Court Order;
  - viii. Exercise of stock options by a Participant. However, Trading in Securities, with respect to the Securities so acquired (including pursuant to a cashless option provided as a part of exercise of stock options), shall not be exempted.
  - ix. Pledge of shares for a bona fide purpose such as raising of funds, subject to preclearance by the Compliance Officer.
  - x. Transactions undertaken in accordance with respective regulations made by SEBI, such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

However, in the aforesaid cases necessary disclosures of Completion Certificate as per the model code under the Regulations shall be submitted to the Compliance Officer within 2 (two) Trading days.

- e. Prior to approving any Trades, the Compliance Officer shall be entitled to seek any further declarations as he may deem fit from the applicant. The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate. In case the Compliance Officer is of the opinion that the proposed Trade is on basis of possession of Unpublished Price Sensitive Information, or the Compliance Officer has a reason to believe that the proposed Trade is in breach of the Nesco Code or the Insider Trading Regulations, the Compliance Officer will not grant approval against the said pre-clearance application and shall convey the reasons.

- f. The Compliance Officer shall inform the Designated Person, of approval of the pre-clearance application in the format prescribed under this Code within 7 (seven) Trading Days of the receipt of the application and other necessary documents or clarifications. In the absence of the Compliance Officer, the approval / rejection will be provided by the Chief Financial Officer.
- g. All Designated Persons shall complete their Trade in respect of the Securities of the Company within 7 (seven) Trading Days from the date of approval granted by the Compliance Officer for the pre-clearance application. The details of the Trade including the total number of shares or voting rights bought or sold or traded in any manner by the Designated Person, the date on which the Trade was executed, etc., will be required to be informed forthwith, not exceeding 2 (two) Working Days from date of completion of the Trade to the Compliance Officer in the format prescribed under this Code.

If the Trade is not executed within 7 (seven) Trading Days from the date of the pre-approval, the Designated Person shall inform the Compliance Officer within 2 (two) Trading days in the format prescribed under this Code and re-submit the pre-clearance application in the prescribed format if required.

## **10. Trading Plan**

- a. Each Designated Person is entitled to execute Trades pursuant of a pre-determined trading plan, where such trading plan has been formulated by such Designated Persons, approved by the Compliance Officer, and has been publicly disclosed by the Company to the Stock Exchanges, 120 (One twenty days) calendar days prior to the commencement of the Trading pursuant to the trading plan ("Trading Plan"). In accordance with the Insider Trading Regulations, provisions relating to preclearance of Trades, Quiet Period and restrictions on contra trade shall not be applicable for Trades executed pursuant to an approved Trading Plan.
- b. A Trading Plan shall be formulated by Designated Persons in compliance with the Regulation 5 of the said Regulations, including any statutory modification(s) or re-enactment(s) for the time being in force.
- c. The Trading plan shall not entail overlap of any period for which another trading plan is already in existence.
- d. Parameters for each trade shall be set in terms of the Regulation 5 (2) (v) of the said Regulations.
- e. The Trading plan shall not entail trading in securities for market abuse.
- f. The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to

seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. The Compliance Officer may consult with the Managing Director and/or the Audit Committee chairperson, on a case-to-case basis, prior to approving any Trading Plan.

- g. Trading plan once approved shall be irrecoverable and insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in securities outside the scope of the trading plan or deviate from it except due to permanent incapacity or bankruptcy or operation of law.
- h. Provided further that if the Insider has set a price limit for a trade under sub-clause (iv) of clause (v) of sub-regulation 2 of the Regulations, the Insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the Insider, the trade shall not be executed.
- i. The implementation of the Trading Plan shall not commence if any Unpublished Price Sensitive Information in possession of the Designated Person/Insider at the time of formulation of the plan has not become generally available at the time of commencement of the implementation and in such an event, the Compliance Officer shall confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information.
- j. Preclearance shall not be required for trades executed as per the Trading Plan.
- k. In case of non-implementation (full/partial) of trading plan due to either reasons enumerated in sub-regulation 4 of the said Regulations or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:
  - (i) The insider shall intimate non implementation (full/partial) of trading plan to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.
  - (ii) Upon receipt of information from the Designated Person/Insider, the Compliance Officer, shall place such information along with his recommendation to accept or reject the submissions of the Insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non implementation (full/partial) was bona fide or not.
  - (iii) The decision of the Audit Committee shall be notified by the compliance officer on the same day to the stock exchanges on which the securities are listed.

(iv) In case the Audit Committee does not accept the submissions made by the Designated Person/Insider, then the Compliance Officer shall take action as per the Code of Conduct.

- I. The Compliance Officer shall approve or reject the trading plan within two (2) trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

## **11. Penalty for contravention of the Code**

Every Designated Person who (i) Trades in Securities of the Company, or (ii) communicates any information for Trading in Securities of the Company, or (iii) procures Unpublished Price Sensitive Information, in each case, in contravention of this Code; or otherwise violates this Code shall be penalized and the Company will take appropriate action in terms of the said Regulations and this Code.

The Chief Financial Officer and the Compliance Officer shall report such violations to the Managing Director and to the Audit Committee/ Board. The Audit Committee shall deal with all the contraventions (substantive or procedural) under this Code on case-to-case basis and appropriate warnings/actions/fines/penalties etc shall be decided by the Committee as the case may be.

All instances of violations under the Regulations or this code shall be reported to the stock exchanges, or such other authority as may be prescribed by SEBI from time to time. Any violation of this Code by Insider would be viewed seriously by the Company and would attract sanction and criminal liability as the case may be.

Any amount of fine or penalty levied under this clause shall be remitted to the SEBI for credit to the Investor Educationand Protection Fund administered by the SEBI under the Securities and Exchange Board of India Act,1992.

The above actions will be without prejudice to any civil or criminal action that the regulatory authoritiesmay initiate against such Designated Person(s).

## **12. Mechanism for Prevention of Insider Trading**

The Chief Financial Officer and Compliance Officer in consultation with the Managing Director shall put in place adequate and effective system of internal controls to ensure compliance with the Nesco Code and the Insider Trading Regulations, including ensuring *inter-alia* the following:

- a. Identification of Designated Persons/Insiders having access to Unpublished Price Sensitive Information as Designated Persons/Insiders and updating of necessary information pertaining to these Designated Persons/Insiders in the Digital Database of the Company;

- b. Identification, preservation and maintenance of confidentiality of Unpublished Price Sensitive Information until it becomes Generally Available Information in accordance with the Insider Trading Regulations;
- c. Restriction on communication and procurement of Unpublished Price Sensitive Information as per this Code and the Insider Trading Regulations;
- d. Maintenance of Digital Database containing names of all Designated Persons/Insiders with whom Unpublished Price Sensitive Information is shared and confidentiality agreements signed, or notices sent/served on Designated Persons/Insiders with whom Unpublished Price Sensitive Information is shared for the purpose of maintaining confidentiality and abiding by their non-disclosure obligation;
- e. Compliance of this Code and Insider Trading Regulations;
- f. Periodic reporting to Audit Committee and the Board; and
- g. Any other matter required for compliance with the Insider Trading Regulations.

The Compliance Officer in consultation with the Chairman of Audit Committee shall have the power to set forth any additional guidelines or procedures required for maintaining adequate and effective internal controls under this Code and ensuring compliance with the Insider Trading Regulations.

### **13. Trackin Self Service Compliance portal of Nesco Limited**

All the information of the Insider/Designated Person and their Immediate Relatives, pre clearances and all the disclosures required to be made under the Code, are to be submitted through electronic mode on the “Trackin” portal made available by the Company. Designated Persons/Insiders may refer to the user guide and FAQs available on the portal for furnishing information. In case a member faces any technical difficulty, which obstructs the filing through the portal, they may reach out to the Compliance team at [companysecretary@nesco.in](mailto:companysecretary@nesco.in) and ensure submission of the same through physical mode.

For any clarifications or queries, Designated Persons/Insiders may contact the Compliance Officer Compliance team at [companysecretary@nesco.in](mailto:companysecretary@nesco.in)

### **14. Protection of Informant under the said Regulations and Code.**

The Company shall not discharge, terminate, demote, suspend or threaten directly or indirectly or discriminate against any employee who files a Voluntary Information

Disclosure Form, irrespective of whether the information is considered or rejected by SEBI, by reason of:

- (i) filing a Voluntary Information Disclosure Form;
- (ii) testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or
- (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent such employee from cooperating with SEBI in any manner.

In the event any employee is of the view, that he is likely to be discharged, terminated, demoted or suspended, or is being threatened, or discriminated, on account of any of the events set forth in the preceding paragraph, such employee shall be permitted to notify the Compliance Officer of the same. In the event, the Compliance Officer is subject to the foregoing, the Compliance Officer shall be permitted to bring such information to the notice of SEBI.

## **15. Miscellaneous**

- i. The Board shall be empowered to amend, modify, and interpret this Code of Conduct and such Rules and same shall be effective from such date that the Board may notify in this behalf.
- ii. The Compliance Officer shall provide the Audit Committee of the Board, on an annual basis (or such other intervals as may be decided by the audit committee) update on compliance under this code, any violations of this Code and other matters as may be directed by the Audit Committee from time to time.
- iii. The Compliance Officer shall maintain (a) an updated list of Designated Persons/Insiders, and (b) records of disclosures and pre-clearance applications and undertakings for a period of eight years; and (c) any other information that is required pursuant to SEBI Regulations.
- iv. The Board is required to ensure that a structured digital database is maintained of every person in possession of UPSI (i) containing the nature of UPSI; (ii) names of such persons who have shared the information; (iii) names of such persons with whom information is shared under SEBI Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- v. The Company shall require all Connected Persons to formulate and adhere to a code of conduct to achieve compliance with SEBI Regulations. In case such persons observe that there has been a violation of SEBI Regulations, then they shall inform the Board promptly.

vi. This code shall be posted on the website of the Company at [www.nesco.in](http://www.nesco.in)

4th Version of this Code has been approved by the Board of Directors at its meeting held on 2 August 2024.