

**NESCO LIMITED**  
**CODE OF CONDUCT**  
**FOR PREVENTION OF INSIDER TRADING IN THE SECURITIES OF THE COMPANY**

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Nesco Limited (the "Company") is a public company whose equity shares are listed on the BSE Limited and National Stock Exchange of India Limited and subject to the rules and regulations issued by the Securities and Exchange Board of India (SEBI). The SEBI (Prohibition of Insider Trading) Regulations, 2015 prohibit an Insider from trading in the securities of a company listed on any stock exchange on the basis of any unpublished price sensitive information to safeguard interests of common investors.

This Code of Conduct has been framed by the Board of Directors of the Company with a view to prevent its employees and other designated persons, who are reasonably expected to have access to unpublished price sensitive information (UPSI), from trading in the securities of the Company.

**CHAPTER 1 – SHORT TITLE AND COMMENCEMENT**

- 1.1 This Code of Conduct shall be known as "Nesco Limited Code of Conduct for Prevention of Insider Trading" and is hereinafter referred to as the "Nesco Code of Conduct" or "Code of Conduct"/ "Code".
- 1.2 This Code of Conduct has been made pursuant to Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, and may be modified by the Board of Directors of the Company from time to time.
- 1.3 This Code will come into force on the date on which SEBI (Prohibition of Insider Trading) Regulations, 2015 come into force and replace the existing Code of Conduct SEBI (Prohibition of Insider Trading) Regulations 1992. Any amendment to this Code shall come into force on the date the same is intimated to the persons to whom these Regulations apply.

**CHAPTER 2 – APPLICABILITY**

- 2.1 This Code shall be applicable to the following persons:
  - a. Directors
  - b. Designated Employees
  - c. Concerned Advisers/Consultants/Retainers of the Company
- 2.2 This Code will also apply in respect of trading in securities of the Company by the immediate relatives of the Directors, Designated Employees and Concerned Advisers/Consultants/ Retainers of the Company.
- 2.3 Compliance with this Code of Conduct is in addition to (and not in lieu / replacement of) any other regulations for prevention and prohibition of insider trading including the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.



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**CHAPTER 3 - DEFINITIONS**

- 3.1 **"Act"** means the Securities and Exchange Board of India Act, 1992.
- 3.2 **"Companies Act"** means the Companies Act, 2013.
- 3.3 **"Company"** means Nesco Limited.
- 3.4 **"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.
- 3.5 **"Concerned Advisers/Consultants/Retainers"** of the Company means such Advisers/Consultants/Retainers/Professionals who in the opinion of the Company, may have access to price sensitive information.
- 3.6 **"Connected Person"** includes
- i. A director of the Company;
  - ii. A Key Managerial Personnel of the Company;
  - iii. An Officer of the Company;
  - iv. Any person who is or has been in a contractual or fiduciary or employment relationship at any time in the six month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly, (a) allowed access to UPSI or (b) reasonably expected to be allowed access to UPSI;
  - v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly, (a) allowed access to UPSI or (b) reasonably expected to be allowed access to UPSI;
  - vi. An employee of the company who has access to UPSI or is reasonably expected to have access to UPSI;
  - vii. Any person who has a professional or business relationship and that relationship that, directly or indirectly, (a) allows access to UPSI or (b) is reasonably expected to allow access to UPSI;

The persons enumerated below shall be deemed to be Connected Persons if such person has access to UPSI or is reasonably expected to have access to UPSI –

- a. An Immediate Relative of Connected Persons;
- b. A holding company or associate company or subsidiary company;



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- c. An intermediary as specified in section 12 of the SEBI Act or an employee or director thereof;
- d. An investment company, trustee company, asset management company or an employee or director thereof;
- e. An official of a stock exchange or of clearing house or corporation;
- 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;
- 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;
- h. An official or an employee of a self-regulatory organization recognised or authorized by the SEBI;
- i. A banker of the Company;
- j. A concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his Immediate Relative or banker of the Company, has more than ten percent of the holding or interest.

3.7 **"Designated Employee(s)"** shall mean and include:

- (i) all the employees of the rank of Manager and above;
- (ii) all other employees who are functional heads; and
- (iii) such other employees who may be so designated from time to time by the Company for the purpose of this Code of Conduct.

3.8 **"Director"** shall have the meaning assigned to it under the Companies Act, 2013.

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) in possession of or having access to unpublished price sensitive information.'

3.12 **"Key Managerial Personnel"** shall have the meaning assigned to it under the Companies Act, 2013.

3.13 **"Officer"** shall have the meaning assigned to it under the Companies Act, 2013.

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

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

3.16 **"Specified Persons"** means and includes the Directors, Designated Employees, Concerned Advisers/Consultants/Retainers of the Company and their immediate relatives.



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- 3.17 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, 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, the Advisers/ Consultants/ Retainers and their immediate relatives.
- 3.20 **"Unpublished Price Sensitive Information"** means any information, relating to a 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) material events in accordance with the listing agreement.

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 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

**CHAPTER 4 – CODE OF CONDUCT**

**4.1 Role of Compliance Officer:**

- 4.1.1 The Compliance Officer of the Company shall, under the overall supervision of the Board of Directors, be responsible for monitoring adherence to this Code, pre-clearing and monitoring of trades covered by this Code, implementation of this Code and for maintenance of list of the Directors, the Designated Employees and Concerned Advisers/Consultants/Retainers.
- 4.1.2 The Compliance Officer of the Company shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.
- 4.1.3 The Compliance Officer of the Company shall assist all the persons, to whom this Code applies in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and this Code.



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4.1.4 The Compliance Officer shall maintain records of all the declarations for a period of five years.

**4.2 Preservation of Price Sensitive Information:**

The Directors, Designated Employees and Concerned Advisers/ Consultants/ Retainers of the Company shall maintain the confidentiality of all price sensitive information and shall not communicate any unpublished price sensitive information to any person except on 'need to know basis' i.e means that Unpublished Price Sensitive Information should be disclosed only to those persons within the Company or persons connected with the Company who need the information to discharge their duty or legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

4.3 The Directors, Designated Employees and Concerned Advisers/ Consultants/Retainers of the Company shall not pass on any price sensitive information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.

**4.4 Limited access to confidential information:**

The Directors, Designated Employees and Concerned Advisers/ Consultants/Retainers of the Company shall keep the files containing confidential price sensitive information duly secured. Computer files must be kept with adequate security of log-in and password, etc.

**4.5 Trading in Securities:**

4.5.1 The Specified Persons shall be subject to the trading restrictions enumerated below in relation to the Company's Securities.

4.5.2 The Specified Persons shall not take position in derivative transactions in the shares of the Company at any time.

4.5.3 The Specified Persons shall not trade in the Company's securities while in possession of unpublished price sensitive information.

4.5.4 The trading window shall be closed during any period as may be specified by the Company and shall be closed 7 days before the happening of the following events and shall remain closed up to 48 hours after the publication of the concerned price sensitive information.

- a. Declaration of Financial Results (Quarterly, Half Yearly and Annual);
- b. Declaration of dividends (both interim and final);
- c. change in capital structure;
- d. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- e. changes in the Board of Directors or Key Managerial Personnel; and
- f. material events in accordance with the listing agreement.





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- 4.5.5 No Specified Persons shall conduct any trading in the securities of the Company during the closure of trading window.
- 4.5.6 All Specified Persons shall conduct all their trading in the securities of the Company only in a valid trading window and shall not trade in Company's securities during the periods when the trading window is closed.
- 4.5.7 In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.
- 4.6 The Specified Persons who buy or sell any shares of the Company shall not enter into an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transaction.
- 4.7 **Pre-clearance of trades:**
- 4.7.1 A Promoter, Director, Designated Employee and Concerned Adviser/ Consultant/ Retainer intending to deal, or whose immediate relative intends to deal, in the securities of the Company exceeding the threshold limit of securities having value of Rs.10,00,000 or more shall have to make an application in **Annexure-1** to the Compliance Officer for pre-clearance of the transaction alongwith an undertaking as per **Annexure-2**.
- 4.7.2 However, no person shall be entitled to apply for pre-clearance of any proposed trade if such person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he/she shall not be allowed to trade.
- 4.7.3 The Compliance Officer shall issue Pre-clearance Order in **Annexure-3** after receipt of application in **Annexure-1**.
- 4.7.4 Only after receiving the Pre-clearance Order, the trading in the securities shall be carried out.
- 4.7.5 The execution of the order in respect of securities of the Company shall have to be completed within one week of approval of pre-clearance, failing which Application shall have to be made again in Annexure-1 alongwith an undertaking as per Annexure-2.
- 4.7.6 The Directors, Designated Employees, Concerned Adviser/ Consultant/ Retainer shall promptly give within two days a letter of "Confirmation of Deal" to the Compliance Officer upon completion of the trade in **Annexure-4**.



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- 4.7.7 No contra trade shall be made within a period of six months from the date any trading in securities of the Company is carried out by any specified person.
- 4.7.8 In case of personal emergency, the 6 months holding period may be waived by the Compliance Officer if application is made in **Annexure-5**. The Compliance Officer shall record reasons for the same. However, no such sale will be permitted when the Trading window is closed.

**CHAPTER 5- DISCLOSURE POLICY**

(Reporting Requirements for transactions in Securities)

**5.1 Initial Disclosure:**

- 5.1.1 All Directors, Designated Employees and Concerned Advisers /Consultants/Retainers and their immediate relatives' shall disclose his/her holding of securities of the company within 30 days of these Code taking effect as per **Form A** set out in **Annexure-6**.
- 5.1.2 Every person on appointment as a Key Managerial Personnel or a director of the Company or upon becoming a Promoter shall disclose his/her and Immediate Relatives' holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within 7 days of such appointment or becoming a promoter, as per **Form B** set out in **Annexure-7**.

**5.2 Continual Disclosure:**

- 5.2.1 Every Promoter, employee, director of the Company and each of their Immediate Relatives shall disclose as per **Form C** set out in **Annexure-8** 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 Rs.10,00,000/-.

5.2.2. The disclosure shall be made within two working days of:

- i. the receipt of intimation of allotment of shares, or
- ii. the acquisition or sale of shares or voting rights, as the case may be.

5.2.3 Disclosure to the Stock Exchange:

The Compliance Officer shall notify the stock exchanges, particulars of the Trades, within two trading days of the receipt of the Continual Disclosure or from becoming aware of such information.



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**5.2.4 Disclosures by other Connected Persons:**

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company as per **Form D** set out in **Annexure-9** at such frequency as he may determine.

**CHAPTER 6- PENALTIES**

**(Penalty for contravention of the code of conduct)**

- 6.1 Director, Designated Employee and Concerned Adviser/ Consultant/ Retainer who trades in securities or communicates any confidential information for trading in securities in contravention of this Code will be penalised and appropriate action can be taken against him by the Company after giving him a reasonable opportunity of being heard. The person who violates this Code in any manner whatsoever may also be subjected to the disciplinary action including wage freeze, suspension, in-eligibility for future participation in Employees Stock Option Scheme (ESOP), etc.
- 6.2 If any contra trade is executed by any person in violation of clause 4.7.7, the profits from such trade shall be liable to be transferred to SEBI for credit to Investor Education and Protection Fund.
- 6.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**CHAPTER 7 – CODE OF PRACTICES AND PROCEDURES**

**7. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

As required under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 read with Schedule A to the said Regulations, the code of practices and procedure for fair disclosure of Unpublished Price Sensitive Information (UPSI) forms part of this Code and the same is appended below. The Compliance Officer is appointed Chief Relations Officer to deal with the dissemination of information and disclosure of UPSI.

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.





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4. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
5. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
6. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
7. Handling of all unpublished price sensitive information on a need-to-know basis.

**CHAPTER 8 – POLICY FOR DETERMINATION OF LEITIMATE PURPOSES**

**8. POLICY FOR DETERMINATION OF 'LEGITIMATE PURPOSES'**

1. Sharing of unpublished price sensitive information in the course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants shall be considered as 'legitimate purposes' provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI (PIT) Regulations.
2. Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an "insider" for purposes of the SEBI (PIT) Regulations and due notice shall be given to such person to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations. Such person is also required to ensure the confidentiality of unpublished price sensitive information shared with him / her, in compliance with the SEBI (PIT) Regulations.
3. Unpublished Price Sensitive Information, such as Financial Results, declaration of Dividends, proposal of Corporate Restructuring, diversification, expansion, acquisition in the stake of other entities, etc. shall be handled within the Company on a need-to-know basis, and the same should be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their respective role and function, whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.
4. A structured digital database shall be maintained containing the names of such persons or entities, as the case may be, with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to secure such database. Documents containing confidential information shall be kept secured. Computer files must have adequate security login and password, etc.



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**AMENDMENT**

The Board of Directors is authorised to amend or modify this Fair Disclosure Code in whole or in part as and when deemed necessary, to stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information.

**SCOPE AND LIMITATION**

In case there are any regulatory changes requiring modifications to this policy, the same shall be reviewed and amended with the approval of the Board of Directors. However, the amendment in the regulatory requirements shall be binding on the Company and prevail over this Policy even if not incorporated in this Policy.

**DISCLOSURE OF THE CODE ON PUBLIC DOMAIN**

This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed and also published on the official website of the Company.

(Note: Policy for determination of "Legitimate Purposes" covered under Chapter 8 of this Code, formulated pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 shall come into effect from 01 April 2019.)

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