

## **Policy for procedure of inquiry in case of Leak of Unpublished Price Sensitive Information (“UPSI”)**

### **1. Background**

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2015 as amended from time to time (Regulations) has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI) and initiate appropriate inquiries on becoming aware of leak of Unpublished Price Sensitive Information.

### **2. Objectives**

- i. To strengthen the internal control system to prevent leak of UPSI.
- ii. To restrict and prohibit the practice of sharing UPSI, with an un-authorized person, which originates from within the Company, and which affects the market price of the Company as well as loss of reputation and investors’ confidence in the Company.
- iii. To have a uniform code to curb unethical practices of sharing UPSI by Insiders.
- iv. To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same promptly to the Securities and Exchange Board of India (“SEBI”) and the Stock Exchanges.
- v. To take appropriate disciplinary action against the Insider or any other who appears to have been found guilty of violating this policy.

### **3. Definitions**

- (i) **“Chief Investor Relation Officer”** shall mean the Compliance Officer of the Company appointed by the Board of Directors under Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) **“Inquiry Committee”** means the committee set up in terms hereof to conduct inquiry against any case of leak or suspected leak of UPSI.
- (iii) **“Insider”** shall mean insider as defined under Company’s “Code of Conduct to regulate, monitor and report trading in Company’s securities by Insiders.
- (iv) **“Leak of UPSI”** means the communication of information, which is/deemed to be UPSI, by any person(s) who is in possession of UPSI, to any other person, directly or indirectly, overtly, or covertly or in any manner whatsoever, other than to a person for legitimate purposes, performance of duties or discharge of legal or statutory obligations.
- (v) **“Suspect”** means the person(s) against or in relation to whom an inquiry is initiated in case of a leak or suspected leak of UPSI.
- (vi) **“Unpublished Price Sensitive Information”** means any information, relating to a Company or its Securities, directly or indirectly, that is not generally available information 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, guidance;
- ii. Dividends;
- iii. Change in capital structure;
- iv. Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;
- v. Changes in key managerial personnel (KMP) as defined under the Companies Act, 2013, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- vi. Change in Rating(s) other than ESG rating(s);
- vii. Fund raising proposed to be undertaken;
- viii. Agreements, by whatever name called, impacting the management and control of the company;
- ix. fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- x. Resolution plan/ Restructuring/one-time settlement in relation to loans/borrowings from banks/financial institutions;
- xi. admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- xii. Initiation of forensic audit (by whatever name called) by company or any other entity for detecting misstatement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- xiii. Action(s) initiated, or orders passed within India or abroad by any regulatory, statutory, reinforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity;
- xiv. Outcome of any litigation(s) or dispute(s) which may have an impact on the listed entity;
- xv. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- xvi. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;

xvii. Such other matters as may be specified under the SEBI regulations or decided by the Company from time to time.

Explanation 1- For the purpose of sub-clause (ix):

a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations").

Explanation 2- For identification of events enumerated in this clause as Unpublished Price Sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Listing regulations as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Listing Regulations shall be applicable.

Information is 'non-public' or 'unpublished' until it has been widely disseminated to the public (through, for example, a filing with the NSE, BSE, a press conference or a release) or is accessible to the public on a non-discriminatory basis.

Other Words and expressions used and not defined in this Policy but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013), the Rules and Regulations made thereunder and the Company's Code of Conduct to regulate, monitor and report trading by designated Persons and shall have the meanings respectively assigned to them in those legislations, rules, regulations and the code. In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

#### **4. Constitution of an Inquiry Committee**

The Board of Directors shall form an "Inquiry Committee" with minimum 3 (three) Members which shall include Chief Financial Officer and the Compliance Officer. The Managing Director may change/alter/re-constitute the Enquiry Committee as may be required from time to time.

The Inquiry Committee may seek advice from any other person as it may deem fit for completion of any inquiry. If any member of the Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself, and other members of the Inquiry Committee shall deal with the matter.

#### **5. Duties of Chief Investor Relations Officer**

The Company Secretary shall act as the Chief Investor Relations Officer and shall be responsible to;

- i. Oversee the Compliance of this policy.

- ii. Report the incident of actual or suspected leak of UPSI to the Board of Directors
- iii. To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Enquiry committee.
- iv. To implement disciplinary action if any ordered by the Inquiry Committee
- v. Reporting the incident of the actual or suspected leak of UPSI to SEBI and Stock Exchanges and outcome of the preliminary and detailed inquiry.

## **6. Duties of Inquiry Committee**

The Inquiry Committee shall be *inter-alia* responsible:

- i. To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any
- ii. To authorize any person, if required, to collect necessary support material.
- iii. To appoint consultants and legal advisors for seeking such advisory services if needed.
- iv. To consider the facts and circumstances and decide on the matter.
- v. To decide disciplinary action thereon.

## **7. Procedure for enquiry in case of leak of UPSI**

On receipt of an information from an Insider or any unknown person or upon *suo-motu* becoming aware or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information the inquiry committee shall :

- i. Examine whether the information is frivolous, not maintainable or outside the scope, then the same may be dismissed.
- ii. If it is found that the issue requires further investigation, a preliminary inquiry may be initiated.
- iii. The inquiry shall be completed normally within 15 (fifteen) working days from the date the matter is brought before the Inquiry Committee by the Chief Investor Relations Officer. The period can be extended by the members of the committee based on the extent and nature of the leak of the UPSI which may require elaborate information and examination of facts and data.
- iv. If an investigation leads that there was indeed an actual or suspected leak of the UPSI, the Inquiry Committee may take such disciplinary or corrective action as it may deem fit which shall include, wage freeze, suspension, recovery, claw back, termination etc.
- v. Intimate the outcome of the inquiry to the Stock Exchanges and Securities Exchange Board of India as may be required.
- vi. Undertake such additional procedures as the Inquiry Committee may deem fit and proper.

## **8. Review and Amendment**

The Board of Directors may review and amend this code from time to time as it may deem it.

## **9. Disclosure of this Policy**

This policy shall be disclosed on the website of the company at [www.nesco.in](http://www.nesco.in).

3rd version of this Policy reviewed and approved by the Board of Directors at its meeting held on 16 May 2025.