



CODE OF INTERNAL PROCEDURES AND CONDUCT FOR PREVENTION OF INSIDER TRADING

I. PREAMBLE & OBJECT

To comply with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 2015 ("PIT Regulations" / "Regulations"), the Company has formulated a code of internal procedures and conduct for prevention of insider trading ("the Code"). The Regulations prohibit an insider from trading in the securities of the company listed on the stock exchange(s) on the basis of Unpublished Price Sensitive Information and from communicating and/or procuring Unpublished Price Sensitive Information.

Accordingly, the Board of Directors of the Company on **18th June 2018** has adopted the Code.

PART I

PRELIMINARY

1. The Codes made to regulate, monitor and report the Trading by the Insider.
2. The Code has been made pursuant to Regulation 9 of the Regulations which would be effective the date the securities of the Company are listed on the stock exchange.
3. **Definitions:** For the purpose of this Code –
 - (a) "**Act**" means the Securities and Exchange Board of India Act, 1992 and any amendments thereto;
 - (b) "**Board**" means the Securities and Exchange Board of India;
 - (c) "**Board of Directors**" means the Board of Directors of Neccon Power & Infra Limited;
 - (d) "**Code**" or "**Code of Conduct**" shall mean this Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of Neccon Power & Infra Limited as amended from time to time;
 - (e) "**Company**" means Neccon Power & Infra Limited;
 - (f) "**Companies Act**" means the Companies Act, 2013 & Rules made thereunder and any amendments thereto;
 - (g) "**Compliance Officer**" means the Company Secretary of the Company or any senior officer, designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under this Code and the PIT Regulations 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of this Code and the Regulations under the overall supervision of the Board of Directors of the Company;
 - (h) "**Connected Person**" means:
 - i. any person who is or has during six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or any employees of the Company or holds any position including professional or business relationship between himself and 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. Without prejudice to the generality of the forgoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established;
 - an immediate relative of connected persons specified in clause (i) or holding company or associate company or subsidiary company; or
 - an intermediary as specified in Section 12 of the Act or an employee or directors thereof; or





- an investment company, trustee company, assets management company or an employee or director thereof; or
 - an official of a stock exchange or of clearing house or corporation; or
 - a member of board of trustees of a mutual fund or a member of the board of directors of the assets management company of a mutual fund or is an employee thereof; or
 - 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; or
 - an official or an employee of a self- regulatory organization recognized or authorized by the Board; or
 - a banker of the Company; or
 - 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;
- i) **"Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent but shall not include a gift of securities to immediate relatives or within the promoter group.
- j) **"Designated Person"** means:
- i. all employees holding the position of Directors and Key Managerial Personnel;
 - ii. every employee in the finance, accounts, secretarial, MIS and legal departments as may be determined and informed by the Board of Directors; and
 - iii. any other employee as may be determined and informed by the Compliance Officer in consultation with the Board of Directors from time to time.
- k) **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis;
- l) **"Insider"** means any person who is a Connected Person; or in possession of or having access to Unpublished Price Sensitive Information;
- m) **"Immediate Relative"** means a spouse of a person, and include parents, brother, sister, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to Trading in securities of the Company;
- n) **"Need to Know"** shall mean that the Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- o) **"Promoter"** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;
- p) **"Regulations"** means the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto;
- q) **"Stock Exchange"** means the BSE Limited, National Stock Exchange of India and any other stock exchange which is recognized by Central Government or SEBI under the Securities Contracts (Regulation) Act, 1956 and any amendments thereto;
- r) **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- s) **"Specified"** means specified by SEBI in writing;
- t) **"Takeover Regulations"** means SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- u) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly but shall not include a gift of shares to immediate relatives or within the promoter group;
- v) **"Trading Day"** means a day on which recognized Stock Exchanges are open for Trading;
- w) **"Trading Window"** means a trading period for Trading in Company's Securities as specified by the Company from time to time;
- x) **"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 following:-

- (i) Financial Results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- (v) Changes in Key Managerial Personnel; and
- (vi) Material events in accordance with the listing agreement with the Stock Exchange

All other words and phrases not defined in this Code will have the meaning as defined in the SEBI Act, 1992, Securities Contracts (Regulations) Act, 1956, The Depositories Act, 1996 or The Companies Act, 2013 and Rules and Regulations made thereunder and any amendment thereto.

- (4) Applicability of the Code:** This Code will be applicable to the Insider as defined in the Clause 3(I) of this Code of Conduct.

PART – II

RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

(5) Role of Compliance Officer

- i. The Compliance Officer 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.
- ii. The Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulations and Company's Code of Conduct.

(6) Preservation of "Price Sensitive Information"

- i. All information shall be handled within the Company on a Need-to-Know basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of the Insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.
- ii. Unpublished Price Sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the Takeover Regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the Takeover Regulations but where the Board of Directors of the Company 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 at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

However, the Board of Directors shall require the parties 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, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of Unpublished Price Sensitive Information.

(7) Communication or procurement of Unpublished Price Sensitive Information:

- (a) No Insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to the Company or securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (b) No person shall procure from or cause the communication by any Insider of Unpublished Price Sensitive Information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (c) Notwithstanding anything contained in this regulation, Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction pursuant to Regulation 3 of the Regulations.

(8) Trading when in possession of Unpublished Price Sensitive Information:

No Insider shall trade in the equity shares of the Company when in possession of Unpublished Price Sensitive Information except as allowed under the Regulation 4(1) of the Regulations.

(9) Trading Plans:

- (1) An Insider shall be entitled to formulate a trading plan ("**Trading Plan**") pursuant to Regulation 5(2) of the Regulations and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan. No Insider shall apply to the Compliance Officer for pre-clearance of Trading Plans during the closure of the Trading Window. No Insider shall execute contra-trade during the period of the Trading Plan which has been approved by the Compliance Officer of the Company.
- (2) 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 Trading plan.
- (3) The Trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan pursuant to Regulation 5(4) of the Regulations without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the Trading Plan.
- (4) Upon approval of the Trading plan, the Compliance Officer shall notify the plan to the Stock Exchanges on which the securities are listed.

PART- III

DISCLOSURES OF TRADING BY INSIDERS

(8) General Provisions:

- (1) Every public disclosure under this part shall be made in such form as may be specified.
- (2) The disclosures to be made by any person under this Part shall include those relating to Trading by such person's immediate relatives, and by any other person for whom such person takes Trading decisions.
- (3) The disclosures of Trading in securities shall also include Trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this part:
Provided that Trading in derivatives of securities is permitted by any law for the time being in force.
- (4) The disclosures made under this part shall be maintained by the Company, for a minimum period of five years, in such form as may be specified.

(9) Disclosures by certain persons:

(1) Initial Disclosures:

- (a) Every Promoter, and the Designated Persons of the Company shall disclose his equity shareholding in the Company as on date of this Code taking effect to the Company within thirty days of this Code taking effect in **Form No. "A"**
- (b) Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose his equity shareholding in the Company as on the date of the appointment or becoming a Promoter, to the Compliance Officer within seven days of such appointment or becoming a Promoter in **Form No. "B"**

(2) Continual Disclosures:

- (a) Every Promoter, Employee and Director of the Company shall disclose to the Compliance Officer in **Form No. "C"** the number of equity shares acquired or disposed of within two Trading days of such transaction, if the value of the equity shares traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in **excess of Rs. Ten Lacs or such other value as may be specified;**
- (b) The Company shall notify the particulars of such Trading to the Stock Exchange(s) with which the securities of the Company are listed, within two trading days of receipt of the disclosure or from becoming aware of such information.

(3) Disclosures by other Connected Persons:

The other Connected Persons to whom this Code is applicable is holding equity shares of the Company, shall disclose their shareholding within 30 days from the date of this Code taking effect in **Form No. "D"** and Trading made by them within 7 days in **Form No. "E"** if the value of the equity shares traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in **excess of Rs. Ten Lacs or such other value as may be specified.**

(10) Compliance of the Trading Restrictions:

Every Promoter, and the Designated Persons of the Company shall be subject to Trading restrictions in the following manner:-

- (a) **The Trading window:** The Trading Window will be closed before 7 days of the happening of the following events and shall remain closed



upto 48 hours after the publication of the price sensitivity information i.e.

- (i) Declaration of financial results (Quarterly, Half Yearly & Annual)
- (ii) Declaration of dividends (Interim & Final)
- (iii) Issue of securities by way of Public/ Rights / Bonus etc.
- (iv) Any major expansion plan or execution of new project
- (v) Amalgamation, Mergers, takeovers or any buy back.
- (vi) Disposal of the whole or substantially the whole of the undertaking.
- (vii) Any major change in policies, plans or operation of the Company

(b) Restriction on Trading during the Closure of Trading Window:

Every Promoter, Key Managerial Personnel, Director and Designated Employee of the Company shall not deal in the equity shares of the Company during the Closure of the Trading Window.

(11) Violation of the Code:

- (a) Every Designated Person of the Company and the persons deemed to be Connected Persons as per this Code who violates any of the provisions of this Code will be penalized and appropriate action will be taken against them by the Company after giving reasonable opportunity to them to show cause. They shall also be subject to disciplinary action including wage freeze, suspension, in-eligibility for future participation in ESOP etc.
- (b) If the Insider deals in the equity shares of the Company, violating the Code, the Compliance Officer will confidentially maintain the list of the same.
- (c) In addition to the action which may be taken by the Company, the persons violating this Code will also be subject to any penal action by Board as per SEBI Act and the Company shall inform the same to the SEBI promptly.

The Compliance Officer of the Company shall report to the Board of Directors and the Chairman of the Audit Committee of the Company about the compliance of the Code on quarterly basis.

