

KENT R O SYSTEMS LTD

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

Revision History

Date	Author	Section	Change Description	Reason for Change	Version
8 th Jan 2025	PK I rivedi	Complete Policy	New policy drafted	NA	v1.0

PK I rivedi

INTRODUCTION

This **Code of Conduct** ("Code") has been formulated in accordance with the requirements of the **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** ("SEBI LODR Regulations"). It is applicable to the **Board of Directors** and **Senior Management Personnel** of **KENT R O SYSTEMS LIMITED** ("Company") to uphold the Company's commitment to ethical conduct, professionalism, and integrity.

DEFINITIONS

Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

"Board" shall mean the Board of Directors of the Company;

"Company" shall mean Kent R O Systems Limited:

"Compliance Officer" shall mean the Company Secretary of the Company and in his absence any senior officer, so designated by the Board for the purpose of compliance with the Code;

"Directors" shall mean the Executive Directors and Non- Executive Directors on the Board;

"Executive Directors" shall mean Managing Directors, Joint Managing Director and Wholetime Directors;

Non-Executive Directors" shall mean the Directors who are part-time Directors and are not in whole time employment of the Company;

"Independent Director" shall mean an Independent Director as defined in Section 2(47) and Section 149(6) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations;

"Senior Management" shall mean the personnel of the Company designated as senior management in accordance with the definition laid down under Explanation to Section 178 of the Companies Act, 2013 and Regulation 16 (1)(d) of the Listing Regulations.

Words and expressions used and not defined in the Code but defined in the Listing Regulations, the Securities and Exchange Board of India Act, 1992 or the Companies Act, 2013 and the rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation as the context may so require.

In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

OBJECTIVE

The primary objective of this Code is to:

1. Promote ethical conduct, integrity, honesty, and professionalism in the Company's operations.
2. Uphold the Company's reputation by fostering a culture of accountability, responsibility, and compliance.
3. Establish clear guidelines for conduct and decision-making.
4. Lay down duties of independent directors under the Companies Act, 2013

The matters covered in this Code are of utmost importance to the Company, its shareholders, and other stakeholders and are essential for conducting business ethically.



APPLICABILITY

This Code applies to:

1. All **Directors** (including Independent Directors).
2. **Senior Management Personnel**, as defined under Regulation 16(d) of SEBI (LODR) Regulations, 2015, including functional heads and those reporting directly to the CEO/Managing Director.

Directors and Senior Management Personnel are required to comply with all other applicable policies, rules, and procedures of the Company.

Each individual covered under this Code shall affirm compliance on an annual basis and submit the Annual Compliance Report to the Company Secretary in the format provided (Annexure-I).

HONEST AND ETHICAL CONDUCT

All Directors and Senior Management Personnel are expected to:

- Act honestly, fairly, ethically, and with integrity and loyalty.
- Display professionalism, competence, diligence, and independence in decision-making.
- Fulfill fiduciary duties and act in the best interests of the Company and its stakeholders.
- Avoid conflicts of interest and act transparently in all dealings.
- Treat colleagues and associates with dignity and refrain from harassment or discriminatory behavior.

Honest Conduct involves fairness, responsibility, due care, and freedom from fraud or deception.

Ethical Conduct includes compliance with professional standards and handling conflicts of interest responsibly.

CONFLICT OF INTEREST

Directors and Senior Management Personnel shall avoid activities that create actual or perceived conflicts between their personal interests and those of the Company.

A **conflict of interest** arises when an individual's personal interests interfere or appear to interfere with the interests of the Company.

Guiding Principle: Any activity, association, or transaction involving a conflict of interest must be disclosed to the Board of Directors for guidance and resolution.

OUTSIDE EMPLOYMENT

- Executive Directors and Senior Management Personnel shall not:
 - Work for or receive payments from any competitor, customer, distributor, or supplier without prior Board approval.
 - Undertake external employment or assignments that interfere with their duties to the Company.
- Full-time dedication to the Company's business is expected.



BUSINESS OPPORTUNITIES

Any business opportunity related to the Company's line of business or proposed expansion/diversification, which the individual becomes aware of through their position in the

Company, must first be disclosed in writing to the Board of Directors.

The individual may only pursue such an opportunity if the Board determines that the Company has no interest in it.

ACCEPTANCE OF GIFTS AND PAYMENTS

- Directors and Senior Management Personnel shall not accept lavish gifts, payments, or favours that could compromise their integrity or decision-making.
- Modest, customary gifts (e.g., promotional items, business meals) are permitted if they do not influence business decisions or breach ethical standards.

Prohibition: Bribes, kickbacks, and unethical inducements are strictly forbidden.

COMPANY ASSETS AND RESOURCES

- Directors and Officers are responsible for safeguarding the Company's assets and ensuring their efficient use.
- **Personal Use:** Incidental personal use of Company resources is permitted if it is reasonable and does not conflict with Company policies.

CONFIDENTIALITY OF INFORMATION

Directors and Senior Management Personnel must:

1. Maintain the confidentiality of all proprietary, sensitive, or non-public information entrusted to them.
2. Not use confidential information for personal gain.
3. Disclose confidential information only as authorized by the Company or as required by law.

INSIDER TRADING

Directors and Senior Management Personnel shall comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Policy.

1. Non-public, price-sensitive information must not be disclosed or acted upon for personal or third-party gain.
2. Pre-clearance of securities transactions and reporting requirements must be adhered to.

REGULATORY COMPLIANCE

- Directors and Senior Management Personnel must comply with all applicable laws, regulations, and internal policies.
- Adequate knowledge of legal requirements is essential to avoid violations.
- They must seek guidance from the Company Secretary or legal team as necessary.



DUTIES OF INDEPENDENT DIRECTORS

The Independent Directors shall act in accordance with **Schedule IV** of the Companies Act, 2013, and shall:

1. Undertake induction and training to familiarize themselves with the Company's business.

2. Participate actively and constructively in Board and Committee meetings.
3. Raise concerns about Company operations or decisions, ensuring such concerns are recorded in meeting minutes.
4. Assess and ensure proper functioning of the Company's vigil mechanism.
5. Report unethical behaviour, fraud, or violations of this Code.
6. Avoid unfair obstruction of Board or Committee proceedings.

ANNUAL COMPLIANCE AND DISCLOSURE

- Directors and Senior Management Personnel must affirm compliance with this Code annually (as on 31st March).
- The Annual Compliance Report (Annexure-I) must be submitted to the Company Secretary within 30 days of the close of the financial year.

For individuals leaving the Company during the year, compliance affirmation must be submitted prior to departure.

FINANCIAL REPORTING AND DISCLOSURES

The Company is committed to ensuring that its financial statements and reporting:

- Does not contain any untrue statement;
- Does not omit any material fact or has contents that might be misleading; and
- Strives to present a true and fair view of the Company's affairs in compliance with the prevailing Accounting Standards and applicable laws and regulations.

The Directors and Senior Management personnel shall ensure that all transactions are properly authorised, recorded, and reported as required and there shall be no wilful omission of any Company transactions from the books and financial records and all required information shall be provided to the Auditors.

DISCIPLINARY ACTION FOR VIOLATIONS

Violations of this Code may result in disciplinary action, including but not limited to:

1. Termination of employment or business relationships.
2. Legal action or pursuit of damages for losses incurred by the Company.
3. Reporting violations to regulatory authorities if required.

Suspected violations must be reported to the Chairman of the Board or the Chairman of the Audit Committee for investigation.

AMENDMENTS TO THE CODE

The Company is committed to reviewing and updating this Code periodically. Any amendments, modifications, or waivers shall:

1. Be approved by the Board of Directors through a formal resolution.
2. Be disclosed on the Company's website and reported in the Annual Report, as required under SEBI LODR Regulations.



ANNEXURE-I

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Annual Compliance Report

(To be submitted within 30 days of close of every financial year)

I, (name), (designation) do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the Code of Conduct for Board Members and Senior Management Personnel during the financial year ending 31st March

A handwritten signature in black ink, appearing to be 'M. P. ...', is written above a horizontal line.

Signature:

Name:

Designation:

Date:

Place: