

KENT R O SYSTEMS LTD

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED
PERSONS**

Revision History

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

PK Trivedi

INTRODUCTION

This Code of Conduct is framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations"), with the objective of ensuring transparency, accountability, and integrity in trading practices and handling Unpublished Price Sensitive Information (UPSI) by insiders and designated persons of KENT R O SYSTEMS LIMITED ("the Company").

DEFINITIONS

1. **"Act"**: Refers to the Securities and Exchange Board of India Act, 1992.
2. **"Company"**: KENT R O SYSTEMS LIMITED
3. **"Compliance Officer"**: A senior officer of the Company, at least of the rank of Company Secretary or equivalent, responsible for ensuring compliance with this Code, SEBI (PIT) Regulations, and other applicable regulatory requirements.
4. **"Financially Literate"**: Refers to a person capable of reading and understanding basic financial statements, including the balance sheet, profit and loss account, and cash flow statement.
5. **"Connected Person"**: Includes any person associated with the Company during the six months prior to the relevant act in any capacity, including through frequent communication with its officers, contractual, fiduciary, or employment relationships, or by being a director, officer, or employee of the Company.
 - An immediate relative of connected persons.
 - A holding company, associate company, or subsidiary company.
 - An intermediary as specified in Section 12 of the Act or an employee or director thereof.
 - An investment company, trustee company, asset management company, or an employee or director thereof.
 - An official of a stock exchange or of a clearing house or corporation.
 - A member of the 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 an employee thereof.
 - 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.
 - An official or an employee of a self-regulatory organization recognized or authorized by the Board.
 - A banker of the company.
 - A concern, firm, trust, Hindu undivided family, company, or association of persons wherein a director of a company or their immediate relative or banker of the company has more than 10% of the holding or interest.
 - A firm or its partner or its employee in which a connected person is involved.
 - A person sharing a household or residence with a connected person.
6. **"Designated Persons"**: Includes:
 - Promoters.
 - Members of the promoter group.
 - Directors.
 - Chief Executive Officer and employees up to two levels below the Chief Executive Officer of the Company and its Material Subsidiary (if any), irrespective of functional role or access to UPSI.
 - Key Managerial Personnel and functional/departmental heads of the Company.



- Employees with access to UPSI in identified departments such as Finance & Accounts, Legal, Secretarial & Compliance, Investor Relations, Communications, and Media Communications.
 - Support staff such as IT staff or secretarial staff with access to UPSI.
 - Any other person identified by the Board of Directors in consultation with the Compliance Officer.
7. **"Immediate Relative"**: Includes spouse, parents, siblings, and children who are financially dependent on or consult the designated person in securities decisions.
8. **"Insider"**: Any person who is:
- A Connected Person.
 - In possession of or having access to UPSI.
9. **"Unpublished Price Sensitive Information (UPSI)"** 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:
- Financial results of the Company;
 - Dividends (both interim and final);
 - Change in capital structure;
 - Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company's shares;
 - Acquisition, Merger, De-merger, Amalgamation, Restructuring, Scheme of arrangement or takeovers;
 - Disposal, spin off or selling division of whole or substantially whole of the undertaking;
 - Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company exceeding 10% of consolidated turnover of the Company;
 - Changes in Key Managerial Personnel; and
 - Other matters as may be prescribed by SEBI/considered by the Compliance Officer to be price sensitive from time to time.

COMPLIANCE OFFICER



1. The Compliance Officer is responsible for compliance with policies, procedures, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades, and the implementation of the codes specified in the Insider Trading Regulations under the overall supervision of the Board of the Company.
2. The Compliance Officer shall maintain records of Designated Persons and any changes made to the list of Designated Persons, along with all declarations submitted by Designated Persons in the appropriate form.
3. The Compliance Officer shall provide proper assistance to all employees/directors in addressing clarifications regarding the Insider Trading Regulations and this Code.
4. The Compliance Officer shall, in consultation with the Chairman and/or Managing Director and the Board, specify the prohibited period (closure of the trading window) and ensure that all concerned are intimated about the said period before its commencement.

5. The Compliance Officer shall recommend to the Audit Committee and/or the Managing Director or the Board punitive measures or disciplinary actions prescribed for any violation of this Code.
6. The Compliance Officer shall report to the Board, particularly providing updates to the Chairman of the Audit Committee or the Board as stipulated.
7. The Compliance Officer shall monitor the involvement of Insiders in sensitive transactions and make them aware of their responsibilities and liabilities related to UPSI.

PRINCIPLES OF FAIR DISCLOSURE

The Company shall:

- Ensure timely and adequate disclosure of UPSI to make it generally available.
- Handle UPSI strictly on a need-to-know basis to prevent misuse.
- Provide uniform and universal dissemination of UPSI to avoid selective disclosure.
- Promptly disseminate inadvertently disclosed UPSI through stock exchanges and the Company's website.

TRADING PLAN

1. An Insider shall be entitled to formulate a trading plan 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. This gives an option to persons who may be perpetually in possession of Unpublished Price Sensitive Information and enabling them to trade in securities in a compliant manner. Trading Plan shall:
 - not entail commencement of trading on behalf of the Insider earlier than 120 calendar days from the public disclosure of the plan;
 - not entail overlap of any period for which another trading plan is already in existence;
 - set out:
 - i. either the value of trades to be effected or the number of securities to be traded
 - ii. nature of the trade
 - iii. either specific date or time period not exceeding five consecutive trading days
 - iv. (optional condition) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade (to be rounded off to the nearest numeral), subject to the range as specified below:
 - For a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
 - For a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.
2. Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be

notified on the stock exchanges on which securities are listed.

3. The Compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of the Insider Trading Regulations. The Compliance Officer 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.
4. The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law. However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation. Further, if the insider has set a price limit for a trade under 5 (b)(iii)(4) above, 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.
5. In case of non-implementation (full/partial) of trading plan due to either reasons enumerated in (d) or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:
 - 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.
 - Upon receipt of information from the 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.
 - 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.
 - In case the Audit Committee does not accept the submissions made by the insider, then the compliance officer shall take action as per the Code of Conduct.
6. The compliance officer shall approve or reject the trading plan within two 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.
7. The provisions regarding pre-clearance of trades and trading window norms shall not be applicable for a trade executed as per an approved Trading Plan.

TRADING WINDOW AND TRADING RESTRICTIONS

1. Trading Window Closure:

- Other than the period(s) for which the 'Trading Window' is closed as prescribed hereunder, the same shall remain open for trading in the Securities of the Company by the Designated Persons and their Immediate Relatives. In addition to such periods prescribed by the Compliance Officer, the Trading Window shall



be closed from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by the Audit Committee and the Board meeting should be as narrow as possible and preferably on the same date to avoid leakage of material information.

- In addition to the above, Trading window may be closed by the Company during such times in addition to the above period as it may deem fit from time to time including when the Compliance Officer determines that a Designated Person or a class of Designated Persons can be reasonably expected to possess UPSI till 48 hours after the UPSI is made public and becomes generally available.

2. Execution of Trades:

- No Designated Person and their Immediate Relatives shall trade in the securities of the Company when the Trading Window is closed.
- It shall be the responsibility of the Designated Persons to advise their Immediate Relatives of Trading Window period closures.
- The trading window restrictions shall not apply in respect of transactions: (a) specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 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 and compliance with the respective regulations made by SEBI; (b) 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 SEBI from time to time.

3. Pre-clearance of trades

- All Designated Persons of the Company, who intend to trade in the securities of the Company, if the value of the securities likely to be traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of INR 10,00,000, will have to make an application to the Compliance Officer in the prescribed form using Annexure-I.
- Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any Unpublished Price Sensitive Information. The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- The restrictions contained in this clause shall also apply to Immediate Relatives in respect the concerned Designated Person.
- Pre-cleared trades must be executed within seven trading days from approval. If not executed, a fresh pre-clearance is required.
- The concerned persons shall disclose to the Company in the prescribed Form (Annexure IV) the number of securities acquired or disposed of for which pre-clearances is obtained within two trading days of such transaction.
- The concerned persons shall disclose to the Company the number of securities not traded, in respect of transactions for which pre-clearances is obtained within seven Trading Days after the approval of pre-clearance is given in the prescribed form (Annexure III).
- The disclosures to be made by any person under this Code shall include those relating to trading by such person's Immediate Relatives.

- Designated Persons and/or their Immediate Relatives shall be prohibited from entering into derivative transactions in respect of Securities of the Company.
- Contra-trades are prohibited for six months from the date of the initial trade, except with prior approval of the Compliance Officer in exceptional cases.
- Any Designated person who is permitted to trade shall not execute a Contra Trade within six months. In case any Contra Trade is executed, inadvertently or otherwise, in violation of the restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act. This shall not be applicable for exercise of employee stock options (however, any sale of shares received pursuant to exercise of stock options will be covered).
- In case any Contra Trade is necessitated by personal emergency, the holding period of six months as specified above may be waived by the Compliance Officer after recording in writing his/her reasons in this regard, subject to the Insider Trading Regulations. An application for waiver of holding period shall be made to the Compliance Officer through concerned Departmental Head in the prescribed Form (Annexure V).

OBLIGATIONS OF DESIGNATED PERSONS

1. Initial Disclosures

- Every person on appointment as a Key Managerial Personnel or a Director of the Company shall disclose his holding of securities of the Company as on the date of appointment, to the Company within seven days of such appointment.
- The Compliance Officer shall maintain records of all such disclosures for a minimum period of five years.

1. Continual Disclosures

- Every Designated Person of the Company shall within 30 days of the beginning of every financial year, disclose to the Company, prescribed details and the holding of such securities as at the end of the financial year and the details of each purchase / sale of the securities during the financial year so ended. Any change in information provided earlier (other than holding of securities) shall be informed within 30 days as prescribed under Annexure II.
- Designated Persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
 - immediate relatives
 - persons with whom such Designated Person(s) shares a material financial relationship
 - Phone, mobile and cell numbers which are used by them
 - In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

CHINESE WALL POLICY

To prevent misuse of confidential information:



1. The Company shall adopt a "Chinese Wall" mechanism to segregate public and insider areas within the organization.
2. Employees in insider areas shall not communicate UPSI to public areas unless necessary and approved in writing by the Compliance Officer.
3. Any movement across the Chinese Wall shall be documented, and the justification shall be recorded. In exceptional circumstances i.e. in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, any Designated Person may be permitted to 'cross the wall' and give UPSI to any person on a 'need to know' basis, under intimation to and with prior approval of the Compliance Officer.
4. No person shall procure from or cause the communication by any insider of UPSI, relating to the Company or securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
5. However, UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which:
 - A. entails an obligation to make an open offer under the Takeover Regulations where the Board of the Company is of informed opinion that sharing of such UPSI is in the best interests of the Company; or
 - B. does not attract the obligation to make an open offer under the Takeover Regulations but where the Board of the Company is of the informed opinion that sharing of such UPSI is in the best interests of the Company and the information that constitutes UPSI 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 may determine to be adequate and fair to cover all relevant and material facts.

For the above purposes, the Board shall require the parties to such transactions 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 purpose of this clause B and shall not otherwise trade in securities of the Company when in possession of UPSI.

6. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.
7. **Digital Database:** A structured digital database shall be maintained containing the nature of UPSI and the names of such persons or entities with whom information is shared or who has shared such information along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This digital database should be preserved for a period of not less than eight years after completion of the relevant transactions. The Board of Directors shall ensure compliance with this clause in consultation with the Compliance Officer

REPORTING AND MONITORING

1. The Compliance Officer shall submit periodic reports on Code implementation and effectiveness to the Board and Audit Committee.
2. Trades executed by Designated Persons shall be monitored and documented by the Compliance Officer.

VIOLATIONS AND PENALTIES



1. Violations of this Code, such as trading during a closed Trading Window or misuse of UPSI, shall be reported to the Board and SEBI.
2. Penalties for non-compliance may include:
 - Disciplinary actions, including suspension or termination of employment.
 - Disgorgement of illegal gains from contra-trades.
3. SEBI may impose additional penalties under the SEBI Act and Regulations.

AMENDMENTS

This Code is subject to periodic review and amendment to align with changes in regulatory requirements or the Company's operations. Amendments must be approved by the Board and disclosed on the Company's website.



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

ANNEXURE-I

Application for Pre-Clearance of Trade in the securities of KENT R O SYSTEMS LIMITED

To
The Compliance Officer

This is to state that I am intending to Trade(*) in the following Securities of KENT R O SYSTEMS LIMITED:
(Specify separately for Equity and Debentures / Bonds)

1. _____ (Equity Shares)
2. _____ (Debentures / Bonds)

This is to confirm that my security holding in KENT R O SYSTEMS LIMITED as on date is as under: (Specify separately for Equity and Debentures / Bonds)

1. _____ (Equity Shares)
2. _____ (Debentures / Bonds)

I hereby declare that:

- a) I do not have any access or has not received "unpublished price sensitive information" upto the time of making this application/declaration;
- b) I shall execute the per-cleared trades within 7 Trading Days from the date of obtaining of the pre-clearance, failing which I shall obtain fresh pre-clearance to execute trades. I shall also report to the Compliance Officer in case I do not execute the pre-cleared trade within the stipulated period;
- c) In case I become aware of any UPSI before the execution of Trade pursuant to this application for pre-clearance, such Trade will not be executed.
- d) I shall not execute a Contra-Trade for a period of at least 6 (six) months from the date of execution of the Trade;
- e) I shall immediately remit the profits earned from execution of contra trade executed inadvertently or in violation of restrictions imposed;
- f) I have not, at any time, contravened the code of conduct for prevention of insider trading as notified by the company from time to time; and
- g) The disclosure made by me is full and true to the best of my knowledge and belief.

I hereby undertake to inform of any change in my position relating to access of unpublished price sensitive information, after signing this undertaking but before execution of the Trade and will refrain from dealing in the securities of the company till the time such information becomes public.

Name –
Designation –
Employee Code No –
Signature of the Applicant –
Date –



**Trading means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in securities and includes pledge of securities.*

**ANNEXURE – II
FORM C**

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2) – Continual disclosure]

Name of the company: KENT RO SYSTEMS LIMITED

ISIN of the company:

Details of change in holding of Securities

Name, PAN, DIN, Address with contact details.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/acquisition of shares/sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/ public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of Shareholding	From	To		

Name –

Signature –

Date –



ANNEXURE – III

Report on Non-Execution of Trade after obtaining Pre-Clearance of Trade

To
The Compliance Officer

Subject: Non-Execution of Trade after obtaining Pre-Clearance of Trade

This is in reference to the pre-clearance obtained dated _____ for executing Trade in the following Securities of IFCI Limited. ((Specify separately for Equity and Debentures / Bonds)

1. _____ (Equity Shares)
2. _____ (Debentures / Bonds)

In this regard, this is to confirm that the undersigned has not executed the approved trade for the following reasons:

1. _____
2. _____

This is to further confirm that in case, any future trade is proposed to be undertaken by the undersigned in the securities of the Company crossing the threshold as prescribed in the "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons" (Code), the undersigned shall obtain fresh pre-clearance from the Compliance Officer and that the trade will be executed in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and as per the Code.

Name –
Designation -
Employee Code No -
Signature of the Applicant -
Date –



Annexure IV

FORM FOR DISCLOSURE OF TRANSACTIONS

[as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Clause 7(b),7(c), 8(b) of Code of Conduct to regulate, monitor and report trading by Insiders]

(To be submitted within two days of transaction / trading in securities of the Company/end of 7 trading days from pre-clearance approval)

To,
The Company Secretary/Compliance Officer

Pre-Approval Reference No.: _____

I hereby inform that I:

- have not bought / sold/ subscribed any securities of the Company
(Reason _____)
- have bought/sold/subscribed to _____ securities as mentioned below on ____ (date)

Name of holder	No. of securities dealt with	Bought/sold /subscribed	DP ID/Client ID / Folio No	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of five years and produce to the Compliance officer / SEBI any of the following documents if sought for:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months/undertake that no contra trade shall be entered within a period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval (applicable in case of purchase / subscription).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Name of Applicant

Designation :

Employee Code No.:



(Signature)

Annexure V

APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD

[As per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Clause 7(h) of Code of Conduct to Regulate, Monitor and Report trading by Insiders]

To,

The Company Secretary/Compliance Officer

Through: Department Head

Dear Sir,

I request you to grant me waiver of the minimum holding period of 6 months as required under the Company's' Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives, with respect to _____ securities of the Company held by me/ (name of family dependent)/jointly acquired by me on_(date). I desire to deal in the said shares because of the under-mentioned emergency [mention reasons in brief along with supporting documents]

Thanking you

Your faithfully,

Name of Applicant

Designation :

Employee Code No.:

(Signature)

