

*CODE OF CONDUCT FOR SENIOR MANAGEMENT OF THE COMPANY*

**CODE OF CONDUCT FOR SENIOR MANAGEMENT OF THE COMPANY:**

**PREAMBLE:**

1. This Code of Conduct (“the Management Code”) for the Senior Management of K.C.P.Sugar and Industries Corporation Ltd (‘the Company’) is aimed at ensuring that the Company conducts its businesses with the highest standards of ethics and values in accordance with the applicable laws, regulations and rules.
2. This Management Code has been adopted by the Company to comply with the applicable rules of the Stock Exchanges where the securities of the Company are listed, viz., Madras Stock Exchange Ltd., and National Stock Exchange of India Ltd., and as required under Clause 49 of the Listing Agreement with the said Stock Exchanges.
3. This Management Code shall come into force with effect from 1<sup>st</sup> November 2005 and all Senior Management of the Company as defined hereunder shall sign the acknowledgement form at the end of this Code and return the form to the General Manager (Finance) and Secretary, indicating that they have received, read and understood and agreed to comply with the Code. The signed acknowledgement form will be located in each Senior Management’s personnel file. All the Senior Management shall thereafter on an annual basis beginning from 1<sup>st</sup> April 2006 sign the acknowledgement, indicating their continued understanding and commitment to the Board Code

**DEFINITION:**

4. The Management Code is applicable to the following persons referred to as “Senior Management” which shall mean and include:
  - (i) the Chief Executive Officer or Chief Operating Officer or Head of Operations (by whatever designation called);
  - (ii) the Company Secretary;
  - (iii) Head of Finance Function;
  - (iv) All Departmental / Functional Heads of different functions of the Company (by whatever designation they are called) along with all their direct reportees and those committing resources on behalf of the Company;
  - (v) All Professionals at Corporate Office serving in the rolls of Finance/Tax /Accounting / Treasury and Internal Audit and related functions.

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- (vi) Such other Officers or Employees as may be defined by the Managing Director / Executive Director of the Company.

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5. In the execution and performance of their functions, the Senior Management of the Company shall –
- a. **act in accordance with the highest standards of personal and professional integrity**, honesty and ethical conduct while working at the Company's premises or at any other locations / events social or otherwise or in any manner or at any time when representing the Company;
  - b. **be independent in judgment** and actions and take all reasonable steps to be satisfied as to the soundness of all decisions taken by them and not act in a manner which is likely to bring either discredit upon the Company or unbecoming of the Senior Management;
  - c. **comply fully with all the applicable laws and regulations** including the Code of Conduct for Prevention of Insider Trading, and not to indulge in any practices or activities that would be unlawful or likely to damage the reputation of the Company in any manner whatsoever. The Senior Management shall respectively take all care and precautions to ensure that the laws applicable to them in particular and to the Company as a whole, are strictly complied with and deviations therefrom are immediately brought to the attention of the Senior / Superior Officers / Board / Audit Committee;
  - d. **maintain the confidentiality of all confidential information** that they receive or become privy to in connection with the Company's business except when disclosures are legally warranted or authorized. Confidential information includes all non-public information that might prejudice the ability of the Company in pursuing its objectives or likely to be of use to any outsiders or competitors who may use the same to either harm the Company or affect the interests of the Company. The confidential information would also include any information relating to the operations and affairs of the business that would result in or is likely to result in a considerable change in market value of the Company's securities and that information which is likely to be reckoned by any investor for any decision making but in the normal course is not available to them or disclosed. The Senior Management must not use the confidential information for their advantage or profit directly or indirectly;

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- e. **ensure that reporting of all forms of information whether** accounting, financial, technical or otherwise to the Board of Directors or to any other authorities under any laws extant in force in the country are fully backed by authentic notes and documents in the event of any verification or inspection by any outside agency. Any wilful material misrepresentation of and/or misinformation of any information as defined shall be construed as violation of the Management Code, and invite appropriate civil or criminal action under the relevant laws.
  
- f. **ensure that in their dealings with suppliers and customers or any other third party,** the Company's interests are never compromised. The Senior Management shall not accept gifts in cash or kind either directly or through their close family members, particularly if this is likely to result in a business association / relationship with the Company. However, an exception to this would be that non-cash gifts upto a value of Rs.2,000/- and for items that can be reciprocated such as tickets to the events, business meals, etc. On the other hand, if refusing a gift beyond this value would affect the relationship with the Company, the gift may be accepted and handed over to the Company;
  
- g. **endeavor to ensure** that the Company's assets, proprietary information and resources are used only for legitimate business purposes;
  
- h. **endeavor to avoid their private interests** interfere with the interests of the Company in the performance of their duties and responsibilities in an objective, effective and efficient manner The Senior Management shall give full disclosure of all material information that is likely to or expected to give rise an actual conflict of interest with the Company and obtain the written authorization of the Board / Audit Committee to pursue such transactions or relationships;
  
- i. **in consideration of the employment with the Company, devote their full attention to** furtherance of the business interests of the Company. Senior Management are prohibited from involving / engaging in any activity / work that interferes with their performance in the Company or is likely to prejudice their functioning with the Company. In case any Senior Management desires to involve / engage in any activity which is likely to have a bearing on the Company, the approval of the Board of Directors needs to be obtained and the Board should also kept apprised of any changes in the details of such involvement or activity.
  
- j. **ensure that as a matter of common rule of application** before conducting the Company's business with their relative or with any other

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business which is directly or indirectly controlled by their relative, the disclosure of interest in the matter must be placed before the Board of Directors for their prior approval. For this purpose, “relatives” include spouse, siblings, sibling’s spouse, children, children’s spouse, parents, grand parents and grand children.

- k. **not accept to serve as a Director / Advisor / Consultant or any other similar office of any Company that competes directly** with the Company except with the prior approval of the Board of Directors; The Senior Management shall keep the Board apprised of any changes in their Board /other positions and any other relationship vis-à-vis the Company.
- k. **ensure that all the employees of the Company** are treated with dignity, respect and given equal opportunities in performance of their duties without regard to their race, caste, religion, ancestry, marital status, sex, age, nationality, disability and veteran status;
- l. **not use their position or status** in the Company in seeking or accepting any personal gains or favors from such persons who are doing or likely to do business with the Company or from other employees of the Company;
- m. **strive to ensure** safe and healthy working environment and comply with all the regulations regarding the preservation of environment in the respective areas of operation;
- n. **not directly or indirectly** support any specific political party or candidate of any political office or offer or give any of the Company’s funds or property as donations directly or indirectly to any specific political party, candidate or campaign without the specific approval of the Board of Directors / Audit Committee;
- o. **not use the present Logo** of the Company except in the communications which emanate from the Company through authorized channels and shall ensure that in the case of use in any other manner or for any other venture or otherwise, specific approval of the Board of Directors or the Audit Committee is obtained.

**NON COMPLIANCE:**

- 6. In the event of any non-compliance or suspected violations of this Management Code the same shall be reported to the Managing Director or to the Audit Committee and the same shall be appropriately investigated.

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**WAIVERS AND AMENDMENTS OF THE CODE:**

7. This Management Code has been approved by the Board of Directors at its Meeting held on 27.10.2005. The Board of Directors shall be continuously reviewing and updating the Management Code periodically and as such is subject to modification. However, any amendment or waiver of any provision of this Management Code must be approved by the Board of Directors at its Meeting with requisite majority and shall be communicated in writing to all the Senior Management by a Circular by the person so authorized on their behalf disclosing the details of the nature of amendment or waiver.

**8. ACKNOWLEDGMENT OF RECEIPT OF CODE OF CONDUCT FOR SENIOR MANAGEMENT”:**

I have received and read the Management Code for Senior Management and agree to comply with the same. I understand the standards and policies contained in the Management Code and understand that there may be additional policies or laws specific to my job. If I have questions concerning the meaning or application of the Management Code, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult the Finance Department, and that my questions or reports to these sources will be maintained in confidence.

<b>NAME OF SENIOR MANAGEMENT</b>	
<b>SIGNATURE</b>	
<b>DATE</b>	

Please sign and return this form to the General Manager (Finance) and Secretary forthwith.

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