

CODE OF CONDUCT FOR THE MEMBERS OF THE BOARD

CODE OF CONDUCT FOR BOARD MEMBERS:

PREAMBLE:

- A. This Code of Conduct (“the Board Code”) for the Members of the Board 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.
- B. This Board 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.
- C. This Board Code shall come into force with effect from 1st November 2005 and all Board Members shall sign the acknowledgement form at the end of this Board 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 Board Code . The signed acknowledgement form will be kept in safe custody along with the other Board records. All the Directors shall thereafter on an annual basis beginning from 1st April 2006 sign the acknowledgement, indicating their continued understanding and commitment to the Board Code .

CODE OF CONDUCT:

- D. In the execution and performance of their functions, **the Board Members shall:**
 - 1. **act in accordance with the highest standards of personal and professional integrity**, honesty and ethical conduct in the course of their association with the Company and while representing the Company at any other locations / events social or otherwise. The Board Members shall restrain themselves from any wilful material misrepresentation of and/or misinformation of any information the violation of which can invite appropriate civil or criminal action under the relevant laws. endeavor to ensure that the Company’s assets, proprietary information and resources are used only for legitimate business purposes;
 - 2. **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 Board Member;

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3. **make reasonable efforts to attend** to the Board / Committee Meetings and dedicate time and attention to the Company.
4. **endeavor to ensure** that the Company's assets, proprietary information and resources are used only for legitimate business purposes;
5. **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 Board Member 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 appropriate Authorities;
6. **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;
7. **not use the confidential information** for their advantage or profit directly or indirectly; and shall avoid appropriating Corporate business opportunities for themselves or for anybody associated with them that are discovered through the use of the Company's property or information by virtue of their position as Directors.
8. **ensure that in their discussions / meetings / dealings** on behalf of the Company with any third party by whatsoever name called including the suppliers, associates, customers, **the Company's interests are never compromised;**
9. **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 Board Members shall give full disclosure of all material information that is likely to or expected to give rise

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an actual conflict of interest with the Company and obtain the written authorization of the Board / Audit Committee to pursue such transactions or relationships;

10. **ensure that as a matter of common rule of application** before conducting the Company's business with their relative or with any other 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.
11. **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;
12. **keep the Board apprised of any changes** in their Board positions and any other relationship vis-à-vis the Company;
13. **inform the Board of any changes in their interests** that is likely to interfere with their ability to perform their duties and in particular in the case of Independent Directors, the impact if any, of their **independence as a Board Member.**
14. **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:

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

WAIVERS AND AMENDMENTS OF THE BOARD CODE :

- E. This Board 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 Board Code periodically and as such this Board Code is subject to modification. However, any amendment or waiver of any provision of this Board Code must be approved by the Board of Directors at its Meeting with

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requisite majority and shall be communicated in writing to all the Members of the Board by the person so authorized on their behalf disclosing the details of the nature of amendment or waiver.

F. ACKNOWLEDGMENT OF RECEIPT OF BOARD CODE OF CONDUCT FOR MEMBERS OF THE BOARD:

I have received and read the Company's Board Code and agree to comply with the same. If I have questions concerning the meaning or application of the Board Code, any Company policies, or the legal and regulatory requirements relative thereto, I know I can inform/consult the Board of Directors/Audit Committee and that my questions or reports to these sources will be maintained in confidence.

NAME OF BOARD MEMBER	
SIGNATURE	
DATE	

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