CODE OF CONDUCT AND BUSINESS ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

1. INTRODUCTION:

In terms of the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to lay down a code of conduct for all its Board members as well as senior management. Therefore, the Board of Directors have framed a Code for Good Corporate Governance and ethical practices termed as "Code of Conduct and Business and Ethics" or "The Code". (Annexed as Annexure I).

The purpose of this Code is to promote ethical conduct of the affairs of the Company. The code is in alignment with Company's vision and values to achieve the mission & objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. The matters covered in this Code of Conduct and Business Ethics are of utmost importance to the Company, its shareholders, customers, business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values.

2. APPLICABILITY:

The Code applies to the following persons: - (Referred to as officers)

1. The Board of Directors of the Company

2. The members of the Senior Management Team of the Company

3. Functional Heads of All Departments; and

"**Senior Management**" for the purpose of this Code includes the following:

1. Chief Financial Officer (CFO);

2. Company Secretary (CS);

3. Unit Heads/President/ Vice Presidents

All the members to whom the Code is applicable are expected and required to read and understand the Code and the Underlying principles and Standards therein, and uphold these standards in the day to day activities and comply with all the applicable laws, rules and regulations.

The Code shall be viewed more as a code of ethics for better and transparent Corporate Governance in the Conduct of Company's business. The Principles and standards described in the Code are general in nature and are not intended to be all comprehensive.

3. ENFORCEMENT:

The officers will review and investigate any allegation related to breach of Company's policy by any officer, with or without the participation of any officer who may be the subject of such report. Any Officer who is subject to such an allegation must respond to such allegation to the Board. If the Board determines that any such act represents a violation under the Company's Code of Ethics, then appropriate action as determined by the majority of the disinterested officers will be taken.

4. WAIVERS:

Any waiver from of Company's code of ethics and Conduct may be made only by the Board of Directors.

5. ANNUAL COMPLINACE REPORTING:

a. In terms of Regulation 26 of the Regulations, all Board Members and Senior Management Personnel shall affirm compliance of the Code initially at the coming into effect of this code. Thereafter, the compliance as aforesaid shall be affirmed annually within 30 days of the close of each financial year. In the event there is any Change in the Board of Directors, Senior Management Personnel during the Year, the incumbent shall affirm compliance of the code initially within 30 days of joining Thereafter, the compliance as aforesaid shall be affirmed within 30 days of the close of each financial year.

The initial/annual affirmation of compliance form is at Annexure – II.

The duly signed Affirmation of Compliance Form shall be forwarded to the Company Secretary, as per the schedule mentioned above.

b. The Annual report of the Company shall contain a declaration to this effect signed by the Chairman/Vice Chairman or Managing Director. The Annual Compliance Report shall be forwarded to the Company Secretary.

6. CONSEQUENCES OF NON-COMPLIANCE OF THIS CODE

In case of breach of this code, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary

7. AMENDMENT OF THE CODE:

The provisions of the code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/modifications shall take effect from the date stated therein.

The Company Secretary and Compliance officer of the Company shall arrange such data or information which is required to be uploaded on the website of the Company.

8. DISCLOSURE OF THE POLICY:

Pursuant to Regulation 46 of SEBI (LODR) Regulations, 2015, this code and any amendment thereto shall be hosted on the website of the Company.

Annexure I

Annexure II

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Annexure I

CODE OF CONDUCT AND BUSINESS ETHICS

HONEST AND ETHICAL CONDUCT

We expect all the officers to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations where the Company's business is being conducted, at Company sponsored business and social events, or at any other place where officers are representing the Company.

We expect honest and ethical conduct that is free from fraud or deception and conforming to the accepted professional standards of conduct. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

CONFLICTS OF INTEREST

Officers must avoid any conflicts or appearance of any conflicts of interest between them and the Company. Conflicts of Interest can, but are not limited to, occur when:

a. Officer's personal interest is adverse to-or may appear to be adverse to the interest of the Company as a whole

b. An Officer or a person closely related to director and officer receives improper personal benefits as results of his or her position as an officer of the Company. An officer must keep himself or herself away from any decision of Boards involving another firm or Company with which officer is affiliated.

c. Officers should not receive any personal benefit from a person or firm which is seeking to do business or to retain business with the Company, unless such a relationship is fully disclosed by the interested director and approved by the vote of the directors disinterested in the transaction.

d. Officers should not offer, give or receive gifts to/from any person or entities that deal with the Company, in those cases where any such gift is being made in order to influence an Officer's actions for the Company, or where acceptance of the gifts could create any appearance of a conflict of interest.

e. Officers should not use Company assets, staff or information for personal use unless approved by the disinterested directors, or part of a compensation or expenses reimbursement program available to all Officers.

CORPORATE OPPORTUNITIES

Officers owe a duty to the Company to accomplish its legitimate goals whenever the opportunity arises.

Officers also must not:

a. Take for themselves or their own companies or other companies with which they have a fiduciary relationship any opportunities that are discovered through the use of Company property, Company information or position as an officer unless such opportunities are fully disclosed by the interested officers and approved by the vote of the disinterested officers.

b. Use the Company's property or information or the officer's position in the Company for personal gain: or

c. Compete with the Company for business opportunities. However, if the Company's disinterested officers determine in advance that the Company will not pursue an opportunity that relates to the Company's business, the officer may then do so.

CONFIDENTIALITY

Officers also must maintain the confidentiality of information entrusted to them by the Company and any other non-public information relating to the Company and it's client that comes to them, from whatever source, in their capacity as an officer, except when disclosure is authorized or legally mandated.

FAIR DEALING

Officers also must deal fairly with the Company's customers, suppliers, competitors and employees.

ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR

Officers should also promote ethical behaviour and take steps to ensure that the Company:

a. Encourages employees to report violations of laws, rules, regulations or the Company's code of Ethics and Business Conduct to appropriate personnel. b. Informs employees that the Company will not allow retaliation for reports made in good faith.

PROTECTION AND PROPER USE OF COMPANY'S ASSETS

All Officers must protect the Company's assets and ensure their efficient use. All Company assets should be used only for legitimate business purposes.

DUTIES OF INDEPENDENT DIRECTORS

The independent directors shall—

a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

b. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

c. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;

e. strive to attend the general meetings of the company;

f. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

g. keep themselves well informed about the company and the external environment in which it operates;

h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

j. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

k. report concerns about unethical behaviour, actual or suspected fraud or violation of the this code of conduct;

l. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

m. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

Annexure II

To

The Board of Directors

K M SUGAR MILLS LIMITED

76, Eldeco Greens,

Gomti Nagar, Lucknow-226010

Sub: Initial/Annual Affirmation of compliance with the Code of Conduct for Board and Senior Management as per regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations , 2015

I, --------, do hereby affirm that I have read and understood the Code of Conduct applicable to the Board of Directors and Senior Management of the Company and that to the best of my knowledge and belief, I have complied with the requirements of this Code during the preceding Financial year 20- - - 20-- and/ or I affirm that I will comply with the requirements of this Code during the current financial year 20-- - 20--.

Name

Designation

Date:

Place: