

**Code of Conduct for Members of the Board and  
Senior Management of Umang Dairies Limited**  
(pursuant to sub-clause I(D) of Clause 49 of Listing Agreement)

**Preamble**

The Company already has for the last three years, a Code of Conduct in position for Management Cadre Staff. The new provisions of Clause 49 of the Listing Agreement and contemporary practices of good corporate governance provide that the Company shall have a Code of Conduct for all members of the Board of Directors and Senior Management Personnel. Hence this Code.

1 This Code of Conduct divided into Part A: applicable to the Directors and Part B: applicable to the Senior Management of the Company, was approved by its Board of Directors at its meeting held on 29<sup>th</sup> October 2005.

2 For the purpose of this Code, "Directors" shall mean all the Directors on the Board of Directors of the Company and "Senior Management" shall mean personnel of the Company who are members of core management team excluding Board of Directors. Normally this would comprise of members of management one level below the Executive Directors including all functional heads reporting to the Managing or Executive Directors or Wholetime Directors.

**3. Philosophy**

3.1 Basic philosophy of the Code of Conduct has been guided by the practices of good Corporate Governance followed by the Company. The core values of the Company are :-

- Commitment to excellence
- Integrity including intellectual honesty, openness, fairness & trust.
- Caring for people.
- Dynamic & successful business organisation.
- A socially-valued enterprise.
- Business integrity.

3.2 The Code of Conduct therefore aligns around the said core values and the commitment to maintain the highest standards in its interface with all stake-holders, society at large and environment.

4. The Directors and Senior Management recognise that they have fiduciary responsibility and are accountable to maximise shareholder value through good business practices and controls.

#### Part A

5. The Directors of the Company shall endeavour and would-

- (a) use due care and diligence in performing their duties of office and in exercising their power attached to that office;
- (b) act honestly and use their powers of office, in good faith and in the best interests of the Company;
- (c) not make improper use of information nor take improper advantage of their position as a Director;
- (d) not allow personal interests to conflict with the interests of the Company;
- (e) make all necessary disclosures to the Company in terms of the Companies Act 1956, the Listing Agreement and any other law for the time being in force;
- (f) not engage in conduct which may bring discredit to the Company;
- (g) be independent in judgement and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors;

- (h) ensure the confidentiality of information they received whilst being in office of Director and disclosed only when authorised by the Company, or is required by law;

## Part B

### 6.1 The Senior Management shall endeavour to:

- (a) devote their utmost to achieve the goals of the Company and the standards set before themselves.
- (b) carry on the business of the company complying with all relevant laws, rules and regulations;
- (c) ensure that financial records and present financial reports in accordance with the provisions of law and applicable accounting standards so as to give a true and fair view of the state of affairs of the company;
- (d) ensure that necessary internal control systems are enforced effectively whereby fraud and other illegalities or irregularities, if any, are detected and timely remedial action is taken;
- (e) ensure confidentiality of all material sensitive information of the affairs of the Company coming in their possession and not to disclose or use the same for personal profit or for the advantage of any other person unless the same is required to be disclosed to any other person in terms of applicable regulations.
- (f) make all necessary disclosures to the Company in terms of the Companies Act 1956, the Listing Agreement and any other law for the time being in force;

- (g) disclose and obtain requisite approval under the law in cases where personal interest might conflict with the interest of the Company. Senior Management personnel shall also from time to time and at any time, make disclosures to the Board relating to all material financial and commercial transactions where they have personal interest that may have a potential conflict with the interest of the Company at large [e.g. dealing in company shares, commercial dealings with bodies corporate which have shareholding of management and their relatives, etc;
- (h) pursue healthy Human Resources policies without any discrimination on account of caste, religion or sex, to promote meritocracy, uphold self respect and human dignity to instill a sense of belonging to the Organization;
- (i) ensure that in dealing with customers, lenders, investors, Government and the community at large, the Company's image and its interests are well protected;
- (j) maintain highest level of professional conduct that would enhance the image, goodwill and credibility of the business of the Company;
- (k) create an atmosphere of highest integrity, trust, fairness and honesty in performance of their duty which should strengthen the bond of relationship with people, both internally and externally.
- (l) promote SHE factors, viz., safe, healthy working environment and comply with all regulations concerning preservation of the environment of the territory of operation in conducting the Company's business.
- (m) remain apolitical while involving in conduct of company's affairs.

6.2. The Senior Management shall not-

- (a) engage by themselves or on behalf of the Company in any activity detrimental to or against national interest;
- (b) receive or offer, directly or indirectly, any illegal payment or charitable benefits which are intended to or perceived to obtain business favours barring nominal gifts which are customarily given and are of commemorative nature;
- (c) permit misuse of company's properties and assets, both tangible and intangible.

7. This Code is in addition to and not in supersession of other Codes for the time being in force, viz. Corporate Ethics and Code of Conduct; implemented voluntarily by the Company; Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code of Conduct shall be posted on the website of the Company.

All the members of the Board of Directors and Senior Management shall affirm in writing compliance with this Code immediately after the Code is approved and adopted by the Board of Directors of the Company and on an annual basis in every financial year as per the format given at Annexure-I. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing / Wholetime Director as per the format in Annexure-II.

ANNEXURE-I

Date:.....

The Board of Directors

.....

New Delhi

Dear Sirs,

Re: Code of Conduct for members of the Board and Senior Management – Financial  
Year.....

I hereby affirm compliance with the Code of Conduct for members of the Board  
and Senior Management of the Company.

Name( )

Director/

Designation if Member of Senior Management

ANNEXURE II

Date.....

The Board of Directors

.....

New Delhi

Re: Code of Conduct for members of the Board and Senior Management

It is hereby declared that all the members of the Board and the Senior Management personnel have affirmed compliance with the aforesaid Code of Conduct during the Financial year .....

Name( )  
Managing / Wholetime Director