

**“CODE OF CONDUCT FOR BOARD OF DIRECTORS AND  
SENIOR MANAGEMENT”**  
**OF**  
**DROOM TECHNOLOGY LIMITED**

## **Introduction**

This code shall be called “The Code of Business Conduct & Ethics for Board of Directors and Senior Management Personnel of Droom Technology Limited (hereinafter referred to as “the Company”).

The code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the Company in an ethical manner. The purpose of this code is to recognize and emphasis upon the ethical behaviour and to develop a culture of honesty and accountability.

## **Objective of the code**

A code is a comprehensive collection of laws, instructions or precepts on a given subject area and a code of conduct is a comprehensive statement of the guiding principles of conduct by which a Company expects its Board of Directors and Senior Management personnel to behave when carrying out their work.

With a view to maintain high standards of governance, to induce and recognize the virtues of honesty and accountability and to serve as a guideline for addressing situations involving ethical issues in all spheres of activities of the organization, the code of conduct is required to be observed.

## **Laws**

This code of conduct is framed pursuant to Regulation 17 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015, as amended (SEBI Listing Regulations), for Board of Directors and Senior Management of the listed Company and also contains duties of Independent Directors as laid down in the Companies Act, 2013.

## **Applicability of the code**

The Code applies to the Board of Directors and Senior Management of the Company. The Independent Directors of the Company are subject to certain additional duties as laid down by the Companies Act, 2013.

The Code has been formulated and approved by the Board on October 16, 2021 and is to be strictly observed by the Board of Directors and Senior Management of the Company for the governance of good corporate practices.

The Compliance Officer of the Company will be available to answer any questions, provide clarification and to help in ensuring compliance with the Code.

## **Definitions**

“**Company**” shall mean Droom Technology Limited

“**Board**” or “**Board of Directors**” shall mean the board of directors of the Company.

**“Compliance Officer”** shall mean the Company Secretary appointed by the Board of Directors under the Listing Regulations for purpose of this code from time to time and in his/her absence any senior officer, so designated by the Board for the purpose of compliance with the Code.

**“Director”** shall mean a member of the Board of Directors of the Company.

**“Senior management”** shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the “chief executive officer/managing director/whole time director/manager (including chief executive officer/manager in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

**“SEBI” means** Securities and Exchange Board of India.

**“Independent Director”** means an independent director referred to in sub-section (6) of section 149 read with Regulation 16 of the SEBI Regulations.

**“Relatives”** shall have the same meaning assigned to them in Section 2(77) of the Companies Act, 2013

**“Unpublished Price Sensitive Information”** shall have the same meaning as assigned to them in SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **Guidelines for conduct**

Every person to whom the Code is applicable, shall conduct the affairs of the Company and perform his duties with due care, diligence, dignity, honesty and integrity and shall confirm to the highest moral and ethical standards and at all times, be loyal to the Company and act in good faith and in the best interest of the Company.

Besides the duties and responsibilities cast upon Directors by applicable laws, articles of association of the Company and provisions of the Code, set out hereinbefore, a Director is also expected to:

- a. Use such degree of skill as may be reasonable to expect from a person with his/ her knowledge or experience;
- b. Not seek to influence any decision of the Board for any consideration other than in the interests of the Company;
- c. Make reasonable efforts to attend Board meetings, meetings of the committees of the Board where the Director is a member and general meetings of shareholders, regularly;
- d. Inform the Chairman of the Board/ committee or the Compliance Officer of the Company well in advance in case he is not in a position to attend a Board/ committee meeting and apply for the grant of leave of absence;
- e. Dedicate sufficient time, attention and energy to the deliberations at the meetings to ensure diligent performance of their duties;

- f. Notify the other Directors about the material personal interest in any matter and must not vote on such matter;
- g. Bring an open and independent mind to the Board/ committee meetings and should not make a decision about a matter before attending and participating in the deliberations of;
- h. Treat each other with courtesy and observe the other guidelines set out in the Code;
- i. Act in a cooperative and respectable manner with their colleagues;
- j. Maintain order and decorum at the meetings and obey the directions given by the Chairperson; and
- k. Comply with all applicable laws, regulations, confidentiality obligations and Company's policies.

### **Conflict of interest**

- a. The Directors and Senior Management shall not engage in any activity, business, or relationship, which may be in conflict with the interest of the Company or prejudicial to the Company's interest.
- b. Directors and the Senior Management Personnel should disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
- c. All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board and, upon a decision being taken in the matter, the person concerned will be required to take necessary action as advised to resolve/avoid the conflict.
- d. If the Director or Senior Management Personnel fails to make a disclosure as required herein, and the Board of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the concerned person, the Board would take a serious view of the matter and consider suitable disciplinary action against the person concerned.
- e. Directors should avoid transacting company business with their relative or with a firm/ company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the Board.
- f. The Directors and Senior Management shall also not accept gifts from persons or firms who deal with the Company, or are seeking to deal with the Company, where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.
- g. If a proposed transaction or situation raises any question or doubts to any Director/ Senior Management Personnel, such Director/ Senior Management Personnel should consult the Compliance Officer

## **Honesty, Integrity, Fairness and Accountability**

The Directors and Senior Management are entrusted with the responsibility to oversee and formulate the policies for the management and affairs of the Company. Therefore, in the interest of good corporate governance they shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All of them must act in good faith with honesty and accountability and with due care, competence and diligence. The Directors and Senior Management shall encourage employees of the Company to report violations of laws, rules, regulations or this Code to the appropriate personnel.

## **Disclosure of interest**

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws. The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporates wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

## **Confidentiality**

Directors and Senior Management should maintain the confidentiality of information entrusted to them by the Company. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the Director/ Senior Management or anyone other than the Company.

Confidential information includes any information relating to the Company's business, customers, suppliers, employees etc., which is not available in the public domain and to which the Director/ Senior Management has access or they possess such information because of their position in the Company.

## **Corporate Business Opportunities**

Corporate Business Opportunities here means those opportunities, which are made available to the Company and which are known to the Directors/ Senior Management due to the position held by them in the Company. The Directors/ Senior Management shall not utilise such opportunities for their personal benefit. However, once an opportunity is fully and properly disclosed to the Board and after consideration rejected by them then it ceases to be a Corporate Business Opportunity.

## **Compliance with applicable laws & company's policies**

Directors and Senior Management Personnel shall comply with all applicable laws, rules, regulations and guidelines, both in letter and spirit. In order to assist the Company in promoting lawful and ethical behavior, Directors and Senior Management Personnel must report to the Compliance Officer any possible violation of law, rules, regulation of this Code.

Further they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.

## **Duties of directors**

Without limiting the details of the duties mentioned in the Companies Act, 2013, the Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading framed there under and other applicable laws, the duties of a director are as under:

In terms of Section 166 of the Companies Act, 2013, a director shall:

- a. act in accordance with the articles of the Company;
- b. act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- c. exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- d. not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- e. not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company;
- f. shall not assign his office and any assignment so made shall be void.

**In terms of para III (Duties) of Schedule IV of Companies Act, 2013, 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 company's code of conduct or ethics policy;
- 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, technology, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

### **Compliance of the related party transactions**

All the Directors shall submit their declaration of Interest in the Form MBP-1 to the Board in the first meeting of the Board held in the financial year and ensure that their declaration has been taken on record by the Board. Further that they will not participate and vote at the Board or the members meeting if they are interested and shall comply with the requirement for the Related Party Transactions as given under the Regulation 23 of the SEBI Listing Regulations as well as provisions of the section 184 and 188 of the Companies Act, 2013 and the rules made thereunder from time to time.

### **Compliance of the SEBI (Prohibition of Insider Trading) Regulations, 2015**

The Directors and Senior Management shall strictly comply with the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and shall not disclose any price sensitive information, which may come to their knowledge by virtue of their position in the Company and shall not deal in the shares of the Company during the window closing period and without submission of the trading plan/pre-clearance from the Compliance Officer of the Company.

### **Declaration for compliance with the code**

The Members of Board and Senior Management Personnel shall confirm that they have received, read and understood the provisions of this Code as per format prescribed in **Annexure 1**.

The members of the Board and Senior Management shall affirm the compliance with the Code on annual basis and shall sign a confirmation to that effect as per **Annexure 2**.

The annual report of the Company shall carry a declaration signed by the CEO/Managing Director of the Company stating that the members of Board and Senior Management have affirmed compliance with the Code.

Violations of law, or this code or company's rules & regulations or procedures should be reported immediately to the Managing Director/CEO/Compliance Officer of the company in writing. Violations of law, or this code or company's rules & regulations or procedures can lead to disciplinary action up to and including vacation of office.

### **Review / Amendment**

The Board of Directors may review and amend this Code, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.



**ACKNOWLEDGEMENT FORM**

I,..... , have received and read the Code of Conduct for Board of Directors and Senior Management Personnel of Droom Technology Limited (“the Code”). I have understood the provisions of the Code and agree to comply with the same.

Signature: .....

Name: .....

Designation: .....

Address: .....

.....

.....

Date:

Place:

## ANNUAL COMPLIANCE REPORT

I, ....., do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the Code of Conduct for Board of Directors and Senior Management Personnel of Droom Technology Limited (“the Code”) during the financial year ended March 31, .....

Signature: .....

Name: .....

Designation: .....

Address: .....

.....

Date:

Place: