



B. S. SPONGE LIMITED
Whistle Blower Policy/Vigil Mechanism

1. INTRODUCTION

B. S. Sponge Limited (“**Company**”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects those wishing to raise a concern about serious irregularities within the Company.

The policy shall be applicable to the Company with effect from the listing of the equity shares of the Company on one or more recognized stock exchanges. It provides guidance and a procedural framework to directors, employees, subsidiaries, shareholders, customers, vendors, other stakeholders and/or third-party intermediaries wishing to raise concern about irregularities and/or frauds and any other wrongful conduct within the Company without fear of reprisal, discrimination or adverse employment consequences. The Policy is formulated to provide a secure environment and to encourage the individual/s to report unethical, unlawful or improper practices, acts or activities taking place in the Company and to prohibit the managerial personnel from taking any adverse action against those individual/s who report such practices in good faith. The term ‘he’, ‘his’ or ‘him’ used herein in the policy shall deem to include/mean ‘her’, ‘she’ or ‘herself’ as and when applicable to female persons.

This policy is also intended to enable the Company to address such disclosures or complaints by taking appropriate action, including, but not limited to disciplinary action that could include terminating the employment and/or services of those responsible and also includes filing of legal case. The Company will not tolerate any retaliation against any employee, customer vendor and/or third-party intermediary for reporting in good faith, any enquiry or concern.

2. APPLICABILITY

The scope of the policy covers all directors, permanent employees, customers and vendors of the Company and its subsidiaries. Under this Whistle Blower Policy, any Director on the Board and employees of Company can make bona-fide communication of any improper activity in relation to the matters concerning the Company, under this Policy.

The audit committee shall oversee the implementation of this policy.

3. OBJECTIVES

In terms of Section 177(9) and Section 177(10) of the Companies Act, 2013, as amended (“**Act**”) read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014, as amended and Regulations 4(2)(d)(iv) and Regulation 22 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations**”) and Regulation 9A(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, each as amended (“**PIT Regulations**”) the Company has established this vigil mechanism and whistle-blower policy’ (“**Whistle Blower Policy**” or “**Policy**”) for its directors and employees and other stakeholders to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct, which in turn are to be monitored by the audit committee.

This Policy has been approved by the board of directors (“**Board/Board of Directors**”) of the Company at its meeting held on September 26, 2026 being the effective date of this amended Policy.

4. DEFINITIONS

“**Chairman**” shall mean Chairman of the Company.

“**Director**” means a director on the Board of the Company.

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“**Audit Committee**” means committee constituted/re-constituted by the Board of the Company, from time to time, under the provisions of the Listing Regulations and the Act;

“**Disciplinary Action**” means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

“**Employee**” means every employee of the Company (whether working in India or abroad). It includes individuals on full-time or part-time employment with the Company, with permanent, probationary, trainee, retainer, temporary or contractual appointment and those of deputation to other group companies/subsidiaries/joint ventures, associates) and Directors of the Company and its subsidiaries, joint ventures and associates.

“**Insider Trading Code**” shall mean the code of conduct to regulate, monitor and report trading by insider of the Company formulated in terms of Regulation 9 of the PIT Regulations.

“**Protected Disclosure(s)**” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity or conduct, actual or suspected fraud, financial irregularities, violation of applicable laws and the Company’s internal policies and bye-laws, breach of regulatory requirements or any improper practices affecting the Company.

“**Subject**” means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“**Whistle Blower(s)**” means Directors, Employees, subsidiaries, shareholders, customers, vendors, other stakeholders and/or third party intermediaries of the Company who make a Protected Disclosure under this Policy.

“**Whistle Officer**” or “**Committee**” means an officer or committee of persons who is nominated/appointed to conduct detailed investigation.

“**Ombudsman**” will be a member of the Audit Committee for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

Any other term not defined herein shall have the same meaning as ascribed to it under the Act, Listing Regulations or any other relevant regulation/legislation applicable to the Company.

5. SCOPE

The Policy covers malpractices and events which have taken place/ are suspected to take place involving, without limitation, the following:

- i. Abuse of authority
- ii. Breach of contract
- iii. Negligence causing substantial and specific danger to public health and safety
- iv. Manipulation of company data/records
- v. Financial irregularities, including fraud, or suspected fraud
- vi. Criminal offence
- vii. Pilferation of confidential/proprietary information
- viii. Deliberate violation of law/regulation

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- ix. Wastage/misappropriation of company funds/assets
- x. Breach of Employee code of conduct/ethics policy or rules
- xi. Any other unethical, biased, favoured, imprudent event which may affect the interests or reputation of the Company
- xii. Financial irregularities including fraud, or suspected fraud, fraud (embezzlement of Company's funds or the misappropriation of the Company's assets in the form of money, property, data or intellectual property);
- xiii. Failure to comply with or breach of, legal or regulatory requirements;
- xiv. Any leakage or suspected leakage of unpublished price sensitive information ("UPSI")

The above list is only illustrative and should not be considered exhaustive.

Further, a Whistle Blower can complain about certain other issues under this Policy which include forgery, falsification or alteration of documents, improper use of authority for personal gains, theft of cash, giving and/or accepting bribes, expensive gifts, directly or indirectly from business connections including clients, patients, vendors/suppliers and contractors in contravention of the code of conduct policy, the attempt to conceal any of the aforementioned acts or activities and any other unethical, biased, favored or imprudent action. Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

6. ROLE, RIGHTS AND RESPONSIBILITIES OF WHISTLE BLOWER

- i. The Whistle Blower shall provide initial information based on a reasonable belief that an alleged wrongful conduct/act has occurred. The motivation of the Whistle Blower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report is considered an improper activity, for which the management of the Company, on recommendation of the Audit Committee of the Company, has the right to take appropriate action.
- ii. The Whistle Blower shall refrain from obtaining evidence for which he does not have a right of access and any such access may be considered an improper activity.
- iii. The Whistle Blower has a responsibility to be candid with the investigators who may be appointed by the Audit Committee to whom the Protected Disclosure is being reported and the said report shall set forth all known information regarding any reported allegations.
- iv. The Whistle Blower will be a 'reporting party' and not an investigator. The Whistle Blower is not to act on his own in conducting any investigative activities, nor will have the right to participate in any investigative activities other than the activity that may be allowed by the investigating authority.
- v. The identity of the Whistle Blower will not be disclosed except where required under the applicable law or for the purpose of the investigation. Should, however, the Whistle Blower self-disclose his identity to other person/s, there will no longer be an obligation not to disclose the Whistle Blower's identity.
- vi. The Whistle Blower's right to protection from retaliation will not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation or any other misconduct or wrong doing.
- vii. This Policy may not be used as a defense by an Employee against whom an adverse personnel action has been taken for legitimate reasons or cause under the Company's code of conduct rules or any other policies. It shall not be a violation of this Policy to take adverse personnel action against an

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- viii. Employee, whose conduct or performance warrants that action, separate and apart from that Employee making a Protected Disclosure.
- ix. This Policy encourages the Whistle Blowers to put their name to any Protected Disclosure they make. Protected Disclosures expressed anonymously are much less credible, but they may be considered at the discretion of the Board of Directors of the Company. In exercising this discretion, the factors to be taken into account will include: the seriousness of the issues raised; the credibility of the concern; and the likelihood of confirming the allegation from attributable sources. The anonymous Whistle Blower must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoing or broad allegations may not be undertaken without verifiable evidence. As investigators are unable to interview anonymous Whistle Blowers, it may be difficult to evaluate the credibility of the allegations.

7. POLICY

Employees can make Protected Disclosure by writing in a sealed cover addressed to the Ombudsman being the chairman of the Audit Committee, or through an email at compliance@bsstm.com as soon as possible but not later than 30 consecutive days after becoming aware of the same. However, subject to the seriousness of the issue raised, the Ombudsman can initiate an investigation subject to the complainant giving satisfactory reasons for the delay.

The Audit Committee shall meet and discuss every reportable matter or alleged misconduct within 7 (seven) days of receipt of said complaint and shall make an assessment or decide on enquiries or investigations to be made at the preliminary stage for validating and assessing the alleged misconduct / reportable matter. Where initial inquiries indicate that further investigation is necessary, it shall constitute an investigation team to do the same, the investigation will be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. All discussions of the investigation will be recorded.

If initial enquiries by the Ombudsman indicate that the concern has no basis, or it is not a matter to be investigated under this Policy, it may be dismissed at this stage and the decision is documented.

Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsman alone, or by a Whistle Officer/Audit Committee nominated by the Ombudsman for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.

The Audit Committee will inform the alleged wrong-doer against whom the Protected Disclosure is made as soon as practically possible in accordance with the Company's policy and procedure. The alleged wrong-doer will be required to co-operate with the investigation carried out and failure to comply with the same or deliberately providing false information during the investigation can be the basis for disciplinary action including termination of employment. All matters reported to Audit Committee will be assessed on merit.

The Audit Committee may obtain inputs from other relevant sources and review the evidence wherever necessary. While doing so Audit Committee shall maintain the secrecy on the Whistle Blower and immediate witness, if any, and will also ensure that there will be no retaliation on him/her.

The investigation shall be completed normally within 45 days of the receipt of the protected disclosure by investigator(s) or such extended period as the competent authority may permit for reasons to be recorded.

Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Audit Committee unless required for the purpose of investigation.

The Ombudsman/Whistle Officer shall:

- i. Make a detailed written record of the Protected Disclosure. The record will include:
- a) Facts of the matter

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(formerly known as B.S. Sponge Private Limited)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether any Protected Disclosure was raised previously against the same Subject.
 - d) The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
 - e) Findings of Ombudsman /Whistle Officer/Audit Committee;
 - f) The recommendations of the Ombudsman / Whistle Officer/Audit Committee on disciplinary/other action(s).
- ii. The Whistle Officer/Audit Committee shall finalise and submit the report to the Ombudsman within 15 days of being nominated/appointed, unless more time is required under exceptional circumstances.
- iii. If the Whistle Officer or any member of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Committee would deal with the matter on hand.

On submission of report, the Whistle Officer /Audit Committee shall discuss the matter with Ombudsman who shall either:

- a) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer /Committee and take such disciplinary action as he may think fit and take preventive measures to avoid re-occurrence of the matter;
 - b) In case the Protected Disclosure is not proved then the matter shall be dismissed;
- Or
- c) Depending upon the seriousness of the matter, the Ombudsman may refer the matter to the Audit Committee for necessary action with a proposal. In case the Audit Committee thinks that the matter is serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.

Such action may include, but is not limited to, depending on the nature and seriousness of the misconduct:

- Issuance of warning or reprimand;
- Suspension, demotion or termination of employment;
- Recovery of financial loss suffered by the Company;
- Modification of internal controls or processes;
- Reporting of the matter to regulatory or law enforcement authorities, where required; and
- Any other action considered appropriate in the interest of the Company.

The decision of the Audit Committee shall be final and binding, subject to applicable laws.

- iv. In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairman and/or the chairman of the Audit Committee.

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Guiding principles:

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- i. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so.
- ii. Treat victimization as a serious matter including initiating disciplinary action against such person(s).
- iii. Ensure complete confidentiality.
- iv. Not attempt to conceal evidence of the Protected Disclosure.
- v. Take disciplinary action, if any person destroys or conceals evidence of the Protected Disclosure made/to be made.
- vi. Provide an opportunity of being heard to the persons involved especially to the Subject.

Protection of Whistle Blower(s):

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc. Before making a Protected Disclosure, the Whistle Blower should satisfy himself that he has reasonable grounds to suspect a Protected Disclosure. 'Reasonable grounds to suspect' is based on objective reasonableness of the reasons for the suspicion. In practice, a mere allegation with no supporting information is unlikely to reach that standard. However, a Whistle Blower does not need to prove their allegations. In addition, the Protected Disclosure can still qualify for protection even if the Protected Disclosure turns out to be incorrect.

The identity of the Whistle Blower shall be kept confidential.

Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

If a Whistle Blower raises concern under this Policy, he/she will not be at any risk of suffering any form of retaliation. The Company is committed to protecting the Whistle Blower from any form of retaliation or adverse action due to Protected Disclosure by them.

The protection is given, provided that:

- i. The Protected Disclosure is made in good faith; and
- ii. Whistle Blower believes that information and allegations contained in it are substantially true.

Disqualification:

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

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Protection under this Policy would not mean protection from disciplinary action arising out of false allegations made by a Whistle Blower knowing it to be false or with a mala fide intention.

Whistle Blowers, who make any Protected Disclosure, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to disciplinary action.

In case of repeated frivolous complaints being filed by a Director or an Employee, the Audit Committee or the Director nominated to play the role of Audit Committee may take suitable action against the concerned Director or Employee including reprimand.

8. RESPONSIBILITY OF THE AUDIT COMMITTEE

- i. The Audit Committee shall be responsible for acting on the incident in an unbiased manner.
- ii. The Audit Committee shall take necessary actions to maintain confidentiality within the organization on issues reported.
- iii. The Audit Committee shall identify an impartial team of investigators for conducting investigation. The Audit Committee can also appoint any outside agency to seek assistance, if needed.
- iv. The Audit Committee shall, subject to the prior concurrence of the chairman of the Audit Committee, be responsible for recommending disciplinary action against the Subject if investigation found to be true as raised by Whistle Blower.

9. CRIMINAL ACTIVITY

If there is evidence of criminal activity, the Company may inform the police and ensure that any internal investigation does not hinder a formal police investigation.

10. CONFIDENTIALITY

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

- i. Maintain complete confidentiality/ secrecy of the matter.
- ii. Not discuss the matter in any informal/social gatherings/ meetings.
- iii. Discuss only to the extent or with the persons required for the purpose of completing the process and investigation.
- iv. Not keep the papers unattended anywhere at any time.
- v. Keep the electronic mails/files under password.

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

11. RECORD KEEPING

- i. The Board of Directors or any other person as authorized by the Board in this regard of the Company will keep confidential records of all documents relating to the Protected Disclosure.
- ii. All Protected Disclosure in writing or otherwise, the documents pertaining to the Protected Disclosure made by a Whistle Blower, along with the results of the investigation relating thereto, evidences submitted and proceedings carried thereon, shall be retained by the Company for the minimum period of retention as per the Company's retention policy or such other period as may be specified by any other law in force, whichever is more.

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12. REPORTING

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

13. DISCLOSURE

This Policy shall be disclosed under a separate section on the website of the Company. Corporate governance report of the company shall disclose about such Policy & affirm that no personnel have been denied access to the Audit Committee.

14. POLICY REVIEW

The Policy shall be reviewed by the Board of Directors of the Company annually or subsequent to any change in the applicable law or regulations governing the subject matter of this Policy. This Policy may be amended with the approval of the Audit Committee or the Board of Directors without any prior notice. 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 Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For any clarification/ assistance in relation to this Policy, please approach the compliance officer of the Company at E-mail ID **cs@bsstmx.com**

SD/-

Ashish Agarwal

Managing Director

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