



Spray Engineering Devices Limited

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Date of Approval: 26.08.2024

Issuing Authority: Board of Directors

Effective Date: 26.08.2024

Policy Owner: Company Secretary & Chief Compliance Officer

1. Introduction

- a. Spray Engineering Devices Limited (the "**Company**") is committed towards conducting its business in accordance with the applicable laws, rules and regulations and upholds the highest standards of business ethics, honesty, integrity and ethical conduct.
- b. This Policy has been put in place in accordance with the provisions of the Companies Act, 2013 ("**Act**") and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") which require specified companies to put in place an appropriate vigil mechanism.
- c. The objective of this Policy is to establish a vigil mechanism for directors and employees to report their genuine concerns and grievances. The vigil mechanism is required to provide adequate safeguards against victimization of employees and directors who avail the vigil mechanism and to provide direct access to the Chairperson of Audit Committee in appropriate cases.

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

- a. "**Act**" means Companies Act, 2013 and the rules made thereunder, and as amended.
- b. "**Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
- c. "**Company**" means Spray Engineering Devices Limited.

- d. **"Audit Committee"** means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with the Act and Listing Regulations.
- e. **"Protected Disclosure"** means any communication made in good faith by a stakeholder, to the Chairperson of the Audit Committee, that discloses or demonstrates information that may evidence unethical or improper activity by an Accused.
- f. **"Good Faith"** means a Whistle Blower may communicate in "good faith" if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the Whistleblower does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- g. **"Employee"** means every employee of the Company (whether working in India or abroad) and the directors in the employment of the Company.
- h. **"Accused"** means a person against or in relation to whom a protected disclosure has been made or evidence gathered during investigation.
- i. **"Director"** means every Director of the Company, past or present.
- j. **"Investigators"** mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee in connection with conducting investigation into a protected disclosure.
- k. **"Stakeholder"** means all employees and directors of the Company who are eligible to raise concerns or make a protected disclosure under this Policy.
- l. **"Whistle-blower"** means any stakeholder who raises a concern or makes a protected disclosure under this policy.

3. Eligibility

- a. All Stakeholders of the Company are eligible to make Protected Disclosures under this Policy.
- b. The Protected Disclosures may be in relation to matters concerning the

Company. It may include any financial, accounting or integrity related violations and complaints pertaining to the CEO, Directors or any Key Managerial Personnel of the Company and leakage of Unpublished Price Sensitive Information (UPSI).

- c. In addition to making Protected Disclosures under this Policy, employees can report concerns under the Code of Business Conduct and Ethics on various issues including sexual harassment, discrimination, conflict of interest, corruption etc.

4. Role of a Whistle-blower

- a. The Whistle-blower's role is that of a reporting party possessing reliable information.
- b. They are not required or expected to act as investigators or finders of acts, nor would they determine the appropriate corrective or remedial action that may be warranted in the given case.
- c. Whistle-blowers should not act on their own in conducting any investigation, nor do they have a right to participate in any investigation activities.
- d. The Whistle-blower is advised to refrain from making any allegations which are either false and/ or are based on rumors.

5. Procedure for Reporting Complaints

- a. All Protected Disclosures should be addressed to the Chairperson of the Audit Committee of the Company for further investigation.

Protected Disclosures can be made at the designated email address:

rinkal.goyal@sprayengineering.com

The details of Chairman of the Audit Committee of the Company are as under:

Ms. Arshdeep Kaur Judge

Chairman – Audit Committee

- b. Protected Disclosures should preferably be reported in writing directly to the Chairperson of the Audit Committee giving clear and complete details along with the supporting documents, if any.

- c. Protected Disclosure can also be made, at the option of the Whistle-blower, to their line manager or respective business HR head. The respective line manager or HR head shall promptly forward such Protected Disclosure to the Chairperson of the Audit Committee for further action.
- d. Protected Disclosures should be factual and not speculative or a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- e. The Whistle-blowers must disclose their identity while making Protected Disclosures. Any concerns/disclosures made anonymously shall not be investigated.

6. Investigation

- a. All Protected Disclosures reported under this Policy will, at the option of the Chairperson, be investigated by himself or through investigators.
- b. Investigations will be initiated only after a preliminary review, which establishes that:
 - i. The alleged act constitutes an improper or unethical activity or conduct, and
 - ii. Either the allegation is supported by information specific enough to be investigated or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.
- c. The Audit Committee shall ensure that the investigation is conducted in a fair and efficient manner and completed within six months from the receipt of the complaint. This period may get extended if the investigators, in their reasonable opinion conclude that they require extra time to complete the investigation.
- d. Technical and other resources may be drawn upon as necessary to augment the investigation. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- e. The Audit Committee shall take all steps to keep the identity of the accused confidential. The accused shall have duty to co-operate during investigation to

the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

- f. The accused have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the accused. Unless there are compelling reasons not to do so, the accused will be given the opportunity to respond to material findings contained in an investigation report.

7. Decision

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the subject(s) as a result of the findings of an investigation pursuant to this Policy, shall adhere to the applicable disciplinary procedures.

8. Secrecy/Confidentiality

The Whistle Blower, Compliance Officer, members of Audit Committee, the subject(s) and everybody involved in the process shall: -

- Maintain confidentiality of all matters under this Policy.
- Discuss only to the extent or with those persons as required under this policy for completing the process of investigations on need-to-know basis.
- Not keep the papers unattended anywhere at any time.
- Keep the electronic mails / files under password.

9. Protection of Whistle-blowers

- a. There is zero tolerance to retaliation or unfair treatment against the Whistle-blower and all others who report any concern under this Policy. Appropriate steps will be taken to ensure that retaliation is not done against the Whistle-blower or any other person assisting in an investigation under the Policy. Individuals engaging in retaliatory conduct will be subject to disciplinary action by the management.
- b. 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.

- c. The identity of the Whistle-blower shall be kept confidential to the extent possible and permitted under law. Whistle-blowers are cautioned that their identity may become known for reasons outside the control of the Investigators (e.g. during investigations carried out by Investigators).
- d. Appropriate disciplinary action shall be taken against a Whistle-blower if false or bogus allegations are made by them with mala fide intention.
- e. A Whistle Blower may report any violations of the clause 8 to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

10. Reporting and Disclosure

- a. The details of the Vigil/Whistle Blower Mechanism shall be disclosed by the Company on its website and also in the Boards' Report as required under the Act and Listing Regulations, as amended from time to time.
- b. The details of the establishment of the vigil mechanism under the Policy and an affirmation that no personnel is denied access to the Audit Committee will be stated in the section on Corporate Governance of the Annual Report of the Company.

11. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company.

12. Amendment

Any amendment in this Policy may be carried out with the approval of the Board of Directors of the Company.

In case any amendment(s), clarification(s), circular(s) and guideline(s) issued by Securities and Exchange Board of India/Stock Exchanges, that is not consistent with the requirements specified under this Policy, then the provisions of such amendment(s), clarification(s), circular(s) and the guideline(s) shall prevail upon the requirements hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendment(s), clarification(s), circular(s) and guideline(s). Such amendments shall be brought to the attention of the Board of Directors.