

POLICY ON ANTI BRIBERY & ANTI CORRUPTION

Preamble

- At Sai Silks (Kalamandir) Limited, we uphold the principles of fair-trade practices and transparency. We firmly reject any business opportunity that results from any actions done out of fear, favor and/or commercial considerations in cash or kind.
- We take a zero-tolerance stand on corruption and bribery. To this end, we have implemented a policy towards ethical and honest actions. Our policy is designed to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations and to ensure that the Organization's business is conducted in a socially responsible manner.
- Prevention: The primary purpose of this policy is to act as a promoting ethical business practice and a deterrent for employees or value chain partners who intend to resort to unethical practices like Bribery, intimidation, and commercial considerations in cash or kind.
- Promotion of Awareness: The policy seeks to raise awareness among employees about what constitutes a breach of trust, soliciting and endorsing favors.

Corporate Standards

The Board of Directors and Senior Managerial Personnel of SSKL should form the ethical standard of uncompromising attitude to all forms and demonstration of corruption at all levels, setting the example by their own behavior.

SSKL openly expresses its zero tolerance to corruption and welcomes and encourages compliance with the principles and requirements of the Policy by all grantees and sub-grantees, contractors, employees, associated parties/companies and other persons.

In this policy, third party means any individual or organization as associate comes into contact with SSKL and includes any potential clients, customers, distributors, business contacts, government, and public bodies, including their respective representatives.

I. Definitions

This policy covers:

- A. Bribes.
- B. Gifts and hospitality.

- C. Facilitation payments.
- D. Political contributions.
- E. Charitable contributions.
- F. Red Flag Instances (Annexure 1)

Bribes

Employees must not engage (give or take) in bribery, either directly or through any third party (such as an agent or distributor/vendor).

Bribery here would mean dishonestly persuading (someone) to act in one's favor by a gift of money or another inducement.

Bribe includes "anything of value" such as gift cards, home repairs, tickets to a theater or sporting event, guest passes to a private club, a no-bid contract, free car service rides, and more.

Gifts and hospitality

Employees must not offer or give any gift or hospitality:

- which could be regarded as illegal or improper, or which violates SSKL's or the recipient's policies/ethics; or
- to any public employee, government officials' representatives, politicians or political parties.
- Employees may not accept any gift or hospitality from our business partners (vendors /suppliers) if:
 - it exceeds INR 500/- in value for each individual gift it is in cash; or
 - There is any suggestion that a return favor will be expected or implied.

If it is not appropriate to decline the offer of a gift, the gift may be accepted, provided it is then declared by the employee to his manager. If an employee fails to declare this, then it shall be deemed a violation of policy, and the matter shall be reported to the anti-corruption committee.

Facilitation payments and kickbacks

- a) SSKL representatives may not make any facilitation payments - these are a form of bribery made to expedite or facilitate the performance of a public official or a private official, and not to obtain or retain business or any improper business advantage
- b) Our strict policy is that facilitation payments must not be paid.

Political Contributions: We do not make donations, whether in cash or kind, to support any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

Charitable contributions

Charitable support and donations are acceptable (and indeed are encouraged), whether in kind services, knowledge, time or direct financial contributions.

However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery.

We only make charitable donations that are legal and ethical under local laws and practices.

Exceptions:

We appreciate that the practice of giving business gifts varies between countries and regions, and what may be expected and acceptable in one area may not be in another.

The test to be applied is whether the gift or hospitality is reasonable and justifiable in all circumstances. The intention behind the gift should always be considered.

As far as possible, it is strongly recommended that receipts of gifts be reported to your superior / admin department and formally recorded in the organization's records.

II. RESTRICTED PRACTICES

An illustrative List of acts /practices that are restricted / prohibited under the policy framework is given below:

1. Dishonest misappropriation of property/money as defined under Indian Penal Code (IPC)
2. Criminal breach of trust as defined under IPC
3. Cheating as defined under IPC
4. Receiving or giving a bribe
5. Acceptance /giving of Gifts over and above the extent and the manner as allowed hereunder
 - a) Gifts and representative expenses, including the hospitality business expenses which the employee may provide on behalf of the Organization to the individuals or organizations or which the employees may receive in connection with their work in the Organization from other persons and organizations, must meet a set of five criteria mentioned below:
 - b) to be directly related to the legitimate activity of the Organization, for example, a presentation or completion of the business project(s), the successful execution of contracts, or conducting an official event (which may include delegate kits, publications, etc.), or on festivals such as the Christmas, Diwali, New Year,
 - c) International Women's Day, anniversaries, birthdays;
 - d) to be reasonable, proportionate, and not be a luxury;
 - e) to be not a hidden fee for the service, act, omission, conniving, protection, provision of rights, making of specific decision on transaction, agreement, license, permit, etc., or attempt to influence the recipient to indulge in any illegal or unethical activity;
 - f) not to create a reputational risk for the Organization, employees, and other persons in case of disclosure of information on gifts or representative expenses;
 - g) not to conflict with the principles and requirements of the Policy, the Code of Ethics, other internal documents of the Organization, and the rules of applicable law.
 - h) Gifts on behalf of the Organization, its employees, and representatives to third parties in the form of cash or non-cash in any currency are not allowed.
 - i) Charity to obtain commercial advantages.
 - j) Participation/Contribution in/to Political Activities.

Payment of any costs for government officers and their relatives (or in their interests) to obtain commercial advantages and

Any other unethical act or omission.

To use partners, agents, joint ventures, intermediaries, or other persons for any actions contrary to the principles and requirements of the Policy or the rules of the applicable anti-corruption laws.

III. INTERNAL CONTROLS & COMPLIANCE MONITORING

Compliance Measurement

1. Compliance with the Organization's policies is required. Compliance with this policy is verified through various methods, including but not limited to reports from internal and external audits, self-assessment.
2. the Organization's policy is to maintain accurate, reasonably detailed records that fairly reflect its transactions and disposition of assets. Therefore, the Organization's Personnel are prohibited from making any false or misleading statements in the Organization's books and records for any reason
3. Regular audits would include a review of the Organization's books and records maintained by the Finance Department about the entertainment, gift, and travel expenditures by Personnel on behalf of the organization. As necessary, the regular audits would encompass records about social payments and donations to charities.
4. Exceptions: Any exceptions to the Anti-Corruption and Bribery policy must be approved by the organization's Managing Director.
5. Non-Compliance: Deviations or non-compliance with this policy, including attempts to circumvent the stated policy/process by bypassing or knowingly manipulating the method, system, or data, may result in disciplinary actions, up to and including termination, as allowed by local laws.

IV. RAMIFICATIONS OF MISCONDUCT

How to make a complaint

A person wishing to make a complaint on any suspected case of bribery can consult and file a complaint with the Anti-Corruption Committee. The complaint should be made in writing and addressed to the Chairperson of the committee within five working days of any such incident.

The constitution of the Committee shall be

Chair of the "Anti-Corruption" Committee

Internal Officers- 2 Members from Middle Level Management

HR Department Head, SSKL

S.no.	Name	Designation
1	Mohan Durga Rao Chalavadi	Chairman
2	Balaji Bhardwaj Rachamdugu	Member
3	Kalyan Annam	Member
4	Chakaradhar Boorlagadda	Member

V. COMPLAINT ADDRESSING PROCESS:

a) Investigation

Once a complaint has been filed an investigation will be undertaken immediately. In instances where there is an alleged respondent, the respondent will be notified immediately. The complainant and the respondent will both be interviewed along with any individuals who may be able to provide relevant information.

b) Timelines

SSKL will investigate all complaints immediately and will work towards prompt resolution and such a dispute. The first round of investigation and conclusion shall arrive within 10 working days from the date of filing of the complaint.

c) Fairness

All complaints will be investigated in the same manner with the aim of promoting fairness and equality.

d) Confidentiality and the Right to Privacy

SSKL will preserve the confidentiality of all individuals involved in such a complaint. The preservation of confidentiality may be affected by the employer's duty to prevent such activities in/at SSKL and by the alleged respondent's right to know the nature of the complaint being made against them and who has made it so that they can respond.

If the investigation fails to find evidence to support the complaint, no documentation concerning the complaint will be placed on the file of the respondent. SSKL will retain all documentation for 12 months for informational purposes in the event that there is an internal appeal, or a complaint filed with an outside agency.

e) Outcomes and Remedies

SSKL will act swiftly to ensure that such practices are stopped as soon as possible and may remedy the situation in a number of ways. The main concerns of the employer will be to ensure that no such incident is repeated in future.

f) Appeal Process

Within 10 days from the result of the first round of investigation, either the complainant or the respondent may make a written request that an investigation be reviewed stating which aspect

of the investigation is inadequate. The request must be submitted to Mr. Mohana Durgarao Chalavadi, who will determine if the investigation is to be re-opened to address the concerns raised.

In case the appeal is taken up, then the investigation shall be completed within 15 working days by the same committee with the inclusion of an independent member. The result of the appeal shall be binding on the complainant for all purposes.

VI. CONCLUSION

Our Anti-Bribery and Anti-Corruption Policy underscores our unwavering commitment to conducting business with integrity, transparency, and accountability. By adhering to this policy, we ensure that all employees, partners, and stakeholders operate within a framework that upholds the highest ethical standards. We recognize that preventing bribery and corruption is not only a legal obligation but also a moral imperative that fosters trust, credibility, and long-term success. Together, we pledge to maintain a culture of honesty and fairness, reinforcing our dedication to ethical business practices and contributing to a corruption-free environment.

ANNEXURE – I

RED FLAG INSTANCES

If an individual encounters any of these red flags he/she reports them promptly as per the procedure-

1. Being aware that a third party engages in, or has been accused of engaging in, improper business practices.
2. Learning that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials.
3. A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us
4. A third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made
5. A third party request an unexpected additional fee or commission to facilitate a service
6. A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
7. A third party requests that you provide employment or some other advantage to a friend or relative
8. A third party requests that the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Organization
9. A third party insists on the use of side letters or refuses to put terms agreed in writing.