

Anti-Bribery Policy

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Siyaram's
PREMIUM SILK AND SARTINGS

Policy statement

It is Siyaram Silk Mills Ltd. policy to comply with all applicable anti-bribery laws, including the U.S. Foreign Corrupt Practices Act and all applicable local laws where Siyaram Silk Mills Ltd. operates, and to accurately reflect all transactions on Siyaram Silk Mills Ltd.'s books and records. It is also Siyaram Silk Mills Ltd.'s policy to require those agents, consultants and business partners who work on Siyaram Silk Mills Ltd.'s behalf before Government Officials to comply with these same laws and practices.

What it means

Siyaram Silk Mills Ltd. requires that:

- Its employees not engage in acts or omissions that offer, authorize or give a bribe to a Government Official, or create the impression that a bribe has been offered, authorized or given;
- Its employees take affirmative steps to prevent those doing business directly or indirectly before a Government Official on Siyaram Silk Mills Ltd.'s behalf from engaging in bribery;
- Its employees adhere to Siyaram Silk Mills Ltd.'s mandatory due diligence, internal approval, financial reporting, and document retention requirements in the six key areas listed below and as fully set out under the topic "Anti-Bribery" on Siyaram Silk Mills Ltd.'s Legal Center;
- Its employees scrutinize activities of certain acquisition targets and joint venture partners to identify and address potential bribery issues;
- Its employees promptly report to Siyaram Silk Mills Ltd. any suspected violations by Siyaram Silk Mills Ltd. employees or others doing business before a Government Official on Siyaram Silk Mills Ltd.'s behalf; and
- Its auditing function audit Siyaram Silk Mills Ltd.'s businesses as appropriate for potential bribery activities and risks.

Six Key Areas

In addition to those obligations set forth above, Siyaram Silk Mills Ltd. requires specific due diligence, internal legal and business approvals, financial reporting, and document retention requirements in six key areas:

1. Siyaram Silk Mills Ltd. sponsorship of any travel-related benefits for any Government Official
2. Gifts to, entertainment for, or charitable contributions on behalf of any Government Official
3. Use of consultants and sales agents who may interact with Government Officials on Siyaram Silk Mills Ltd.'s behalf
4. Facilitating or "grease" payments to any Government Official



The Policy

The Group prohibits:

the offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement

to or from

any person or company, wherever they are situated and whether they are a public official or body or private person or company

by

any individual employee, agent or other person or body acting on the Group's behalf

in order to

gain any commercial, contractual or regulatory advantage for the Group in a way which is unethical

or in order to

gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual

Further Clarification

The company recognises that market practice varies across the territories in which it does business and what is normal and acceptable in one place may not be in another. This policy prohibits any inducement which results in a personal gain or advantage to the recipient or any person or body associated with them, and which is intended to influence them to take action which may not be solely in the interests of the Group or of the person or body employing them or whom they represent.

This policy is not meant to prohibit the following practices providing they are customary in a particular market, are proportionate and are properly recorded:

- normal and appropriate hospitality
- the giving of a ceremonial gift on a festival or at another special time
- the use of any recognised fast-track process which is available to all on payment of a fee
- the offer of resources to assist the person or body to make the decision more efficiently provided that they are supplied for that purpose only.

Inevitably, decisions as to what is acceptable may not always be easy. If anyone is in doubt as to whether a potential act constitutes bribery, the matter should be referred to the local senior manager with responsibility for this policy before proceeding. If necessary, guidance should also be sought from either Group Compliance or Group Security at GHQ.

Employee Responsibility

The prevention, detection and reporting of bribery is the responsibility of all employees throughout the Group. Suitable channels of communication by which employees or others can report confidentially any suspicion of bribery will be maintained via the whistleblower's hotline.



Anti-Bribery Policy

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Statement by Chief Executive Officer

Siyaram Silk Mills Ltd. Board of Directors and I expect that all of our officers, associates and agents will always conduct SIYARAM SILK MILLS LTD. business in accordance with the highest standards of ethical behavior and honesty.

Siyaram Silk Mills Ltd. continued expansion of operations worldwide provides exciting new business opportunities, while at the same time presenting new challenges to maintaining our commitment to the highest ethical standards.

Among the most significant laws and regulations that govern Siyaram Silk Mills Ltd. operations are those that prohibit the payment or receipt of money, or things of value, in order to receive a commercial benefit or personal advantage. Every country in which we operate, and those we expect to enter in the future, has laws that make the corruption of its public officials a criminal offense. Such behavior, even without a specific law prohibiting it, is a clear violation of Siyaram Silk Mills Ltd. Code of Business Conduct & Ethics.

This Anti-Bribery Policy was developed at the direction of Siyaram Silk Mills Ltd. Board of Directors to provide clear guidance to you and to ensure a consistent approach to business practices throughout Siyaram Silk Mills Ltd. worldwide operations.

Strict adherence to this Anti-Bribery Policy is absolutely necessary for SIYARAM SILK MILLS LTD. to sustain our World Class Service culture. Violations of this Anti-Bribery Policy not only undermine Siyaram Silk Mills Ltd. core values and business purpose and potentially subject SIYARAM SILK MILLS LTD. to penalties, but for any individuals involved, could also mean severe criminal penalties, including jail, and will also result in corrective action, including possible termination of employment from SIYARAM SILK MILLS LTD.

Every company's officer, associate and agent is responsible for carefully reading and understanding the attached Anti-Bribery Policy and to strictly complying with every aspect of its requirements. Your immediate attention to the attached Policy is appreciated by Siyaram Silk Mills Ltd. Board of Directors, and by me personally.

Ramu Desai



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Chief Executive Officer

Statement of Policy

SIYARAM SILK MILLS LTD. maintains an Anti-Bribery Policy prohibiting any improper or unethical payment to government officials anywhere in the world by any SIYARAM SILK MILLS LTD. officer or associate (together, simply "SIYARAM SILK MILLS LTD. associates") or agent of SIYARAM SILK MILLS LTD. . This Anti-Bribery Policy is designed to comply with the requirements of the U.S. Foreign Corrupt Practices Act (the "FCPA"), as well as the anti-bribery laws of those other jurisdictions in which we do business. Siyaram Silk Mills Ltd. Policy states:

- *No SIYARAM SILK MILLS LTD. associate or agent has the authority to offer payments of money or anything else of value, whether directly or indirectly, to a government official to induce that official to affect any governmental act or decision in a manner that will assist SIYARAM SILK MILLS LTD. or any of its subsidiaries or divisions, or any of its associates or agents, to obtain or retain business.*
- *Every SIYARAM SILK MILLS LTD. associate and agent has the obligation to record accurately and fairly all of their transactions involving any expense of SIYARAM SILK MILLS LTD. or any other transaction involving the disposal or transfer of SIYARAM SILK MILLS LTD. assets.*

The Policy extends to Siyaram Silk Mills Ltd. operations anywhere in the world, including all subsidiaries, divisions, agents, consultants or other representatives, as well as to any joint venture or other business enterprise in which SIYARAM SILK MILLS LTD. is a participant.

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Penalties

Violations by any SIYARAM SILK MILLS LTD. associate of the FCPA or local anti-bribery laws will result in corrective action, including possible termination of such associate's employment with SIYARAM SILK MILLS LTD. . Violations by any SIYARAM SILK MILLS LTD. associate or agent can also result in severe penalties for both SIYARAM SILK MILLS LTD. and such individuals under the FCPA and under local anti-bribery laws.

For example, individuals can receive five years of imprisonment and a \$100,000 fine for each violation of the anti-bribery provisions of the FCPA, and 20 years imprisonment and a \$5 million fine for each violation of the record keeping provisions of the FCPA.

The FCPA specifically prohibits a company from reimbursing an officer, director, stockholder, employee, or agent for fines imposed for violations of the FCPA, so any fines for violations for which you are responsible will be paid from your personal assets. In addition, and in accordance with Siyaram Silk Mills Ltd. general legal compliance policy, SIYARAM SILK MILLS LTD. will cooperate fully with law enforcement authorities in the investigation and prosecution of alleged violations of anti-bribery laws.



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Prohibited Payments to Government Officials

No SIYARAM SILK MILLS LTD. associate or agent may promise, offer or pay money or give anything else of value to a governmental official in order to:

- influence any act or decision;
- cause the official to commit or omit any act in violation of his or her lawful duties; secure any improper advantage; or
- induce the official to use his or her influence to affect any act or decision of a government, in order to assist SIYARAM SILK MILLS LTD. (or such associate or agent) in obtaining, retaining or directing business.

In addition to direct payments of money, other examples of prohibited payments to a government official would include:

- excessive gifts, or travel and entertainment expenses for government officials;
- contributions to any political party, campaign or campaign official; and
- charitable contributions and sponsorships made at the direction, or for the benefit, of a government official.

The following persons are considered "government officials":

- officers and employees of any government, department, agency, bureau, authority, instrumentality or public international organization;
- persons acting in an official capacity on behalf of a government;
- employees of entities that are owned or controlled by a government; and candidates for political office.

Prohibited payments apply to payments to any government official, regardless of rank or position.

Permitted Expenses

SIYARAM SILK MILLS LTD. permits SIYARAM SILK MILLS LTD. logo items (such as SIYARAM SILK MILLS LTD. logo pen and pencil sets, shirts, hats and other similar items) to be given to government officials as modest gifts in the ordinary course of business, provided that such gifts conform to the laws of the country in which the gift has been made, and further provided that the associate making such gift immediately reports such gift in writing to their business unit CFO. SIYARAM SILK MILLS LTD. also permits reasonable expenditures for travel and entertainment expenses legitimately related to tours of Siyaram Silk Mills Ltd. facilities, training in the use of Siyaram Silk Mills Ltd. products and services, or otherwise related directly to Siyaram Silk Mills Ltd. promotion of its products and services, provided such expenditures are not extravagant and otherwise conform to the laws and customs of the country in which the expenditures are incurred. Before providing any such travel and entertainment



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expenditure directly or indirectly for a government official, you must first obtain written permission from your business unit CFO, who shall review the proposed expenditure with the Anti-Bribery Committee.

Accurate records will be kept of all such expenditures, and no expenditure may be made with the express or implied agreement that it is to be used for any purpose other than as described by the records reflecting the expenditure.

Third Parties' Compliance with SIYARAM SILK MILLS LTD. Policy

Siyaram Silk Mills Ltd. obligation of ethical and legal behavior includes and encompasses the activities of Siyaram Silk Mills Ltd. agents, representatives, consultants and business partners (including joint venture partners), as well as any potential acquisition targets. SIYARAM SILK MILLS LTD. will be held accountable for the actions of third parties doing business in any market on behalf of SIYARAM SILK MILLS LTD., so every associate and agent must remain vigilant to ensure such third party's compliance with this Anti-Bribery Policy.

In addition, no SIYARAM SILK MILLS LTD. associate or agent may make payments to any third party "while knowing" that a portion or all of such payments will be used for a prohibited payment to a government official. The term "knowing" includes situations in which the SIYARAM SILK MILLS LTD. associate or agent showed a "conscious disregard" or "willful blindness" to circumstances which make it likely that the violation could be occurring.

Before establishing a relationship with any third party to represent SIYARAM SILK MILLS LTD. in any marketplace, sufficient due diligence must be performed to determine that the third party's commitment to ethical business practices is consistent with Siyaram Silk Mills Ltd. high standards and this Policy. Any arrangement with such third party should include proper contractual provisions and monitoring procedures to ensure a compliance with anti-bribery laws and Siyaram Silk Mills Ltd. Anti-Bribery Policy.

Red Flags

The following situations, among many other situations, could expose SIYARAM SILK MILLS LTD. and the individuals involved to a risk of a violation, and need to be reported as set forth below:

- Requests or demands by a government official for a bribe.
- Requests or suggestions by a government official that SIYARAM SILK MILLS LTD. make a charitable donation to a particular charity.
- Requests by a government official for employment either on his or her own behalf or on behalf of another.



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- A government official with whom SIYARAM SILK MILLS LTD. is dealing has a reputation for receiving questionable payments.
 - A demand or strong suggestion by a government official that a particular local representative should be retained for any purpose.
 - A non-governmental person with whom SIYARAM SILK MILLS LTD. is dealing has a known family or other significant relationship with government officials.
 - A request for an unusual or excessive payment, such as a request for over-invoicing, unusual up-front payments, unusual commissions, a request for payments to be made to a third party (or to a third country), to a foreign bank account, in cash or otherwise untraceable funds.
 - A proposed agent or representative has little or no expertise or experience in the area (whether geographic, professional or otherwise) in which it will represent SIYARAM SILK MILLS LTD.
 - A proposed agent or representative refuses to provide written assurances that he or she will not make any improper payments.
 - A proposed agent or representative with whom SIYARAM SILK MILLS LTD. seeks to do business requests an unusually high commission.
 - A proposed agent or representative with whom SIYARAM SILK MILLS LTD. is conducting business fails to provide standard invoices.
 - A potential governmental customer requests an unusual credit or rebate with or from SIYARAM SILK MILLS LTD. in return for its business.
 - Unusual bonuses or other amounts paid to agents or representatives of SIYARAM SILK MILLS LTD.
- Siyaram Silk Mills Ltd. operations are in, or it is transacting business with a person in, a country with a high corruption index.

Reporting Violations

Any transaction, no matter how small or seemingly insignificant, that might give rise to a violation of this Policy must be reported promptly by calling the SIYARAM SILK MILLS LTD.

Your calls, detailed notes and/or emails will be dealt with confidentially and only by those recipients who have a need to know for the sole purpose of carrying out the necessary investigations and follow-up. As long as a report is made honestly and in good faith, you have the commitment of SIYARAM SILK MILLS LTD. and of the Audit Committee of SIYARAM SILK MILLS LTD.'s Board of Directors that you will be protected from retaliation and that your rights will be enforced.

A failure to report known or suspected wrongdoing in connection with Siyaram Silk Mills Ltd. business of which an SIYARAM SILK MILLS LTD. associate or agent has knowledge may, by itself, subject that individual or entity to disciplinary action, including prosecution under the anti-bribery laws of any jurisdiction..

Administration of Policy

The Policy will be administered by Siyaram Silk Mills Ltd. Anti-Bribery Committee. The Anti-Bribery Committee will report any violations of the Anti-Bribery Policy to the Audit Committee of Siyaram Silk Mills Ltd. Board of Directors. The Anti-Bribery Committee will be



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5. Activities with certain business partners who may interact with Government Officials directly or indirectly on Siyaram Silk Mills Ltd. 's behalf
 6. Political contributions to any Government Official, political party, candidate or political organization

Siyaram Silk Mills Ltd. employees can access these Mandatory Operational Standards and related tools on the Siyaram Silk Mills Ltd. Legal Center Intranet site, under the topic "Anti-Bribery".

What to avoid

- The direct or indirect provision of cash or anything of value to a Government Official to obtain an unfair business advantage or to obtain or retain business.
 - Authorizing or providing travel benefits, gifts, entertainment, or political contributions for the benefit of a Government Official without the required due diligence assessment and internal Siyaram Silk Mills Ltd. business and legal approvals.
 - Entering into a consultant or sales agent agreement that will result in contacts with Government Officials without conducting due diligence, obtaining the required internal business and legal approvals, retaining all due diligence for eight years, and accurately recording on Siyaram Silk Mills Ltd. 's book and records all related payments.
 - Making any "grease" or facilitating payments without obtaining the required Siyaram Silk Mills Ltd. internal business and legal approvals.
 - Making any incomplete, false or inaccurate entries on Siyaram Silk Mills Ltd. 's books and records.
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Anti-Bribery

Siyaram Silk Mills Ltd. Anti-Bribery Policy: covering the giving and acceptance of bribes

Introduction

Siyaram Silk Mills Ltd. values its reputation for ethical behaviour and for financial probity and reliability. It recognises that over and above the commission of any crime, any involvement in bribery will also reflect adversely on its image and reputation. Its aim therefore is to limit its exposure to bribery by:

- Setting out a clear anti-bribery policy;
- Training all employees so that they can recognise and avoid the use of bribery by themselves and others;
- Encouraging its employees to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
- Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution;
- Taking firm and vigorous action against any individual(s) involved in bribery.



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Further Information

Should you have any other questions about the Policy, please contact the SIYARAM SILK MILLS LTD.

