

Anti-Competition Policy

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1. Purpose

The objective of this policy is to prevent anti-competitive practices that may harm smaller businesses, consumers, or market dynamics. By ensuring fair competition, Saksoft aims to foster enterprise and efficiency, provide consumers with more choices, and improve the quality of services while reducing costs.

2. Scope

This policy applies to all Saksoft employees, contractors, partners, and third-party representatives across all locations and subsidiaries.

3. References

- Competition Act, 2002 (India)
- Global Antitrust Laws
- Fair Trade Principles

4. Definitions

- **Anti-Competition:** Practices or behaviours that reduce or eliminate competition in a market.
- **Horizontal Conduct:** Agreements between competitors to fix prices, rig bids, or divide markets.
- **Single Firm Conduct:** Actions by a dominant company to unfairly maintain or achieve a monopoly.

5. Roles and Responsibilities

Role	Responsibility
Employees	Avoid participating in anti-competitive practices and report any suspicious behaviour.
Managers	Ensure team compliance with the policy and address any violations promptly.
Legal Compliance and	Monitor adherence to competition laws and investigate alleged violations.

6. Policy Provisions

6.1 Definition of Anti-Competition

Anti-competition involves behaviours aimed at reducing competition in the market. Examples include:

- Fixing prices of services among competitors.
- Rigging bids to favour specific competitors.

- Dividing geographic markets to restrict business operations.
- Unlawful exclusivity arrangements fostering monopolies.
- Mergers or acquisitions that unlawfully reduce competition.

6.2 Horizontal Conduct

- Horizontal agreements between competitors that harm competition (e.g., price fixing or bid rigging) are strictly prohibited.
- Saksoft actively challenges unreasonable trade restraints and encourages independent decision-making.

6.3 Single Company Conduct

- Monopolization or attempts to dominate a market by excluding competitors or preventing new entrants are unlawful.
- Charging high prices or achieving dominance through legal and aggressive methods is permissible but must comply with regulatory standards.

6.4 Expectations from Employees and Partners

- Saksoft employees and partners must not engage in or support anti-competitive practices.
- Employees attending trade or industry forums must avoid discussing sensitive topics, such as pricing or market allocation.

6.5 Anti-Competition Programme Elements

- **Risk Assessment:** Consider anti-competition risks in new business opportunities.
- **Policy Formulation:** Ensure policies and procedures align with competition laws.
- **Investigations:** Promptly investigate allegations of anti-competitive behavior and take corrective action.
- **Communication and Training:** Promote fair competition through regular training and internal communication.

7. Monitoring and Evaluation

- The Legal and Compliance team will conduct periodic audits to assess adherence to competition laws.
- Investigations into any allegations will be conducted promptly and transparently.

8. KPIs for Monitoring Policy Implementation

KPI	Description	Target	Frequency	Responsible Team
Anti-Competition Training Completion Rate	Percentage of employees trained on anti-competition laws	100%	Annually	Legal and Compliance
Investigations Resolved within SLA	Percentage of anti-competition allegations resolved on time	95%	Quarterly	Legal and Compliance

9. Documentation and Record Keeping

- Records of training sessions, compliance audits, and investigations will be securely maintained by the Legal and Compliance team.

10. Distribution List

This policy will be distributed to:

- All Saksoft employees.
- Contractors and vendors associated with Saksoft.

Annexure 1: Guideline Source:

Extracts from Report of The Standing Committee on Finance on 'Anti-Competitive Practices by Big Tech Companies' tabled in December 2022.

The below Key observations and recommendations of the standing committee shall be taken note of and used as reference to avoid engaging in any activity that could be termed as Anti-competitive in nature. Saksoft shall uphold the below guidelines and values and expects its Business partners and Suppliers to engage in good practices that allows a level playing field for businesses to compete in a fair and transparent manner to provide high quality services , improve customer and user experiences and creates strong value propositions based on merit.

Regulating digital markets: Digital markets comprise of internet based (digital) companies with millions of interacting participants. The Committee noted that, unlike physical markets, digital markets have increasing returns to size (returns of business increasing with size of the firm) driven by learning and network effects (utility of users growing with number of users on the platform). As a result, such markets may be dominated with a few leading players emerging in a short period. This happens even before policies can be formulated and anti-competitive practices are adjudicated. The Committee recommended that competitive behaviour needs to be evaluated before markets end up monopolized instead of the ex-post evaluation done presently.

Digital Gatekeepers: The Committee recommended that India must identify the leading players in digital markets that can negatively influence competitive conduct. They should be categorized as Systemically Important Digital Intermediaries (SIDIs) based on their revenue, market capitalization, and the number of active businesses and end users. SIDIs should annually submit a report to the Competition Commission of India (CCI) detailing the measures taken to comply with various mandatory obligations.

Digital Competition Act: The Committee observed that India needs to enhance its competition law to address the needs of the digital market. Economic drivers of this market facilitate a few players in dominating the ecosystem. The Committee recommended that the government should introduce a Digital Competition Act to ensure a fair, transparent, and contestable digital ecosystem.

Self-preferencing: An entity may have the dual role of providing the platform and competing on the same platform. Self-preferencing is a practice wherein a platform favours its own services or the services of its subsidiaries. The Committee noted that a lack of platform neutrality can lead to a negative effect on downstream markets. It recommended that SIDs must not favour their own services over those of their competitors when mediating access.

Data Usage: The Committee noted that market leaders who have access to the personal data of users tend to get bigger while new entrants struggle to acquire users and user data. It recommended that SIDs should not process the personal data of end users who use services of third parties, if such parties use the core services of the SIDI. They should also not combine personal data from the relevant core service of the platform with personal data from any other core services of the platform. Personal data from the relevant core service of the SIDI should not be cross-utilized in other services provided separately by the platform. End users should not be signed into other services of the platform unless he has been presented with a specific choice to which he has consented.

Revamping CCI: The CCI regulates market competition in India. The Committee opined that CCI should be strengthened to address anti-competitive behaviour in digital markets. It suggested the creation of a specialized digital markets unit in CCI. This unit would: (i) monitor established and emerging SIDs, (ii) give recommendations to the central government on designating SIDs, and (iii) adjudicate on cases related to digital markets.

Third-party applications: The Committee noted that gatekeeper entities have been found to restrict the installation or operation of third-party applications. It observed that SIDIs should allow and technically enable the installation and use of third-party software applications. Such software applications or software application stores should be accessible by means other than the relevant core services of the platform. However, data should not be transferred to the government of a foreign adversary from SIDIs.

Bundling and tying: Many digital firms force consumers to buy related services. The Committee noted that this creates asymmetry in pricing and leads to the removal of competition from the market. It also enables leading players to leverage their market power in one core platform to another. It opined that SIDIs should not force businesses or end users to subscribe to any further services for being able to use their core platform service.

Anti-steering: Anti-steering provisions are clauses wherein a platform prevents its business users from steering its customers to offers other than those provided by the platform. The Committee recommended that SIDIs should not make access to their platform conditional on the purchase/use of other products or services that are not part of or intrinsic to the platform.