

HAVELLS INDIA LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) PHILOSOPHY

Social and environmental responsibility has always been at the forefront of Havells' operating philosophy and as a result the Company consistently contributes to socially responsible activities. Corporate Social Responsibility (CSR) at Havells portrays the deep symbiotic relationship that the group enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates. We are of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholders' lives.

Havells Corporate Social Responsibility Policy is rooted in the Company's core values of quality, reliability and trust guided by international standards and best practices, and driven by our aspiration for excellence in the overall performance of our business.

CSR VISION

1. Develop meaningful and effective strategies for engaging with all stakeholders;
2. Consult with local communities to identify effective and culturally appropriate development goals;
3. Partner with credible organizations like trusts, foundations etc. including non-government organizations;
4. Check and prevent pollution; recycle, manage and reduce waste, manage natural resources in a sustainable manner;
5. Ensure efficient use of energy and environment friendly technologies;

CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Keeping in line with section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act'), the Board of Directors of the Company shall form a Corporate Social Responsibility Committee (hereinafter referred to as the 'CSR Committee') headed by an independent director, to *inter alia*, carry out the following functions:

- (a) to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken as specified in prescribed Schedule;
- (b) to recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (c) to monitor the Corporate Social Responsibility Policy from time to time.

CSR PROJECTS, PROGRAMS AND ACTIVITIES

In accordance with the primary CSR philosophy of the group and the specified activities under the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and any amendment(s) thereof, the CSR activities of the Company will have the following thrust areas:

ENTRIES IN SCHEDULE VII TO THE COMPANIES ACT 2013	PROJECTS OR PROGRAMS UNDERTAKEN / TO BE UNDERTAKEN BY THE COMPANY	MODALITIES OF EXECUTION	IMPLEMENTATION SCHEDULE*
<p>(i) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water</p>	<p>✓ Mid-Day Meal (MDM) programme</p>	<p>✓ Efforts by QRG foundation in states where manufacturing units / plants of the QRG group are located.</p>	<p>An estimated spend of Rs. 500 lakhs to be made during FY 2014-15 and beyond.</p>
<p>(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects</p>	<p>✓ Supporting education of underprivileged children.</p> <p>✓ Sponsorship of education</p>	<p>✓ Aid, support and facilitate all activities in connection with and related to the school being run for the underprivileged by The Vivekananda Ashrama (a society registered under Haryana Registration and Regulation of Societies Act, 2012).</p> <p>✓ Through scholarships for deserving candidates being catered to under the MDM programme.</p>	<p>An estimated spend of Rs. 60 lakhs to be made during FY 2014-15 and beyond.</p> <p>An estimated spend of Rs. 20 lakhs to be made during FY 2014-15 and beyond.</p>

<p>(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups</p>	<p>✓ Supporting healthcare</p>	<p>✓ Through bearing the cost of medical treatments</p>	<p>An estimated spend of Rs. 300 lakhs to be made during FY 2014-15 and beyond.</p>
<p>(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water</p>			

<p>(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;</p>	<p>✓ Protection of buildings and sites of historical importance and works of art</p>	<p>✓ Illumination of historical monuments with eco-friendly lighting (LED)</p>	<p>An estimated spend of Rs. 50 lakhs to be made during FY 2014-15 and beyond.</p>
<p>(vi) measures for the benefit of armed forces veterans, war widows and their dependents;</p>			
<p>(vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports</p>			
<p>(viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up</p>			

<p>by the Central Government for socio-economic development and relief and welfare of the Scheduled castes, the Scheduled tribes, other backward classes, minorities and women;</p>			
<p>(ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government</p>			
<p>(x) Rural development projects</p>	<p>✓ Adoption of villages</p>	<p>✓ Through Rural electrification</p>	<p>An estimated spend of Rs. 20 lakhs to be made during FY 2014-15 and beyond.</p>

** Subject to review by the Internal Monitoring Group.*

SURPLUS OF CSR PROJECTS

The surplus, if any, arising out of the CSR projects or programmes or activities shall not form a part of the business profit of the Company and will be ploughed back into the CSR activities.

CAPACITY BUILDING

The Company may build CSR capacities of its own personnel by training its staff to think strategically about how and where the money is being spent, as well as how to effectively manage other organizations through which or in collaboration with which the Company undertakes/ may undertake CSR activities. CSR expenditure like salaries of personnel who are engaged in CSR activities, can be spent on capacity building for the CSR team in the Company who have been especially entrusted the assignment to execute CSR projects and expenses incurred on their training etc.

However amount spent on this cannot make up more than 5% of the overall CSR spend for the year and the organisation providing the capacity-building training where engaged, must have a track record of more than three years in implementing such training.

CSR THROUGH REGISTERED TRUST, SOCIETY, OTHERWISE

The Board of Directors of the Company may decide to undertake CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the Company or its holding or subsidiary or associate company under section 8 of the Act or otherwise. Provide that:

- (i) if such trust, society or company is not established by the Company or its holding or subsidiary or associate company, it shall have an established track record of 3 (three) years in undertaking similar programs or projects;
- (ii) the Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

MONITORING AND REVIEW MECHANISM

The administration of the CSR Policy and the execution of identified CSR projects, programs and activities under it shall be carried out under the overall superintendence and guidance of an internal monitoring group formed for this purpose.

The internal monitoring group shall comprise of

1. Shri Anil Rai Gupta - Joint Managing Director
2. Shri Surjit Gupta
3. Shri Ameet Gupta
4. Shri Rajesh Gupta - Director (Finance) and Group CFO
5. Shri Rajiv Goel
6. Shri Sunil Sikka

7. Shri Anil Bhasin
8. Shri Narendra Choudhary
9. Shri Vijay Narayanan
10. Shri Anil Sharma
11. Shri Sanjay Gupta as Ex-officio member

The internal monitoring group shall submit its report on a 6 (six) monthly basis to the CSR Committee formed under the Act which shall monitor the CSR Policy of the Company from time to time.

Further, any or all provisions of the CSR Policy would be subject to revision/ amendment by the Board of Directors of the Company based on the recommendations of the CSR Committee or else in accordance with the guidelines on the subject as may be issued, from time to time.
