



HAVELLS INDIA LIMITED

IDEA Policy

May, 2017

1. Introduction

In the present business scenario, innovation and growth are the main pillars on which the success of a business stands. Our Group has reached a significant size in terms of locations, business volumes, staff strength and infrastructure. Our growth plans will considerably increase its size in the near future. We are very sure that our employees have several good ideas which can benefit the Organization drastically, if implemented in the right manner.

Further, with the growth of the organization, it becomes the necessity of the day to have a system or mechanism in place for appropriate controls at different levels in the organization.

We do receive various good ideas and some grievances also from employees, however many more ideas / instances may be going unreported, as there is no formal scheme / process to address the same.

It is in this context that we are now announcing a scheme under which such ideas / cases can be reported and appropriate action can be taken. For a corporate organization, this is also a step towards better corporate governance and social accountability

2. Purpose

The purpose of “Scheme Idea” is to promote a culture of innovative thinking and creativity in the Group and to implement all good ideas after cost benefit analysis.

3. The Concept

Under scheme “Idea”, all types of ideas will be invited from all staff members (on payroll or outsourced) for implementation. The ideas may be related to technical aspects of business, non-technical aspects, commercial aspects, administrative aspects, processes, cost saving or any such other aspects which may benefit the Company.

4. Scope of the Scheme

The Scheme is applicable at all levels, departments, functions, employees (on company payroll or outsourced). The Scheme would apply to all companies in the group. The Scheme will be rolled out in two phases i.e. to all factories in phase- I and to all branches in phase – II.

5. The Process

The process would work as follows –

- I) Shri B S Galgat shall act as the Chief Idea Manager
- II) There would be one Idea Manager at each unit i.e. each factory and then each branches.
- III) All Idea managers of factories / branches would report to Chief Idea manager for this purpose.
- IV) The task of Chief Idea Manager will be to –
 - ✓ Receive all ideas and grievances.
 - ✓ Consolidate all good ideas and present to management,
 - ✓ Select ideas for implementation in consultation with concerned factory / branch Idea Manager, and management
 - ✓ Motivate other Idea Managers at factories / branches and help them in implementing good ideas
 - ✓ Send communications at corporate level related to the Scheme,
 - ✓ Update management on Scheme progress etc
- V) The task of Idea Managers at factories / branches would be to
 - ✓ Send regular communications to all staff and workers at factory to send ideas,
 - ✓ Help Chief Idea Manager in assessing all ideas received. This includes cost – benefit analysis of all ideas, get the selected ideas implemented,

6. Reporting of Ideas & Grievances

Ideas, thoughts, suggestions, conceptions, notions, beliefs etc., can be sent either through an e-mail/ envelope addressed to your Idea Manger at your respective Unit/ Branch Manager or can be e-mailed to Shri B S Galgat, Chief Idea Manager at Idea@havells.com or you can simply use the drop-box available at your location – be it unit, branch or head office.

7. Cost – Benefit Analysis of Ideas

- All ideas received at factory / branch level must be first analyzed for feasibility by the Chief Idea Manager.
- All feasible ideas will be discussed by the Chief Idea Manager with concerned process owners, factory head / branch head and Idea Manager at factory /branch for implementation.
- A cost benefit analysis should be done by concerned idea manager at factory / branch and the Chief Idea Manager for all feasible ideas.
- Ideas will be selected by Idea Manager for implementation in consultation with concerned factory / branch.

- Once an idea is selected for implementation, concerned idea manager at factory / branch would be responsible for its implementation in a timely manner. A fortnightly report on the same will be sent by all Idea Managers to the Chief Idea Manager.
- Wherever there is a material cost involved (say more than Rs 20,000/-) in implementing a particular idea, it must be approved by Directors.

8. Profile and selection of Idea Managers

An idea manager may be any employee (manager and above) whether from technical background or from commercial background. Factory head / branch head will suggest nomination for idea manager in their respective factory / branch. All Idea Manager's work will be part time; hence there would not be any new recruitment for this purpose.

9. Appreciation

- **Person sending the Idea** - Top five Ideas of the calendar year will receive certificate of appreciation from the Chairman and Managing Director. Management may suitably reward the person (who sent the idea) as a mark of appreciation, in case the idea benefits the Organization.
- **Best Idea Mangers** – the Chief Idea & Satark Manager in consultation with management would select one best Idea Manager from factory idea managers and one best Idea Manager from branch idea managers per year. These two Idea Managers would receive certificate of appreciation from the Chairman and Managing Director.
- **Grievance cases** - Management may suitably reward the person (who reported the fraud etc) as a mark of appreciation, in case the allegation is found to be correct.

However, all rewards mentioned above would completely depend on the decision of the management.

We are sure that the above measures will promote innovation and creativity and bring greater transparency in our Group's working and lead to better governance and work culture based on a mutually accepted Code of conduct. We are also sure that all our dedicative employees will make this Scheme a success and look forward to your participation in this effort with a sense of ownership for OUR Company.