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Havells India Limited constantly strives towards achieving sustained improvement in the quality of people's lives through innovative solutions in Fast Moving Electrical Goods (FMEG) space, while fulfilling its economic, environmental and social responsibilities.

In this pursuit of ours, on one hand, we are continuously working towards improving the efficiency, quality and standards of our products and services, while simultaneously focussing on internalisation of sustainable development agenda into our way of working by upgrading our manufacturing facilities, systems and process. We power this change through our state-of-the-art manufacturing facilities, incorporating concepts and elements of green buildings, and providing a safe and healthy working environment for our workforce.

Onsite ETP/STP, rainwater harvesting, use of biofuels

and installation of biogas generation unit, crèche facility, use of natural lighting in plant design and installation of solar tubes, plant specific CSR initiatives beside others are some of the initiatives taken by our plants, with the focus on minimising our environmental impact and maximising value for our various stakeholders. Sharing the details of our efforts in line with our beliefs, and following upon the trend of the previous two years of disclosure on our sustainability performance, we present to you our third Sustainability Report titled "Powering Efficient Manufacturing – Minimising Impact, Maximising Value".





Shri Qimat Rai Gupta

24.01.1937 to 07.11.2014

The measure of a man is not to be judged solely by the wealth he created, but also by the number of lives he meaningfully influenced.



On both these measures, Shri Qimat Rai Gupta stands tall.

A life that was self-fulfilled and contributed to the betterment of society is to be celebrated.

While he is physically not present amongst us today, what remains is the momentum that he gave to this enterprise, the inspiration with which he led his people and the benevolence with which he helped children and people in need.

His life is a testimony to the fact that with determination and hard work, a human being can achieve beyond imagination. He was a true karma yogi who believed in the tenets of the Bhagavad Gita and lived his life according to its principles.

A line from the Bhagavad Gita is aptly applicable to him and his way of life... Kaayena manasaa buddhya kevalairindriyairapi. Yoginaha karma kurvanti sangam tyakvaatmashuddhaya.
{A Karma-yogi performs action by body, mind, intellect, and senses, without attachment (or ego), only for self-purification.}

He brought complete focus to every task that he undertook.

His beginnings were humble, but his passion and vision transformed the very way that people looked at electrical goods in India and abroad. He bought over a small electrical goods company in 1971 and transformed it into one of the largest electrical goods companies in the world with several global brands.

Fondly known as QRG, he was a man full of passion, driven by determination and a child-like curiosity to learn and grow.

He was a keen admirer of talent and his uncanny ability to spot talent and groom people helped him mould his Company's management into a world-class enterprise.

He was known for his risk taking ability and his flair to nurture new businesses to a mature status.

At the same time, QRG believed that a business can only thrive in a healthy society and environment, and that serving people with meagre or no means is the duty of every well-to-do person. His contributions to the betterment of the less fortunate were not sporadic acts of charity, but a continual mission that formed as important a part of his life as did his various businesses.

Today his life, his achievements, his concerns and his vision are our cornerstones, inspiring us to make his dreams come true.

While the person that was QRG is no longer with us, his ideals continue to guide all of us at Havells.

May his soul rest in eternal peace.

Report Overview

Since our inception, our focus has always been on Quality and Eco-efficient Manufacturing, i.e., using lesser resources by focussing on reducing energy, wastage and material usage. This was the reason we started investing in manufacturing quality products much before the world started looking at India as a manufacturing destination.

Our journey of manufacturing excellence spans nearly four decades, since we set up our first manufacturing plant for Rewirable Switches and Changeover Switches back in 1976. We have come a long way since, with eleven manufacturing units in India and eight international units underlining our manufacturing strength across a range of products.

This is the story of our transformation - from a trader to a manufacturer, from a supplier to a producer.

This is our story of manufacturing excellence, with which we are now powering the world, efficiently and innovatively:

Each year, we manufacture 11,50,000 kilometres of domestic and industrial cables, which is almost 28 times the earth's circumference.

Our switches and switchgears are not just aesthetically pleasing, they match global standards.

Our fire survival cables continue to remain in operation at high temperatures like 650°C, 750°C and 950°C in different conditions.

We were the first Company to offer BEE 5-star energy efficient ceiling fans in the country. We introduced the first green CFL in India.

Our domestic appliances are a refreshing discovery in premium design, unmatched functionality and lifestyle experience.

It is the story of transformation of manufacturing - from a mere process to a symbol of self-reliance and a sign of world-class quality



Each year, we manufacture

11 lakh 50 thousand kilometres

of domestic and industrial cables, which is almost 28 times the earth's circumference.



This is the third Sustainability Report of Havells India Limited and is a transparent and voluntary disclosure of the Company's three pillars (economic, social, and environmental) performance for the FY 2014-15. Performance data and information relating to all our seven Indian manufacturing plant sites at Alwar, Baddi, Faridabad, Haridwar, Neemrana, Noida, Sahibabad, and our corporate office in Noida are included in the report. The environment performance data disclosed caters to the manufacturing plant sites only. The performance disclosure for marketing offices, retail outlets, distribution network, suppliers, joint-ventures, and international operations are not included in this year's reporting.

This report has been prepared using the Global Reporting Initiative's (GRI) version G3.1 Reporting Guidelines. The vision of GRI is to have a sustainable global economy where organisations manage their economic, environmental, social and governance performance and impacts responsibly, and report transparently. Following these guidelines, we have self-declared our Sustainability Report in compliance with the Application Level A+ of GRI G3.1 guidelines.

To ensure credibility, the report contains third party assurance providing expert opinion on the

transparency and the levels of disclosure to guarantee us meeting the internationally recognised standards of reporting. Thus, in order to make our reporting initiative robust and credible, we have sought services of Ernst & Young LLP, to provide limited assurance on the environment and social data in the report. The assurance is in accordance with the principles of the International Standards on Assurance Engagements ISAE 3000. The assurance approach, methodology, and observations are presented in the issued assurance letter, from Ernst & Young LLP, attached at the end of this report.

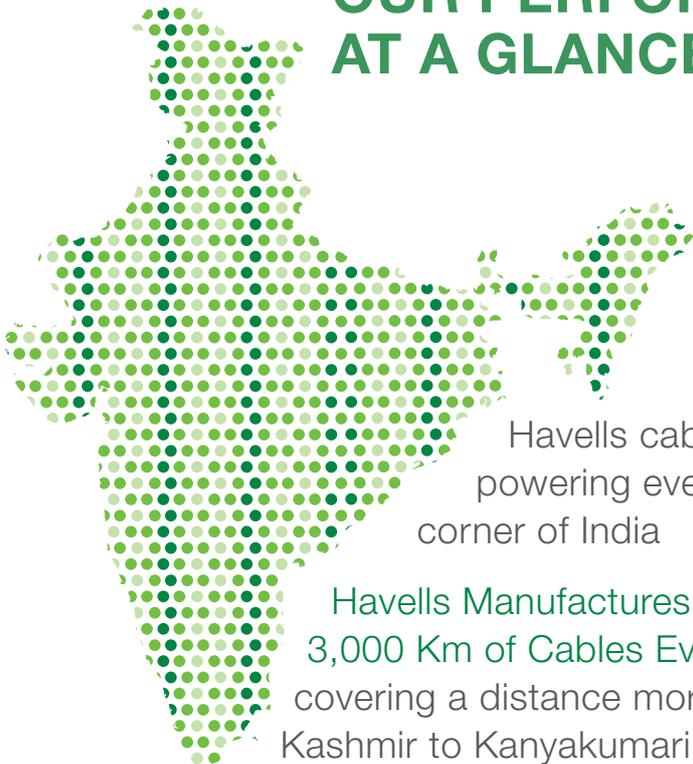
The report has been presented in sections covering aspects of corporate governance, stakeholder engagement and materiality analysis, economic performance, environment performance, people performance, product stewardship, social responsibility and marketing communication.

We hope you find this report informative, engaging, inspiring and useful. Your comments and suggestions are welcome and will assist us in continuously improving our reporting process.

Please send your comments to www.sustainability@havells.com.

Key performance highlights 2014-15

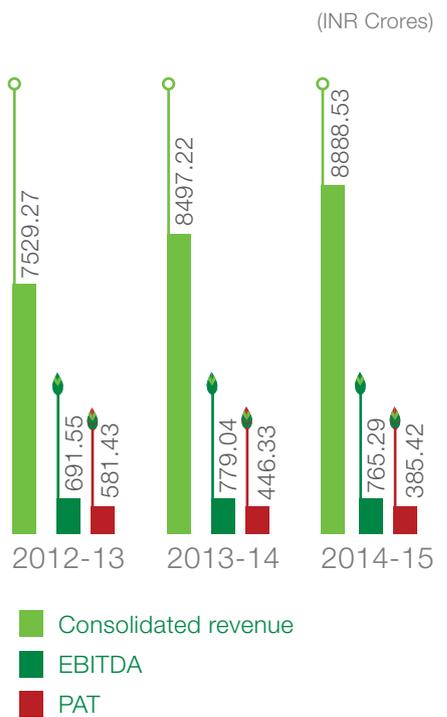
OUR PERFORMANCE AT A GLANCE



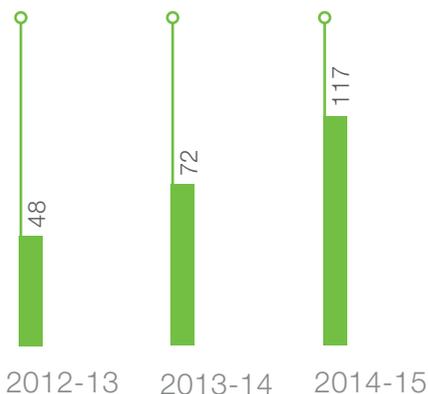
Havells cables –
powering every
corner of India

Havells Manufactures More Than
3,000 Km of Cables Every day,
covering a distance more than that of
Kashmir to Kanyakumari.

ECONOMIC PERFORMANCE



TOTAL NUMBER OF ACTIVE INTELLECTUAL PROPERTY RIGHTS (IPRs)¹



¹ IPRs include patents and designs.

NUMBER OF ACTIVE PATENTS



MARKET CAPITAL

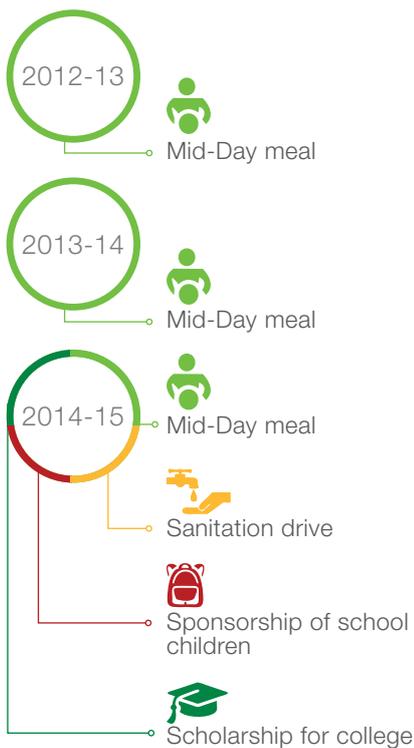




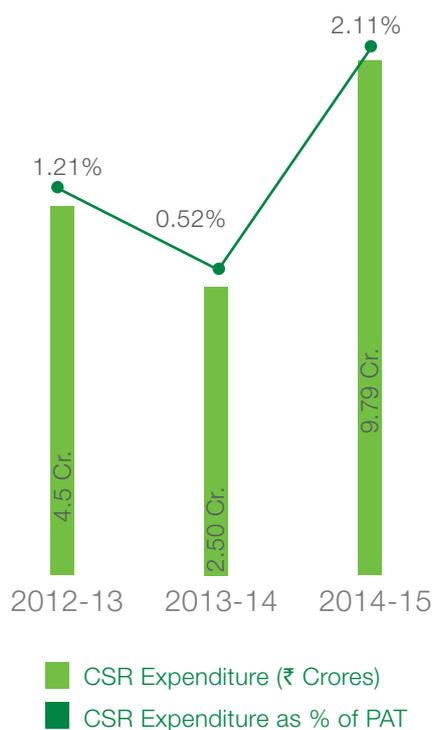
Patent filed for the most energy-efficient ceiling fan in India

In April 2015, Havells filed a patent for ES 40 – the super-efficient ceiling fan that consumes only 40 Watts of electricity. In 2009, Havells was the first in India to launch ES 50 – India’s first 5-Star Rated Energy Efficient Ceiling fan for which, the Company was awarded the National Energy Conservation Award by the Ministry of Power three times in a row.

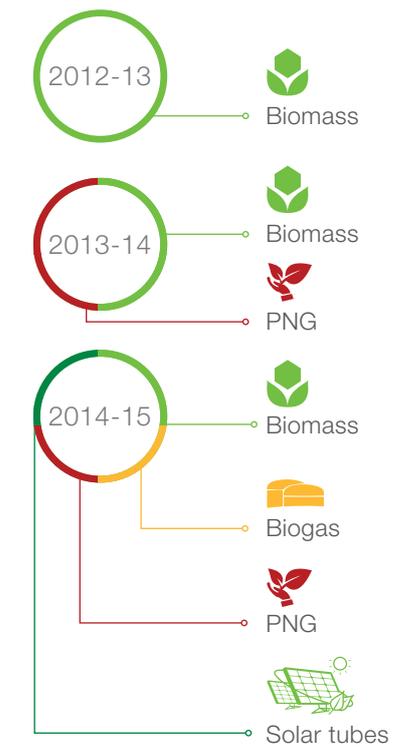
CSR PROGRAMMES



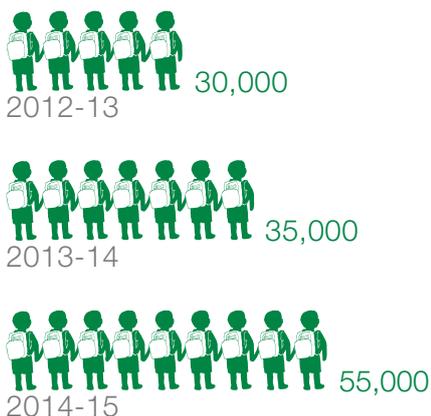
CSR EXPENDITURE



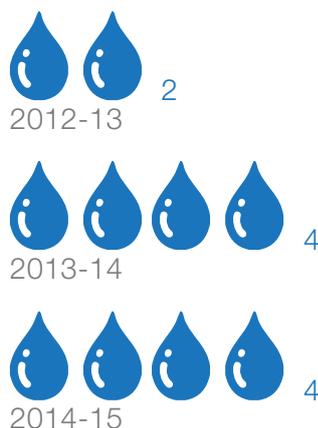
NO. OF CLEAN ENERGY SOURCES



NO. OF STUDENTS COVERED EVERYDAY, BY THE MID-DAY MEAL PROGRAMME



NO. OF ZERO WATER DISCHARGE UNITS



NO. OF PLANTS WITH RAINWATER HARVESTING FACILITY





Chairman's Message





With the support of our employees,
**we are determined
to drive positive
environmental**, social and economic
change in the communities, where we operate.



Dear Stakeholders,

At Havells, sustainability is about creating shared value for our customers, dealers, suppliers, and the communities we serve, at large. As one of the leading FMEG companies, we view sustainability not only as a responsibility, but also as an opportunity to serve our universe and advance our market leadership.

We embed sustainability initiatives to optimise our production operations, engage employees, meet customer needs and drive growth. We have increased energy efficiency, minimised resource consumption, and wastage from our operations.

In 2013, we presented our inaugural Sustainability Report, laying out our sustainability vision and our baseline performance for FY 2012-13. In the last two years, our business has grown significantly along with our dedication to sustainable practices and products.

Earlier this year, I called upon my senior leadership team to nominate representatives from each manufacturing plants to form Havells 'Core Sustainability' team. The Core

Sustainability team drives our strategy and reporting efforts, bringing together team members from across the Company to share best practices, discuss challenges and determine how best to track our progress.

To truly be an innovation-driven organisation and, at the same time an operational and cost leader, we, at Havells, know what we have to do. With the support of our employees, we are determined to drive positive environmental, social and economic change in our environment.

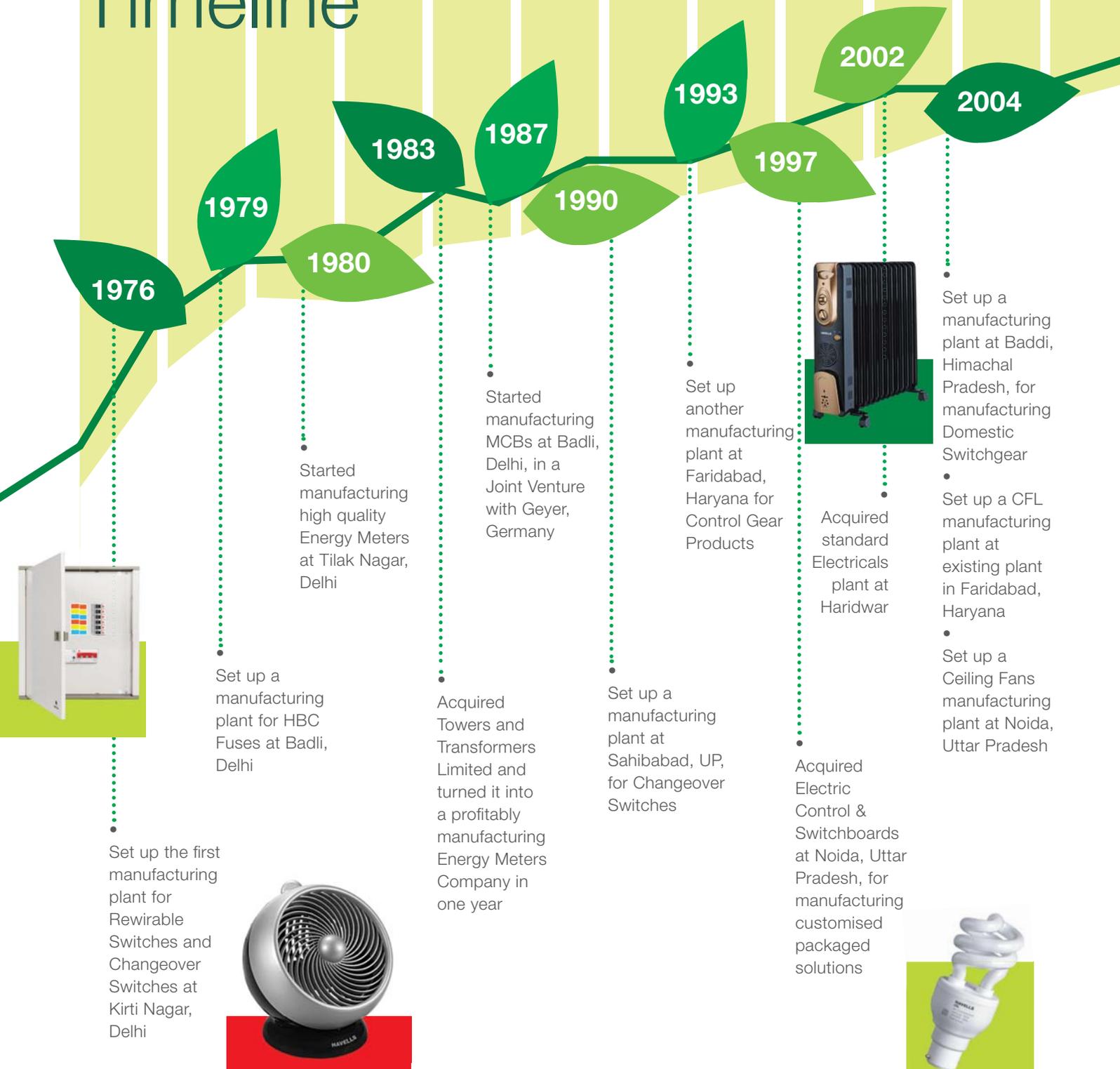
This report outlines our work and progress to date. While we are proud of what we've accomplished, we are mindful that there is much to be done. We will continue to mine opportunities and track our progress with precision and a critical eye, to ensure our impacts are meaningful to those we serve.

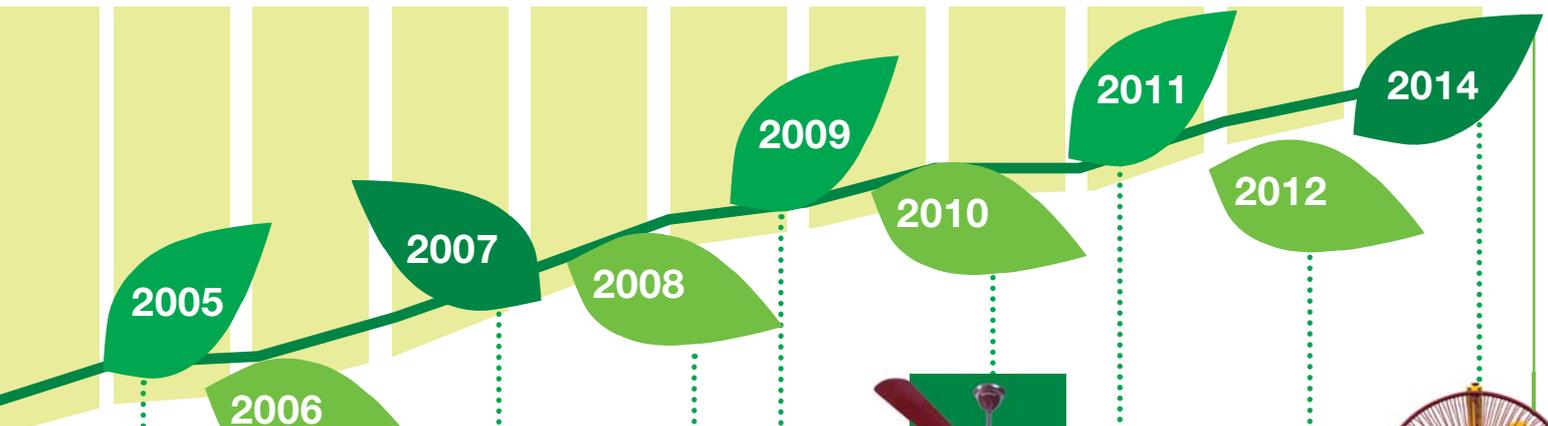
I thank you, once again, for your continued support to our Company, and welcome your comments and suggestions on this Sustainability Report.

Truly yours,
Anil Rai Gupta



Havells Manufacturing Timeline





2005

2006

2007

2008

2009

2010

2011

2012

2014



- Set up a manufacturing plant at Haridwar, Uttaranchal, for manufacturing Fans
- Set up R&D Centre in Noida Corporate Office

- Added CFL production unit in Haridwar manufacturing plant
- Expansion of Alwar Cables manufacturing plant for increasing production capacity
- Expansion of Baddi manufacturing plant and set-up of an Export Oriented Unit

- Set up a Capacitor manufacturing plant at Noida, Uttar Pradesh, with a capacity of 6,00,000 kVAR per month

- Set up of fully automatic plant for Havells Lafert Motors at Neemrana



- Set up a fully automatic 2nd unit for switchgear manufacturing at Baddi
- Global consolidation of CFL manufacturing plant at Neemrana for domestic and export purposes

- Set up 2nd unit for Fan manufacturing at Haridwar
- Set up World's First New Generation CMH Lamp Plant at Neemrana

- Set up of new Industrial Switchgear Plant in Sahibabad



- The only Company in India to manufacture the entire range of ceiling and TPW (Table, Pedestal and Wall) range of fans in-house
- Set up new Lighting Fixtures plant at Neemrana



Overview of Havells India Limited



Havells India Limited is a multinational electrical equipment manufacturer of Indian origin with presence in over 50 countries across the globe. Havells is a strong team of 6,500 employees, 20,000 dealers, and countless retailers.

The Company holds the largest portfolio of electrical products with seventeen verticals ranging from solutions for industrial applications like industrial circuit protection, high-tension (HT) and low-tension (LT) cables, control gears, changeover switches, to consumer electrical products like home appliances, lighting fixtures, LED lights, CFLs, domestic cables, and home circuit protection devices.

Havells India Limited owns strong Indian and international brands like Havells, Crabtree, Standard, Sylvania, Lumiance, REO and Concord. After the acquisition of Sylvania in 2007, Havells became the 4th largest lighting Company of the world.



Havells is a strong team of 6,500 employees, 20,000 dealers, and countless retailers.

INDUSTRIAL CABLES



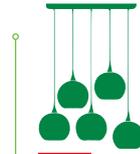
CFLs & LED LAMPS



AIR COOLERS



PROFESSIONAL LIGHTING



SWITCHES AND ELECTRICAL WIRING & ACCESSORIES



DOMESTIC CABLES



INDUSTRIAL FANS



CONSUMER FANS



CONSUMER LIGHTING



CAPACITORS



DOMESTIC APPLIANCES



WATER PUMPS



INDUCTION MOTORS



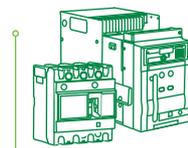
WATER HEATERS



DOMESTIC SWITCHGEAR



INDUSTRIAL SWITCHGEAR



Our Brands



Havells owns some of the most prestigious brands in the electrical domain. Each brand enjoys its strength and trust in the market and has created a distinct identity in the consumers' minds.

Havells brands hold a legacy in the industry. The Company had a vision of building brands in India at a time when products in electrical segments were considered commodities.

Internationally, our strategy has been to associate with trustworthy legacy brands to generate the trust and meet quality requirements of customer.

Today, Havells brand value is proven in the industry. Brand Havells was awarded the Most Trusted Electrical Brand by the Trust Research Advisory – a premier organisation that conducts brand surveys, in their pan-India study in collaboration with the Indian Statistical Institute, New Delhi.



Brands in the Indian Markets



Brands in the International Markets



Havells Service

Havells is the first FMEG Company to offer doorstep service in India through its initiative 'Havells Connect'. Dedicated toll-free help-lines enable service-seekers to connect with Havells call-centre, currently operating in 9 languages. Premium quality of products and quicker service enables it to have lesser customer complaints and better customer satisfaction.





Our Infrastructure

Havells Worldwide Presence



91 branch offices across the world



Dealership network of over 20,000 across the world



5 R&D centres globally



19 manufacturing units in the world, 11 in India, 8 internationally



- Global Head Quarters / Corporate Office
- Havells Manufacturing Locations in India
 - Alwar
 - Noida
 - Baddi
 - Haridwar
 - Bhiwadi
 - Faridabad
 - Neemrana
 - Sahibabad
- Havells International Manufacturing Locations
 - Germany (Lamps)
 - Belgium (Lamps)
 - U.K. (Concord Fixtures)
 - France (IC Fixtures)
 - France-Paris (Warehouse)
 - France (Lumiance Fixtures)
 - Mexico (Fixtures)
 - Columbia (Fluorescent Tubes & Fixtures)
 - Costa Rica (Fixtures)
- Havells - Sales Locations
- Havells Sylvania - Sales Locations

Our Vision, Mission and Values

VISION

To be a globally recognised corporation that provides the best electrical and lighting solutions delivered by the best-in-class professionals



MISSION

To achieve our vision through fairness, business ethics, global reach, technological expertise, building long-term relationships with all our associates, customers, partners and employees

VALUES

- Ensuring customer delight**
A commitment to surpassing our customer expectations
- Leadership by example**
A commitment to set standards in our business and transactions based on mutual trust
- Pursuit of excellence**
A commitment to strive relentlessly, to constantly improve ourselves, our teams, our services and products so as to become the best-in-class
- Integrity & transparency**
A commitment to be ethical, sincere and open in our dealings





Reduce CO₂ emissions

Develop and manufacture energy efficient products; reduce direct and indirect emissions in manufacturing operations



Improve environmental protection

Reduce hazardous substances and improve waste management

Havells Sustainability Vision



Improve quality of life

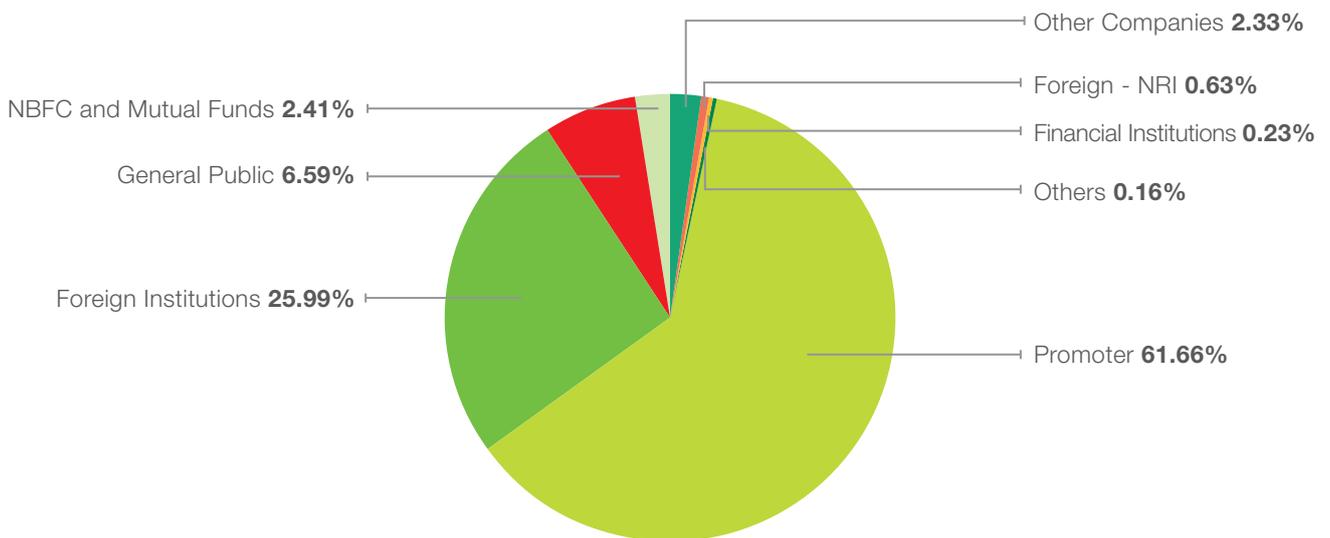
Create a sense of well-being with superior quality products



Offer profitable solutions to market

Better efficiency, sustainability and longer product life

OWNERSHIP PATTERN AS ON 31ST MARCH, 2015



Corporate Governance



Anil Rai Gupta
Chairman and Managing Director

At Havells, when we invest meticulously in our corporate governance, we ensure that all other facets of our business gain the momentum. This steering of the ship is what truly makes us sustainable as we are constantly thinking of the future and how our present actions will affect all stakeholders.

Transparency, diligence and an uncompromising attitude towards organisational integrity are the disciplines through which we have gained the trust of our stakeholders, and this trust is what pulls the organisation through rewarding and challenging times.

Our risk management is comprehensive and addresses not only 'reactive' concerns arising out of running our business, but also foresees risks in the future and identifies opportunities ahead of times. This has given Havells a competitive edge in the market.

We always invite all our stakeholders to come forward and voice their opinions to us. This is the essence of the transparent organisational culture we have built.

We define corporate governance strategically, which encompasses not only what we do as a Company with our profits, but also how we make them. It goes beyond philanthropy and compliance and addresses how our Company manages its economic, social, and environmental impacts, as well as its relationships in all key spheres of influence: the workplace, the marketplace, the supply chain, the community, and the public policy realm.

We, as a Company, offer a portfolio of eco responsible products and services that deliver powerful, sustainable, energy-efficient solutions that don't compromise on capacity and security. Our eco responsibility initiative also focusses on how we run our business, and includes efforts to develop an alternative-energy strategy to reduce the environmental impact of our operations. We strive to bring corporate responsibility to every aspect of our business. We're

committed to managing a responsible and diverse supply chain that's consistent with our high standards for environmental and business practices.

Breaking down the barriers that constrain innovation is a challenge we have readily embraced right from the start. Our ability to build communities and promote the exchange of ideas through assistive technologies, participation programmes, and standardisation is transforming the way people experience our products.

We offer our customers holistic energy-efficient solutions, enabling them to not only save money and protect their capital investment, but also lower their energy usage and protect the environment, thus fulfilling our Corporate Social Responsibility (CSR) of sustenance of depleting environmental resources.

Ethics

An implicit sense of ethical business conduct has been the cornerstone of our corporate governance. On issues ranging from customer care and business excellence to financial propriety and more, explicit rules and regulations supplement the traditional values on which our group companies have been shaped. This is what we have endeavoured to do in the 50 years of our existence. Our values of understanding, trust, integrity and ethics have served us in good stead.

Corporate governance, as practised by our Company, translates into being fair and civic-minded, fulfilling our duties to the entire spectrum of stakeholders, and, most importantly, making integrity an article of faith across all our operations. The Company's adherence to ethical business conduct is rooted in the vision of our Founder - Late Shri Qimat

Our people are the key to our success. Their **skills, knowledge, ideas and enthusiasm drive our business.** We have high-quality, diverse workforce and employees who fulfil their potential.



Rai Gupta. We started on sound and straightforward business principles, considering the interests of our shareholders and the welfare of our employees as foundations of our long-term success.

The **'leadership with trust'** philosophy that has come to play such a vital role in how our customers perceive us is all the more remarkable given the climate of unparalleled public distrust of people in positions of authority today both in business and politics.

In addition to unwavering adherence to its philosophy and values, the Company conforms to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges stipulating Corporate Governance compliances.

Employee Relations

Our people are the key to our success. Their skills, knowledge, ideas, and enthusiasm drive our business. We have high-quality, diverse workforce and employees who fulfil their potential. We have achieved this by giving them development and advancement opportunities along with competitive compensation and benefits that appropriately reward performance.

We communicate widely with employees to demonstrate how their efforts contribute to our success and to listen to their concerns. We also encourage them to align with our vision. We are committed to open communications and a workplace where everyone's voice is heard.

We use several channels to communicate with employees, including an internal web portal and Company website along with communication sessions with the top management of the Company. These sessions provide assessment of employee satisfaction and are inputs for business planning, management decision-making and Company strategy development. They also help employees implement Company policies, meet high standards of conduct and ensure their behaviour reflects Company values and policies.

We seek to meet leading health, safety and wellness standards to enhance our

business performance while optimising employee health. Our facility policies are designed to continually reduce the risk of occupational injury and illness while promoting employee health and well-being. We wish to be a Company that is known for its leadership in corporate ethics and responsibility. A Company where employees are proud to work, and customers, partners and suppliers want to do business.

Havells advocates and acts upon the principles of operational transparency and respect for shareholder rights. We believe that one basis for successful corporate governance is a sound and effective Board of Directors.



Board of Directors

The Board of Directors of the Company has an optimum combination of executive and non-executive directors with one woman director and not less than fifty percent of the board of directors comprising non-executive directors.

The Chairman of the Board is an executive director with half of the Board comprising of independent directors.

As on 31st March, 2015, the Board had a strength of 12 (Twelve) Directors comprising 3 (Three) Executive and 9 (Nine) Non-Executive Directors, latter including 6 (Six) Independent Directors.

The members of the Board are drawn from various fields having considerable expertise in their respective areas. Together they bring diverse experience, varied perspectives, complementary skills and vast expertise. All the Independent Directors have declared that they meet the criteria of 'independence' mentioned under Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013.

Composition of the Board as on March 31, 2015

Executive Directors	3
Non-Executive Non-Independent Directors	3
Independent Directors	6
Total – Board Composition	12



ANIL RAI GUPTA**
Chairman and Managing Director



A. P. GANDHI
Independent Director



PUNEET BHATIA®
Non-Independent
Non-Executive Director

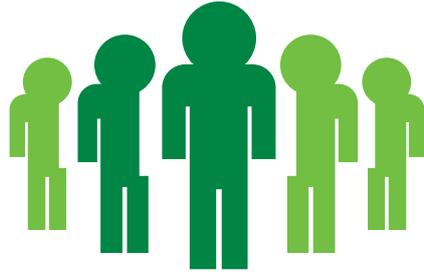
** Designated as the Chairman and Managing Director of the Company w.e.f. 13th November, 2014

\$ Appointed as an Additional Director w.e.f. 22nd December, 2014 and Whole-time Director of the Company w.e.f. 01st January, 2015

Appointed as an Additional Director w.e.f. 28th July, 2014

@ Appointed as Non-Executive Non-Independent Director of the Company w.e.f. 22nd December, 2014





SURJIT GUPTA
Non-Independent
Non-Executive Director



RAJESH GUPTA
Whole-time Director (Finance)
and Group CFO



AMEET KUMAR GUPTA^S
Whole-time Director



V. K. CHOPRA
Independent Director



DR. ADARSH KISHORE
Independent Director



S. B. MATHUR
Independent Director



S. K. TUTEJA
Independent Director



PRATIMA RAM[#]
Independent Director



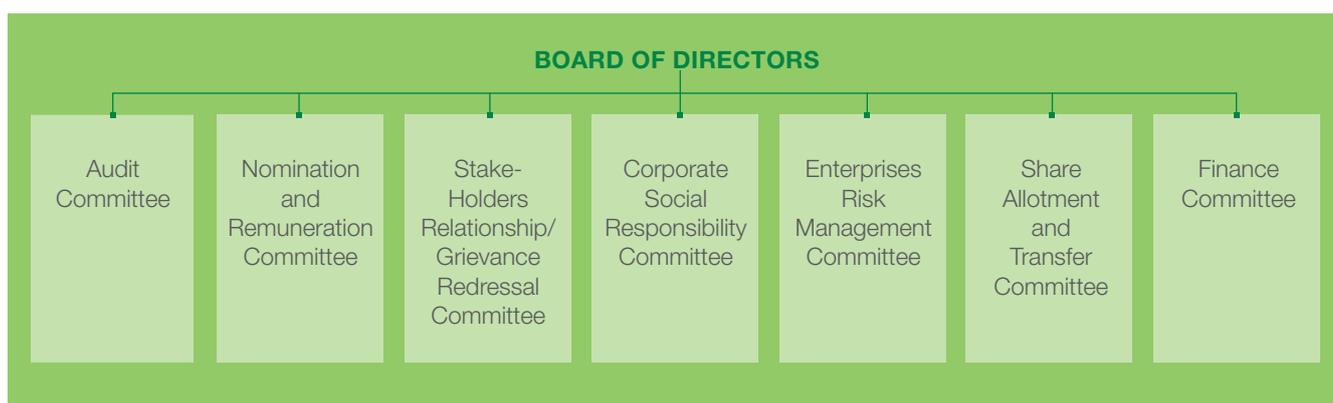
T. V. MOHANDAS PAI[®]
Non-Independent
Non-Executive Director

Committees of the Board

The Board meets at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings. The Board agenda with proper explanatory notes is prepared and circulated well in advance to all the Board members. All statutory and other matters of significance including information as mentioned in Annexure X to clause 49 of the

Listing Agreement are tabled before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Board also reviews periodical compliances of all laws, rules and regulations. At the Board Meeting, members have full freedom to express their opinion and decisions are taken after detailed deliberations.

During the FY 2014-15, the Board met 10 (Ten) times on 23rd April, 2014, 28th May, 2014, 30th June, 2014, 28th July, 2014, 23rd September, 2014, 22nd October, 2014, 13th November, 2014, 22nd December, 2014, 28th January, 2015 and 18th March, 2015. In terms of clause 49 of the Listing Agreement, the gap between any two meetings did not exceed one hundred and twenty days.



As at the end of last financial year on 31st March, 2015, these were the 7 (seven) Committees of the Board of Directors of the Company.

Ethical business conduct

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Havells Code of Ethics is intended to provide guidance and help in recognising and dealing with ethical issues, mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior management and other employees of the Company. The Code of Ethics was revised by the Board of Directors, in its Meeting held on 28th January, 2015, to suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013.

The Code is available on the website of the Company www.havells.com.

Employees pledge their allegiance to the Code of Ethics at the time of their induction into the Company by signing an acknowledgement form indicating that they have received, read and understood, and agreed to comply with the Code.

Avoidance of conflict of interest

The on-boarding training programme for new entrants also includes a module on the Code of Ethics. The Code also refers to ethical handling of actual or apparent conflicts of interest between personal and professional relationships and clearly lists out potential conflict situations to be avoided. It mandates Directors, officers and employees to be

scrupulous in avoiding 'conflicts of interest' with the Company. In case it is likely that such a situation may arise, the person should make full disclosure of all facts and circumstances to the Board of Directors and a prior written approval should be obtained.

Fair-dealings

The Code also mandates fair dealing with customers, suppliers, competitors and employees of Group companies. Violations of the Code of Ethics result in disciplinary actions and may even result in the termination of services.

The human resources department sends out regular mailers reinforcing the ethical standards to be maintained by the Company employees, vendors, and channel partners.





Whistle-blower policy

We have adopted a Whistle Blower Policy called 'Satark', which means alert/vigilant, empowering any person associated with the organisation to file a grievance if he/she notices any irregularity. A proper mechanism has been established for the employees to report to the management about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

All grievances received through e-mail or retrieved through drop-boxes are exclusively accessible to Shri Anil Rai Gupta, Chairman and Managing Director, Shri Surjit Gupta, Director, Shri Rajesh Gupta, Director (Finance) & Group CFO and the Chairman of the Audit Committee of the Board of Directors.

Idea policy

In addition to Whistle Blower Policy, we have also adopted a policy named 'Idea' to promote a culture of innovative thinking and creativity in all areas of its business. The ideas may be related to technical aspects of business, non-technical aspects, commercial aspects, administrative aspects, processes, cost saving or any such other aspect that may benefit the Company. Top five ideas are eligible to receive certificates of appreciation from the Chairman and Managing Director.

Nirbhaya policy

We have formulated Nirbhaya Policy with a focus to prevent, prohibit, and redress sexual harassment of women at the workplace. The objective of this policy is to provide a streamlined, positive and uniform way of dealing with cases of harassment. It aims to make our employees aware of the preventive measures and forewarns them to detest from undue actions. This Policy applies to all the employees, workers and trainees (whether in the office premises or

outside while on assignment) of the Group. A Complaints Committee has been formed to deal with cases of sexual harassment. Every Member of the Internal Complaints Committee shall hold office maximum for a period of three years from the date of their nomination after which their office shall be filled up by the Managing Director (MD)/ Whole Time Director (WTD). Any casual vacancy arising in the constitution of Committee i.e. if any of the members ceases to hold office upon ceasing to be an employee due to resignation, termination of employment or death, the same shall be filled up by the MD/WTD.

Prohibition of Insider Trading

The Company has also formulated a Policy for Prohibition of Insider Trading to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The policy envisages

procedures to be followed and disclosures to be made while dealing in the securities of the Company. The full text policy is available on the website of Company Investor Section.

Risk Management Policy

We understand that controlling risks through a formal programme is necessary for the well-being of our organisation. During this reporting year, the Company has formed an Enterprises Risk Management Committee to identify the risks impacting the Company's business and formulate and administer policies/strategies aimed at risk minimisation and risk mitigation as the part of risk management.

Further, a core committee comprising senior management, has also been formed to identify and assess key risks and formulate strategies for mitigation of risks identified in consultation with the process owners.

The risks are broadly classified into:

Risk Category	Description
Strategic Risks	• Market Strategy, Organisational Growth – Market Penetration, Market Share, Loss of Reputation
	• Globalisation and Technological Obsolescence
	• Volatility in Commodity Market
	• Loss of Intellectual Property and Trade Secret
	• Uncertainty Surrounding Political Leadership in Domestic and International Markets
	• Economic Condition of the Market, Global Recession and Environmental Issues
Operational Risks	• Consistent Revenue Growth
	• Cost Optimisation
	• Manpower Retention
	• Disaster Management and Data Security
	• Inefficient Working Capital Management – High Inventory
Compliance Risks	• Ensure Stricter Adherence to Laws/Rules/Regulations/Standards
	• Adherence of Company Policies and Procedures (SOPs)
Financial and Reporting Risks	• Volatility in Currency, Funding & Credit Risk
	• Maintaining High Standards of Corporate Governance and Public Disclosures

Business Opportunities and Risks



Risk Management and Governance

Havells has established itself as both – a pioneer and an industry benchmark for its Corporate Governance practices. Highest levels of business ethics and governance standards impart Havells the unique and respectable stakeholder trust it enjoys in the industry.

A strong risk management and internal control system forms the backbone for our robust risk management practices. In line with our commitment to provide sustainable returns to all our stakeholders, Havells has formalised clearly defined systems and policies for timely addressing key business challenges and opportunities.

Enterprise Risk Management at Havells

Risk Management at Havells is a key strategic focus and encompasses practices relating to identification, evaluation, monitoring and mitigation of various key risks to business objectives. The twin purpose of Enterprise Risk Management is to minimise adverse impacts and to leverage market opportunities effectively. The objective is to sustain and enhance short-term and long-term competitive advantage to the Company.

A structured risk management system permits the management to take calibrated risks. This system provides a holistic view of the business, wherein risks are identified in a structured manner at two levels. The bottom-up approach is conducted through workshops with teams at our branches, factories and the corporate

office. At another level, the top-down approach enables discussion of all risks and opportunities at the management level, to be included thereafter in the subsequent reporting process.

The PSPD model of risk and opportunity management

We have a PSPD (Predictable, Sustainable, Profitable and De-risked) approach to risk management and benchmarking COSO (Committee of Sponsoring Organizations of the Treadway Commission, USA) Internal Financial Control Framework, which is in accordance with Companies Act 2013 and revised clause 49 of the listing agreement of SEBI. These incorporate an interactive, management-oriented approach for optimisation of key business challenges and opportunities. Our core values and ethics provide the platform for the Company's enterprise risk management policies and practices.

Internal Financial Control Structure



Assurance Framework

External Assurance

- Statutory Audit
- Secretarial Audit
- Cost Audit
- Product Quality assurance/ Process standardisation certification Audit (BEE, ISO, OHSAS , ISI etc.)

Internal Audit

- Assurance Service (Internal Financial Control)
- Advisory Service (Financial & Operational Performance)
- Statutory Compliance Assurance
- Establishing Anti Fraud Control Framework

Management Review

- Control Self Assessment
- Enterprise Risk Management
- Monthly Plant & Branch Performance Rating
- Business Process Improvement through formation of various group like Strategic Business Unit (SBU), Business Management Group (BMG), Channel Management Group (CMG), Operation Secretariat, ERM Core Group etc.

Havells has established itself as both – a pioneer and an industry benchmark

for its Corporate Governance practices.



Risk Management Practice and Approach

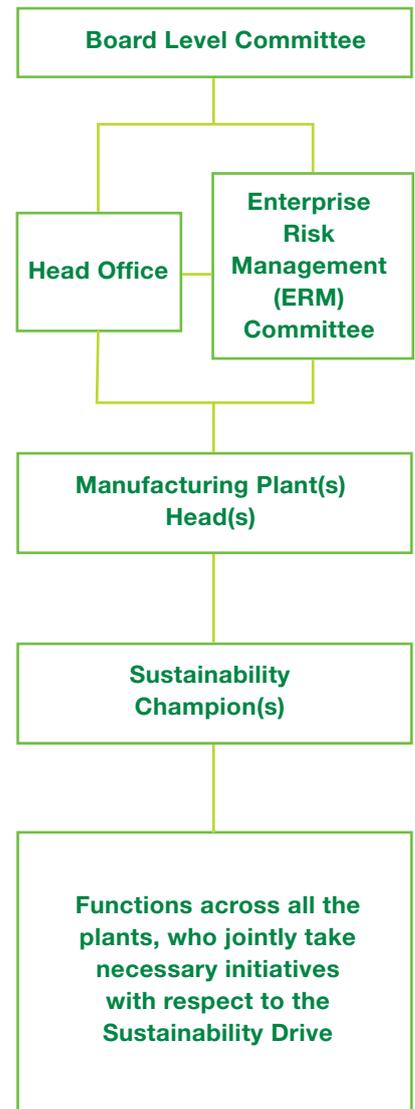
- Risk management activities are carried out at periodic intervals by a designated team. Risk survey is conducted across functions to get inputs on key challenges in achieving business objectives, their prioritisation on risk mitigation plan.
- Risks identified during Enterprise Risk Management (ERM) is addressed adequately and updated to ERM Committee of the Board periodically.
- Periodic assessments of risks, potential impact relating to business growth, profitability, talent engagement, market position are conducted.
- The formation of various groups like Business Management Group (BMG), Channel Management Group (CMG), Strategic Business Units (SBUs) ensures smooth operational and financial management. These teams engage in self-benchmarking and enable optimum utilisation of available resources.
- Response on key operational risks, based on inputs received from the internal & external assessment, internal audit, performance review etc. are done on a regular basis.
- During the financial year, the sub-audit committee met fourteen times to discuss the internal audit reports. Minutes of the same, along with the action taken report, have been discussed in the Audit committee.

The sub audit committee coordinated by risk management and governance team, chaired by the Chairman and the Director-Finance and Group CFO, and attended by the Plant/Branch, Head office team along with their Functional Heads and Internal auditors.

Strategies for Sustainability Risk Management



Strategies for Sustainability Risk Management



Stakeholder Engagement and Materiality Analysis

Havells identifies and prioritises its most material issues, or those of high importance to both stakeholders and the Company. These issues are deeply relevant to our ability to succeed and are addressed in our internal strategic priorities, corporate responsibility approach, and stakeholder communications. We conducted our first and most recent stakeholder analysis in preparation for our FY 2013-14 sustainability report, with the resulting issues matrix shown below.

We intend to refine and update our issues prioritisation next year with a detailed stakeholder consultation (including internal and external stakeholders) as well as our own internal assessments of rising trends, regulatory mandates, environmental and societal concerns, and overall business risks and opportunities.

Process

Havells conducted structured stakeholder surveys that involved seeking feedback from internal stakeholders i.e. employees, spread across the manufacturing plants, and management personnel, including top management, function heads, product heads and select corporate office employees etc., mostly based out of Noida Head office during the previous reporting year (FY 2013-14).

The feedback received from the survey was consolidated and analysed to establish the top priority / material issues of the internal stakeholder group, employees and management personnel. These top issues emerged as the priority areas for Havells sustainability journey and future reporting exercise.

Priority issues identified by Havells employees

Anti-corruption practices

Employee training and skill development

Distribution of wealth amongst stakeholders

Environmental compliances

Health and safety of products

Initiatives to reduce the environmental impact of products and services

Renewable energy sources and use

Input material used

Occupational health and safety

Marketing and communication compliance

Revenue generation

Energy consumption and efficiency

Customer satisfaction practices

Priority issues identified by Havells management

Aspects from the sustainability survey questionnaire were used during discussions / interviews with the Havells management personnel, to gather their views on the sustainability aspects they deem most important for the continued growth and success of the Company.

Based on the discussions and interviews with the management personnel, following key issues emerged as most important from management stakeholder perspective:

Brand Havells

Quality of Product and Service

Strong Economic Performance and Revenue Growth

Energy Management including Renewable Portfolio

Employee Resource - Rich Pool of Talent

Regulatory Risk Mapping and Risk Redressal

Employee Learning & Development

Innovation, Research & Development

Stakeholder Feedback Mechanism and Timely Issue Redressal

Timely Inbound and Outbound Logistics - Raw Materials and Products

Supplier Inclusive Growth

Reducing Waste Footprint

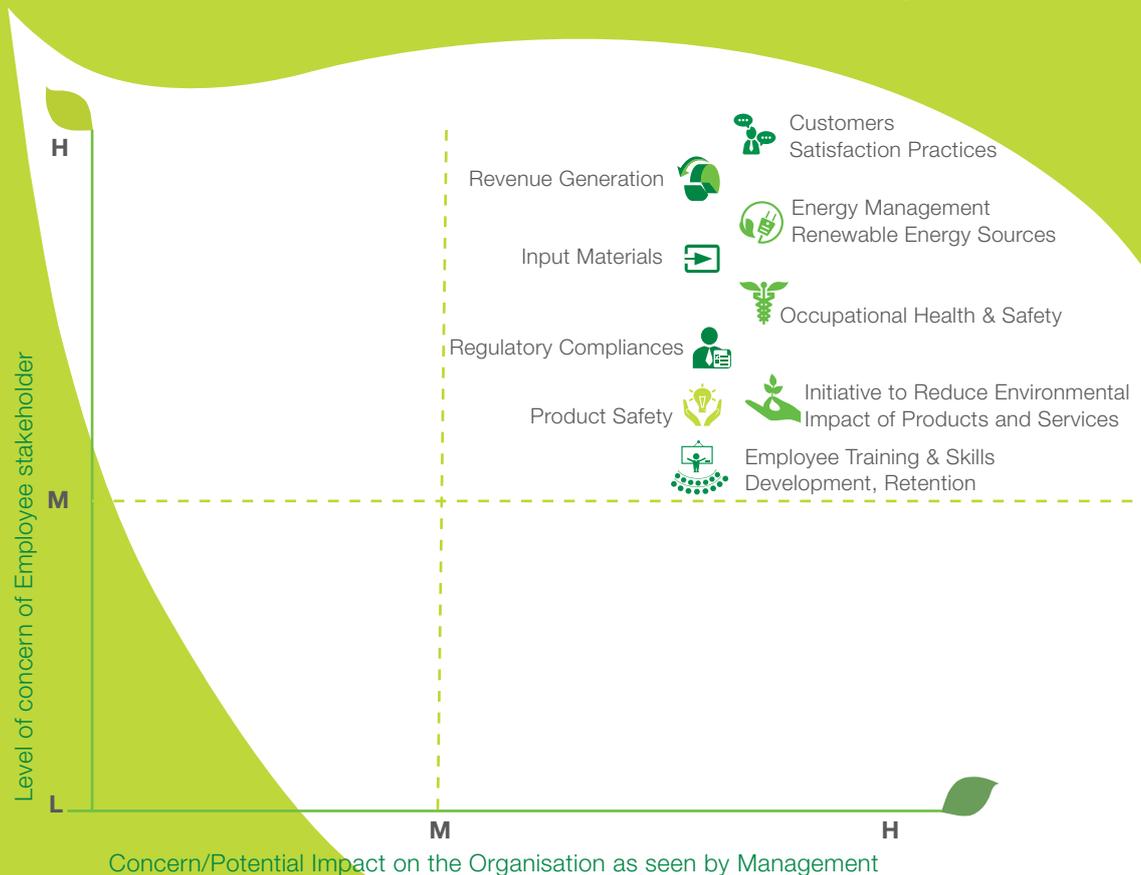
Ethical Business Conduct and Transparency

Safe Products and Workplace Safety

Materiality Matrix

By mapping the prioritised set of issues identified by the management stakeholder - 14 in number, against the prioritised issues as seen by the employee stakeholders - 13 in number, 9 key converging issues have emerged as most material from Havells perspective.

The materiality matrix presented below has been plotted based on the described methodology:



Stakeholder Engagement and Materiality Analysis



Regular Stakeholder Interaction

Apart from the sustainability-specific interactions, we interact with our stakeholders regularly. It is through these interactions that we receive constant feedback and market-insights about the expectations of the stakeholders from Havells. Our stakeholder interactions lead to continuous improvement in our products, service, and processes.

Havells – Dealer

Mr. Dilip and Mr. Sanjay Bhutoria, Sanjay Electricals –

As the customers are becoming more demanding and looking for best services and products, the teams at Havells are always on their toes to provide them with the best products in terms of design, innovation and technology.



Havells – Supplier

Mr. NS Ghumman Chairman Shivalik Bimetal Controls Ltd.

As a proud member of the extended Havells family, we consider ourselves as its business partner and take independent decisions keeping in mind the core standards of the Havells brand and philosophy with the ultimate objective of customer satisfaction.



Havells – Supplier

Mr. Vinay Gupta Managing Director Mica Industries Ltd.

Havells is a well-respected organisation and a prominent global entity. They are pioneers in the electrical domain with businesses ranging from cables, switchgears, home appliances, motors, lighting and LEDs, to solar panels. We feel fortunate to be associated with the organisation that holds

such a diverse portfolio. Their technological strength gives us confidence and they have helped us regularly in upgrading our technology to enable us to manufacture and maintain product quality along with the Havells level of quality standards.

We have been associated with the Company for over ten years and the relationship has helped us manufacture world-class products and maintain the 'Zero Affect – Zero Defect' policy. Regular workshops are held by Havells to help us incorporate process improvements through Six Sigma, Total Quality Management (TQM), 5S, Kaizen, Poka Yoke, etc.

We continuously interact with our stakeholders and the following table describes our interaction mechanism with our stakeholders:

Stakeholder	Engagement Mechanism	Purpose
Shareholders 	<ul style="list-style-type: none"> Annual General Meeting Investor conferences Audio-video conferences Quarterly financial report updates and bulletins Factory visits for the institutional investors Press-releases Dedicated e-mail id: investors@havells.com to resolve investor queries 	<ul style="list-style-type: none"> Shareholder engagement for general discussions and sharing industry updates Sharing performance results Instil confidence in potential investors and retain trust of existing investors Paperless communications to reduce paper consumption
Workforce 	<ul style="list-style-type: none"> Training programmes for employee skills up-gradation and on occupational health & safety Daily Work Management (DWM), meetings to discuss work and non-work issues Awards – plant-level reward programmes 	<ul style="list-style-type: none"> Innovation, improvements, performance, etc. Employee motivation, skill upgradation and team-building Daily discussion and resolution of issues Prevention of accidents, health-hazards, production losses, etc.
Dealers 	<ul style="list-style-type: none"> Dealer-meetings Direct access to Chairman's office and dedicated toll-free number for complaints and feedback Welfare schemes Dealer surveys 	<ul style="list-style-type: none"> As partners in business, focus on their welfare, growth and creation of wealth Receiving market-feedback Discussion regarding the product features, like safety, energy-efficiency, etc.
Customers 	<ul style="list-style-type: none"> Feedback reports from dealership network Havells connect customer service - for feedback, query, product complaint and redressal Social media 	<ul style="list-style-type: none"> Awareness building on product features, especially safety aspects Collection of feedback for future product and service improvement Grievance redressal
Bankers and Financial Institutions 	<ul style="list-style-type: none"> Quarterly reports and updates Compliance visits and audits Analysts' meets 	<ul style="list-style-type: none"> Compliance Discussion on emerging regulations Self-checks and feedback on business performance
Vendors 	<ul style="list-style-type: none"> Vendors meet Online Vendor Portal Communication on telephone and e-mail 	<ul style="list-style-type: none"> Compliance to Havells standards Pricing and payment Product quality and timely supply
Regulators and Statutory Bodies 	<ul style="list-style-type: none"> Regular compliance reports Statutory audits 	<ul style="list-style-type: none"> Compliance Disclosures on aspects defined by Government of India
Media 	<ul style="list-style-type: none"> Media-meets Press-conferences Management interviews 	<ul style="list-style-type: none"> Important announcements meant for mass stakeholders Providing regular, credible progress information for communication to stakeholders
Local Communities 	<ul style="list-style-type: none"> Daily informal interactions – mid-day meals and other community activities Regular field survey 	<ul style="list-style-type: none"> Assessment of Havells initiatives and their impacts CSR budget and expenditure planning

Economic Performance

We understand the importance of the economic value we create for our stakeholders, and the communities in which we operate. Disciplined financial management is essential to ensure long-term success for us and our stakeholders. We maintain robust financial controls, a strong dedication to financial returns, and an intense focus on creating value through economic growth, strategic capital spending, and cost-reduction activities.

The reporting year (FY 2014-15) marked another successful year, which is encouraging as this was achieved in the challenging business environment. Further, as our financial security strengthens, we are investing in our products, our people and our communities. The financial health of our Company has a ripple effect that goes well beyond our business itself, as we work toward profitable growth for all.

In FY 2014-15, we generated revenues of ₹ 52,386.90 million which represent

a rise of 11% over the previous year's revenues of ₹ 47,196.90 million.

Our profits after tax (PAT) stood at ₹ 4,649.40 million, of which we contributed ₹ 97.90 million towards our CSR activity, through Vivekananda Ashram, Ashoka University, and QRG foundation, a society formed by the promoters of Havells India Limited, dedicated to support social and philanthropic causes.

For the financial year ending March 31, 2015, Havells India Limited declared the total dividend payout for of ₹ 2,254.90 million.



Sustainability for us does not only mean to deliver a reduced environmental impact but also achieve sound economic performance and making a positive social contribution. Our strong economic performance and profitability enables us to make the necessary investments to implement projects and practices that reduce our environmental footprint, protect the health and safety of our employees and make a positive contribution to the wider society in which we operate.



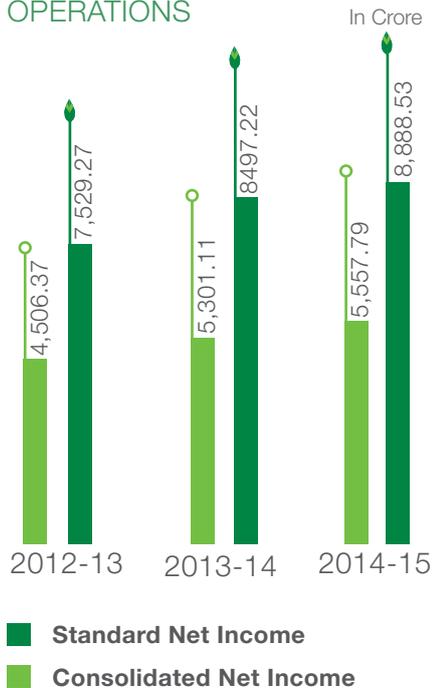
Rajesh Gupta
Director-Finance and
Group CFO

We are an equal opportunity employer. We do not engage in or support direct or indirect discrimination in recruitment, compensation, access to training, promotion, termination or retirement based on caste, religion, disability, gender, race, colour, marital status or affiliation with a political, religious or a minority group.

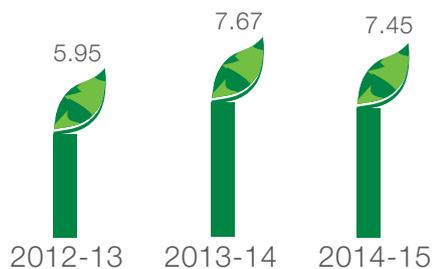
During the year, we spent a total of ₹ 3,127.20 million towards employee wages and benefits, compared to ₹ 2,474.80 million during FY 2013-14.

Various types of benefits were provided to our employees during the reporting year. Employee Retirement Benefit Schemes included provident fund and gratuity schemes for on-roll employees. Other benefits include employee state insurance for all employees with gross salary of ₹ 15,000 or less per month, mediclaim insurance, personal accident policies and employee deposit linked insurance schemes.

REVENUE FROM OPERATIONS



EARNINGS PER SHARE (IN ₹)



DIVIDEND PAYOUT



Local hiring and procurement²

The Company encourages local employment in the workforce and 100% of our workforce at our manufacturing units across India is locally hired from within the country.

Following the similar philosophy in procurement of raw-materials, stores and spares, we encourage the sourcing of these materials from the local suppliers. Competent local contractors carry out construction and renovation of our manufacturing facilities. In FY 2014-15, we spent ₹ 24,796.3 million on local procurement representing almost 88% of the total expenditure in this regard.

² We define 'local' as from within India.

₹ Million

Monetary value of total procurement of raw-materials, stores and spares	FY 2014-15	FY 2013-14	FY 2012-13
Procurement from local suppliers	24,796.30	21,398.10	20,636.30
Procurement from international suppliers	3,382.30	4,387.90	2,327.50
Total procurement	28,178.60	25,786.00	22,963.80

Environmental Expenditure

During the reporting year, we spent ₹ 7.47 million towards environmental initiatives across our manufacturing plants in India.

We invested in many environment-friendly initiatives at our manufacturing units in FY 2014-15. These included pollution abatement measures, proper and safe waste disposal, DG set servicing, installation and upgradation of STPs / ETPs, running of rainwater harvesting units, renewal of environmental consents, plantation and gardening initiatives.

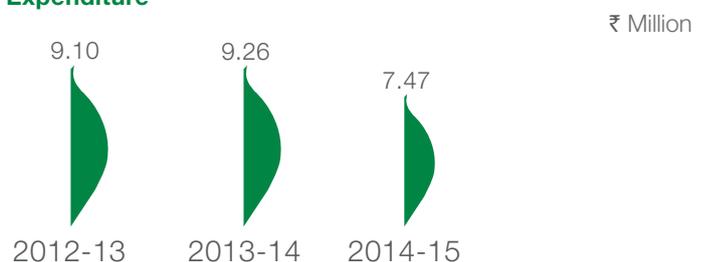
Havells India Limited – summary of our financial performance

₹ Million

Standalone Financial Performance	₹ million		FY 2012-13
	FY 2014-15	FY 2013-14	FY 2012-13
Net Revenues	52,386.90	47,196.90	42,249.90
Operating Costs	45,395.70	40,780.90	36,901.30
Profit after Tax (PAT)	4,649.40	4,786.90	3,713.90
Total expenditure on employees*	3,127.20	2,474.80	2,021.70
Payments made to providers of capital (including dividend tax)#	2,254.90	2,190.80	1,094.90
Contribution to the exchequer^	8,426.40	8,192.80	7,539.90
Voluntary community investments	97.90	25.00	45.00
Benefits for carrying out R&D	76.07	53.76	55.08

*^ Note: Previous year figures have been regrouped/reclassified wherever necessary to make them comparable with the current year figures. For further details, please refer to Havells India Limited Annual Report 2014-15.

Environmental Expenditure



Environmental Performance



Ameet Kumar Gupta
Whole-time Director

The objective of Havells has always been on operating environment-friendly, resource efficient and economical production plants, which is possible by our constant endeavour towards Eco-Efficiency, which is based on the concept of creating more products while using lesser resources, creating less waste and pollution.

Our manufacturing plants are also governed by the concept of 'symbiotic manufacturing', with which, the outputs, resources and learnings of one plant can be used as the input for the other plant. This helps us in maintaining our quality production and minimising our reliance on external suppliers.

At Havells, we are committed towards monitoring our operations continually to improve our environmental performance. Our processes do not pose a significant threat to the environment, and according to the Ministry of Environment and Forests, Government of India, our processes are classified under "Orange" to "Green" categories* of industries, indicating a moderate to marginal pollution impact.

Despite this, it has been a constant endeavour to monitor our performance and improve it across operations.

Our environmental initiatives fall into the following categories –



Conservation efforts towards consumption of resources



Switching to better alternatives



Recycling initiatives



Treatment of wastes, wherever produced

Our manufacturing **plants are governed by the concept of 'symbiotic manufacturing'**, with which, the outputs, resources and learnings of one plant can be used as the input for the other plant.



*To simplify the procedure of categorising industries on the basis of their pollution potential in a simple way so that common person can understand the severity of pollution from a specific industry, industries or projects are placed in three broad categories - Red, Orange and Green in decreasing order of severity of pollution.

Havells manufacturing processes fall under orange (metal extrusion, wire-drawing, surface coating and metal treatment) and green (electrical goods assembly) categories.

We constantly monitor our environmental impacts and in FY 2014-15, our industrial discharges did not exceed any permissible environmental limits.

Havells initiated an energy and water optimisation drive in FY 2014-15 with the aim of becoming resource positive in the coming year.



RED

Represents highly polluting industries

E.g. – Metal smelting, distillation, cement plant, pulp and paper, oil refineries, sugar refining, basic pharmaceuticals, pesticides, fertilisers, tanneries, petrochemicals, thermal power plants, dyes and intermediaries, glass, paints, chemicals, rubber, et al.



ORANGE

Represents moderately polluting industries

E.g. – Cotton spinning and weaving, automobile servicing, hotels and restaurants, flour mills, fruit and vegetable processing, organic nutrients, food additives, fragrances, laboratory wares, metal treatment involving surface coating and paint baking, wire-drawing and bailing straps, et al.



GREEN

Represents marginally polluting units

E.g. – Mineral water, daal mills, bakery products, cold storage, handloom weaving, garment stitching and tailoring, electronic and electrical goods, medical and surgical instruments, et al.

Environmental Performance

Material consumption

Our manufacturing operations consume significant amounts of raw-materials in various processes. We have a widespread product-portfolio and our input materials include various metals, alloys, plastics, rubbers, chemicals, electronic components, glass, and packaging material.

In FY 2014-15, our raw material consumption ran into thousands of

material categories. In the report we present consumption quantities of our most significant raw material³.

Our major raw materials included copper coils, copper sheets, copper tapes, steel, aluminium, zinc, brass coils, brass strips, bearings, CRCA steel, thermoset resin, polycarbonate, polyamide, other engineering plastic, elastomers, transistor, diode, MPP Films, etc.

Hazardous material included mercury in liquid, strip and pill forms, grease, coolants, lubricants, paints and other chemicals used in our manufacturing units.

Packaging material includes cartons, thermocol, foam, PVC straps, corrugated boxes, film-rolls, shrink-wrap films, wooden pallets, separators, stickers, etc.

Non-hazardous raw-material consumption (2014-15)



Hazardous raw-material consumption (2014-15)



Packaging material consumption (2014-15)



³The data represented includes our major raw materials and it does not represent the comprehensive list.

Sustainable Manufacturing

Havells prides itself on having value-driven processes. In FY 2014-15, material conservation efforts were carried out across our plants where big and small changes led to significant resource and material efficiency.

Some material conservation efforts carried out across our plants are –

- Wood conservation
- Metal conservation through waste copper recovery (99% recovered)
- Reuse of polythene packaging
- Used oil recycling



Replacing thermocol packaging

Havells Haridwar plant manufactures the widest range of consumer and industrial fans that include ceiling fans, wall mounted fans, pedestal fans, exhaust fans and air circulators.

In FY 2014-15, the plant replaced thermocol with pulp plate packaging.



Benefits of the pulp packaging are –

- Eco-Friendly
- Fire-Resistant
- Less Storage Space Required
- Less Freight Cost

Replacing thermocol with cardboard

Havells Faridabad plant manufactures domestic and industrial switchgear and has replaced thermocol packaging with cardboard.



Environmental Performance

Reduction of Hazardous Substances

RoHS or Restriction of Hazardous Substances is a set of guidelines prescribed by the European Union under IEC (International Electrotechnical Commission) to limit the presence of hazardous substances - Lead, Mercury, Cadmium, Chromium-6, Polybrominated biphenyls, and Polybrominated diphenyl ether, in electrical and electronic equipment. Overexposure to these substances is a potential health hazard for humans, and the substances also pose an environmental risk concerning their disposal.

Havells has made a conscious decision to follow RoHS standards, and its products like - Cables, CFLs

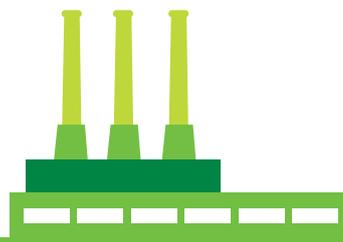
and LED lighting are RoHS certified, making Havells products safe and sustainable for human health as well as for the environment.

All Havells products conform to international and national standards of maximum permissible limits of specified hazardous substances. Moreover, over the years, the Company has set targets and worked sincerely towards further reducing / eliminating the use of any hazardous substances from its products.

Havells was the first Company to introduce green CFLs in India that use the pill-dosing technology to restrict the use of hazardous mercury. In the previous reporting FY 2013-14, the

Company also eliminated the usage of radioactive trace Krypton 85 (Kr85) from its entire CMI lighting range. Kr85 was used in arc discharge lamps to make them easy to ignite. The Company started using Argon instead of Krypton in the arc tube of the lamp. The changeover from Krypton to Argon reduced any possible risks of radioactive exposure.

The Company has also worked diligently towards producing lead free, cadmium free and halogen free cables to minimise the risk of human exposure to these hazardous chemicals.

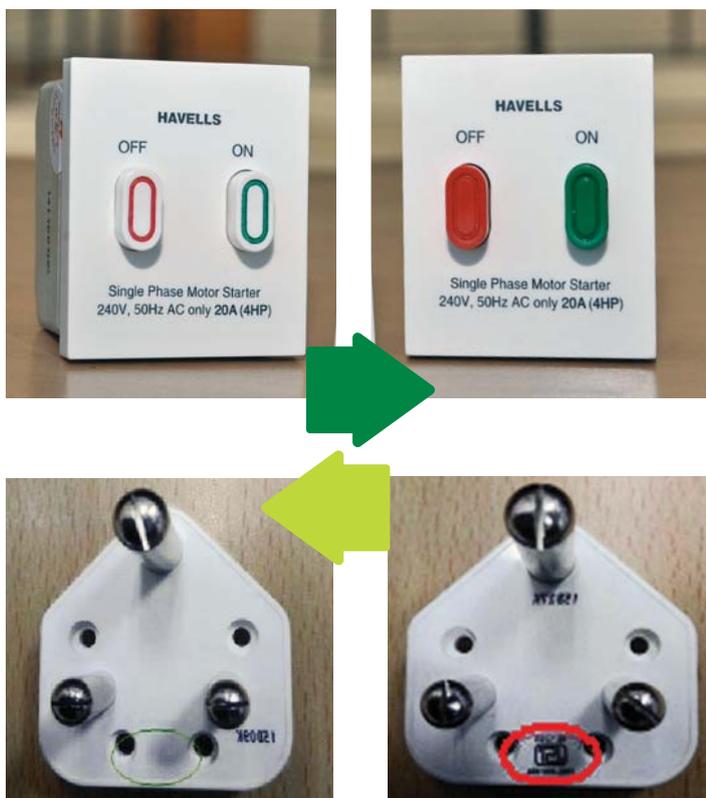


Baddi Plant Reduces Ink Consumption

Havells Baddi plant manufactures switches and electrical wiring accessories (EWA). With the intent to reduce the use of toxic or hazardous wastes, Havells Baddi plant implemented a simple, yet effective innovation in its processes.

Instead of printing with red and green inks as indicators for off/on mechanism on knobs, the plant has started using pre-coloured polymer material in moulding operation. The plant has also started engraving product identification numbers in moulding instead of printing them on the product.

Ink is a toxic substance and discharge of waste ink poses a threat to the environment. The exposure of humans to larger quantities of ink can also be a health hazard.



Energy security and conservation is one of the top concerns of our times.

We believe that any efforts to optimise our energy consumption directly benefit the exchequer and the citizens of the nation.



Energy Usage

In the reporting year FY 2014-15, Havells initiated an energy conservation drive with the objective of monitoring their energy consumption, benchmarking performance against global leaders, and implementing solutions to become one of the most energy efficient companies in India.

Energy security and conservation is one of the top concerns of our times.

We believe that any efforts to optimise our energy consumption directly benefit the exchequer and the citizens of the nation. Managing energy effectively enhances business efficiency and conserves natural resources. Reducing fossil fuel combustion improves air quality, decreases fine particulates that contribute to adverse health effects, and reduces greenhouse gas (GHG) emissions.

None of our manufacturing facilities are extremely energy intensive and they are situated in designated industrial zones within the Northern part of India. Our major energy demand is, met through grid-electricity. DG sets are installed at our locations to meet electricity demands during power-cuts. Some manufacturing locations also use furnace oil, natural gas and LPG in their operations.

Direct Energy-Consumption				
Fuel type	Consumption (unit) - FY 2014-15	Consumption (GJ) - FY 2014-15	Consumption (unit) - FY 2013-14	Consumption (GJ) - FY 2013-14
HSD	19,42,794 litres	70,174 ⁴	15,68,765 litres	56,664
Natural Gas	11,49,549 SCM	41,936 ⁵	2,34,776 SCM	8,565
Furnace Oil	2,18,973 kg	8,847 ⁶	1,58,009 kg	6,384
LPG	1,38,280 kg	6,541 ⁷	8,21,950 kg	38,878
Biomass	4,929 kg	57 ⁸	4,250 kg	49
Total		1,27,554 GJ		1,10,540 GJ

⁴Diesel Oil Net Calorific Value = 43 TJ/Gg, IPCC 2006

⁵Natural Gas Density = 0.76 Kg/SCM, Gail Limited, http://www.gail.nic.in/final_site/energyconversionmatrix.html; Net Calorific Value = 48 TJ/Gg, IPCC 2006

⁶Fuel Oil Net Calorific Value = 40.4 TJ/Gg, IPCC 2006

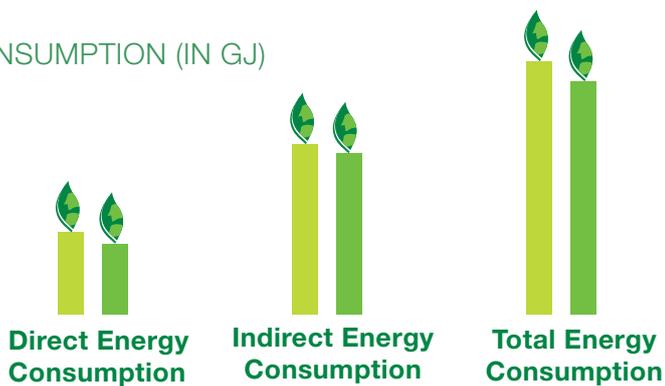
⁷LPG Net Calorific Value = 47.3 TJ/Gg, IPCC 2006

⁸Biomass Net Calorific Value = 11.6 TJ/Gg, IPCC 2006



Environmental Performance

ENERGY CONSUMPTION (IN GJ)



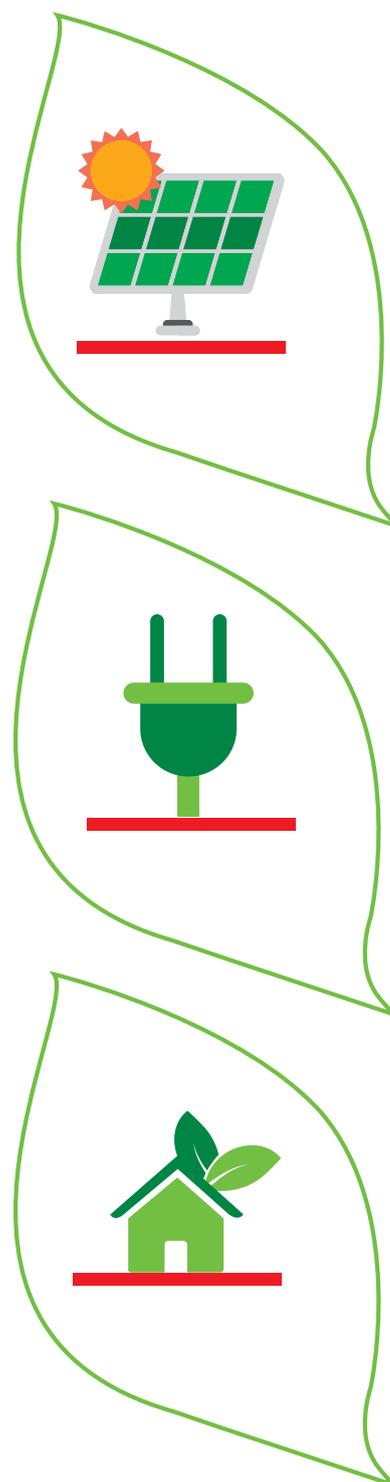
Total direct energy consumption during FY 2014-15 was 1,27,554 GJ, which is more than 15% of direct energy consumption as compared to the previous year.

The total indirect energy, i.e., grid-electricity consumption at our plants during FY 2014-15 was 7,52,35,342 kWh or 2,70,847 GJ, which corresponds to 6% increase vis-à-vis the previous year.

Correspondingly, the total energy consumption during the reporting year was 3,98,401 GJ, a 9% increase with respect to the previous year. The reason for the increase in energy consumption is the increased production within this financial year, which corresponds to increased sales and revenue to the organisation.

Neemrana plant shifting to Natural Gas from LPG

Havells took the decision to phase out the use of liquefied petroleum gas (LPG) at its Neemrana plant in favour of piped natural gas (PNG), a choice that has seen the Company realising environmental and economic benefits. On environmental front, PNG is a cleaner and lesser carbon intensive fuel over LPG. Usage of PNG has helped in lowering the GHG emissions at the plant and on the economic front, the plant has realised significant saving due to shifting to an efficient and productive fuel.



Renewable Energy Usage

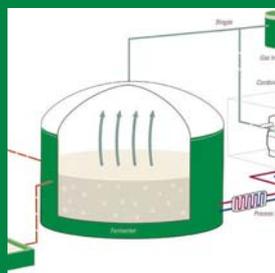
Our plants have made efforts to use clean and renewable fuels in their operations wherever possible. In FY 2014-15, our Neemrana plant installed a biogas plant that replaced a significant amount of LPG consumption. A few of our other plants continued the use of biomass fuel for kitchen operations.



Biomass



Natural Gas



Biogas

The total energy consumption was 3,98,401 GJ,

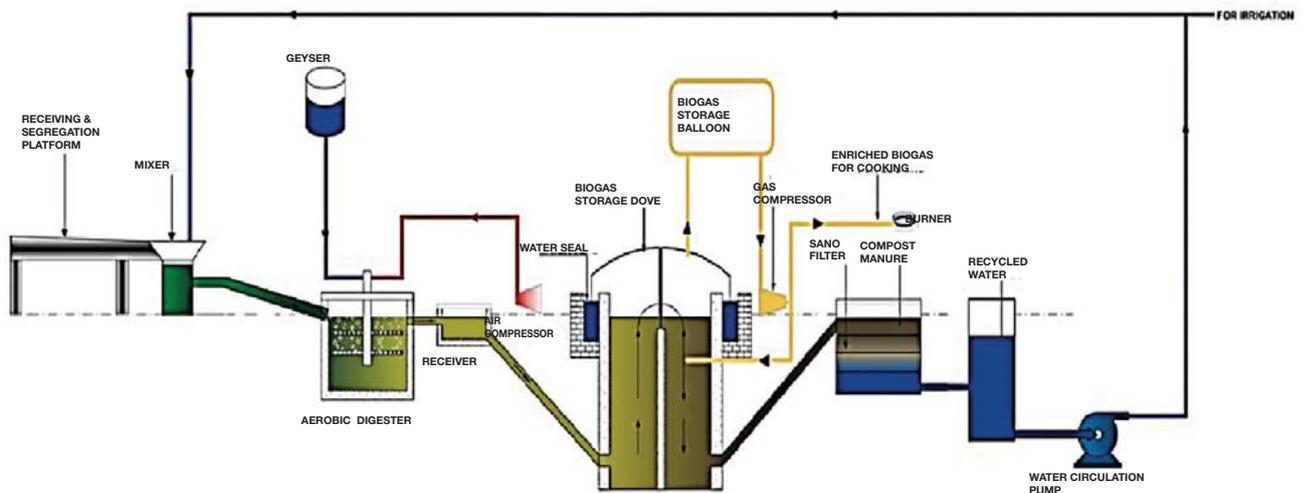
a 9% increase with respect to the previous year.



Using biogas – a cleaner fuel

Havells Neemrana plant manufactures lighting fixtures, CFLs, CMI lamps and motors. During the reporting year, the factory installed and started operating a biogas plant, utilising organic wastes available at the plant.

Savings of significant number of LPG cylinders in the staff canteens have already been achieved due to this initiative.



Process flow sketch of biogas plant at Neemrana plant



Energy Conservation:

- a. Light Optimisation through lux mapping and changing over to higher efficiency lighting solutions such as LED.
- b. Street Light Load optimisation by replacing MH lamps with CFLs / solar lights & introduction of sensor base Street light panel.
- c. Use of direct Solar Light through Solar Tubes (solar product) in day time to save 100% electrical energy for lighting for Faridabad plant.
- d. Use of natural light by placing transparent roof and side glass windows in day time for panel manufacturing unit to reach green building requirements.

Optimisation/Improvement of Process:

- a. Introduction of Thyristor-based welding set to improve efficiency.
- b. Re-sizing of motors and pumps rating as per process requirement.
- c. Installation of Variable Frequency Drives based Motors as strategy for energy conservation.
- d. Conversion of pneumatic screw driver to energy efficient Electrical screw driver.
- e. Installation of precision temperature controlling equipment in drying ovens to avoid unnecessary overheating.
- f. Introduction of paper shredder machine to recycle paper waste.
- g. Waste generation minimisation through the application of reduces, reuse and recycle principles across units.
- h. Conversion of thermosetting plastic to recyclable thermoplastic material.



Environmental Performance

Energy conservation through automation

At our Faridabad plant, we have replaced manual powder spraying process in the heating ovens with automatic powder spray plant.

The earlier dip-type pre-treatment line with conventional spray system was inefficient compared to demand, less energy efficient, and posed an environmental, health and safety threat.

Benefits of this process change are:

- ✔ Enhanced product quality
- ✔ Less material movement/logistics due to single time loading and unloading of material
- ✔ Water conservation through the initiative - Consumption of water remained the same, while the production increased by three times
- ✔ Environment-friendly:
 - ✔ Chemical spraying and recovery are in a closed-loop, covered system that do not affect the health and safety of workers.
 - ✔ Reduced air pollution due to the use of PNG instead of HSD.
 - ✔ Use of cleaner fuel (PNG instead of HSD) leading to lower GHG emissions.
 - ✔ Automatic Powder spraying with reciprocator along with mono cyclone recovery system of unused powder with 99% recovery efficiency.



Natural Lighting



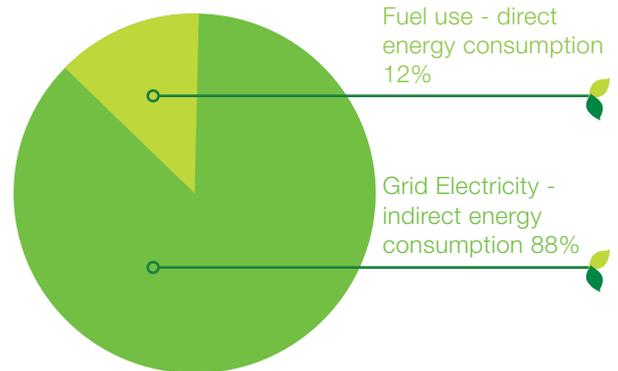
Havells Faridabad plant uses Solar Tubes to use natural light in phosphating area. This eliminates the use of artificial lighting during daytime.

Havells Neemrana plant uses natural lighting during the day at the shop-floor.

The paint shop at Faridabad plant is built in a way that it requires only natural lighting during the day.

Emissions Management

The total Green House Gas (GHG) emissions footprint of our manufacturing units across India for the current reporting year of FY 2014-15 was 70,343 tonnes of CO₂ equivalent, corresponding to a 7% increase in the GHG emissions over the previous reporting year.



GHG emissions from direct energy consumption

Fuel	Consumption - FY 2014-15	GHG Emissions (tonnes CO ₂ equivalent) - FY 2014-15	Consumption - FY 2013-14	GHG Emissions (tonnes CO ₂ equivalent) - FY 2013-14
HSD	19,42,794 litres	5,200 ⁹	15,68,765 litres	4,199
Natural Gas	11,49,549 SCM	2,354 ¹⁰	2,34,776 SCM	480
Furnace Oil	2,18,973 kg	685 ¹¹	1,58,009 kg	494
LPG	1,38,280 kg	413 ¹²	8,21,950 kg	2,453
Total		8,650		7,627

⁹Diesel Oil Default CO₂ Emissions Factor = 74,100 Kg/TJ, IPCC 2006

¹⁰Natural Gas Default CO₂ Emissions Factor = 56,100 Kg/TJ, IPCC 2006

¹¹Furnace Oil Default CO₂ Emissions Factor = 77,400 Kg/TJ, IPCC 2006

¹²LPG Default CO₂ Emissions Factor = 63,100 Kg/TJ, IPCC 2006

Environmental Performance

GHG emissions from indirect energy consumption

Source	Consumption - FY 2014-15	GHG Emissions	Consumption - FY 2013-14	GHG Emissions (tonnes CO ₂ equivalent) - FY 2014-15
Grid electricity	7,52,35,342 kWh	61,693 ¹³	7,08,74,327 kWh	58,117
Total		61,693		58,117

¹³ Weighted Average Grid CO₂ emission factor (NEWNE Grid) = 0.82 Kg/kWh (FY 2013-14), CEA Database version 10.0, Dec-2014

Ozone depleting substances

Our manufacturing plants do not consume a significant amount of ODS and the total consumption of ODS gases during the current reporting FY 2014-15 was 735.7 kg, amounting to only 40.46 kg of CFC-11 equivalent.

The ODS gas used in our plants was R 22 gas, which was consumed in our plants in condensers, chillers and AC units during routine servicing and repair.

Our plants track ambient air-quality in and around the plant-premises and the emission levels in FY 2014-15 were found to be below the permissible limits. No fines were levied in the reporting period in this regard on any of our manufacturing units.



Other air emissions

We consider clean air as an asset and continue to enhance technology and upgrade our processes to reduce any impact on the quality of air. Air emission sources are mainly flue gas and process emissions. We have installed adequate treatment facilities to ensure necessary compliance. The flue gas emissions,

mainly from Boilers and Diesel Generator (DG) sets, etc., are provided with the adequate stack height for effective dispersion. Regular monitoring of all stacks is carried out to check the concentration levels of pollutants released into the atmosphere. The air emissions are well within the levels stipulated by the regulatory bodies.

Our air emissions load of SO₂, NO_x, and particulate matter are generated mainly from the usage of fossil fuel and from the process vents in our manufacturing plants. We monitor SO₂ as well as NO_x emissions from the stacks in our manufacturing plants. The following table presents the details of these emissions from our manufacturing plants in India.

	Units	Value in FY 2014-15	Value in FY 2013-14
SO ₂ Load	Tonne	0.23	0.29
NO _x Load	Tonne	5.96	4.87

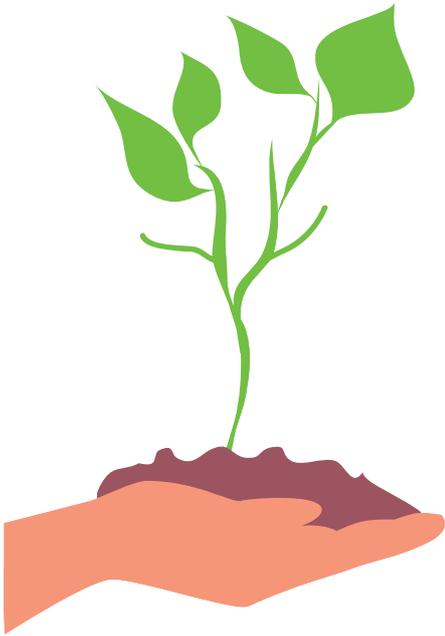
Replacement of conventional air conditioners with new air conditioners without ozone depleting substances

As an initiative towards emission reduction, Havells plants have started replacing conventional air conditioners that use ozone depleting R-22 gas with new air conditioners that use R410 gas which is environment-friendly and does not harm the ozone layer. Other benefits of the R410 gas are:

 Non Flammable	 Less toxic	 Non corrosive	 Low cost
 Superior heat transfer	 Can be used with steel, copper and brass	 Low installation cost	 Produces negligible sound



Environmental Performance



Biodiversity Management

None of our manufacturing locations in India are in or adjacent to Protected Area, Sanctuary, Reserve Forests or area of importance of biodiversity and thus, have minimal impact on the biodiversity of such areas. All the plants are located in designated industrial areas. There are no habitats in the vicinity of our manufacturing plants and there are no International Union on Conservation of Nature (IUCN) Red List of Threatened Species and no national conservation list species in plant vicinity that are affected by plant operations.

We have always been committed to creating a rich natural environment within our plant-boundaries and in the surrounding areas. We have taken several initiatives to keep our plants green by carrying out regular gardening activities. Regular tree-plantation drives are also carried out to replenish and enhance the biodiversity.

Rainwater harvesting units have been installed at most of our plants with the aim of collecting rainwater and recharging groundwater tables.



Conserving nature through simple and effective solutions

Havells Alwar plant manufactures domestic and industrial power cables for High and Low Voltage (HT and LT) applications. The plant implemented an exemplary wood conservation initiative through a simple yet effective innovation in product packaging. By changing the design of the outer wooden batten that covers a cable drum, the space between wooden planks was increased and the number of planks per batten decreased.

Because of the effort, the plant has been able to save large tonnes of wood, which is equivalent to saving of equivalent trees. The plant plans to further optimise the batten design for more wood savings.



Before



Existing



Proposed



Regular tree plantations are carried out at Havells locations to maintain the biodiversity of the areas where we operate. Large number of trees was planted by Havells in FY 2014-15 at Alwar and Haridwar.



Greenhouse development

Nurseries and greenhouses at our plants help us grow and nurture plants and trees of local relevance.

Environmental Performance

Water use

Although, India is not a water poor country, water is becoming a scarce commodity due to growing human population, severe neglect and over-exploitation of this resource. India is more vulnerable because of the growing population and indisciplined lifestyle. This calls for immediate attention by the stakeholders to make sustainable use of the available water resources.

Water is not a material concern for Havells as the manufacturing processes are not dependent on water. Majority consumption of water at Havells is for domestic consumption – i.e., cooking, cleaning and cooling functions. Notwithstanding, we have installed water conservation and reuse processes, and treatment plants across our factories.



Water audits and consumption studies

Havells has taken the initiative to optimise its water consumption to conserve water wherever possible. In FY 2014-15, we initiated an intensive water audit across our manufacturing locations to identify scope for water conservation.

Water conservation and reuse methods followed across Havells

- Sewage Treatment Plant (STP)
- Effluent Treatment Plant (ETP)
- Rainwater harvesting
- Optimal plumbing and washroom operations
- Efficient gardening – drip irrigation, sprinklers
- Use of recycled water from STP for the entire civil construction of a new building at Baddi



Wastewater treatment

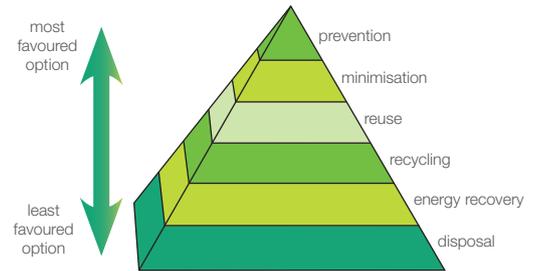
Considering the fact that our manufacturing processes are not water-dependent, many of our plants follow superior water conservation and reuse practices. These units are 'zero discharge facilities' and comprehensively treat and reuse domestic and industrial wastewater generated on site through installed STP/ETP setups. Treated water is used primarily for wash-room and gardening purposes. In order to save the water used for flushing, most of our manufacturing plants have opted for waterless urinals, where the plants have replaced the flushing water with the bio-blocks.

Waste Management

Being in the electronic industry, the primary waste generated at our manufacturing plants is metal scrap. Besides, other non-hazardous waste categories include paper scrap, plastic scrap and other scrap. Other scrap usually includes wooden scrap, dust, DMC, MPP films, powder, XLPE, glass, etc. Metal scrap, consisting of copper, aluminium and alloys like brass, is given to authorised waste collectors. This practice also reduces the burden on the raw-metal supplies, since scrap metal is recycled and reused as raw material. Other scrap wastes are also sold or disposed of through proper channels.

In the reporting period, one-off waste (or construction waste) was also generated due to construction activity at Faridabad plant.

The amount of hazardous waste generated at our plants is minimal and usually restricted to waste oil, ETP sludge, DG and compressor filters, mercury and paint-chemical scrap.



Hazardous Wastes Generated	Quantity (Units) FY 2014-15	Quantity (Units) FY 2013-14
Waste Oil	10,280 litres	6,504 litres
ETP Sludge	21,413 kg	8,913 kg
DG and Compressor Filter	676 kg	393 kg
Mercury with Glass	11,694 kg	8,702 kg
Cotton Waste (Oil Soaked Cotton)	498 kg	18 kg
Paint-Chemical Sludge	4,051 litres	205 litres



Non-Hazardous Wastes Generated	Quantity (kg) FY 2014-15	Quantity (kg) FY 2013-14
Metal Scrap	31,79,140	26,11,128
Paper Scrap	7,55,422	7,49,593
Plastic Scrap	3,03,109	1,61,764
Other Scrap	17,13,480	14,29,453
One-off Waste	1,62,000	2,52,000
Total	61,13,151	52,03,938



Spill management

For our DG set and boiler units, we maintain on-site HSD and furnace oil storage facilities. Here, spills present a significant risk for our business. For addressing the same, we have ensured that proper fuel handling equipment is installed on-site for safe storage and transfer of these fuels.

No significant spill incident occurred across our plant premises during FY 2014-15.



People Performance

Havells believes in creating healthy and growing societies both within the Company and outside organisational boundaries. The unifying force across our operations and through our people is the sense of responsibility, and zest for growth and betterment in all spheres of work.

As a corporate, Havells believes in a bottom-up approach to business where our employees set the targets through their market insights and the Company aims to achieve those targets. We have also built a culture of solidarity at the workplace where all projects are team efforts more than individual efforts. At the same time, our feedback system ensures that every employee is given special attention and personalised growth opportunities.

Our people are the foundation of our success, and we foster a high-performance culture that develops talent and promotes teamwork. We continue to create a work environment where:

- ✔ We attract, develop, engage, and retain a diverse workforce
- ✔ We prepare leaders for our future growth both at work and in the communities where we operate
- ✔ We drive high performance by clearly differentiating top talent for both ratings and rewards
- ✔ We treat all people with dignity and encourage diversity and inclusion
- ✔ Work is done in an environment where we are open in our communications and honest in our feedback
- ✔ We take ownership for our actions and deliver on our promises and
- ✔ Our values and employee pride inside and outside of the workplace, which are evident across the organisation

Our workforce

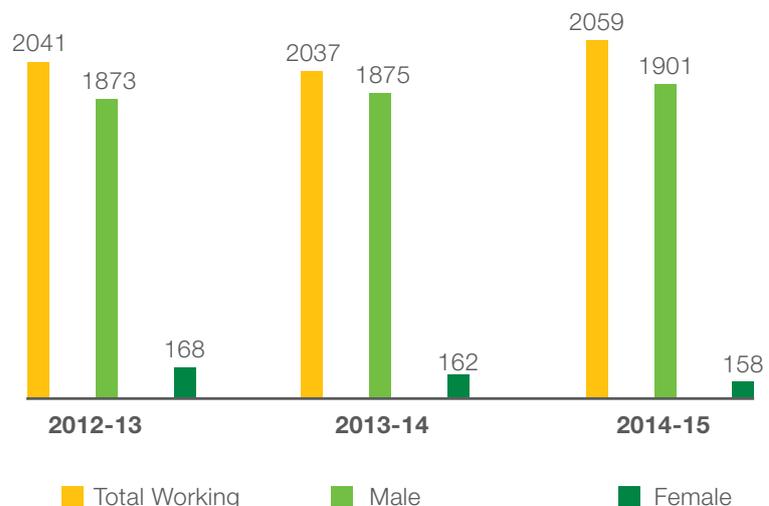
As on 31st March, 2015, the number of employees who were on our Company payroll at the Head Office and at our manufacturing locations was 2059. During the year, 7100¹⁴ contractual labourers were employed across our manufacturing plants.

¹⁴ Consolidated data based on the 12-month average across all the manufacturing sites.

Havells Workforce on Company Payroll for FY 2014-15								
Designation	Unit	<30 yrs		30 - 50 yrs		>50 yrs		Total
		Male	Female	Male	Female	Male	Female	
Management*	Nos.	256	53	844	39	107	03	1302
Workers	Nos.	262	29	354	18	20	00	683
Others^	Nos.	58	16	00	00	00	00	74
Total	Nos.	576	98	1198	57	127	03	2059

* Management category includes senior, middle, and junior management

^ Others category includes apprentices and GETs/PGETs



Our people are the foundation of our success, **and we foster a high-performance culture** that develops talent and promotes teamwork.



Employee Turnover

We define employee turnover as the number of employees who leave the organisation voluntarily or due to dismissal, retirement, or death in service. Our permanent employees are considered for reporting against this indicator.

In FY 2014-15, a total of 273 employees separated from the Company from across the management and permanent workers categories. We conduct comprehensive exit interviews with the separating employees. This allows

us to assess and improve upon our HR practices and employee retention programmes. During the FY 2014-15, the highest turnover (more than 63% of overall) was seen for the 'less than 30' age group with the younger workforce leaving the Company for other opportunities and higher studies.

During the same period, the Company recruited a total of 330 employees across management and permanent workers categories, of which 56 new hired employees resigned within the same year.

Net employment turnover	Age Group			Total	Gender		FY 2014-15 Total
	<30	30-50	>50		M	F	
Breakup of personnel leaving the organisation							
Managerial							
Resignation	73	57	09	139	122	17	139
Retirement	00	00	02	02	02	00	02
Death	00	00	00	00	00	00	00
Total	73	57	11	141	124	17	141
Workers							
Resignation	100	30	01	131	119	12	131
Retirement	00	00	00	00	00	00	00
Death	00	01	00	01	01	00	01
Total	100	31	01	132	120	12	132
TOTAL							273

NEW HIRES	Unit Nos.	Age Group			Gender		FY 2014-15 Total
		<30	30-50	>50	M	F	
Managerial		140	101	05	213	33	246
Workers		56	27	01	77	07	84
Total							330



People Performance



NEW HIRES WHO RESIGNED WITHIN SAME YEAR	Unit	Age Group			Gender		Total FY 2014-15
		Nos.	<30	30-50	>50	M	
Managerial		23	11	00	30	04	34
Workers		21	01	00	20	02	22
Total							56

Inclusive feedback

We provide regular feedback to our employees enabling them to grow in their professional space. We also provide career advancement opportunities including in-house and external trainings. These trainings include both soft skill trainings as well as technical trainings. Our permanent employees are covered under performance evaluation and feedback process.

Our defined salary structures are at par with or above the minimum wages as

specified by the Government of India, and we provide our employees with competitive benefits and incentives.

Our leave structure is designed considering the Factory Act regulations, with provision for employees to avail earned, sick and maternity leaves. During the year, 3 employees had availed the maternity leave, of which 1 employee re-joined the Company during the year, while 2 employees were still pursuing the leave as on 31st March, 2015.



Employee Engagement

Learning and development

Employee training is an essential part of any successful business. Training has positive impacts on employee satisfaction, performance and retention. By training our employees well, we enable them to reach their full potential, which makes our Company more competitive. In a broader context, the skills we give to our employees help them to find their place in our country's rapidly developing economy.

We invest proactively and provide our employees with excellent learning and career development opportunities in technical and soft skills areas.

Our trainings include programmes on communication, leadership and interpersonal skills as well as technical areas relating to machine technology and handling, material sciences, manufacturing processes,

and safety and security. The trainings are imparted to both permanent employees and the contract employees. Comprehensive tracking of the training data (employee category wise) was initiated last year and the below table presents total recorded average training man-days spent on training at our manufacturing plants in India in the current and previous reporting period.



Employee Category	Average Training Man-days (2014-15)	Average Training Man-days (2013-14)
Senior Management	0.65	0.47
Middle Management	1.65	1.03
Junior Management	1.07	1.87
Permanent Workers	0.84	0.51
Contract Workers	0.39	0.54

People Performance

Neemrana plant celebrates Sustainability Day

To ingrain the concept of Sustainability as a way of life, Havells manufacturing locations regularly carry out awareness drives and trainings. In the same spirit, Havells Neemrana plant, that manufactures LED lights, fixtures, CFLs, and motors, started the concept of celebrating a 'Sustainability Day' every month.

The objective behind observing a day for Sustainability discussions was to promote brainstorming for idea generation and innovation. The day also sees employee involvement for spreading awareness about sustainable performance.



Cross functional teams at Neemrana discuss ideas and take a round of the newly launched biogas plant

Daily Work Management – Towards Enhanced Productivity

All our plant locations and various departments at the corporate office rigorously follow the concept of daily work management or DWM where meetings are held every morning before starting work.

Some of our plants are located in industrial towns where the staff and workers stay in proximity to the manufacturing sites. Organising sports events in the evenings after work help our people remain physically fit while engaging actively with their colleagues.



Labour Relations

We continue to engage contractual labour for our plant operations, housekeeping and security activities. Majority of contractual labour is hired from the vicinity of our plants to reduce operational constraints arising from seasonal and festivities-driven labour migrations. This practice also allows us to maintain amiable relations with our neighbouring societies.

With competitive wages and incentives, we endeavour to provide best working environment for our contract employees. These include proper protective gear while working, reasonable break time, and clean water and food facilities besides others. We constantly look for ways of improving the quality of life of our contract workforce. As a result, we enjoy good professional relations with our contractual workers. None of our contractual workers are part of any unions and no unions exist across our plant sites.

Respecting Human Rights

We are determined to contribute to the promotion and protection of Human Rights. We seek to support human rights throughout our operations. We also take due care to ensure that our physical working environment is congenial to the workforce and free from any form of exploitation. We respect the rights of our employees and encourage fair practices. We are committed to providing equal opportunities at all levels, safe and healthy workplace, and protecting human health and environment.

In the reporting period, no cases of discrimination or harassment were reported by our employees across our manufacturing plant sites and Head Office.

Against Child Labour and Compulsory Labour

We strongly oppose illegal labour practices. Exploitation of children and child labour is strictly prohibited at all our plants and offices. We do not work with any supplier or contractor known to operate with unacceptable labour practices such as the exploitation of children, physical punishment, female abuse, involuntary servitude or any other form of unacceptable behaviour. The agreements with contractors and suppliers also mandatorily include necessary clauses on human rights and child labour as specified by the Government of India and Factory Act regulations.

In the reporting period, there were no reported instances regarding child labour, forced or compulsory labour at any of our manufacturing plants in India or Head Office.

Worker Adoption at Alwar plant – Godnama Scheme

To create a sense of belongingness and responsibility, Havells Alwar plant initiated the concept of 'Godnama' or adoption of workers where each senior staff member takes up the responsibility of 12 workers. Under this plan, the staff members become responsible for solving personal and professional issues faced by twelve workers adopted by them. These issues include education of workers' children, skills development, workplace challenges, health check-ups of workers and their families among others. The adopting staff members are also responsible for keeping up the motivation level of workers and providing any necessary counselling whenever required.

सूचना

समस्त कर्मचारियों को सूचित किया जाता है कि आपके कार्य-स्थल एवं आपके व्यक्तिगत सर्वांगीण विकास के लिए हमारी प्रतिबद्धता हेतु "गोदनामा" नामक योजना का शुभारम्भ किया है और जिसमें सभी स्टाफ-कर्मचारियों द्वारा कुछ कर्मचारी कर्मचारियों को गोद लिया जा रहा है जिसका उद्देश्य गोद लिए हुए व्यक्ति की जिम्मेदारी जैसे-बच्चों की पढ़ाई, चिकित्सा, आपके कार्य में आने वाली अन्य समस्याओं का निवारण रहेगा। अतः आप को सूचित किया जाता है कि आप अपनी इन समस्याओं हेतु अपने गोद लेने वाले स्टाफ के सदस्य से सम्पर्क करें। गोद लिये गये कर्मचारियों तथा गोद लेने वाले सदस्यों की सूची निम्न प्रकार से है

ADOPTER		ADOPTEE					
गोद लेने वाले व्यक्ति का नाम		जिन्हें गोद लिया गया है					
S.No	Name	Sl. No	PERNH	EMP NAME	FATHER'S NAME	DEPT.	REG. NO.
1	ANIL KUMAR SHARMA	1	AM00154	Anand Lal Yadav	Mr. Lakshmi Ram	Driver (MOB. CRA. DRI.)	4
		2	0400012	Aaz Muhammad	Mr. Ibrahim Khan	C.C. - RBD MEDIUM-1350	2
		3	AM00182	Afsar Khan	Mr. Ali Mohamed	HT - STRIP -1350	3
		4	1263	Afsardeen	Mr. Sultan	WIRE - EXTRUSION-151	50
		5	NS00028	Ajad Khan	Mr. Hanif Khan	PVC COMPOUND	8
		6	5815	Ajay Chorasya	Mr. Sudama Chorasya	MECH-HT	29
		7	AM1180	Ajay Kumar	Mr. Ramjidan Mahotra	LT - STRIP -1350	2
		8	5205	Ajay Kumar Mishra	Mr. Kaval Dev	LT-TESTING-1350	19
		9	72062	Ajay Kumar Srivastav	Mr. Anil Lal Srivastava	HT - COPPER TAPING & LAYG	39
		10	CH0917	Ajay Singh	Mr. Gulab Singh	WIRE - COILING-1351	26
		11	0900321	Ajay Singh	Mr. Mahindra Singh	LT - II STANDING-1350	32
		12	1245	Ajay Singh Jat	Mr. Hukam Chand	MECH- LTI	16
2	ABHINAV TIWARI	1	72124	Ajay Yadav	Mr. Bal Mohan Yadav	WIRE - EXTRUSION	91
		2	RT0014	Ajee Ram	Mr. Chotal Lal	MECH- LTI	17
		3	AM0229	Ajeet Kumar	Mr. Ram Pratap Yadav	HT - STRIP -1350	6
		4	5625	Ajeet Singh	Mr Babban Singh	HT- INNER & OUTER -1350	20
		5	6137	Ajeet Singh	Mr. Ram Kishor	WIRE - PACKING-1351	68
		6	RT0040	Ajeet Singh	Mr. Sachidanand	WIRE MECH. MANTI-1351	12
		7	5501	Ajram	Mr. Bharat Ram	LT- II EXTRUDER-1350	33
		8	5951	Akash Kumar	Mr. Mayaram	LT- II EXTRUDER-1350	45
		9	DE1253	Akhlesh Kumar Singh	Mr. Ram Prasad Singh	HT - CORE EXTRUSION-1350	12
		10	4978	Ali Mohammad	Mr. Ishab Khan	LT - II STANDING-1350	16
		11	3508	Aman Mahadrapta	Mr. Satish	ELECTRICAL	20
		12	NS0754	Amar Chand	Mr. Nathi Lal Sain	PVC COMPOUND	2
3	ABHISHEK GUPTA	1	RT0089	Amar Dev Patel	Mr. Bharat Prasad	ELECTRICAL	23
		2	70228	AMAR SINGH	SHABULAL SAINI	MECHANICAL(WIRE)	21
		3	72074	Amar Singh	Mr. Lal Bahadur Prajapat	HT - ARMOURING	35
		4	AM0738	Amar Singh	Mr. Badrin Prasad	CABLE - DESPATCH-1350	21
		5	NS00009	Amar Singh Jataw	Mr. Sachidanand	LT-LAYING (HS)-1350	9
		6	5686	Amarjeet Chorsiya	Mr. Bhimal Chorsiya	HT - COPPER TAPING-1350	23
		7	72116	Ambika Yadav	Mr. Laku Yadav	WIRE - EXTRUSION	85
		8	AM00027	Ami Chand	Mr. Rati Ram Jat	LT - STRIP -1350	10
		9	3716	Ami Chand Bairwa	Mr. Ram Singh Bairwa	LT - EXTRUSION-1350	20
		10	RT00003	Ami Kumar Ray	Mr. Sachidanand	MECH. LTI	12
		11	71651	Amit Yadav	Mr. Padam Singh Yadav	NEW LT TESTING	5
		12	4921	Amulya Choudhary	Mr. Kaushla Nand	WIRE - COILING-1351	30
4	ABHISHEK PATHAK	1	SU1333	Anand Kumar	Mr. Ramavtar	WIRE - EXTRUSION-151	27
		2	5788	Anand Yadav	Mr. Suresh Chand	WIRE - EXTRUSION-151	44
		3	3492	Anesh Kumar	Mr. Babu Lal	HT- INNER & OUTER -1350	32
		4	6013	Anil	Mr. Ramesh Chand	HOUSE KEEPING	13
		5	AM0694	Anil Kumar Yadav	Mr. Chander Mohan Yadav	CABLE - DESPATCH-1350	28
		6	72066	Anil Kumar	Mr. Bhalya Lal	HT- RBD	46
		7	9576	Anil Kumar	Mr. Puran Singh	HOUSE KEEPING	20
		8	DE0106	Anil Kumar	Mr. Pyare Lal	HT- INNER & OUTER -1350	3
		9	RT0058	Anil Kumar	Mr. Bhure Lal	ELECTRICAL	4
		10	RT0092	Anil Kumar	Mr. Channu Ram	ELECTRICAL	26
		11	SH1025	Anil Kumar	Mr. Ram Chandra Singh	WIRE - SPECIAL -1351	1
		12	2674	Anil Kumar Pal	Mr. Radhey Shyam Pal	HT-STANDING-1350	22
5	AJAY KUMAR SHARMA	1	DP00313	Anil Kumar Saini	Mr. Gopal Kiran	LT - II LAYING	13
		2	72089	Anil Kumar Yadav	Mr. Bangali Singh Yadav	LT-LAYING REWINDING & CG	62
		3	SH1024	Anil Kumar Yadav	Mr. Ram Babu Rai	WIRE - LUNCHING-1351	37
		4	RT0081	Anil Kumawat	Mr. Ram Khiladi Meena	MECH- LTI	48
		5	70224	ANIL LAL SRIVASTAVA	SHIVNANDAN LAL SHRIVAS	WIRE - SPECIAL CABLE & WG	6
		6	5036	Anil Sharma	Mr. Bal Kishan Sharma	WIRE - PACKING-1351	38
		7	4863	Anmol	Mr. Bothanand	LT - ARMOURING-1350	14
		8	SU00081	Anwar Ali	Mr. WIRE - EXTRUSION-151	6	
9	8863	Arab Singh	Mr. Amar Singh	WIRE - RE-WORKING-1351.	16		

People Performance

Safety

Occupational health and safety is one of our highest priorities. We remain focussed on our long-term objective of “zero accidents.” With this objective in mind, we work to continuously improve our health and safety performance.

As our operations are relatively simple and safe as compared to many other industrial processes, exposure to hazardous substances is limited to certain processes like the paint shop, the mercury pill dosing technology and hazardous waste management. We offer our employees, a working environment with acceptable level of health and safety protection.

Relevant trainings are provided to employees working with hazardous materials. We ensure proper protective gear is provided to the employees according to their work profile, including rubber gloves and shoes, ear plugs, overalls, eye wear and face masks.

Safety Incidents

We follow a stringent mechanism of investigation of any reportable incident that occurs in our premises. A thorough root cause analysis (RCA) is done which identifies the reasons for the incident and recommends the corrective actions. The learnings from these incidents are shared amongst the employees to prevent any future repeat occurrence. Our safety management is a combination of preventive and remedial approaches. Apart from focussing on process-related safety

procedures, the salient features of our safety management include managing risks against fires, disaster management and effective health management of the employees that reduce the inherent risk and build capacities of the workforce. Incident-accident recording systems are maintained as per regulatory requirements. All of our manufacturing facilities monitor and record first aid injury, minor injury and the reportable injury (LTIs). The following table presents the details of these injuries from our manufacturing plants in India.

Injury	No. of Incidents (2014-15)	No. of Incidents (2013-14)
First Aid Injury	1099	1286
Minor Injury	70	111
Reportable Injury (LTI)	06	10



As standard measures, we have dedicated pedestrian pathways in the plants. Also, speed limit is defined for the movement of the vehicles within the plant premises. Fire extinguisher units are installed at strategic points across our plants, and trainings and information sessions are regularly conducted for employees on fire handling and evacuation management. Further, all of our sites maintain dedicated water tanks for meeting any major fire situation. Security personnel are trained to monitor strict adherence to these classifications, including speed limit, to ensure safety of the employees and inculcate this culture of safety in all employees and visitors.

We regularly conduct medical camps across our plant sites for our employees and their family members. Adhering to our stringent internal safety motto, our manufacturing plants celebrated the National Safety Week from 04 March to 10 March 2015, which included various safety-related mock drills and activities.

Occupational health and safety

is one of our highest priorities. We remain focussed on our long-term objective of **“zero accidents”**. With this objective in mind, we work to continuously improve our health and safety performance.



Safety Day Celebrations



Promoting the Cause of Women's Safety Through Self-Defense training

Havells Haridwar plant organised a self-defense training session for women employees where a martial arts specialist was called to teach some basic yet effective self-defense techniques.



Social Responsibility

We operate in various communities across North India. Our contributions to these communities, and to society at large, are significant in bringing about social and economic benefit to regions where we operate.

We consider it an honour and a privilege to be able to operate in the various local communities where we exist around the country. As a neighbour, we have an obligation to contribute positively to those communities each and every day. That accountability is what earns us the privilege to continue to operate there.

As a corporate philosophy, we believe that a business is an active entity of society and economy, and plays a strong role in nation-building.

With the belief that children are the future of the country, and if you give them proper nourishment and care, you are in real terms investing in the growth of the country, we decided to focus our CSR efforts on health and nutrition, sanitation, and education of the children.

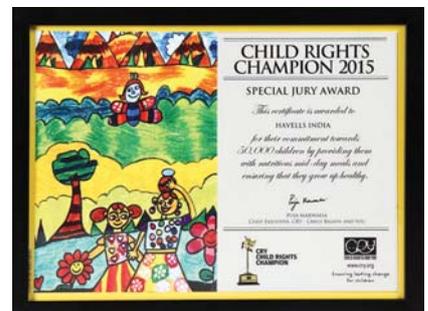


Mid-Day Meal Programme

Havells mid-day meal is the flagship CSR activity of Havells. The Company realised the importance of proper nutrition for school-going children and decided to contribute by providing mid-day meals in government schools every day.

After a thorough study in areas where Havells operates, the mid-day meal programme was launched in 2005 in Alwar district of Rajasthan.

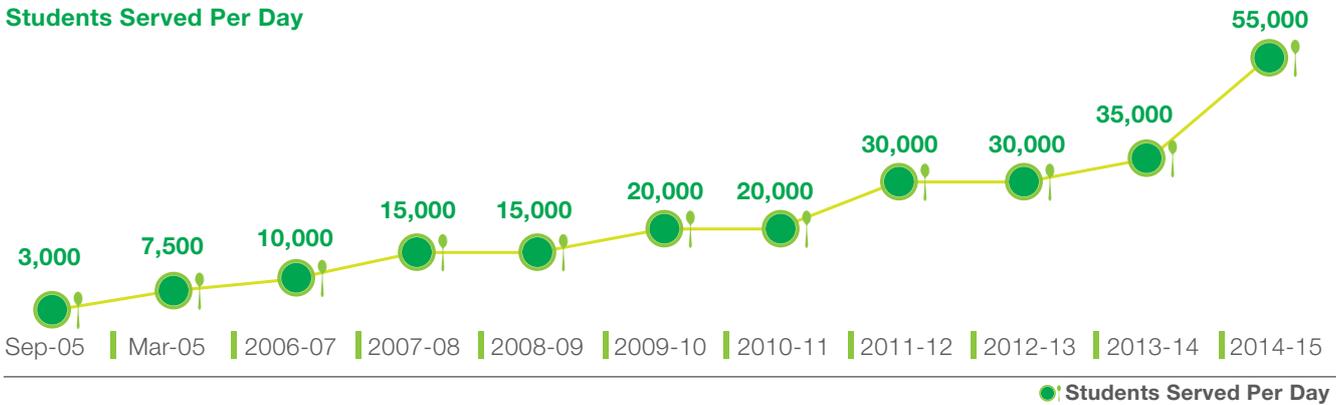
The programme was started with coverage of 3,000 school children every day. In 2015, the programme completes ten years of successful running, and the coverage of the programme has increased to 55,000 children every day. In FY 2014-15, the Havells mid-day meal programme was honoured with the Child Rights Champion Award by C.R.Y. (Child Rights and You).



The programme was started with coverage of **3,000 school children every day. In 2015**, the programme completes ten years of successful running, and the coverage of the programme has **increased to 55,000 children every day.**

During the current reporting period (2014-15), our **total expenditure on the CSR** was **₹ 97.90 million.**

Students Served Per Day



The dedicated team

Havells has employed a dedicated staff of about 160 people including cooks, helpers, drivers, and distributors, to ensure timeliness, quality and hassle-free provision of the meals every day.



The Infrastructure – modernised kitchen operations

Havells has set up state-of-the-art, automated kitchen that runs every day from the morning till noon to prepare lunch for the children. Operational efficiency is achieved through the use of conveyors to prepare food like chappatis at a large scale. Automation in food preparation and cooking operations leads to minimum human intervention to maintain hygiene. Special vans are owned by the Company to quickly distribute freshly-cooked food to schools at lunch time.



Ownership of the entire mid-day meal value chain from procurement of food materials to food preparation, storage and transportation to school, gives the Company control over the quality and hygiene of the meals. This goes in line with Havells philosophy of providing the best quality in all Company offerings.

Social Responsibility

QRG FOUNDATION		
ENTITLEMENT NORMS PER CHILD PER - DAY UNDER MID-DAY MEAL		
ITEM	PRIMARY (CLASS I TO V)	UPPER PRIMARY (CLASS VI TO VIII)
CALORIES	450	700
PROTEIN (IN GRAMS)	12	20
RICE / WHEAT (IN GRAMS)	100	150
DAL (IN GRAMS)	20	30
VEGETABLE (IN GRAMS)	50	75
OIL & FAT (IN GRAMS)	5	7.5

QRG FOUNDATION		
MENU FOR MID-DAY MEAL PROGRAMME		
S.No.	DAY	MENU
1	MONDAY	RICE PULAO WITH CHUTNEY AND FRUIT
2	TUESDAY	CHAPATI AND DAL WITH SUBZI
3	WEDNESDAY	CHAPATI AND ALU-CHHOLE
4	THURSDAY	RICE AND RAZMA
5	FRIDAY	CHAPATI, DAL AND SWEETS
6	SATURDAY	CHAPATI AND VEGETABLE

Ensuring nutritional quality

Proper government-approved diet charts are used as guides to prepare weekly menus to suit the tastes and nutritional requirement of children.

Sanitation Drive

In FY 2014-15, Havells also initiated a sanitation drive in government schools in Alwar district wherein the Company built eco-friendly and hygienic bio-toilets. These toilets have been designed to inculcate hygiene habits in children. The initiative was also taken to address the challenge especially faced by girl children, who would skip school because of lack of proper toilets.

At present, a set of sample washrooms have been built at one school. The Company plans to build more toilets in subsequent months.

These toilets are eco-friendly and use bacterial conversion to turn human waste into biogas and water, which can be used for gardening or recharge of groundwater.



Promoting Education

Havells facilitates education by providing need/merit-based scholarships to children at Ashoka University in Sonipat.

The Company also bears the entire cost of education including tuition, books, uniforms and meals of 170 children at Vivekananda Ashram at Faridabad.



Blood Donation Camps

Regular blood donation camps at Havells locations, contributions to victims of national calamities were also high on our CSR agenda during the year.



Product Stewardship

Product Safety, Quality & Durability

Havells offers a wide range of products that ensure safety, environmental preservation and energy-efficiency. Our products go through proper and rigorous in-house testing protocols before making their way to the market.

We are among the pioneers in the electrical equipment business for over six decades and understand the importance of safety in our products. We have an impeccable focus on ensuring superior quality across our product portfolio.



Product / Category	Havells Testing Standards	Industry Norms for Testing
Switches	1,00,000 operations	40,000 operations as per IS
Fans	Air Delivery min. 215+	Air Delivery min. 200+ as per IS
CFLs	Switching Cycle: 50,000 for export lamps	Switching Cycle: 30,000
	Life test: 12,000 hrs for export lamps	Life test: 10,000 hrs
	Mercury (Hg) content: < 1.0 mg Hg for Export lamps	Mercury (Hg) content: <2.5 mg Hg
LED bulbs	Surge protection minimum 2.5kV	Surge protection limit 1.2kV
	Operating voltage range 100 to 300V	Operating voltage range 220 to 240V
	Power factor > 0.93	Power factor > 0.90
	Current THD < 20%	Current THD < 33%
	Lumen Efficacy 100 to 110 Lm/watt	Lumen Efficacy > 85 Lm/watt

During the reporting year, there were no incidents of fines levied on us or non-compliance with respect to the regulations or voluntary codes concerning health and safety impacts of products and services, product-related marketing communications, and product information disclosure and labelling.



Product Stewardship

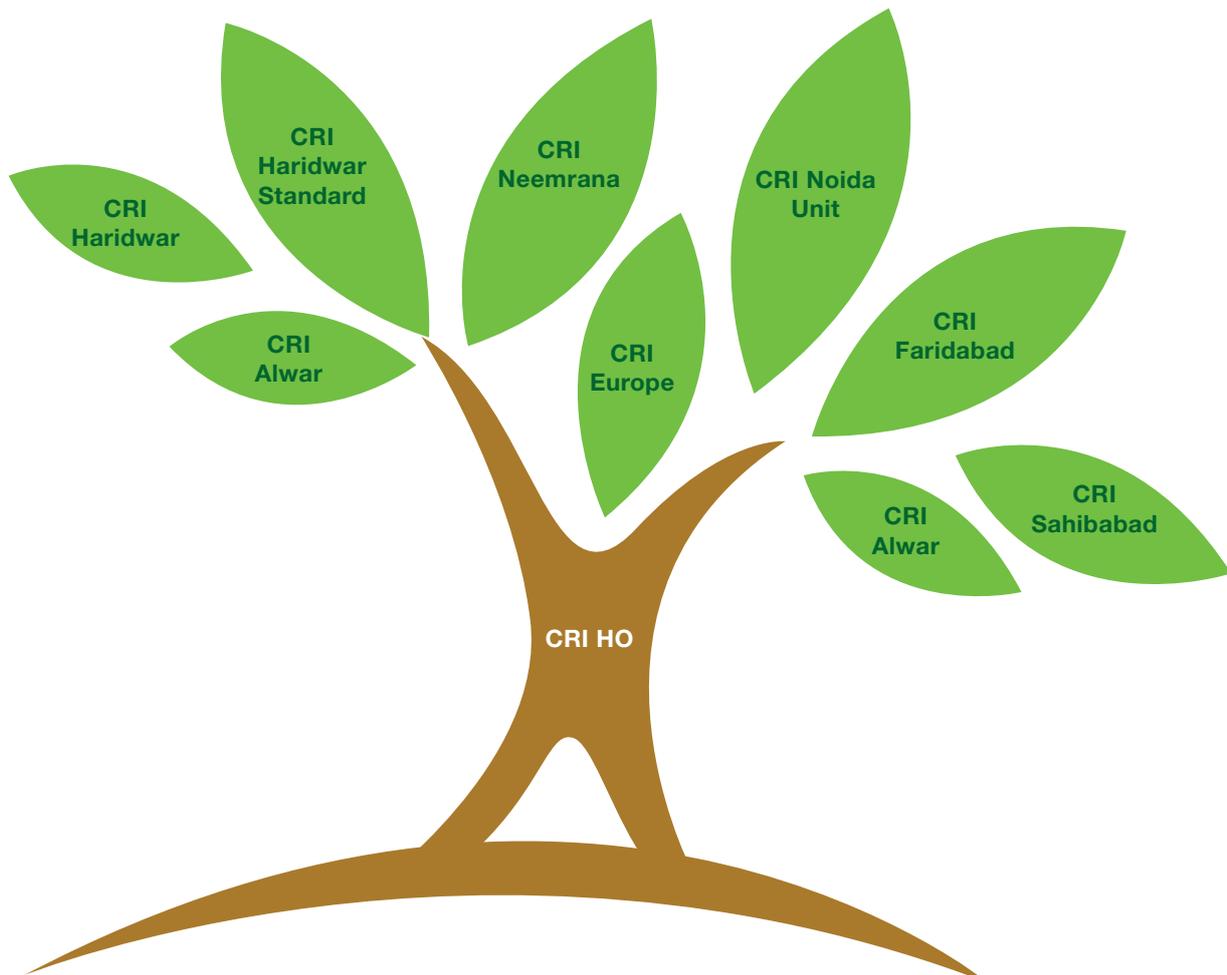


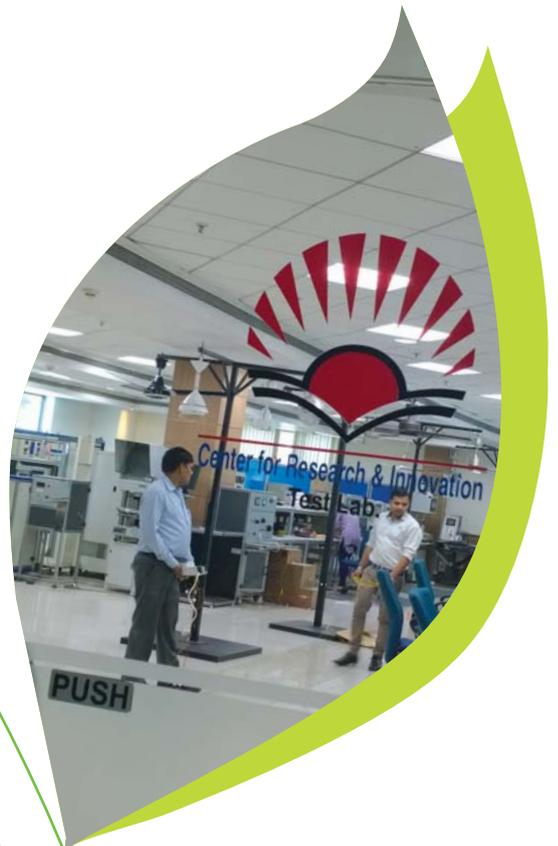
Promoting Innovation

CRI – Centre for Research and Innovation at Havells

Havells rapid growth has resulted from the development of technological capabilities adhering to the philosophy of its founder and top management. In 2005, the Company established a corporate R&D centre to develop technological capabilities for value creation in diverse business areas and provide the next growth engines. This R&D centre has pursued adaptation of latest technologies for product development and overcoming manufacturing challenges in the business divisions.

The objective of CRI is to provide theoretical and experimental foundations for all segments of electrical engineering. The centre closely co-operates with the various departments so as to provide the best and the latest in terms of technology and design. CRI is an ISO 9001:2000 certified body and is recognised by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology. In line with our vision and mission, the CRI has developed and internalised its own working philosophies to ensure the achievement of the Company's goal.





The industries in which Havells competes are characterised by rapid advances. The Company's ability to compete successfully depends heavily on its ability to ensure a continual and timely flow of competitive products, services and technologies to the marketplace.

Over the years, the Company has enhanced its technological strengths through extensive in-house R&D activities. Technological capability is recognised as a key driver of both short-term business performance and long-term sustainability. Havells recent success has shown how important product development and advanced manufacturing have been in the face of fierce market competition.

Each business vertical has in-house R&D centre with design and development capabilities and state-of-the-art testing facilities for its products and solutions. These centres aim

to develop new products, upgrade existing products, and improve productivity.

All centres are approved by the Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology. The research facilities are augmented with the latest workstations, softwares, PLM and data management facilities. Technical Libraries have the latest technical publications, research journals and product/technology databases to further supplement the R&D resources. Emphasis is given on creating and managing the Intellectual Property Rights (IPR). The Company regularly files patents and design registration applications to protect innovations.

Further, the Company is focussed on standardisation, automation and pursuing various quality improvement programmes, both internally and in its suppliers' operations, in an effort

to enhance customer satisfaction and reliability of its products. The Company's vision is to maintain and improve its competitive position by developing technologically advanced products.

We are focussed on rapidly scaling up our manufacturing capabilities to keep pace with the progress in R&D initiatives. However, it is not just about growing in volumes, but also about qualitative improvements. As an organisation, we are driven by leadership, intelligence and motivated people. We continuously develop and support our teams to increase their capabilities.

In the current reporting year, FY 2014-15, efforts have been made to increase Company's product portfolio by introducing innovative and market appealing technological concepts.

Product Stewardship

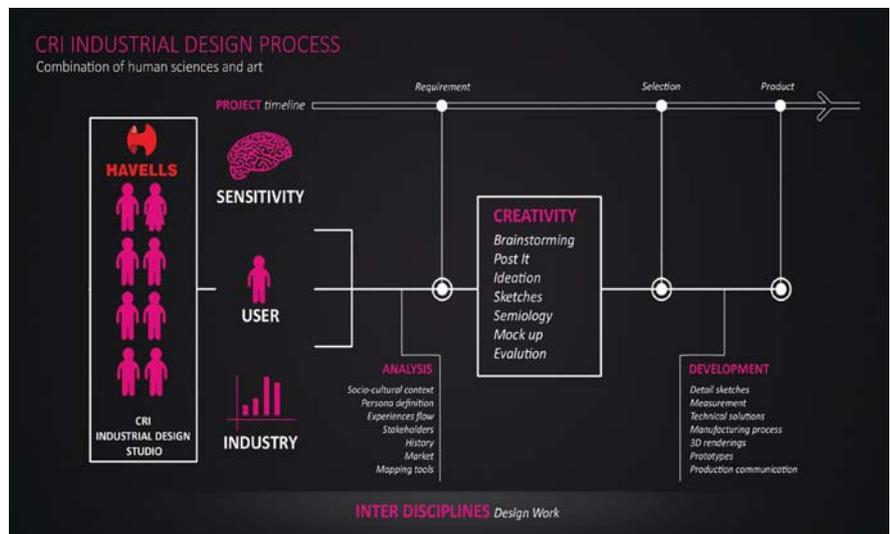
Industrial design studio

In addition to Havells research and development process, CRI has established an Industrial Design Studio by integrating all the designers working for different product categories. The aim is to create a design pool and to set a common design language for all Havells product categories. The key role of this team is to create new innovative ideas and concepts for products. The methodology of industrial design team is as follows - it starts with the research that includes market research, user research, surveys and trend studies, and finally, brainstorming for various innovative ideas. After preparing a mood board for the concept, the team creates sketches to give shapes to the idea, and converts it to Computer Aided Design (CAD) models with final design concept. The team also takes care of the ergonomics of the product to make it functional and user-friendly.



The team does colour research and trend study for different product categories, to study various finishes and materials which suit the current trends and product requirements.

Industrial design is a combination of arts, science, and process design applied to products that are to be manufactured through techniques of mass production.



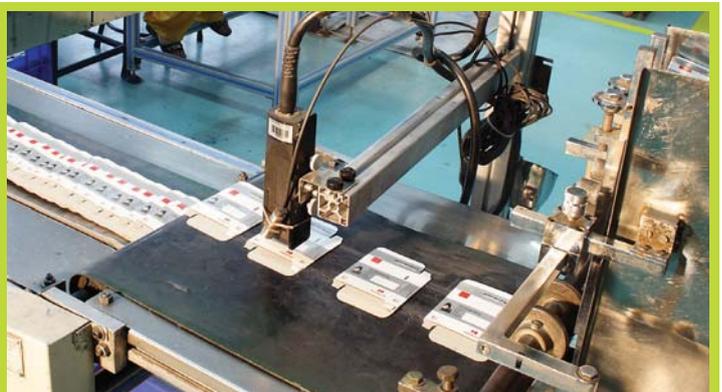
In the current reporting FY 2014-15, efforts have been made to increase the Company's products portfolio by introducing innovative and market-appealing technological concepts.

A few innovations introduced by our R&D are:

- New Euro II range of MCB, RCCB, Changeover & RCBO is a symbiosis between advanced technology, maximum functionality and aesthetic designing to match the taste of the discerning clientele.
- New shades & finishes in 'Metalica' and 'Metalica Divine Series' of distribution boards (scratch resistant board) have responded well to consumers' emotional satisfaction by providing luxuriously designed products.
- Crabtree Products represent a fine blend of Art & Science. With the objective of designing aesthetically appealing products by maintaining high level of engineering excellence, the Company launched a range of switches with capacitive touch like that of mobiles / tablets. Crabtree Modular Switches are preferred choice for homes, offices and the industry.
- Extension of REO range of switches with introduction of new accessories strengthened its penetration in semi-urban and rural markets with its non-modular EWA range.
- This year, we have expanded range of antimicrobial products to switches and home appliances. The components with user interface are manufactured with silver ion-based technology during the moulding process, providing built-in antimicrobial protection against a wide range of microorganisms for the expected lifetime of the product.
- In the small home appliances, the Company expanded range of Mixers, Juicer Mixer Grinder, &
- Induction Cookers. Introduction of the Haandi Jar does finer grinding / liquidising and saves time & energy up to 15%.
- In the Fans Division, Company has captured the customers' fancy with innovative designs and excellent finishes. This year, the Company launched a wide range of LED under light fans, special finish and decorative fans with energy saving capabilities. Besides this, the Company also has a wide range of table, wall, pedestal, exhaust and industrial fans.
- In water heaters category, Havells has developed a new range of energy efficient glass-lined water heater with designs that blend with the modern interior designs of homes. New range of water heaters offer long life due to patented FEROGlas technology, green design and latest manufacturing techniques. All introductions confirm to BEE 2015-17 guidelines with 5 Star ratings.
- Development of Automatic Transfer Switches with high-end sensing features, Switch disconnecter, Switch disconnecter fuse, Fuse base, MCCB with increased short circuit capacity & adjustability, Hybrid termination in ACB, Dual insulated MCCB distribution panels, Automatic Power Factor Correction Panels, Street light panel have opened new segments in industrial markets of India & export. Company has also developed industrial products specific to UK and European markets.
- Range expansion of agro-starters has further enhanced its presence in rural and industrial markets of India and in exports.
- Customer preferences, especially in many of the developed markets, seem to be moving in favour of more energy efficient and environmental friendly solutions. Company developed Radioactive (Kr) free solutions for all CMI range to comply with latest statutory requirements. New developments in CMI Trucolor (Ge-3) are best-in-class efficiency, Life and Light Technical Parameters (Superb colour consistency, Excellent Lumen maintenance, Universal Burning).
- In Lighting, the focus has been to develop highly energy efficient products. The development includes the products with controls such as occupancy, day-light harvesting sensor, Centralised Control & Monitoring System CCMS based luminaires, 1-10V dimming, and Digital addressable lighting Interface, etc. Introduction of compact high lumen range of LED Street-light for domestic, Latin America and Europe markets has helped given us an edge over competitors.
- Company introduced high lumen efficacy LED lamps and tube-lights which save up to 50% energy over CFL and conventional lamps. LED lamps are also available with changing colours and remote control.
- Company aims for development of brighter, more efficient and lower cost LED products for the mass market to replace traditional tube based fixtures, thus providing longer life and mercury-free light sources and fixtures.

Product labelling

Our products are packed with proper labelling and bar-coding, as applicable. We strictly adhere to the transport labels which are governed by the guidelines of IATA (for shipments by Air), IMDG (for shipments by Sea) and ADR (for Road transport). We follow BIS standard for labelling of products marketed in India, and adhere to country specific requirements in and as applicable across geographies, including CE, FIA, TAC and DNV KEMA standard disclosures. Besides, our products carry BEE-star, S3, HIR, RoHS, Halogen-free and other certification labels, as applicable to respective products.

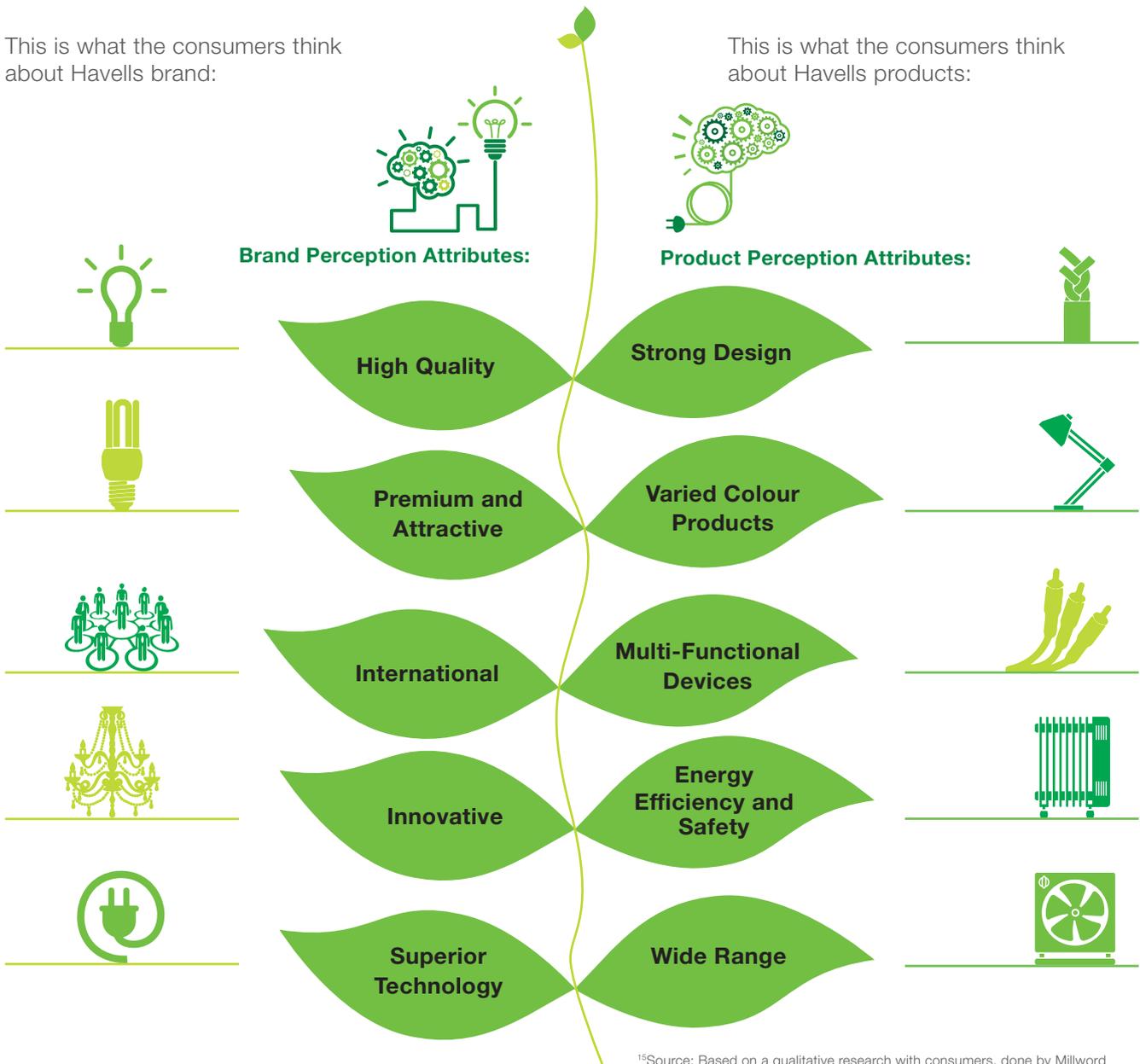


Marketing and Communications

Havells is among the top-of-the-mind recall brands in India and enjoys a high degree of consumer trust. The top brand attributes are of premium product quality, energy-efficiency, aesthetics, range, and multi-functionality¹⁵.

This is what the consumers think about Havells brand:

This is what the consumers think about Havells products:



¹⁵Source: Based on a qualitative research with consumers, done by Millword Brown-Firefly, Market research agency

In FY 2014-15, we launched our

'Respect for Women' communications campaign

utilising all forms of traditional and new-age media.



Our communications

Havells has created a legacy of socially and environmentally conscious communications that highlight the features of Havells products, while also spreading important messages relevant for society. The Company is known for introducing products that are more energy-efficient, safe, and innovative.

We have set very high internal standards for our communications and abide by a code of conduct whereby we don't indulge in creating any messages that may have even a remote negative effect on people's psyche. We uphold the guidelines and standards set by ASCI (Advertising Standards Council of India).

Campaigns

In FY 2014-15, we launched our 'Respect for Women' communications campaign utilising all forms of traditional and new-age media. The issue of women's safety is one of the top societal concerns of our country today, and spreading awareness about change in attitudes and behaviour is a responsibility of all citizens. Taking

a cue from this, we designed the communications of our appliances and lighting categories focussing on the women's safety and well-being.

The 'Respect for Women' campaign won the prestigious Effie Advertising Award, while Havells received the trust and accolades of its consumer base.

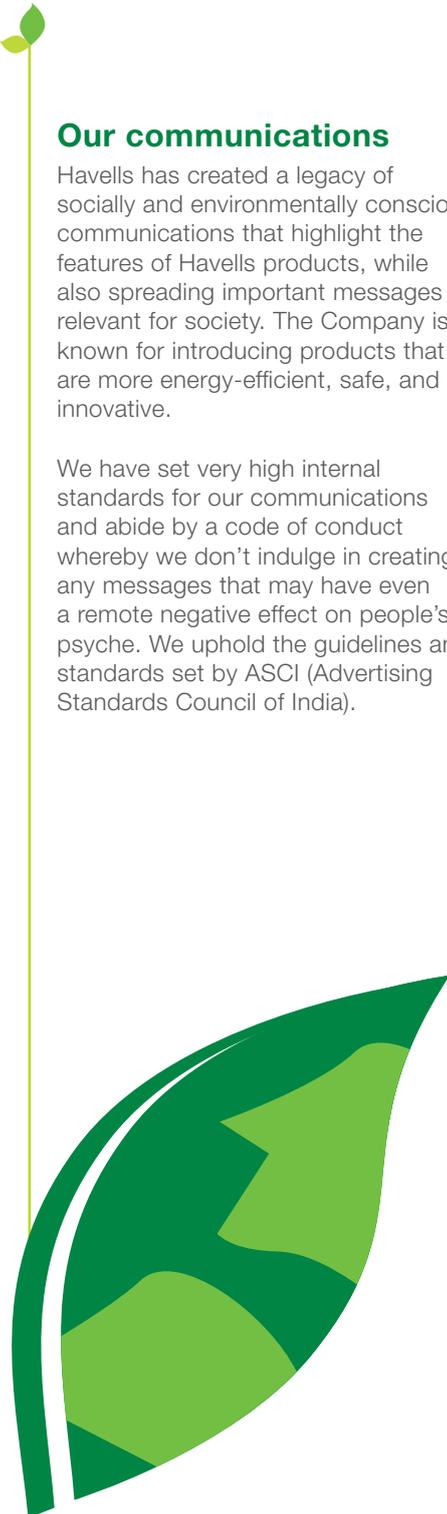


Following a code of ethics in our communications

Ensuring quality and responsibility in our communications, we support the guidelines set by Advertising Standards Council of India (ASCI) – the self-regulatory industry association of advertisers and marketers in India. In the reporting FY 2014-15, no complaint was filed with ASCI related to any Havells communications through any media.

Customer feedback

Customer satisfaction is of priority for our business continuity and success. We were the first FMEG Company in India to have launched a fully-integrated call-centre to support our customer service. We also have dedicated e-mail ids and call centre numbers where customers and other stakeholders can connect with us regarding any query or concern. The feedback received is thoroughly analysed, which helps us in better understanding the customers' expectations, which help in paving the way for our future strategy.



Awards and Accolades

Corporate Excellence Award

Given By :
Amity University
Conferred upon:
Havells India Limited
Year: Mar 2015

Child Rights Champion – Special Jury Award for mid-day meal supporting 55,000 children every day

Given By :
C.R.Y. (Child Rights and You)
Conferred upon:
Havells India Limited
Year: Feb 2015

ABCI Silver Award for Best International Magazine given to Watts Up! – in-house magazine of Havells

Given By :
Association of Business Communicators of India (ABCI)
Conferred upon:
Maxposure (Communications agency of Havells)
Year: Feb 2015

Bronze Medal for Best Annual Report 2013-14

Given By :
Association of Business Communicators of India (ABCI)
Conferred upon:
Wyatt Communications (Communications agency of Havells)
Year: Feb 2015

Effie Advertising Award Gold - for Havells 'Respect for Women' campaign for domestic appliances

Given By :
EFFIE AWARDS 2014 – India
Conferred upon:
Lowe Lintas – (Communications agency of Havells)
Year: Feb 2015

5th North-East Consumer Awards - "Most Promising Small Domestic Appliances Brand of the Year 2014"

Given By :
Indian Chamber of Commerce - Eastern India in association with Dainik Purvoday and Asomiya Pratidin - largest circulated Assamese Daily
Conferred upon:
Havells India Limited
Year: Jan 2015

Entrepreneur of the Year – consumer electricals category

Given By :
Ernst & Young (EY)
Conferred upon:
Shri Qimat Rai Gupta
Year: 2014

Excellence in the field of Banking and Finance

Given By :
Suryadatta Group of Institutes
Conferred upon:
Rajesh Gupta
Year: 2014



Assurance Statement



Ernst & Young LLP
22, Camac Street
5th Floor, Block 'B'
Kolkata-700 016
India

Tel: +91 33 6615 3400
Fax: +91 33 6615 3750
ey.com



The Management and Board of Directors
Havells India Limited,
QRG Towers, 2D, Sector – 126,
Noida 201304, Uttar Pradesh, India

Independent Assurance Statement

Ernst & Young LLP (EY) was engaged by Havells India Limited (the 'Company') to provide independent assurance on its Sustainability Report 2014-15 (the 'Report') covering the Company's sustainability performance during the period 1st April 2014 to 31st March 2015.

The development of the Report based on the Global Reporting Initiative (GRI-G3.1) Guidelines; its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance standard

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusion is for 'limited' assurance as set out in ISAE 3000.

Scope of assurance and methodology

The scope of our work for this assurance engagement was limited to review of information pertaining to environmental and social performance, as mentioned in the Report, for the period 1st April 2014 to 31st March 2015. We conducted review and verification of data collection/ measurement methodology and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

- Review of consistency of data/information within the report as well as between the report and source;
- Verification of the sample data and information reported at the following units/ locations:
 - Neemrana (Rajasthan)
 - Haridwar – Fans (Uttarakhand)
 - Haridwar – Standard (Uttarakhand)
 - Sahibabad (Uttar Pradesh)
 - Corporate office at Noida (Uttar Pradesh)
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation;
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of sustainability reporting.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2014 to 31st March 2015);
- Review of the 'economic performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention;



Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, was drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various Indian and international companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement

During our review process, we observed that:

- The Company has compiled the Report on the basis of GRI G3.1 Guidelines of the Global Reporting Initiative;
- The Company has demonstrated fairly reliable sustainability data management system; however, it may further improve the accuracy and completeness of reporting on certain indicators, viz. water withdrawal and employee training;
- The Company may further strengthen internal review of the sustainability performance data.

Conclusion

On the basis of our procedures for this limited assurance, nothing has come to our attention that causes us not to believe that the Company has reported on sustainability issues relevant to its business and its stakeholders.

Ernst & Young LLP
Sudipta Das
Partner

Dated: 04 August 2015
Place: Kolkata, India

GRI Application Level

Report Application Level	C	C+	B	B+	A	A+
Profile Disclosures Output	Report on: 1.1, 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15		Report on all criteria listed for Level C plus: 1.2, 3.9, 3.13 4.5-4.13, 4.16-4.17		Same as requirement for Level B	
Disclosures on Management Approach Output	Not required		Management Approach Disclosures for each Indicators Category		Management Approach Disclosures for each Indicators Category	
Performance Indicators & Sector Supplement Performance Indicators Output	Report fully on a minimum of any 10 Performance indicators, including at least one from each of: social economic and environment**	Report Externally Assured	Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic environment, human rights, labour, society, product responsibility***	Report Externally Assured	Respond on each core and Sector Supplement* indicator with due regard to the materiality principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report Externally Assured

* Sector supplement in final version

** Performance indicators may be selected from any finalised Sector Supplement, but 7 of the 10 must be from the original GR1 Guidelines

*** Performance indicators may be selected from any finalised Sector Supplement, but 14 of the 20 must be from the original GR1 Guidelines

Our third Sustainability Report for FY 2014-15 is declared to be in compliance with Application Level A+.

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Havells India Limited

Regd. Office: 1, Raj Narain Marg, Civil Lines, Delhi - 110 054 (India)

Corp. Office: QRG Towers, 2D, Sector 126, Expressway, Noida - 201 304 (U.P)

Ph.: +91-120-3331000, Fax: +91-120-3332000

Email: marketing@havells.com, www.havells.com

Consumer Care No.: 1800 11 0303, 1800 103 1313 (All Connections), 011-41660303 (Landline)

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