

CORPORATE SUSTAINABILITY REPORT

2008-09



RALLIS INDIA LTD.

A **TATA** Enterprise



CONTENTS



Prologue	0
GRI Content Index	1
Managing Director's Message	3
Our Vision & Mission	5
Key Impacts, Risks and Opportunities	6
Organisational Profile	10
Report Parameters	14
UN Global Compact Principles	16
Stakeholder Engagement	17
Governance, Commitments and Engagement	20
Economic Performance Indicators	24
Environmental Performance Indicators	27
Social Performance Indicators	31
The Way Forward	38
Assurance Statement	39

THE PROLOGUE

This is our seventh CSR Report and it provides details to those with an interest and an investment in our business activities. The World Business Council for Sustainable Development (WBCSD) defines Corporate (Social) Responsibility as “business' commitment to contribute to sustainable economic development, working with employees, their families, the local community, and society at large to improve their quality of life.”

Exercising Corporate Responsibility means finding and maintaining an effective balance between the environmental, social, and economic performance of our business. It can be seen as our contribution to sustainable development in line with the concerns pinpointed by the WBCSD, the UN Global Compact, the Global Reporting Initiative and the ISO Guidance Standard 26000.



UNEP, GRI & reporting representatives at Consultation Meeting at Mumbai

This report has been prepared using the Third Generation of GRI Sustainability Reporting Guidelines (The “G3”). Rallis was actively involved in the GRI Indian Consultation Meetings held with representatives of UNEP and GRI staff and we have participated in the Indian 'Sneek Peak’ to engage with different stakeholders from different constituencies and receive feedback on the draft of the G3. We have used this exercise to review and identify opportunities for improvement.

Rallis recognizes that its contributions to the economy, the environment and the society is critical to its sustainability - keeping in mind the business.

Joselind John
Sustainability Champion

GRI CONTENT INDEX

GRI	Description	Page No.
1	Strategy and Analysis	
1.1	MD's Message	3
1.2	Description of key impacts, risks, and opportunities	6
2	Organisational Profile	
2.1	Name of the organisation	10
2.2	Primary brands, products, and/or services	10
2.3	Operational structure of the organisation	10
2.4	Location of organisation's headquarters	10
2.5	Number of countries where the organisation operates	10
2.6	Nature of ownership and legal form	11
2.7	Markets served	11
2.8	Scale of the reporting organisation	12
2.9	Significant changes during the reporting period	12
2.10	Awards received in the reporting period	13
3	Report Parameters	
	REPORT PROFILE	
3.1	Reporting period	14
3.2	Date of most recent previous report	14
3.3	Reporting cycle	14
3.4	Contact point for questions regarding the report or its contents	15
	REPORT SCOPE AND BOUNDARY	
3.5	Process for defining report content	14
3.6	Boundary of the report	14
3.7	Specific limitations on the scope or boundary of the report	14
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations	14
3.9	Data measurement techniques and the basis of calculations	15
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	14
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	14
	GRI CONTENT INDEX	
3.12	Table identifying the location of the Standard Disclosures in the report	1
	ASSURANCE	
3.13	Policy and current practice with regard to seeking external assurance for the report	39
4	Governance, Commitments, and Engagement	
	GOVERNANCE	
4.1	Governance structure of the organisation	20
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	20
4.3	State the number of members of the highest	

GRI	Description	Page No.
	governance body that are independent and/or non-executive members	20
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	20
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	21
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	21
4.7	Process for determining the qualifications and expertise of the members of the highest governance body	21
4.8	Internally developed statements of mission or values, codes of conduct, and principles	22
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance	22
4.10	Processes for evaluating the highest governance body's own performance	22
	COMMITMENTS TO EXTERNAL INITIATIVES	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	23
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	23
4.13	Memberships in associations	23
	STAKEHOLDER ENGAGEMENT	
4.14	List of stakeholder groups engaged by the organisation	17
4.15	Basis for identification and selection of stakeholders with whom to engage	17
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	18
4.17	Key topics and concerns that have been raised through stakeholder engagement	19
5	Management Approach and Performance Indicators	
	ECONOMIC	
	Management Approach	
	Economic Performance Indicators	
EC1	Direct economic value generated and distributed	24
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	24
EC3	Organisation's defined benefit plan obligations	24
EC4	Significant financial assistance received from government	25
EC6	Policy, practices, and proportion of spending on locally-based suppliers	25

GRI	Description	Page No.
EC7	Procedures for local hiring and proportion of senior management hired from the local community	25
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	25
	ENVIRONMENTAL	
	Management Approach	
	Environmental Performance Indicators	
EN1	Materials used by weight or volume	27
EN2	Percentage of materials used that are recycled input materials	27
EN3	Direct energy consumption by primary energy source	27
EN4	Indirect energy consumption by primary source	28
EN8	Total water withdrawal by source	28
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	28
EN12	Description of significant impacts of activities, products, and services on biodiversity	29
EN16	Total direct and indirect greenhouse gas emissions by weight	29
EN17	Other relevant indirect greenhouse gas emissions by weight	29
EN19	Emissions of ozone-depleting substances by weight	29
EN20	NOx, SOx, and other significant air emissions by type and weight	29
EN21	Total water discharge by quality and destination	29
EN22	Total weight of waste by type and disposal method	29
EN23	Total number and volume of significant spills	30
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	30
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	30
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	30
	SOCIAL PERFORMANCE INDICATORS	
	Labour Practices and Decent Work	
	Management Approach	
	Performance Indicators	
LA1	Total workforce	33
LA2	Total number and rate of employee turnover	33
LA4	Percentage of employees covered by collective bargaining agreements	34
LA5	Minimum notice period(s) regarding operational changes	34
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities	34
LA8	Education, training, counseling, prevention, and risk-control programmes	

GRI	Description	Page No.
	in place to assist workforce members, their families, or community members regarding serious diseases	34
LA10	Average hours of training per year per employee	35
LA13	Composition of governance bodies and breakdown of employees per category	35
LA14	Ratio of basic salary of men to women	35
	Human Rights	
	Management Approach	
	Performance Indicators	
HR1	Percentage and total number of significant investment agreements that include human rights clauses	32
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights	32
HR4	Total number of incidents of discrimination and actions taken	32
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	33
HR6	Operations identified as having significant risk for incidents of child labour	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour	33
	Society	
	Management Approach	
	Performance Indicators	
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities	31
SO2	Percentage and total number of business units analysed for risks related to corruption	31
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	31
SO4	Actions taken in response to incidents of corruption	31
SO5	Public policy positions and participation in public policy development and lobbying	31
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance	32
	Product Responsibility	
	Management Approach	
	Performance Indicators	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	35
PR3	Type of product and service information required by procedures	35
PR6	Programmes for adherence to laws, standards and voluntary codes related to marketing communications	36
PR9	Monetary value of significant fines for non-compliance	36
	Support to Key Communities	36

MD's MESSAGE



I am happy to release the seventh Corporate Sustainability report of our company marking our commitment to social responsibility and global initiatives. Sustainable development requires managing risks to ensure the health and protect the safety of our employees, neighbors, customers, and all others impacted by our business activities, as well as protection of the environment. Sustainable development is all about finding that space to save mankind from the consequences of unremitting exploitation of nature and our Corporate Governance is a key element in that mission.

We believe that good sustainability reporting builds on core values and sets out decision-making principles that are consistent with these values. Thus, to achieve our Vision and Mission, we affirm our Core Values of Trust, Excellence, Customer Focus and Social Responsibility. Making sustainability a part of our Value Creation Processes harnesses all our organisational advantages, (like access to markets and capital, ability to attract and retain a quality workforce, efficiency of operations, reputation and brand value) and makes possible the dramatic shifts that are needed to deal with many intractable environmental and social challenges.

We recognise the value of demonstrating transparency and accountability beyond the traditional domain of financial performance in all our activities under the umbrella of Tata Code of Conduct. Expectations for corporate performance in areas such as environmental protection, human rights, human capital, and product safety are rising rapidly, and stakeholders expect business management to be explicit, transparent, and accountable. Embracing the concept of eco-efficiency, we strive to produce more (products, services and value) with less (resources, waste and pollution). We demonstrate our efforts to go beyond regulation and improve our systems and operations, viz: substitution of less toxic material inputs to reduce handling and disposal costs of hazardous wastes; recycling materials and converting waste products into useful inputs for other products not only to reduce wastes but also to generate substantial income; recycling of water that dramatically cuts water usage and expands site options for new facilities.

We strive for innovation in our performance with measurement of the results. Addressing Climate Change is related to the company's direct and indirect contributions to the Kyoto Protocol and focuses to reduce greenhouse gas (G.H.G) emissions from our operations both collectively and individually. We have begun the journey for Carbon foot printing to create a base line based on which abatement goals will be set ensuring adherence. Energy is a vital industrial input for our operations especially in the manufacturing activities. Realising the cramping effects of energy conservation, both as an economic suppliant and Global

Warming contributor, various energy conservation initiatives have been put in place, supplemented by capital investment. They have reaped results by way of financial savings and external laurels like Energy Conservation Awards at the National and State levels.

As a participant in the Global Compact, we work towards integrating the ten principles in the areas of human rights, labour and the environment into our core business operations. We continue to support the G C principles bringing about positive change in the areas that are relevant to our business operations and our Communication on Progress (COP) to the stakeholders is through the portal of the GRI indicators.

One of the cornerstones of our corporate sustainability, stakeholder engagement, is really a vehicle for connecting more deeply with all significant players in the marketplace besides the help to keep pace with changing societal values. Agriculture is the heart of human existence where economic, social and environmental considerations intersect, encompassing critical economic and political choices, rural management, development and poverty reduction and resource imperatives. Our business has an impact in all of these areas. We are aware of our responsibilities to all the stakeholders impacted by the food and agriculture production chain, from farmers and growers through to consumers and society at large.

We are determined to create an environment of transparency, trust and team work, so that together we can give off our best. Almost every industry in the world today is passing through remarkably rapid changes, changes so great and so fast that we need 'speed of thought' to cope with them. Our major concerns are cost structure, quality, product development cycle time, productivity, asset utilisation, customer service satisfaction and benchmarking ourselves appropriately.

Rallis has an enviable record in the Crop Protection Industry. The Company's distribution network and reach into the rural markets, supplemented by the high quality products and an abiding concern for safety and environment protection are all major assets. We are set to unite in a concerted effort toward making Rallis a Company capable of sustainable development by striking the right balance between our commitments to the environment, the economy and the society.



V. Shankar
Managing Director & CEO

OUR VISION & MISSION




To enhance value for customers by providing Agri Solutions and quality products in adjacent businesses, leveraging customer intimacy, partnerships and technology access.

Mission

 RALLIS INDIA LIMITED A TATA Enterprise

Vision



We will be among the top five generic players globally in the agrochemical industry and a leader in the Indian market. We will establish ourselves as a significant player in the relevant adjacent business segments. We will be the benchmarks in Business Excellence.

 RALLIS INDIA LIMITED A TATA Enterprise

“T”

Build **Trust**
Achieve **Excellence**
Deliver **Customer Focus**
Care **Social Responsibility**

Values 

 RALLIS INDIA LIMITED A TATA Enterprise

To achieve our Vision and Mission, we affirm our Core Values of Trust, Excellency, Customer Focus and Social Responsibility. We strive for continuous improvement in our performance, measuring results carefully, and ensuring that integrity and respect for people are never compromised.

Today, we understand the importance and benefits of accountability, business ethics and corporate governance to meet stakeholder expectations. Corporate Responsibility has thus become synonymous with the visions and values of our company. Our company's behaviour becomes a reflection of its values, but positive perception, trust and confidence is only created if the behaviour is authenticated and communicated. Corporate Responsibility principles are hence integrated into the company's core business processes and deemed as the foundation on which products, attitudes and behavior are built and shaped.



KEY IMPACTS, RISKS AND OPPORTUNITIES

Tata Group's approach in this regard is articulated in the National Interest Clause of Tata Code of Conduct to which Rallis is a signatory :
“ it shall not undertake any project or activity to the detriment of the Nation's or those that will have any adverse impact on the social and cultural life patterns of its citizens.”

Key Impacts & Risks

Rallis recognizes that agriculture is at the heart of human existence where economic, social and environmental considerations intersect, encompassing critical economic and political choices, rural management, development & poverty reduction and resource imperatives. Our business has an impact in all of these areas. We are aware of our responsibilities to all the stakeholders affected by the food and agriculture production chain, from farmers and growers through to consumers, financial providers and society at large. Rallis has accordingly, with a view to ensuring centrality of stakeholder interests in conduct of business, adopted the TBEM (Tata Business Excellence Model based on Malcolm Baldrige Criteria for Performance Excellence, which has “balancing stakeholder needs” as its core theme) and Tata Code of Conduct, which provide robust systemic platform for addressing sustainability concerns also. Rallis has been engaged with its stakeholders and has adhered to Tata Group policies and values as regards corporate social responsibility.

Rallis commitment to safeguard the interests of the society is addressed in the Corporate Environment, Health & Safety Policy, which says, Rallis will “respond sensitively to the environmental concerns of the community and take measures for implementing product stewardship”.

Rallis embraces its ongoing responsibility to impact positively on society and the environment through its operation and the conduct of its personnel. This responsibility includes open and frequent communications with our stakeholders, employees, and customers as well as with the communities in which our

companies reside on matters of health, safety, and environmental protection and preservation, and fair and equitable competition and employment practices.

Market related :

Timing and distribution of rainfall is crucial for the domestic business. Carry over inventories in the distribution network for some of the products in the industry, and availability of low cost material from alternative sources may further put pressure on the realizations and margins. Farmers' affordability is also an important aspect in view of the rising inflation. However, strong commodity prices and better availability of credit would ease out some of the pressure on the farming community.

Process Oriented :

There can be various impacts on sustainability due to the Company's operations. The core business of Rallis being agrochemicals, is engaged in the manufacture of pesticides (insecticides, fungicides and herbicides) both of technical grade and formulation. Technical grade manufacturing involves reaction kinetics between and among hazardous and dangerous chemicals, many of which possess high risks in storage and handling aspects. Besides, the end products themselves are toxic in nature and so fitment for the end usage. Thus the factories engaged in the manufacturing process carry various levels of risks based on the activity and materials handled. Risk assessment of all the locations have been carried out to evaluate the nature and degree of associated risks and decide the control measures with implementation to control the risks.

Geographical aspects of each unit can adversely contribute to the impact of any hazard getting released to the environment. Hence, notified industrial zones are chosen to locate operations so as to be away from residential area. Product change or capacity enhancement is within the overall approved pollution load or under compliance to Environment Impact Assessment (EIA) Notification 1994 wherein societal concerns are addressed through Public Hearing.

Environment related :

Effluent is generated in large volume at the technical grade manufacturing units. In case untreated or partially treated effluent escapes from the premises inadvertently, it can result in environmental damage. The Company, however, has taken adequate measures to mitigate this risk by providing extensive waste water treatment facilities at the sites to ensure that waste water is treated to the stipulated standards before discharge into the approved receiving body. Besides, membership of the said units with the Common Effluent Treatment Plant in the area through whose receiving line we discharge the treated effluent, ensures safe disposal at the end of the pipe line.

Fire & Safety :

There are fire risks associated with the chemicals that the Company handles. Many of the chemicals are highly flammable in nature and in case of a major fire, there could be a significant impact on life, property and the environment. The Company has taken adequate precautionary measures to prevent fire incidents. Besides the fire prevention plan, the units have well equipped fire control systems like dedicated water reservoir, hydrant system, extinguishers, detection system etc. The Company has also provided manual call point and sprinkler systems at critical areas. Extensive training sessions are conducted on regular basis on prevention and control of fire incidents. The Company has an adequate pool of trained manpower to meet any emergency. Fire risks have been identified and dovetailed into the Onsite emergency plan with regular exercises to check the readiness. Being in the notified industrial cluster, association with other industries through Mutual Aid Response Group facilitates assistance from neighbor industries in case of any mishap including fire.

Odour Management :

Pesticide industry is generally associated with odour issues. Needless to say, odour management is an important area of intervention for the units at Lote and Patancheru. Several steps have been taken to minimise

odour levels in the area. It may be noted that more often than not, odour is an issue arising out of psychological impetus rather than a serious health hazard. However, the presence of odour is a priority area and Company's efforts towards further improvement in odour management continues with adaptation of modern technology for odour mitigation. At the same time, process improvement and adaptation of green technology contributes in the amelioration of odour levels at the source of origin itself.

Economic :

Increasing dominance of China in the global agro-chemicals market is an economic threat to Rallis. After evaluating this risk, mitigation plan has been drawn out as : identification of specific intermediates in which Chinese manufacturers possess cost competitiveness; finalization of backward integration opportunities to utilize latent Chinese capacities through "buyback" and 'sourcing' arrangements; evaluation of 'alliance' opportunities in R&D / product registration in China.

Product life :

In the fast developing scenario of global market with novel trends and technology up gradation, obsolescence of existing products is a risk in business portfolio to Rallis. Several steps like, product rationalization, rejuvenation of New product development process, prioritization of existing product development initiatives for allocation and timing of registrations and launches and induction of new products through alliances are the mitigation plans in place.

Information security :

Rallis ensures data integrity and reliability by capturing data at source at the lowest level of transaction (depot or factory level) in SAP 4.7 enterprise version which has been upgraded to my SAP ECC 6.0 version. SAP system has been implemented successfully for Sales & distribution, materials management, finance & controlling, quality management, production planning, project and maintenance. The integrated SAP system ensures uniform implementation of policies and

procedures across all functions in the organisation. It also ensures real time information, speed, reliability and 'unique version of truth ' across the organisation. We are also implementing BIW which will help in further integration of data for analysis and reporting.

In order to protect the information, Rallis has a policy for daily on-line backups, weekly offline backups and archiving of the data on regular basis. Rallis has installed reputed Anti-Virus software for all computer systems and servers. LAN is isolated from external world. This helps in avoiding virus-related data loss. Rallis has installed Cisco firewalls and encryption methods for security. Servers are placed at ISPs who are professional in manning them. All servers are behind firewall which prevents unauthorized access. Security of SVL data base is ensured by providing login and passwords to users wherein users can view only that information which is relevant to them. Rallis undertakes regular security audit of its system by reputed firms for checking the reliability of systems.

Symbiotic existence :

Today, India is recognised as a centre for knowledge as well as a viable manufacturing destination. The developed world is looking towards India as a partner in both these areas. The Company has made timely investments in building R&D set up as well as modern manufacturing facilities to encash this opportunity. The results are already evident as Rallis is working with almost all the major global agro players. To offer its customers a basket of products for all their crop needs, Rallis has entered into alliances with multinational companies to ensure a broad portfolio of products sold. This is a mutually beneficial relationship with alliance partners, as it leverages the marketing and distribution strength of Rallis on one hand and production capacity on the other for supply of products manufactured by it to these partners. Rallis field force focuses on generation of demand which is key for sustained growth.

Strategic Challenges :

Following are the key strategic challenges that have been identified and being addressed through its strategic

planning and deployment:

- Value / margin erosion driven by identified competition
- Enhanced bargaining power of suppliers leading to uncertainty in material availability and rising costs.
- Sustain customer satisfaction and market leadership with changing customer needs.
- Product obsolescence and keeping product portfolio current.
- Building a competent, growth oriented and agile organization.

Review Mechanism

A three tier system exists in the Company for managing its sustainability:

- At the Board level, which sets the policy

- At the Senior Management level in Corporate and at Units, which develop the implementation plan for the policies
- At the Unit level, which implements various action plans

The action plans and their implementation are continuously reviewed at the Board level quarterly and at the Plant level monthly. The Company has integrated environmental management in its business plans. As a result, right from the conceptual stage of each project, EHS aspects are incorporated.

All capital investment proposals are cleared with an environmental assessment and check on adherence to safety in mitigating risks. Necessary safety & environmental investments are included in all projects and the Plant Operating Heads review the EHS performance regularly at the sites.



Manufacturing units in symbiotic existence with nature



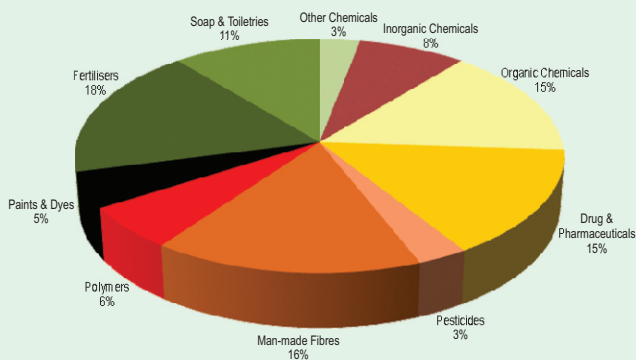
ORGANISATIONAL PROFILE



ORGANISATIONAL PROFILE

Indian Agro-Industry :

India has a large and diverse agriculture sector accounting for 33% of India's GDP, 20% of the foreign exchange earnings and 57% to total national employment. With the current food grain production standing at about 200 million tones, India needs to increase the production annually to meet the requirement of an estimated population of nearly 1120 million in 2010 A.D.



The Indian agro Chemicals Industry has a vital role to play in achieving higher levels of productivity in agriculture considering the quantum of food grains lost on account of various pests. Besides, there is a larger role for the agrochemical companies to play in the international pesticides market. The Indian agro Chemicals Industry also has a vital role to play in achieving higher levels of productivity in agriculture. The demand for new agrochemicals from India has grown significantly since the last few years on account of concerted efforts of the industry. The pesticide demand is close to 90,000 MT/Annum. If used judiciously and responsibly, chemical pesticides provide the farmers with an important tool.

Farmers in India primarily rely on the use of chemical pesticides for controlling pests of economically important crops. India is currently the largest

manufacturer of pesticides and the second largest producer of agrochemicals in Asia. The Indian pesticide industry had advanced significantly in recent years, producing more than 1000 tones of pesticides annually. India is the 13th largest exporter of pesticides and disinfectants in the world and in terms of volume is the 12th largest producer of chemicals. The global market in generic pesticides is likely to increase by 80% by the year 2010. It is expected that the strong fundamentals of the Indian pesticide industry, such as cheap availability of raw materials, process expertise, low operating costs and R&D strengths, will attract many foreign companies. This in turn should boost investment in research, and thus there would seem to be a bright future for agrochemical companies in India.

RALLIS HISTORY :

Rallis has been in existence in India since 1851, when Pandias Stephen Ralli, head of a well known merchant firm, Ralli Brothers, came from Britain and set up trading in cotton, jute and other agricultural products. Incorporated in 1948, has undergone several transformations during its chequered history spanning two world wars and subsequent decades of rapid technological advances. In the 1960s, Fison of UK and Tatas became the chief shareholders of Rallis India, launching the Company into the pesticides business. Today, it is primarily an agri inputs company and is a part of the Tata group, India's largest and most respected business house.

The head quarters of the company is based at Mumbai and Navi Mumbai with manufacturing sites at three states namely Maharashtra, Andhra Pradesh and Gujarat.

PRODUCT & SERVICES :

The main product & services of Rallis are:

- Pesticides including insecticides, fungicides, herbicides, and intermediates. The company intends to focus on the development of sales and market share for these products both in India and abroad.
- Polymers (aircraft use oriented)
- Plant growth regulators / Nutrients / Seeds

The company manufactures two main types of pesticides: a) technical grade pesticides (the basic concentrated chemical compound) and b) formulations from these technical grade pesticides (the usable form of pesticides). Technical grade pesticides are both manufactured locally as well as imported.

Markets served :

Rallis India Limited, with its service focus in agriculture sector, is expected to be the key driver for attainment of leadership in agriculture sector. Rallis has been a leading player in the Indian agrochemicals market for several decades and intends to consciously transform itself from being an agri input company into one that offers end-to-end solutions to the farming community. In the last two decades of the 20th century, Rallis maintained its leadership position in the domestic agrochemicals industry, till merger of Bayer and Aventis pushed it to second position.. The domestic industry has about 80 players in the organized sector and more than 125 players in the small-scale sector, which mainly comprises of Formulators. The installed capacity of industry is about 124,000 tons. However, demand is seasonal; maximum

Product Type	Manufactured Products	Bought Out Products
Insecticides	Technicals: Acephate,	Technicals: Cartap Hydrochloride, Dimethoate, Imidacloprid, Buprofezin Fenpyroximate, Acetamiprid, Lambda cyhalothrin Formulations: Carbofuran, Indoxacarb, Thiodicarb
	No of Formulated Products: 26 & No. of SKUs: 110	
Fungicides	Technicals: Hexaconazole, Metalaxyl, Metconazole,	Technicals: Isoprothiolone, Captan, Chlorothalonil, COC
	No of Formulated Products: 12 & No. of SKUs: 43	
Herbicides	Technicals: Pendimethalin, Metribuzin	Technicals: Atrazine Formulations: Clodinothop, Pretilachlor, Sulfosulfuron
	No of Formulated Products: 11 & No. of SKUs: 28	
Plant growth Regulators/Nutrients	Tracel (Zn, Fe , Mn , Cu & B)	Solubor (Boron based), Aquafert 19:19:19 (NPK), Aminos
	No. of Products: 8 & No. of SKUs: 54	
Seeds		Bt. Cotton, Hybrid Paddy
	No. of Products: 2 & No. of SKUs: 3	

NATURE OF OWNERSHIP & LEGAL FORM

In terms of capital structure and ownership, Rallis continues to be a public limited company, with its shares listed at the stock exchange of Mumbai and at the National Stock Exchange of India Ltd, Mumbai.

Shareholding pattern as on 31st March, 2009:

Sr. No.	Category of Shareholders	Percentage of holding
1.	Tata Companies Government / Other Public Financial	45.20
2.	Institutions & Insurance Companies	2.50
3.	Foreign Institutional Investors & Foreign Companies	5.20
4.	Non Resident Individuals	5.20
5.	Other Bodies Corporate & Trust	5.01
6.	Nationalized Banks & Mutual Funds	24.32
7.	Foreign Banks & Other Banks	0.00
8.	Individuals	17.01
	Total	100.00

being consumed in the months from July to November. Average capacity utilization of the industry stands at 65%. Indian agrochemical companies account for only about 35% of the total pesticide sales in the country. These include Rallis, with a market share of 13%.

Market image :

Rallis India Ltd. has a good reputation for providing high quality products with proven efficacy and service support. Loyalty to the company's brands is very high. In several instances, even though the company has been the second one to introduce a product, major market share has been captured in the first year of introduction itself because of the reach and marketing techniques used by the company.

In international arena :

Rallis also has substantial international business (22 % of its total sales) for pesticides, and focuses on the European, Middle Eastern, African, Asian and Australian markets. Its main competitors from India in these markets are UPL, Excel Crop Care and Gharda Chemicals. The company has entered into agreements with international agrochemical companies such as Kureha-Arysta, BASF, Syngenta, Cheminova, Nufarm, DuPont and MicroFlo for tolling arrangements, supply agreements and co-marketing.

SCALE OF THE ORGANISATION

The number of employees at Rallis India Limited as on March 31, 2009 was 891 down from 1016 as on 31st March 2008. Besides, there are 928 temporary Field Assistants along with a Contract labour strength of 1112 people.

Net sales for the reporting year was Rs. 832.85 crores up by 23% as compared to the previous year. Domestic formulation business registered a growth of 10% during the year over the previous year despite many market adversities. In spite of the down turn in the international market, the International Business registered a growth of about 79% over last year's sales. Revenue from the new products introduced in the last four years, termed as Innovation turnover, remained around 30% for the year.

The total technical grade material produced in the reporting year was 5699 MT against a total of 5863 MT in the previous year. Bye products recovered from waste was 4586 Tons against 4034 tons of previous year indicating increased wealth from waste.

Technology & Facility :

An efficient manufacturing base with adequate infrastructure is the backbone of our success story. With factories spread over 5 locations, and with exclusive sites for herbicides, fungicides, and insecticides to eliminate cross contamination, we have the largest capacity in the country today, producing 10,000 M.T. of technical grade pesticide and 30,000 Litres of formulations per annum.

Factory Name	Location	Type
Akola	Akola, Maharashtra	Formulation
Ankleshwar Unit 1	Ankleshwar, Gujarat	Technical & Formulation
Ankleshwar Unit 3	Ankleshwar, Gujarat	Formulation
Lote	Lote, Maharashtra	Technical & Formulation
Turbhe	Turbhe, Maharashtra	Technical & Formulation

Our flexible manufacturing process enables us to produce any new product in the shortest lead time and deliver in time to the customers at any part of the world. All our plants are designed user-friendly with need based automation, ensuring strict adherence to stringent standards of work environment safety & health. Waste management systems are tailor made with multifarious facility for water and air pollution control conforming to the stipulated standards permissible for discharge. Incinerators have been provided for thermal oxidation of all non-treatable wastes.

SIGNIFICANT CHANGES IN THE REPORT PERIOD :

The Company's profit from operations on a consolidated basis, increased to Rs.119.53 crores during the year as compared to Rs.65.43 crores in the previous year, a growth of 83%.

No change in size as far as paid up equity capital is concerned. No change in ownership pattern. The Company continues to be a Tata Company, the Tata shareholding being 45.20%. The entire Preference Share Capital is privately placed with Tata Group of companies. Rallis Australia Ltd. a wholly owned subsidiary, has a paid up capital of AUS \$ 1000

During the year, the Company announced a Voluntary Retirement Scheme (VRS) for all employees at its Patancheru Unit, near Hyderabad in the State of Andhra Pradesh. The VRS was accepted by all workers and the manufacturing operations at that Unit have since been discontinued.

Bhoomipooja and foundation stone laying ceremony was conducted on 28th January 2009 at the site of the proposed new plant at Dahej, Gujarat, marking formal commencement of a multi purpose technical manufacturing facility for a number of agrochemical products.



AWARDS RECEIVED IN THE YEAR:

- * CII-EXIM Award for Significant Achievement in Performance Excellence.
- * Growth Strategy Excellence Award in the Indian Crop Protection Chemicals Market by Frost & Sullivan.
- * Qimpro Award for Innovation in Quality

Lote Unit :

1. Accident free year certificate from National Safety Council (Maharashtra Chapter)
2. Winner of two National safety award under Chemicals category from the Ministry of Labour & Employment, GOI for second consecutive year.
3. Winner of National Safety Council of India award for Safety

Akola Unit :

4. Accident free year certificate from National Safety Council (Maharashtra Chapter)



5. Winner of two National Safety award under Chemicals category from the Ministry of Labour & Employment, GOI.

Turbhe Unit :

6. National Energy Award for the year 2008 (Certificate of Merit) from the Ministry of Power, GOI.

Ankleshwar Unit :

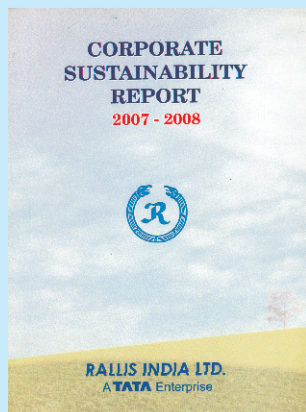
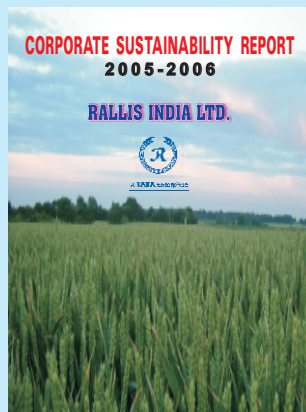
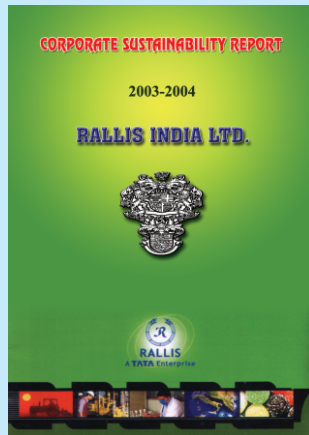
7. Gujarat Safety Council special commendation Certificate for Safety & Health.



REPORT PARAMETERS



RALLIS INDIA LTD.
A **TATA** Enterprise
CORPORATE SUSTAINABILITY
REPORT
2002 - 2003



Report Profile

This Corporate Sustainability Report covers the period April 1, 2008 to March 31, 2009 i.e. fiscal year 2009 (FY 2009). Starting from the year 2003-04, Rallis has been publishing the Sustainability Report on an annual basis and leading to this seventh report.

Report Scope & Boundary :

The report is based on the G3 guidelines brought out by Global Reporting Initiative (GRI) in October 2006. With a view to address the issues of Triple Bottom Line of Economic, Environmental and Social performance, information on these have been included in the report. Information included in the report, particularly in the social section, covers the overall community development activities carried out by the Company. The economic indicators cover the financial results of the Company on a consolidated basis. The reporting principles of transparency, materiality, completeness, sustainability context and stakeholder inclusiveness have been considered.

The report covers :

- The operations limited to India
- Only pesticides from its products and services portfolio.
- All manufacturing facilities in India namely at Ankleshwar (Gujarat), Akola, Lote, Turbhe (Maharashtra).

Exclusion :

On account of winding up of the unit at Patancheru, near Hyderabad, the data relating to this unit has been excluded from this report although data of the previous

year is inclusive of the said unit's data. Thus co-relative aspect may be impacted in the incremental approach perspective.

This report does not include the entities like joint ventures, partially owned subsidiaries, leased facilities, contract manufacturers, outsourced operations, and other situations that can significantly affect comparability from period to period in the scope. Information on operations of the company shall be progressively covered in the scope of definition as we achieve further maturity in the journey.

Source of Data :

The Economic data reported as also the expenditure on Sustainability Issues, wherever reported, have been drawn from the ERP accounting system which conforms to Indian GAAP standards. No other costs and benefits have been reported. Rallis conforms to BIS standards in recording and measuring performances wherever available and applicable.

The economic parameters have been predominantly derived from the Annual Financial statement. Any

changes in accounting policies have been duly delineated in the annual report which is available on our website at www.rallis.co.in. Any changes in measurement methodology as regards environmental and social parameters have been delineated at the respective location in this report.

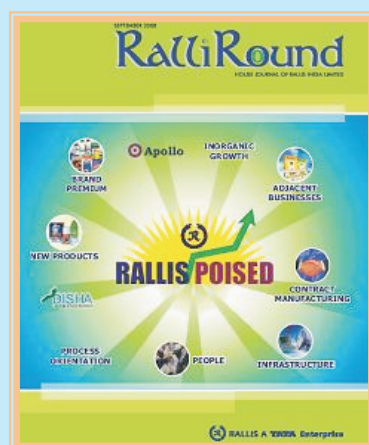
Information source :

Any query on the authenticity and credibility of the coverage of this report and any additional information on the activities of the organisation with respect to sustainable initiatives in the company can be had from the contact person mentioned below as also from the web site of the organization.



Joselind John

G M - Environment, Health & Safety
Rallis India Ltd. , Thane Belapur Road,
TURBHE, Navi Mumbai 400 703
Ph: 91-09223426526 / 91 22 67931423
Fax: +91 22 67931510
e-mail: joselind.john@rallis.co.in
website: www.rallis.co.in





UN Global Compact Principles

Rallis is signatory to the GC Principles and accordingly adapted the Ten Principles in all its related activities ensuring conformance while conducting the business:

I. Human Rights:

- 1) Rallis support and respect the protection of internationally proclaimed human rights.
- 2) Makes sure that the business is not complicit in human rights abuses.

II. Labour Standards:

- 3) Rallis upholds the freedom of association and the effective recognition of the right to collective bargaining.
- 4) Ensures elimination of all forms of forced and compulsory labour.
- 5) Ensures the effective abolition of child labour.
- 6) Eliminates discrimination in respect of employment and occupation.

III. Environment:

- 7) Rallis supports a precautionary approach to environmental challenges.
- 8) Undertakes initiatives to promote greater environmental responsibility.
- 9) Encourages the development and diffusion of environmentally friendly technologies.
- 10) Rallis works against corruption in all its forms including extortion and bribery.

Conformance status of the above principles is covered in the related performance indicators under Environment and Social chapters.

STAKEHOLDER ENGAGEMENT

“The Tata Group honours the information requirements of the public and its stakeholders”

Identification and selection of major stakeholders :

Rallis defines its key stakeholders as the various groups who are affected, or who affect the enterprise's effect on the biosphere and on social capital. Identification of the stakeholders is derived from the Vision of the company. Accordingly, these include shareholders, employees, customers, suppliers, and the community in which Rallis operates. While this is a broad definition, Rallis identifies the Key segments within each stakeholder group on the basis of potential

impact of its strategic objective or the potential impact of the stakeholder group in the attainment of its strategic objectives.

We have established a reputation for fostering open and respectful relations among our employees, the communities in which we operate and the broader range of interests with whom we interact - the neighbourhood society, labour, NGOs, and the investment community. We are in the process of mapping our internal interests, identifying stakeholder expectations, design processes for dialogue, consultation and ultimately more in-depth ongoing engagement.

Approaches to stakeholder consultation :

The Senior Leaders, through Stakeholders engagement processes, identify the contact needs in terms of agenda, media, and frequency. The employee contact and communication happens as a regular and routine feature

Stakeholder	Forum of Communication & Feedback
Shareholders. Investors & Providers of Capital	Annual General Meetings; Shareholder Relations in person; Updating major shareholders; Quarterly & Half yearly reports; analysis report, press notes etc.
Customers / Channel partners	Senior leaders meeting key customers; Focus Group Discussions; Customer Engagement Surveys; Census of farmers, retailers & dealers; Market surveys; Dealer & retailer feedback; Helpline for farmer & channel partner; Standard Visit List & Farmer / dealer meetings; Demonstrations, exhibitions / fairs; Sales team Market Intelligence feedback; '4 S' Campaign process; Anubandh; Industry meets; Senior Managers' visits; Flash / monthly reports; telephone & E-mail; Complaint Management cell etc.
Suppliers / Vendors	Feed back from internal customers; Vendor Dialogues; Negotiation & agreement process; Complaint re-dressal meet; supplier satisfaction survey; supplier meetings; e-commerce; reverse auctions; e-mail; phones etc.
Employees	E-Sat Survey; TGIF; Internet & Intranet ; E-mail, SMS; Innogate; AET Meetings; video conference; training programmes; review meetings
NGOs	Regular visits; Consultative Meetings; e-mail; Phone
Media (Print & Electronic)	Press meet; Consultative Meetings; interaction / clarification meet; e- mail; press releases etc
Society	Community development initiatives; Engagement of community members; Village Consultation Committee
Regulatory Agencies	Advocacy Visits, During Site visits; Industrial Associations;

whereas with suppliers, partners, customers, financial institutes and communities happen as per the plan.

Frequency of contact, the rigmarole during the contact and information required to be gathered are pre-determined for most of the contact events. The feedback inputs received from various stakeholders on disclosure of information is fed into the envisioning, strategic planning and action plan development exercise.

CUSTOMERS & CHANNEL PARTNERS :

Indian farmers living in villages are the ultimate customers of Rallis. These farmers are further segmented based on the crops they grow such as cotton, wheat, paddy and fruits and vegetables farmers. Sole Stockists (SS), Preferred Dealers (PD) & Retailers serving the needs of farmers are the Channel Partners.

The distributors of the company play an important part in the value creation process, as they are the windows of access to the farmers. Distributors & dealers provide feedback on product performance when needed, based on which we plan new product introduction and product promotion. They also provide us lot of information on good practices existing in the industry.

Commercial complaints from channel partners and farmer's complaints on efficacy (mostly related to usage and application techniques), which needs immediate resolution at field are handled by Regional offices through ASM / Sales Officers. Quality / manufacturing defect based complaints are escalated from Regions to CMC.

Determination and tracking of customer satisfaction is the cornerstone of all improvement measures. The objective is to align all processes from R&D, Supply Chain & Manufacturing, and Sales & Marketing to meet requirements and exceed expectations of customers. Complaint Management Cell (CMC) is responsible for handling all quality related complaints from registration to resolution.

Communication with the partners is maintained at operational level on day-to-day basis. Moreover, leadership makes regular contact with personal visits and telephonic conversation. Bhagidari Sabha & Anubandh are two important mechanism of communication with customer.

Suppliers play important role in the value creation process by supplying quality materials and services to Rallis at competitive price.

Communities:

Communities around ten kilometers of all operations are considered as the stakeholders for the community activities. The nature of interest includes:

1. impact of our operation on the lives of the community and addressing those concerns effectively.
2. volunteer activities by company employees in engaging them by catering to their social, economic, health and educational needs.

Community engagements take place at respective units as per the periodicity decided based on the needs and operational situations. During the Environment Impact assessment studies carried out for clearance of any new / expansion projects, community is covered at large especially during the public hearings as a prelude to the environmental clearance. In case of any apprehensions that may be expressed by the community on the impact of operations of the particular location, company addresses the community in clearing the issues then and there.

Regulatory agencies :

Pesticides business operates in a stringent regulatory and legal environment, is governed by Insecticides Act 1968 and needs product registration from Central Insecticide Board (CIB). Besides, the manufacturing operations are governed by a series of statutory provisions ranging from general requirements to industry specific, especially in Environment, Health and Safety aspects. The Intellectual Property Rights protection is envisaged to aid the partnership processes with Multi National Corporations.

Media :

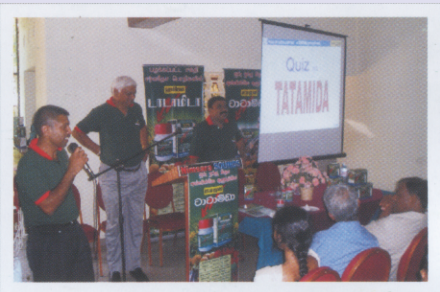
The company maintains regular interaction with the media through out the year not restricted to reporting of the performance of the company. Engagement is done on voluntary basis from time to time.

STAKEHOLDER SURVEY :

The investor survey, customer satisfaction survey,

employee satisfaction survey and community need analysis are undertaken periodically and the inputs from these are used to prepare the Annual Business Plan which is finalized by month of March every year for implementation with effect from 1st of April. External agencies and in-house marketing personnel carry out the researches / analysis.

Relationship Building



GOVERNANCE COMMITMENTS & ENGAGEMENTS

“COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE”

The Company's philosophy of Corporate Governance involves striving to achieve the highest principles of transparency, accountability and integrity in functioning. The Company seeks to focus on enhancement of long term value for all stakeholders and fulfil the social obligation entrusted upon the Corporate sector.

As a part of the Tata Group, the Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted the Tata Code of Conduct for its employees, including the Executive/ Managing Director. The Company has also adopted a Code of Conduct for its Non-Executive Directors. The Company's corporate governance philosophy is also strengthened through adoption of the Tata Code of

Conduct for Prevention of Insider Trading and the Tata Business Excellence Model. The Company has also adopted a Whistle Blower Policy to provide a mechanism to enable the employees to approach the Audit Committee of the Board of Directors while reporting the instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy, which may come to their knowledge.

Governance structure

The Company has a non-executive Chairman and the number of Independent Directors is more than one-third of the total number of Directors. The number of non-executive Directors is more than 50% of the total number of Directors.

Status as on 30.09.2009 :

- ❖ Independent Directors 50% (5/10)
- ❖ Non-Executive Directors 90% (9/10)
- ❖ Independent and Non-Executive Directors 50% (5/10)



Open forum with the Board of Directors at the AGM



Chairman addressing the shareholders at the AGM

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement with the Stock Exchanges), across all the companies in which he is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

Shareholders grievance redressal:

Shareholders'/ Investors' Grievance Committee looks after the matters relating to redressal of the shareholder grievances.

The Shareholders'/ Investors' Grievance Committee met twice during the year, on 15th April, 2008 and 28th November, 2008. The Compliance Officer of the company is :

P. S. Meherhomji

GM - Legal & Company Secretary
15, MIDC Industrial Estate
Thane Belapur Road, Turbhe
Navi Mumbai 400 703
Phone: (022) 67931530
Fax: (022) 67931515
Email: pmeherhomji@rallis.co.in

The shareholders can give their suggestions or recommendations at the Annual General Meeting, which are recorded in the Minutes and action, wherever required, is taken thereon. The shareholders do occasionally write to the Chairman/ Managing Director giving their suggestions, or at times visit the Company Executives in person.

Shareholders can also correspond with the Company on the email address: investor_relations@rallis.co.in which has been specifically set up for interaction with investors and to respond to their complaints and queries.

The number of investor complaints/ requests/ queries received and addressed during 2008-09 was 478. No queries remained pending as on 31st March, 2009.

Remuneration for governance body :

The Committee is responsible for considering and approving the remuneration and commission of the Managing/ Executive Directors and recommending the

commission payable, if any, to the Non-Executive Directors. In addition, the Committee has been given the mandate to consider and approve appointment of and the remuneration payable to Executives at the Vice President level and above and also matters relating to Voluntary Retirement Schemes and Early Separation Schemes of the Company. The Committee also reviews HR policy matters and issues such as senior management succession planning, incentive schemes for senior management, etc.

From 1st January, 2009, the Committee has been renamed as the Nominations and Remuneration Committee and has been given the additional mandate of making recommendations regarding the composition of the Board, identifying independent Directors to be inducted to the Board from time to time and taking steps to refresh the composition of the Board from time to time.

The Remuneration Committee met 3 times during the year, on 15th April, 2008; 30th May, 2008 and 08th December, 2008.

Remuneration Policy

The Managing/ Executive Director's performance is gauged by the basis of achievements against targets set at the beginning of the year, which are a judicious mix of financial and non-financial goals. At the end of the year, the Remuneration Committee gauges the performance based on the targets set and recommends the compensation to the Board for approval.

The remuneration of senior management is decided taking into consideration the employment scenario, remuneration package of the industry and remuneration package of managerial talent in other industries. The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year, measured against specific Key Result Areas, which are aligned to the Company's objectives.

Resolution of conflicts of interest

Half of the Board of the Company comprises Independent Directors, as prescribed under the Listing

Agreement with Stock Exchanges. The Independent Directors bring their varied experience and expertise in the fields of management, finance and technical, adding value to the deliberations of the Board and its various Committees. Independent Directors are a part of all the Committees of the Board, and the Chairmen of all the Committees, except the Executive Committee of the Board, are Independent. This ensures that interests of all stakeholders are adequately protected

Decisions at all Board and Committee meetings are taken by a majority of non interested Directors. Directors interested in any particular matter do not take part in the deliberations and also do not vote for that particular matter. This ensures that there is no conflict of interest.

The roles of the Chairman and MD of the Company are performed by two separate individuals, thus lending proper checks and balances under the governance system.

Nominations Committee :

The composition of the Board of Directors is a mix of full time executives and non-executives, with requisite experience in handling economic, environmental and social issues. The Board regularly reviews the Company's performance on these issues.

From 1st January, 2009, the Remuneration Committee has been renamed as the Nominations and Remuneration Committee, with the additional mandate of making recommendations regarding the composition of the Board, identifying independent Directors to be inducted to the Board from time to time and taking steps to refresh the composition of the Board from time to time. Accordingly, the Nominations Committee has ceased to exist from this date.

One meeting of the Nominations Committee was held during the year, on 8th December, 2008.

Mission, values statements & policies

Rallis has developed a Quality Policy which is same as the vision & value. Besides, company has formulated

the Environment, Health & Safety Policy, Community Development Policy and the Whistle Blower Policy; the last being in accordance with Clause 49 of the Listing Agreement.

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit committee.

Management of triple bottom risks and opportunities:

The Board has clearly delineated the TOR of its Audit Committee for identifying and managing the economic risks and opportunities that present themselves before the Company. However, there are no committees for the assessment of environmental and social risks by the Board on a proactive basis. On the other hand, the BOD does review the Company's performance for ensuring that the interests of stakeholders' are protected. Presentation on EHS (Environment, Health and Safety) issues is made every six months to the Board.

The Company places a legal compliance certificate before the Board every quarter. This is based on compliance certificates submitted to the Managing/ Executive Director by each Divisional Head, certifying that all laws applicable to his Unit have been duly complied with. The compliance certificate covers compliance of laws relating to environmental, safety and health issues, labour laws, etc.

Evaluating governance body's own performance :

Company-wide information are aggregated, analyzed and reviewed by the senior leadership team to facilitate decision-making and set priorities. The Managing/ Executive Director (MD/ ED) and all direct reports assess organizational success and performance every month at the Corporate Steering Committee meeting. The Owner presents the information related to the

measures for each strategic objective and progress relative to the plans. In addition, company operations, current business scenario, performance relative to competitors and existing company capabilities are discussed in detail during review meetings.

The BRC reviews three parameters i.e. ongoing operational & total corporate performance, the future trends of this performance and the opportunities for the future - within a three-year time frame.

The Non-Executive Directors are paid remuneration by way of commission and sitting fees. In terms of the shareholders' approval obtained at the Annual General Meeting held on 30th May, 2008, commission is to be paid at a rate not exceeding 1% per annum of the profits of the Company, computed in accordance with the provisions of the Companies Act, 1956. The overall amount payable as commission, subject to the above limit, depends on the Company's performance during the year. The commission payable to individual Directors depends on their attendance at meetings of the Board, their serving on various Committees their participation in the deliberations of the Board and its Committees as well as guidance provided to senior management other than at meetings. The distribution of commission among the Non-Executive Directors is approved by the Remuneration Committee and the Board based on the above parameters.

COMMITMENT TO EXTERNAL INITIATIVES

The Company is signatory to or endorses or honours:

- ❖ Tata Group's Code of Conduct, the salient clauses of the Code include those on national interest, health, safety and environment issues, quality of products and services, regulatory compliance, etc.
- ❖ TBEM (Tata Business Excellence Model)
- ❖ The United Nations Global Compact and abides by its principles.

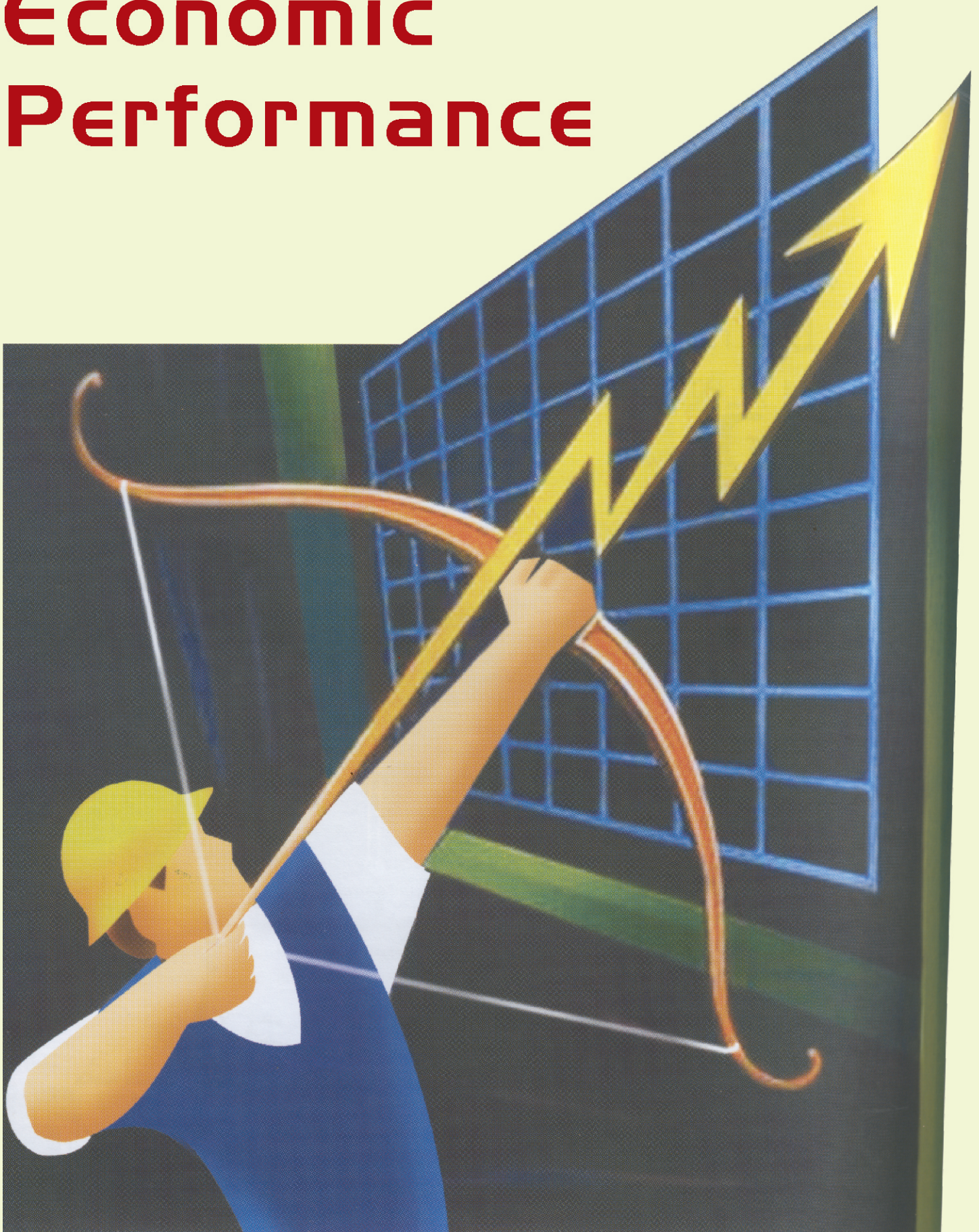
- ❖ Stockholm Convention on Persistent Organic Pollutants.
- ❖ Kyoto Protocol for Green House Gases Climate Change Aspect.
- ❖ Montreal Protocol for Ozone Depleting Substances
- ❖ Responsible Care Initiative of Indian Chemical Manufacturers Association - the Codes of which cover the safety, environment and stakeholder engagement approaches.
- ❖ ISO 14001:2004 EMS certification for all the units.
- ❖ OHSAS 18001:1999 standard certification for all the units.
- ❖ CREP (Charter on Corporate Responsibility for Environmental Protection) signed with the Ministry of Environment & Forests, Govt. of India as a voluntary initiative to improve the environment management systems.

Membership with business associations:

- ♦ Crop Life India
- ♦ I.C.C (Indian Chemical Council)
- ♦ Crop Care Federation of India
- ♦ Pesticide Manufacturer's & Formulators' Association
- ♦ Loss Prevention association of India
- ♦ Bombay Chamber of Commerce and Industry
- ♦ National Safety Council of India
- ♦ Confederation of Indian Industries
- ♦ TERI (The Energy Research Institute)
- ♦ British Safety Council
- ♦ Industrial Associations of the respective areas
- ♦ Common Effluent Treatment Plant Associations
- ♦ Waste Management Association



Economic Performance



Economic Performance Indicators

Performance Indicators

The Company has established and maintains enterprise-wide risk management capabilities for active monitoring and mitigation of organizational risks on a continuous basis. The Company has committed manufacturing facilities developed to give large-scale economies of scale. The Company has captive utilities to support its production requirements on a perpetual basis. Being a low-cost manufacturer in most of its product segments, including intermediates, the Company de-risks itself from pressures of cost competitiveness.

Rallis was the first Tata company to declare its annual financial results for the reporting year on 15th April 2008.

Aspect: Economic Performance

Direct Economic Value Generated and Distributed

The Company posted a PBT of Rs.106.01 Crs as against Rs.146.16 Crs which includes Rs.87 crs of exceptional income. Company maintained its equity dividend of 160%. Earnings per share for the year stood at Rs.53.04 per share. EBIDTA for the reporting year was Rs. 132 Crs 68% as against operating EBIDTA of Rs.83.33 Crs of previous year.

	2008-09	2007-08
Net Revenue	832.85	671.07
Adj Excise Duty	1.08	0.12
Gross Revenue	833.93	671.19

	2008-09	2007-08
Operating Expenses	217.69	203.93
Adj Excise Duty	1.08	0.12
Total Operating Cost	218.77	204.05

	2008-09	2007-08
Interest	3.26	3.66
Equity Dividend	19.18	19.18
Brand Equity	1.12	0.93
Pref. Dividend	6.60	6.60
Total payment to Capital providers	30.16	30.37

Total staff cost increased from Rs.61 Crs to Rs.73 Crs indicating the additional financial benefit given to the employees.

Contribution to the public exchequer in the form of Corporate Income Tax and other taxes increased by stood at Rs.137 Crs.

FINANCIAL RATIOS COMPARISON

	2008-09	2007-08
Debt : Equity	0.2	0.10
PBT/ Turnover %	11.7	19.8
PBIT on Capital Employed %	25.9	42.7
Current Ratio	1.3	1.70

The Company has been working with the community on several fronts. We do not make any significant direct financial donation to the community. However, the Company works closely with the surrounding community and in partnership, carries out activities wherein financial assistance is provided.

Risks due to climate change.

There are no major financial implications envisaged at present due to climate change. Issues such as rise in sea level will not impact business significantly as the operations are mostly away from the seacoast. If national guidelines are put in place for reduction of Green House Gas (GHG) emissions, the Company's operations are not likely to be impacted to a great extent, as they are not highly energy intensive. However on moral obligation and honouring the Kyoto Protocol, initiatives have been rolled out on energy conservation aspects which indirectly attributes to GHG reduction.

With the increasing rate of depletion of our natural resources, we are aware of our duty to ensure that our processes and services are environmentally sustainable, eco-efficient and eco-friendly as well. For us eco innovation is the need of the day. We have begun to think of radical and innovative ways that call for changes in lifestyles, values, technologies and patterns of consumption as well as production. In essence we are working for a 180 degree shift to organise our production processes on biological life cycle models.

Benefit plan obligations :

Apart from defined contribution plan such as Provident Fund and Superannuation, there are defined benefit plans such as Gratuity and Supplemental. All permanent employees of the company are covered under gratuity plan. Supplemental payments are applicable for employees who have put in 20 Yrs of service in the Company and employees are entitled to get fixed monthly supplemental payment after their retirement. This payment is extended to spouse of the employee also, in case of the death of the employee.

Company do have a provision of Rs. 16 Crs towards the future supplemental payments. Actuarial valuation is carried out at the end of each period to estimate adequacy of this liability.

Provident/Pension contribution, which are in line with Government regulations are covered for all employees including the casual workforce. Contribution of 12% each from employee and company are either transferred to Government funds or to company managed trust. Senior Executives of the company are trustees of this trust. Periodic accounts are drawn to ensure proper functioning of this trust.

Company also contributes to superannuation funds for certain eligible employees. These funds are managed by Company with support from leading service providers such as LIC of India & HDFC.

Total Gratuity fund as at the year end was Rs.12 Crs. This is funded liability and the fund is managed by LIC of India and HDFC. Actuarial valuation is carried out at the end of each period to estimate adequacy of this liability.

Financial assistance from government.

Our Company does receive Export incentive and the value of Benefits availed by the Company for the reporting period is Rs.9.20 Crs

Aspect: Market Presence

Spending on locally-based suppliers

The Company has a wide supplier base and major raw materials are supplied by large firms, except for those available locally preference being given to local suppliers within the competitive price range. In raw material procurement (Total Rs.42,,023 lacs), 43 % has been from indigenous market and for packing materials (Total Rs.2,844 lacs), 100% has been indigenous. Whenever available, the Company procures goods and services from local suppliers located close to the respective manufacturing unit.

Local hiring and proportion of senior management

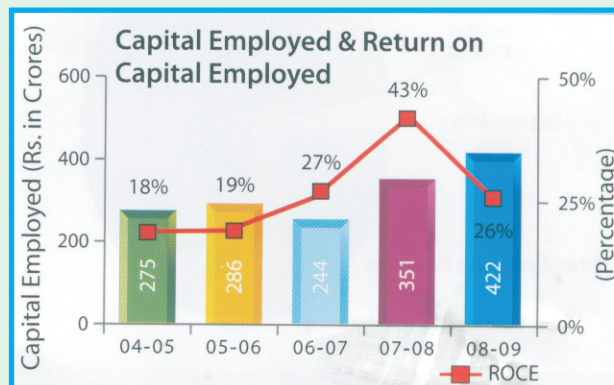
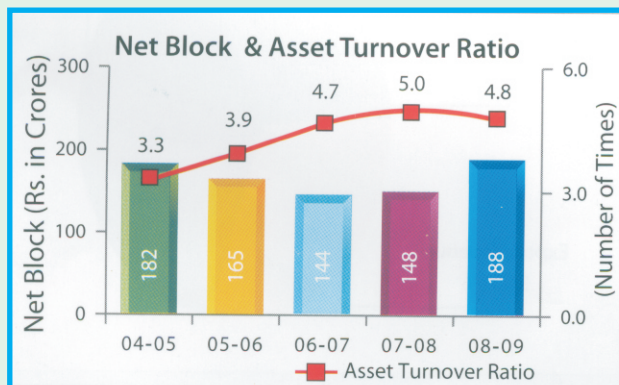
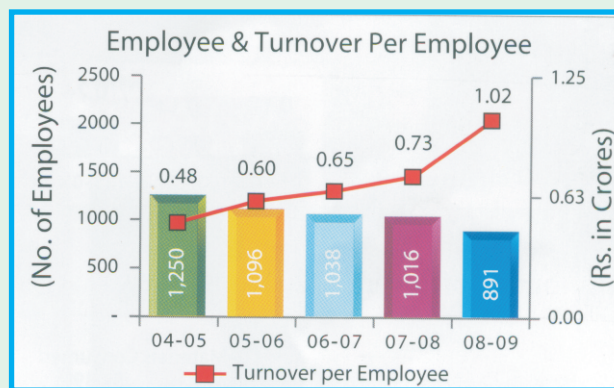
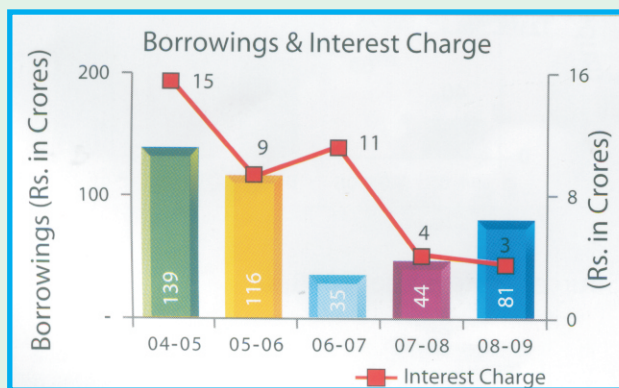
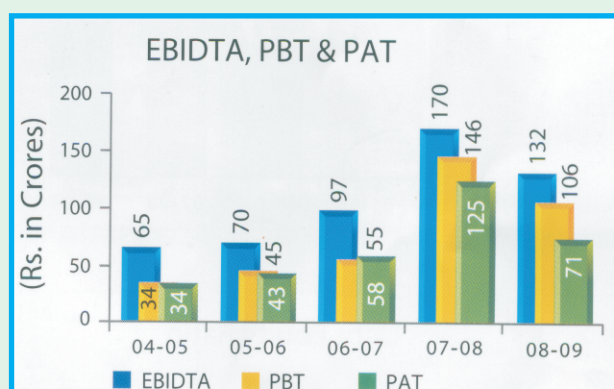
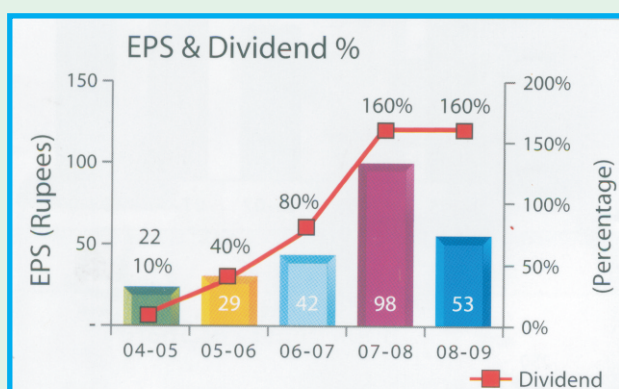
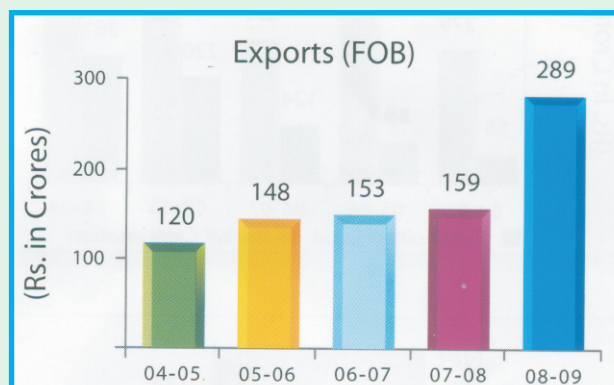
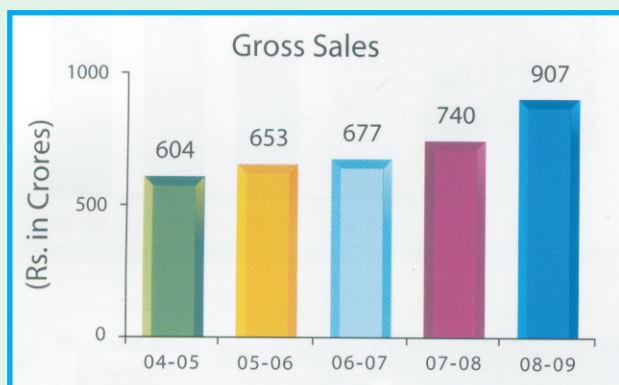
The Company believes in hiring the best talent for which it does not favour any region in the country. However, preference is given to the local region. Being in remote areas, good skilled professionals (as required by the nature of job) are at times not available locally, in close proximity to the manufacturing units. Contract works are allotted to the local contractors, whenever possible again based on their capability and potentiality, and contract labourers are hired from the local

Aspect: Indirect Economic Impacts

Development and impact of infrastructure investments

The Company has participated with the community to build infrastructure around the manufacturing locations keeping in mind the obligation to the affected society at the neighbourhood. All our manufacturing units are located in the notified Industrial area in all the states and so, due to the presence of our Company along with so many other industries of the area, several economic activities have come up in the region. Several traders, mechanics, SSIs, transporters, house keeping agents etc. have found business due to the external activities related to manufacturing activities of the Company.

Performance Summary



Environmental Performance



ENVIRONMENTAL PERFORMANCE

A wide range of stakeholders, including the finance sector are beginning to consider Corporate Environmental Performance in their purchasing and investment decisions, and thus seek robust information on an organisation's environmental performance.

We have come a long way, certainly in reductions of waste and emissions, but also in recognizing the impact of our operations on global issues such as climate change.

Policy :

Company's policy on protecting and safe guarding the environment is incorporated in the Environment, Health and Safety Policy (which is readily available in the website of the company) of the company by the statement of commitment: "Respond sensitively to the environmental concerns of the neighbourhood community and take measures for implementing product stewardship practices."

Training & Awareness :

Regular training sessions are conducted for creating awareness on environmental aspects to the employees including the men on contract. These trainings form a part of the environment management system which the company has voluntarily adopted leading to certification of the system to ISO 14001:2004 standard at all the units.

MATERIALS

Total materials used (other than water) by type :

Due to complexity of chemical reactions involved in the manufacture of a particular technical grade pesticide coupled with the number of such products manufactured at each site, the number of chemicals handled are many with varying quantity of consumption depending upon the type molecules and the quantum of

production. Hence for brevity purpose only those chemicals whose consumption threshold is more than 300 T/Annum as well as those with high risks have been considered. The group of chemicals include acids, alkalis, petroleum compounds, petroleum solvents, organic and inorganic chemicals some of which are toxic in nature as well.

Recycled Input materials

The Company does not use any materials for its manufacturing activities that are wastes to any other industry and thus does not procure from any external sources for consumption. However certain by products of Rallis are sold to other industries as input in the initiative to generate wealth from wastes for reuse / recycle.

Direct energy consumption

ENERGY SOURCES			
		2008-09	2007-08
Furnace oil	KL	1904	3571
LDO	KL	0	3.18
Gas	M3	1770725	1674868
HIGH SPEED DIESEL	KL	113	206
Bio bricks as clean fuel	MT	1272	1223.75
Captive generation(CPP)	Lac KWh	56.44	57.06
Captive generation(DG)	Lac KWh	11.4	9.53

Natural gas supply is available for industrial usage only in Ankleshwar where gas is consumed for boiler operation and for captive power generation. A Captive Power Plant exclusively on gas as the fuel resulted in gas consumption increase. This has resulted reduction in carbon to the environment. The financial benefits derived from captive power generation supplemented the cascading effect from increase in fuel price and grid power rate at Maharashtra. Thereby the company could sustain the consumption per unit of production in line with that of the previous year, in spite of negative impact from many other factors that were beyond the control of the company.



1MW CO - GEN Power Plant (CPP) on Gas



90 TR CHW Plant from CPP flue Gas heat



Waste heat recovery boiler

Indirect energy use :

Electricity is the only indirect energy that is bought out from the electricity distribution authorities of the respective states. Initiatives on energy conservation have been rolled out bringing in appreciable reduction in energy consumption at individual locations. Compared to 179.7 lacs of KWh electrical energy consumption equated to the bought out electricity for the previous year, the reporting year consumed only 124.9 lacs of KWh drawn from the public grid as captive power generation by cleaner mechanism supplemented the short fall.

Energy saved due to conservation & efficiency improvements :

The company has rolled out many initiatives as energy conservation measures across all the units identified through Total Productive Maintenance (TPM), DISHA (an internal enterprise value creation programme) and LASER (Learn, Apply, Share, Enjoy & Reflect). Implementation of the said projects brought in a power saving of around 1.2 lacs of Kwh.

WATER

Water Conservation :

Total Water withdrawal by source

Purpose of Usage	2008-09	2007-08
Industrial	200010	197949
Domestic	69045	68023
TOTAL	269055	265972

Annual withdrawals of ground and surface water:

Source	2008-09	2007-08
Surface water (public supply)	265969 CM	263886 CM
Ground water (bore well)	3086 CM	2086 CM
Water recycled / harvested	10650 CM	8580 CM

Water is drawn from the bore well at Akola unit and is used exclusively for horticulture and so is not considered in the consumption data. Turbhe draws, by way of rain harvesting, water from a pond created on account of the stone quarrying activity done yesteryears. This water also finds usage in gardening and fire fighting. Rain harvesting is done to the extent possible at all the locations and recycled within the premises for identified uses.

BIODIVERSITY

Land Owned adjacent to protected areas :

All units engaged in the manufacturing activity are located in notified industrial areas and thus not affecting the bio diversity or any flora and fauna of the neighborhood.. Environment impact

assessment has been done by the development authority before declaring the industrial zones whereby protection of bio-diversity is taken care in the planning stage itself. None of the units is located in any restricted zone like CRZ

Major impacts on biodiversity

All the units are located in the notified industrial areas with all infrastructure developed for the industrial activity. Hence there is no major impact on any biodiversity as defined in IUCN Protected Areas Category 1-4.

EMISSIONS, EFFLUENTS and WASTE

Greenhouse Gas emissions (as per Kyoto Protocol definition):

A) Direct emissions from sources owned or controlled by the reporting entity

CO2 in MT		
	2008-09	2007-08
From fuel oil sources of EN-3	2017	3780
From other sources of EN-3	3187	3014
TOTAL	5204	6794

a. Indirect emissions from imported electricity, heat or steam in terms of Carbon dioxide.

The quantity of GHG emission on account of bought out electricity has been calculated on the assumption of source of fuel for generation of electricity to be coal. Accordingly emission for the reporting year is 344.0 M Tons of CO2 against previous year's figure of 497.0 MT of CO2 equivalent.

Emissions of ozone depleting substances (as per Montreal Protocol)

	USAGE in MT		EMISSION in MT	
	2008-09	2007-08	2008-09	2007-08
<i>Methyl Bromide</i>	340	290	0.285	0.276
<i>Freon</i>	1.420	1.245	1.420	1.245

Methyl bromide is produced and consumed in-situ in the manufacturing process at Ankleshwar unit. There is no storage or emission from the source and does not fall under the statutory requirement of The Ozone Depleting Substances (Regulation) Rules 2000. However, keeping in view the commitment under Montreal Protocol 1987, alternate routes of manufacture will be put in place within the stipulated time specified under the rules. Freon gas usage and consumption is for the refrigeration system and air conditioners. The quantity of emission has been derived from the quantity used in the year for refilling the system to maintain the equilibrium. Re-engineering is in process to replace Freon 22 medium with one with low OD potential.

Significant air emissions by type. (in MT)

POLLUTANT	2008-09	2007-08
<i>NOx</i>	238	217
<i>SOx</i>	256	248

Total amount of waste by type and destination

Data on certain type of wastes like glass bottles, broken laboratory glassware etc. have not been maintained in the reporting year and is in the process of monitoring for future reports.

Type of waste	Unit	2008-09	2007-08
<i>Wastes sent for secured land fill to approved TSDF</i>	MT	4325	3026
<i>Used packing containers by way of sales to approved recyclers</i>	Nos	15236	14126
<i>Metal Scrap</i>	MT	535	477
<i>HDPE & Polythene Scrap</i>	MT	185	176
<i>Used lube oil</i>	KL	3.2	2.7



Incinerator

Total water discharge by type

Parameter as Pollutant in MT / year	2008-09	2007-08
Chemical Oxygen Demand	688	648
Biological Oxygen Demand	148	138
Total Dissolved Solids	734	720
Total Suspended Solids	54	48

The pollution load is calculated based on the level of pollutants at the discharge point and is dependent on the permissible level at each location based on the receiving body of the treated waste water. Wherever relaxed standards are permissible in case of receiving body is Common Effluent Treatment Plant, the pollutant levels are calculated accordingly.

Significant spills

There has not been any instance of significant spills of chemicals reported from any units in the reporting year. In certain areas involving manual handling of materials in the containers, there could have been instances of mild spills. Similarly pumps could result in mild drips from the pumps. However, these have not been counted. Reporting and recording system has been initiated supplemented by ISO-14001 initiative.

Significant environmental impacts of principal products and services

The products are pesticides that are used in agriculture for protecting crops from various insects, fungi, weeds, nematodes, mites etc. These chemicals being poisonous, their residues left on crop plants, in water and soil may pose certain problems for health of man and domestic animals. While handling these pesticides, there are possibilities of accidental hazardous exposure through ingestion, contact and inhalation. The systemic effect of the product, which is dependent on the magnitude of exposure, is in turn dependent on the concentration of the chemical, which could either be the parent chemical or its metabolites at the target site.

Many a times extensive use of certain products becomes necessary due to development of resistance by target organisms and this can cause : Persistence in water, Persistence in soils, Persistence in / on crop plants and soil and harvest time residue of pesticides. Improper use of the products can lead to environmental pollution and affect non-target organisms / resources. Persistence in soil may lead to accumulation followed by leaching to watercourses.

Reclamation of the products :

The products manufactured at Ankleshwar, Turbhe and Lote are consumables for formulations and so product reclaimability does not arise. In the light of the toxic nature of the product, even the containers are advised for immediate and safe disposal at the user's end. The law of the land, pertaining to the type of products from our basket, also does not permit recycle of any containers / packing material. As the end product has a shelf life, any withdrawal from the market cannot be recycled.

Significant fines for non-compliance :

The company has not paid any monetary fines for non compliance related to laws governing environmental aspects. However, we paid Rs.2.98 lakhs as a contribution to provide drinking water to the pollution affected people of Medak District in Andhra Pradesh. This was a direction to all the industries in the area from the Honourable Supreme Court while disposing off a PIL under the ruling "Polluter Pays". This was a sign of our voluntary approach to protect the community from any impact.



Waste Water Treatment Plant

Social Performance



SOCIAL PERFORMANCE INDICATORS

SOCIETY

Aspect: Community

Impacts of operations on communities

The Company determines its Key Communities through a systematic approach and develops programs for them. Every year, all Regions / Factories prepare their annual community developments' plan based on above findings and budgets are allocated in Annual Operating Plan.

The Company has identified and evaluated the hazards associated with its operations mainly under the requirement of OHSAS 18001:1999 certification process. Accordingly risk assessment for such hazards have been carried out and control measures have been put in place. Continuous improvement as a part of Total Productive Maintenance initiative has improved the yield of processes and thus reduction in the use of hazardous substances. Being signatory to "Responsible Care" initiative, all the codes associated with Environment, Health and safety have been rolled out across all the units.

The Company believes and considers itself to be an integral part of the society where ever it operates. As such, it also believes in playing a pivotal role in development of the society at large and the neighbourhood community in particular. Primary objective of the Company's work with the community around is to contribute towards improving the quality of life. Based on the need assessment studies carried out at each location, programmes are developed to cater to such needs.

Aspect: Corruption

Coverage for related risk analysis

Internal Audit Process and TCoC (Tata Code of Conduct) program analyzes the risks related to non-

compliance and deviations in all units/locations. No specific program is put in place for risk analyses related to corruption. However, every management cadre employee endorses adherence to TCoC by way of signature which brings in a self analysis before signing his/her declaration.

Training on anti-corruption policies and procedures :

The company does not have any specific anti-corruption policies and procedure as the TCoC itself, in totality, has been integrated in the company. Employee training and communication about TCoC was strengthened by the Chief Ethics Counselor of the company. Copies of TCoC are displayed all across the company and every employee has been given a copy of the booklet on TCoC, that ensures cent per cent coverage in the aspect of training.

Incidents of corruption :

The Chief Ethics Counselor monitors adherence to TCoC within the company. There has not been any incident of violation relating to corruption policies and procedures in the reporting year.

Aspect: Public Policy

Participation in public policy

The Company participates in the formulation and execution of community development related policies by the local administrative and development authorities. Company also encourages and actively involves in drawing out action plans for such policies for the benefit of the public in the neighborhood.

Political Contributions

Rallis does not encourage any political lobby or contribution to political parties. The Ethics counselor procedure ensures the adherence to this aspect. Tata Code of Conduct clearly describes the aspect which is strictly adhered to :

'a Tata company shall not support any specific political party or candidate for political office. The company's conduct shall preclude any activity that could be interpreted as mutual dependence / favour with any political body or person, and shall not offer or give any company funds or property as donations, to any political party, candidate or campaign'.

Aspect: Compliance

In the reporting year, the Company has not paid any monetary value of significant fines and there has not been any instance of non-monetary sanctions for non-compliance with laws and regulations.

Human Rights

Aspect: Investment and Procurement Practices

Investment agreements that include human rights clauses

There has not been any significant investment agreement executed in the reporting year and so has not been subjected screening for inclusion of human rights clauses.

Suppliers and contractors on human rights

The contractors working in the premises of Rallis are required to follow the employees benefit schemes and human right policy of the organization including payment of minimum wages, deduction of provident fund and ESI. Concerned departments do the monitoring of the contractor's performance and wages are paid under supervision of HR. The tender notices and enquiries issued to the contractors during reporting period include clauses on human rights, safety and health and the bidders are required to conform their compliance to these clauses. Similar approach is done in case of suppliers with regular monitoring on compliance.

Training on policies and procedures of human rights

Human rights issues are covered under the training on Code of Conduct and in creation of awareness on Model Standing Orders (which addresses most of the

Labour Rights and Human Rights at work related issues) for the employees. Awareness is created among the new employees joining Rallis as part of their induction training. A monitoring system to evaluate total hours of training imparted to the specific aspect of human rights is planned for the next reporting year.

Aspect: Non-discrimination

Incidents of discrimination and actions taken

There has not been any instance of discrimination in the reporting year. The Company honours the Global Compact Principles and the status is being reported to United Nation's monitoring wing. Tata Code of Conduct emphasises on equal opportunities and non discrimination. The HR Recruitment Policy of Rallis lays stress on recognising the people as primary source for its competitiveness.

Policy on providing opportunity of employment without any discrimination:

1. Gender Equality employment except at operations / locations where statutes prohibit employment of women.
2. Employment of physically challenged persons at permissible operations for safety reasons.
3. Applications for employment do not carry columns for religion, province, mother tongue etc.

Aspect: Freedom of Association and Collective Bargaining

Right to exercise freedom of association and collective bargaining

Tata Code of Conduct through Regulatory Compliance Clause sets out the policy since Freedom of Association is enabled in India through the Trade Union Act. Accordingly all Non Management employees of the organization are the members of respective Unions at different locations. Company recognises unionism among workers and invites collective bargaining for causes. The process of association and collective bargaining exists in all relevant operations at Ankleshwar and Turbhe sites.

Aspect: Child Labor

Incidents and measures for elimination of child labor.

Tata Code of Conduct through Regulatory Compliance Clause sets out the policy since Prevention of Child Labour is addressed in Factories Act also. As per the various standing orders of Rallis, the minimum age required for employment is 18 years and hence Rallis engages no child labour. The recruitment process of Rallis requires furnishing of appropriate proof of age to ensure the age bar. The Company prohibits at the gate, entry of any child within the factory premises to ensure inadvertent employment by contractors.

Aspect: Forced and Compulsory Labor

Incidents of forced or compulsory labor

There is no forced and compulsory labour in Rallis and is deemed an illegal activity in India. The Grievance Redressal Mechanism and the Ethics Counsellor procedure adequately monitor violation of such requirements. The grievance re-dressal procedure is documented and accessible to all employees. However, voluntary retirement scheme with pecuniary benefits declared for workers and given the freedom of option. Our declaration on conformance to Global Compact Principles addresses the issue.

Aspect: Security Practices

Security personnel trained in human rights.

Security personnel are hired, preferably ex-service men, from Securities Board to cater to the need of Rallis across its factory locations. No specific in-house human rights training is imparted to them. However they have been trained by the security agency and by their previous employment in the services, they are aware of the human rights. Being signatory to Responsible Care, security is being rolled out as the latest code for compliance to the management practices.

Aspect: Indigenous Rights

Incidents of violations rights of indigenous people

The National Interest Clause of Code of Conduct articulates Rallis' Policy in this regard. In line with the

Group Purpose & Code of Conduct of the organization, Rallis returns to the society what it earns. This evokes trust among consumers, employees, shareholders and the community it serves. Rallis has a portfolio of Community Initiatives to implement the group purpose and addresses the needs of the local people and the community around. Various types of Community development initiatives carried out by the Company to the indigenous society is mentioned later in this chapter. There has not been any incident in the reporting year wherein the indigenous people were deprived of any of their human rights in relation to the operations of the company.

Labor Practices & Decent Work

There are several policies in the Company, which relate to labour practices. These are given under the relevant indicator. Head of Corporate Human Resource department is the senior most officer who is responsible for labour practices. Each unit has a head for HR department who looks after the local requirements and reporting to the Corporate head. An employee engagement programme is taken up every year in the Company to carry out a broad survey. The intention behind the exercise is to have a satisfied workforce, which would result in higher productivity.

Aspect: Employment

Total workforce by employment type

We have a diverse workforce and are fortunate to have so many talented people with different backgrounds, interests and skills who come together to make Rallis a strong and thriving company. Together, we develop the technologies, products and offerings of the future. Both Management & Non-Management employees are from various regions and come with varied work experience, as the Company has manufacturing & sales operation spread all across the country. Although official language for communication is English, the language of day to day communication especially for non-management staff in different factories is local. The field staff is predominantly local having a rural agrarian background, to facilitate interfacing with the customer community (farmers). We

place a high emphasis on health and safety of our employees, and the larger surrounding community.

Employee Categories (As on April 1, 2009)			
SN	Category	Total	Description
1	Non Management Staff (NMS)	197	Bargainable category: being systematically developed to be customer focused and performance oriented. .
2	Management Staff (Officers & Supervisors)	720	Category being continuously developed to hone leadership qualities, global mind set
3	Temporary Field assistants	928	Engaged in farmer support in evolving agri solutions
4	Contract labour	928	Engaged in the factories for material handling & house keeping.
Total no of employees: 2957			

Rate of employee turnover

2006-07 -15.6%

2007-08 -15.5%

2008-09 -12.3%

Aspect: Labor/ Management Relations

Employees covered by collective bargaining agreements

100% of the non-management employees are covered under the trade union or collective bargaining agreements. With the closure of Patancheru unit, the number of this category has considerably reduced. In numbers, it is 197 employees relating to 22 % of the total strength of the company on rolls.

Minimum notice period(s) for significant operational changes

Sufficient time is given as notice period as and when necessitated by operational changes. Although the notice period is not mentioned specifically in the collective agreements, the union is taken into confidence before any such eventuality and a collective decision is taken. There has not been any such instance of operational change in the reporting year

Aspect: Occupational Health and Safety

Workforce represented in safety committees

By adhering to world safety standards, promoting product and operational safety, and encouraging the active participation of every employee, Rallis has

created a healthy work environment that complements its superior product line.

Safety committees formulated as per the guidelines of the law function at all units. As for representation of the work force, minimum conformance is to the provisions of the Factory Rules of the respective states where the operations are located. The Committees meet periodically (at least once in a month) to discuss Safety issues. This is another venue for employee consultation and communication. One of the main item of discussion is -Accidents in the past month, whether minor or major. Medical officer is also part of Safety committee. Prior to the meeting, agenda is circulated and after the meeting minutes are made which are displayed on Notice board and or circulated to concerned employees.

Rates of injury & occupational diseases

There has not been any fatal accident or any accident reportable under the statutes in the company during the reporting year and no case occupational health illness has been identified at any of the operational locations where probability of occupational diseases has been identified and evaluated.

Education, training, counseling, prevention, and risk-control programs

In the reporting year, internally 325 training sessions were conducted exclusively on safety & health related topics covering 5310 hours of training with the inclusion of contract labour as well and another 260 hours of training on material handling.

Besides, nominated related personnel from all the units for external training on safety and health with the practice of thus trained people cascading the knowledge to others within the unit. This practice empowers those trained in founding their depth of knowledge.

Best practices of British safety Council were adopted by way of incorporating the elements at the operational units at Lote, Ankleshwar and Turbhe and the said units faced the audit and were awarded with 5 star grade to all the units. Employee Communication & Consultation, welfare and hygiene, off the job safety, risk assessment & safe

working procedures, traffic routes & aisles, emergency planning etc were novel elements introduced that would cater to the safety of employees, their families and the community.

Aspect: Training and Education

Hours of training per year by employee category.

The employees undergo trainings on various subjects. Internal trainings are conducted for the employees at regular intervals. Starting with induction, training is imparted to all depending on the nature of job to be assigned. Training is carried out through classroom training, workshops, role plays, single point lessons, seminars/ conferences, on-the-job & off the job training and best practice sharing. As for consideration for training, there is no difference between company employees and contract workers.

Training Data		
	2007-08	2008-09
Trng compliance to plan %	80	84
Trng. Mandays / employee	5.6	6.0
Trng. Coverage of employees %	85	96
Trng. Effectiveness Index	2.99	3.12
No. of internal trainers developed	56	72

Skills management and lifelong learning:

Rallis undertakes Skill Development across all functions to identify critical skills required for enhanced plant performance along with individual growth. The Skill Development approach also focuses on multiskilling apart from upgrading the skills of individuals. By use of skill matrix evaluation tool, training needs are identified and accordingly programmes are developed.

We have Knowledge Management (KM) programs and processes which capture the tacit knowledge residing with the employees (past and present), customers and suppliers. The organization believes in critical mass training that converts employee learning to organizational learning and behavioral change. In addition, memberships in professional institutes, Company-visits and conferences (domestic and

international) bring in external perspectives and catalyze the learning cycle. The adoption of Business Excellence models like TBEM & IMC-RBNQA promotes and drives organizational learning. OFIs arising out of these models are used as learning for future improvements.

Aspect: Diversity and Equal Opportunity

Breakdown of employees against indicators of diversity

Gender Diversity:	Age Diversity:
Men- 883	Less than 30 143
Women 34	30-40 287
	40-50 189
	50-60 82

Diversity related to affirmative action:

General 570
SC 10
ST 03
OBC 104
DW 16
Null- 214

Ratio of basic salary of men to women by employee category :

As mentioned above, the criteria for basic salary and other emoluments are based only on merit. The Company follows the principle of equal pay for equal work. There is no differentiation in salary of men to women in the Company. However, the women employees in the Company are entitled to maternity leave with benefits.

Product Responsibility

The Company respects the privacy of its customers and has put in place an Intellectual Property Rights Policy. This is a basic need for the type of business conducted by the Company. Many international companies chose us as a Preferred Partner based on the confidence level related to customer.

Aspect: Customer Health and Safety

Health and safety impacts of products and services :

Rallis commitment to safeguard the interests of the society is addressed in the Corporate Environment, Health & Safety Policy, which says, Rallis will “respond sensitively to the environmental concerns of the community and take measures for implementing product

stewardship". Before introducing a new product into the market, an exhaustive safety evaluation and risk analysis is carried out by R & D for determining product suitability based on the properties related to a user & environment friendly product.

Before transfer of bench scale technology to commercial production, an exhaustive Risk Benefit Analysis with respect to field application against the target organism is carried out. In this process, the Company generates essentially exhaustive data packages on important issues related to the products.

The Company is continuously working at its R&D centres to develop products, which use materials that are safe, both at the production stage as well as in the usage phase. The Company is continuously working towards reducing the consumption of solvents and other toxic chemicals. Reduction or substitution of these Chemicals will result in making the processes safer.

The product labelling system follows the international guidelines for export purpose and Insecticides Rules for domestic market. All the products, which are exported, have labels as per the requirement of the region where the product is being exported. Additionally, the Company provides Material Safety Data Sheet (MSDS) with the product, which gives the necessary information to the customer.

Aspect: Marketing Communications

The Company believes in conducting business in an ethical manner. The end customers of the products are the farmers. Therefore, most of our marketing promotion is done through product advertisements, testimonial advertisements, press, radio promotion, electronic media, exhibitions, direct mails, one to one contact with the customers etc. The basic goal is to provide the correct information to our customers. The Product Stewardship Code under Responsible Care Initiative addresses the communication aspect to a certain extent.

Aspect: Compliance

Significant fines for non-compliance

The Company has not paid any significant fines for non-compliance with laws and regulations concerning the provision of its products and services in the reporting year.

Support to key Communities

Rallis is committed to improving the quality of life and enhancing the vitality of the communities in which it operates throughout India. Through financial contributions and the volunteer efforts of its employees, Rallis supports programs and organizations that address social progress, economic success and environmental excellence - all vital components of community sustainability.

Being a multi-location Company, Rallis plans its community development work at various locations under the leadership of location head. It identifies key communities in consultation with employees. Proper budgetary allocation is obtained wherever necessary. Rallis takes guidance and support from TCCI (Tata Council for Community Initiatives) in its endeavor for community work.

Rallis concluded another year of undivided commitment to improve the Quality of Life of members of the Community, especially the underprivileged. This year the main focus was on education of underprivileged women & children addressing the employability challenge. This was done over and above wide range of other initiatives as per the needs of local community including donations for village development, afforestation, safety & environment awareness, support to old age homes & orphanages, AIDS awareness and support to Cancer patients.

This was achieved through active employee volunteering. This year we crossed 3000 hours mark in volunteering over & above hours volunteered by sales & marketing teams spread across the remote rural areas of the country.

Unit / Region	Employability Hours	Education hours	Donation / Help / Health Hours	Environment related hours	AIDS Awareness hours	Total Hours	No. of volunteers	Total Manpower	% of participation
Lote	0	33	93	13	0	139	55	62	89%
Ankleshwar	0	80	18	461	18	577	34	196	17%
Akola	3	17	2	5	0	251	28	29	97%
Turbhe	0	0	60	21	35	92	14	175	8%
Patancheru	56	0	0	0	0	56	4	17	24%
Head Office	0	0	8	0	0	32	3	127	2%
Lucknow	0	0	56	0	0	56	7	20	35%
Kolkata	36	24	94	0	0	154	20	33	61%
Ahemdabad	0	72	0	0	0	72	13	35	37%
Chandigadh	0	90	85	30	0	205	29	50	58%
Secundarabad	308	278	0	0	0	586	24	30	80%
Guntur	0	230	0	0	0	230	23	24	96%
Bangalore	90	233	75	0	0	398	12	62	19%
Pune	119	49	91	0	0	259	23	31	74%
Grant Total	612	1106	582	530	53	3107	289	891	32%

The cornerstones of our commitment to corporate citizenship are:

- active engagement in society in areas where we are competent
- helping where help is most needed
- establishing and implementing transparent, ethical corporate standards and policies



Way Forward

- Establishing and maintaining a proactive corporate sustainability culture won't be easy and certainly has its challenges. Formulating a workable and flexible plan, giving effect to the necessary organization-wide changes and implementing meaningful stakeholder engagement are just some of the challenges.
- However, there are still enormous challenges. Extrapolation of current trends paints a picture of an unsustainable world: an increasing gap between the rich and the poor; billions of people who do not have access to clean water, proper sanitation, adequate food, shelter and health care; and the steady decline in key global ecosystems mainly Global Warming / Climate Change phenomenon.
- As a company that is owned by thousands of investors, our challenge is to address these issues in a way that makes business sense. We define this direction as sustainable growth - the creation of shareholder and societal value while decreasing our environmental footprint along the value chains in which we operate.
- Our aim is to improve dialogue with all our stakeholder groups: shareholders, customers, employees, statutory agencies, the communities in which we work, and any others who might have an interest in any of our business operations.
- We are proud of our achievements but recognise that we still have more ground to cover. We endeavour to implement systems that provide equal weightage to environmental and social issues.



ASSURANCE STATEMENT

This report has been prepared in accordance with the 2002 GRI Guidelines version -3 (G-3).
It represents a balanced and reasonable presentation of our Organization's economic,
environmental, and social performance.

Rallis has considered seeking an independent assurance on the report in due course as this is the first
report in accordance to G-3 guidelines and looks forward to attain a better maturity level.

However following the GRI guidelines on Application Levels, we have carried out a self evaluation based
on the criteria that are presented in the column for the relevant levels of application
and made a self declaration of the level as indicated in the Application Level grid.

	2002 Version-3 In Accordance	C	C+	B	B+	A	A+
Self Declared			Assured		Assured	✓	
Third Party Checked			Externally		Externally		
GRI Checked			Report		Report		



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