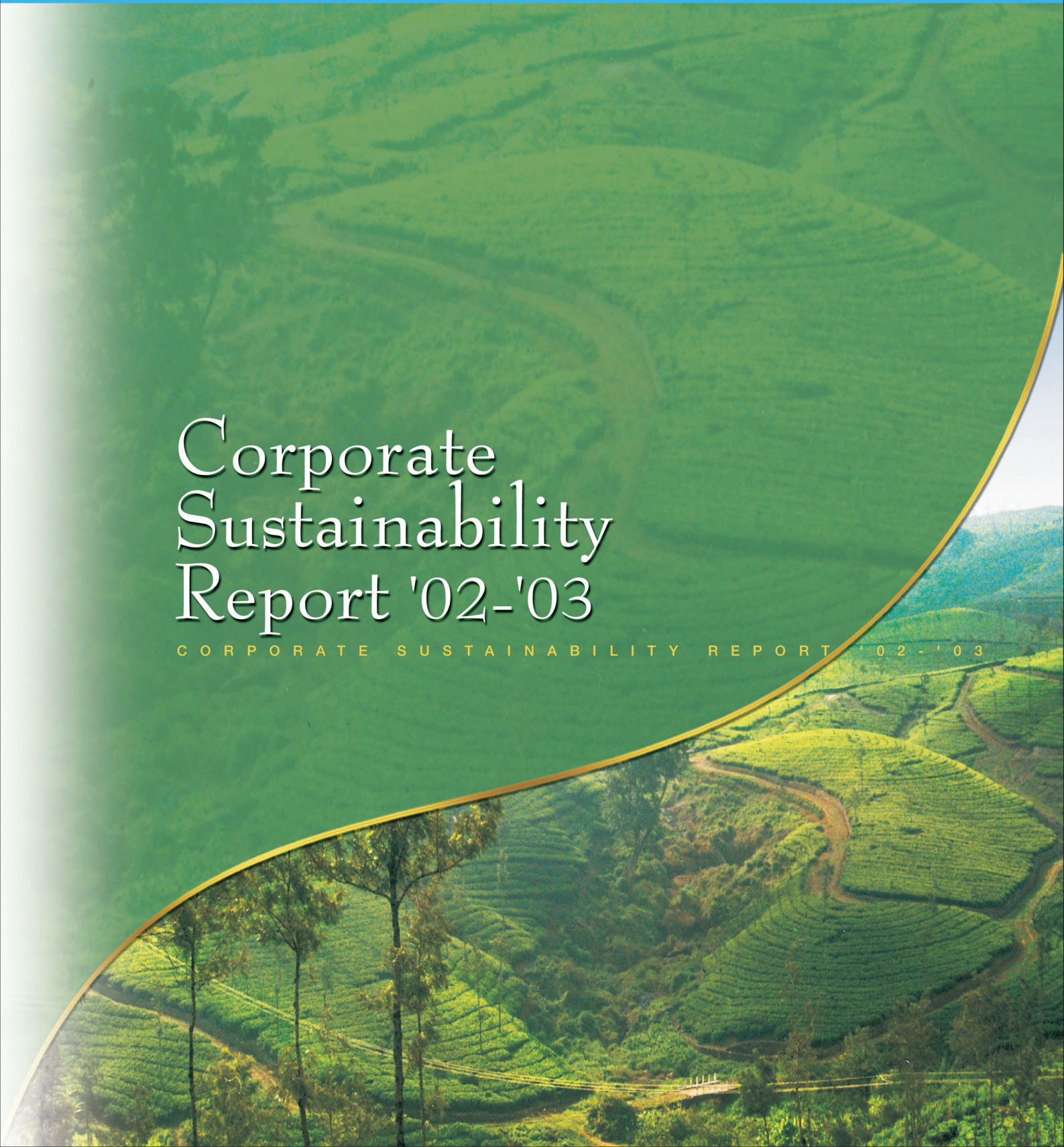




TATA TEA

Corporate Sustainability Report '02-'03

C O R P O R A T E S U S T A I N A B I L I T Y R E P O R T ' 0 2 - ' 0 3



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“In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence”.

Jamsetji Nusserwanji Tata
Founder of the Tata Group

We have to choose between a global market driven only by calculations of short-term profit, and one which has a human face. Between the world which condemns a quarter of the human race to starvation and squalor, and one which offers everyone at least a chance of prosperity, in a healthy environment. Between a selfish free-for-all in which we ignore the fate of the losers, and a future in which the strong and successful accept their responsibilities, showing global vision and leadership.

I am sure you will make the right choice.

Kofi A. Annan
Secretary General
United Nations



VISION
AND
STRATEGY



"CHALLENGING FOR LEADERSHIP IN TEA AROUND THE WORLD"

Tata Tea Limited along with the Tata Group has traversed the path of history for over a hundred years now. The values set forth by the founding fathers, Mr. J.N. Tata, Mr. Naval Tata and Mr. J.R.D. Tata have been the corner stone of the Group's vision. Today the business of Tata Tea in India and abroad carries the hallmarks of this legacy.

The Tata Group purpose statement drives the theme of sustainable development integrating the five core values of Integrity, Understanding, Excellence, Unity and Responsibility. It provides business linkages to sustainable development and is the driving force that underpins the way we do business in Tata Tea. The Company is committed to its customers and stakeholders for sustained growth by adding value in all activities, across all operations.

GROUP PURPOSE STATEMENT

Our purpose in Tata is to improve the Quality of life in India through leadership in sectors of national economic significance to which the Group can bring a unique set of capabilities.

Our past success in delivering such purpose provides the basis for our belief in the future and our role in it. Our Group size and scale will provide management and financial resources to profitably cater to the emerging opportunities and to develop globally competitive skills to succeed in this endeavour.

Our long-term success requires us to considerably focus our portfolio, our management efforts and our investment priorities so that Group synergy is brought to bear at the point of delivering value to the customer. The enormous Group resources: in people and finance needs to be re-architected so that the whole is larger than the sum of its individual parts.

Our heritage invokes trust among consumers, employees, shareholders and the community. This is a precious heritage, unique in India, and will not only be preserved, but also enriched by formalizing the high standards of behaviour expected from our employees and the companies in the years to come.

The Tata name is a unique asset representing Leadership with Trust. Leveraging this asset to unify our companies is the route to long-term success and delivery of returns to the shareholder in excess of the cost of capital.

Our Vision, Mission and Corporate Purpose Statement was framed by the Company's senior management in February 1999. This formed the basis of the Company's direction and strategy over the past few years. It marked the realisation within the Company that "Customer is paramount". Much of this statement remains valid and is of considerable relevance even today. With the acquisition of Tetley in 2000, and commencement of a formal process of integration, the process of evolving corporate thinking onto a global canvas was initiated. In 2002, the "Supervisory Board" of Tata and Tetley put forth a new Vision Statement, "Challenging the World for Leadership in Tea", embodying a modified set of Values, in line with the Tata Group Purpose.

"Challenging for leadership in tea around the world"

- Challenging ...
 - ~ A state of mind throughout the organisation, never being satisfied with the status quo, constantly striving to be better and to do new things, in new ways
 - ~ And a principle by which we manage our brands in the marketplace, creating relevant differentiation and confidently projecting clear brand identities.
- Leadership....
 - ~ Not just in size, but more importantly in the eyes of our customers and consumers, through our thoughts, ideas, behaviour and achievements
 - ~ Through innovation, which will enable us to build stronger relationships with our existing consumers, reach out to new consumers and keep the category vibrant.

- Tea...
 - ~ The product scope of our vision, encompassing the widest definition of the category; the production and marketing of black and green teas, specialty fruit and herbal teas, ready-to-drink teas, tea serving systems and retailing of tea.
- The World
 - ~ The geographic scope of our vision; building a global business by leveraging and building our brands and forging partnerships to mutual advantage.

Tata-Tetley- Our Values

- ~ We believe that our customers and consumers define the success of our organisation and that they should be top-of-mind in everything that we do
- ~ We believe that our people are at the heart of our organisation; and that we should give them the freedom to achieve, through clarity of direction and the creation of an informal, barrier-free culture
- ~ We believe in tea and in our products, and their role in adding to the well-being of people the world over
- ~ We believe in earning the respect of all those who know us
- ~ We believe in making a positive contribution to the people and communities our business touches
- ~ We believe that by striving to deliver our vision and by living our values we shall create more valuable business and hence over the long term increase returns to our shareholders.

The Vision and values which have evolved over time gives the desired impetus for sustainability thinking and is sharpened further through stakeholder engagements to arrive at key issues.

Listening to our stakeholders

Our Value Chain on the supply side laces the livelihoods of many communities, touches aspects of biodiversity and water and land management. We are seized of the fact that our consumers are aware of the wrong sanitary practices that could be part of the supply chain of products and operations like ours. "Challenging for leadership in tea around the world"; 'leadership in the eyes of our customers and consumers through our thoughts and ideas, behaviour and achievement'; widening the scope of our product tea to include "Green"; "Herbal" and natural tea and tea serving systems-provide the context for sustainability at Tata Tea. Through various engagement processes, feedback is obtained from the stakeholders on the issues related to Corporate Social Responsibility. These are stated below:

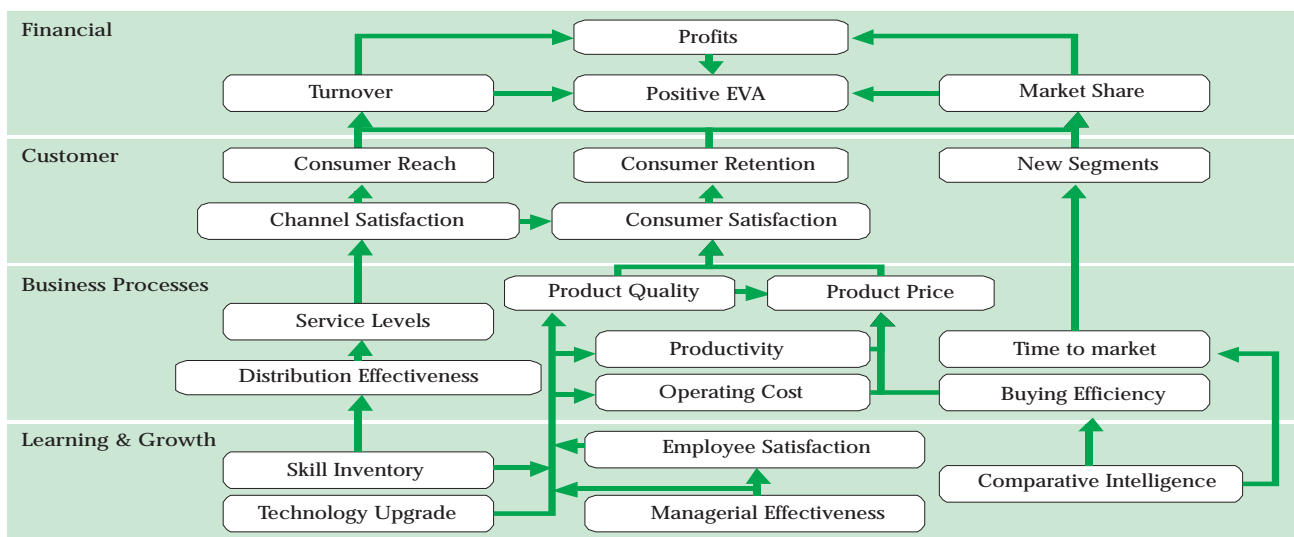
Sustainability issues	Stakeholders affected
<p>Economic</p> <p>EVA +ve business, Improved Profit to Sales Ratios for all SBUs, Sustain and improve all current market volumes and values, Tata and Tetley integration, Enhance customer / consumer satisfaction levels, Improve channel satisfaction levels, extend brands and new offerings to new markets, Cost efficient operations, Development of IT infrastructure, Improved credit management, Product safety, health and hygiene, Innovation and improvements to add value performance and convenience, Move up the TBEM ladder.</p>	<p>Shareholders, Financial Institutions, Customers, Suppliers, Employees, Society.</p>
<p>Environmental</p> <p>Legal compliance, Eco-friendly packaging, Adherence to global tea standards, Use of alternative fuels, Wildlife and biodiversity preservation.</p>	<p>Regulatory Authorities, Suppliers, Customers, Society.</p>
<p>Social</p> <p>Communication, education and appreciation of consumer's health concerns, socio-economic development of communities, Welfare and satisfaction of employees, Institutionalize high performance of work culture across the organization.</p>	<p>Customer, Society, Employees, Communities.</p>



The organization's Strategy road map lays down the direction for creation of values for all its stakeholders and contributes towards achieving sustainability goals. Stakeholder concerns such as creation of wealth, customer focus, inculcating cost efficient operations, investment / disinvestments issues have been identified and addressed in the Corporate Strategy. The Deployment of the road map is through focus on -

1. Creation of wealth for improvement in shareholder value is measured through selected indicators.
2. Challenging for leadership in tea around the world through improvements in customer relationships, operating excellence, customer satisfaction, extension of brands, development of IT infrastructure for migration into an ERP system and Complaint resolution.
3. Cost leadership through efficient operations, outsourcing, reduction through ESS schemes, reduction in cost of procurement, energy conservation and efficient working capital management.
4. Nurturing the work environment which contributes to overall well being and satisfaction of employees at all levels through monitoring employee satisfaction concerns and issues arising out of welfare audits, institutionalization of team work, attracting and retaining talent, training, development and implementation of HR plans.
5. Industry leadership and Corporate Citizenship through environmental management, Community welfare and development and good corporate governance.

Strategy Map for Tata Tea Limited



Performance measures linked to strategic objectives

Strategic Objectives	Performance Measures	Compared with
Creation of wealth	EVA	Other Tea / Tata Companies
	ROCE	Other Tea / Tata Companies
	WACC	Other Tea / Tata Companies
	PBIT / Turnover	Other Tea / Tata Companies
	Net Profit Ratio	Other Tea / Tata Companies
Challenging for leadership	% Increase in domestic sales - volume	Internal Targets
	% Increase in domestic sales - value	Internal Targets
	No. of brands below specified score on Blind Product Rating - external	Internal Targets
	No. of brands below specified score on Blind Product Rating - internal	Other Brands
	No. of brands with 'poor' health indices	Other Brands

Strategic Objectives	Performance Measures	Compared with
	Customer Satisfaction Index	Other Brands
	Repeat Sales % - domestic and export	Internal
	Retailer & Stockist satisfaction Index	HLL
	Order to delivery lead time	Internal Targets
	Sales in new markets as % of total sales (domestic)	Internal Targets
	Sales in new geographies as % of total sales (exports)	Internal Targets
	Sales value of new tea & allied product offering as % of total sales	Internal Targets
	% Acceptance of tea for branded operations	Internal Targets
	No. of significant new products / offerings developed for commercial introduction	Internal Targets
	Cost of poor quality	Internal Targets
	% Acceptance of tea for exports	Internal Targets
	Average price realization for select garden marks against benchmark	Internal Targets
Cost leadership	% Reduction in costs beyond budgets	Previous period
	Reduction in staff through ESS scheme	
	Debtors Velocity	Other Tea / Tata Companies
	Reduction in Overdues	Previous Period
Nurturing work environment	Employee Satisfaction Index	Previous Period
	Welfare Audit Number of employees involved in teamwork to support strategic initiatives	Previous Period
	Reduction in % of poor performers	Previous Period
	Percentage of high performers recognised	Previous Period

While there are no strategic objective or goals in the BSC for Industry leadership and corporate citizenship through environmental management, community welfare and development per se, the process is in built in the system, in the company's operations & embedded in its fabric.

To achieve sustainability goals, the organisation has identified key processes critical to the growth of the organisation. A member of the Senior Management team is responsible for each process. The Senior Management team tracks performance of strategies against each strategic goal through a structured review process.

The Balanced Score Card (BSC) serves as a framework within which the top management's commitments are cascaded to various levels of the organisation. The BSC is in line with the Strategic goals and objectives of the organisation and delineates the targets and action plans identifies persons responsible.

The Management Committee reviews the Corporate Balance Score Card while the SBU Boards reviewed the SBU Balance Score Card.



MESSAGE FROM
THE MANAGING DIRECTOR



MESSAGE FROM THE MANAGING DIRECTOR

The Organisation is committed to the long-term sustainability of its operations, demonstrating its beliefs through its actions. I would draw the reader's attention to the following highlights :

1. The Group Purpose is so widely disseminated throughout the organization that it has become a way of life for those who work in the Company. The Company's Vision, Values and Strategies are in complete alignment with the Group Purpose.
2. The Tata Code of Conduct (COC) is practiced with great seriousness. A "Speak Your Mind" scheme encourages an open and transparent management style.
3. The Company operates in a "green industry". Its enormous plantation base gives the company a natural link to nature. A large number of examples will be found in the report on the efforts made by the company to preserve ecology and natural habitat.
4. For the large workforce, who live on the plantations the Company transcends the space between work and home. It has become part of the social fabric of the area.

A few of the many examples, of how the Company has demonstrated its commitment to sustainability, are:

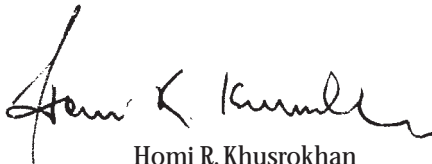
1. The Company minimizes the use of fossil fuel by utilizing renewable resources of fuel by the cultivation of large areas of Eucalyptus Grandis.
2. By investing substantially in the education and health of its workforce, the workers are continuously encouraged to better their own lot and give their children opportunities to seek vocations other than work on plantations.
3. It has special facilities to look after the mentally/physically challenged children of the workers who are taught how to overcome their difficulties and given a vocation.
4. It has created a health infrastructure beyond what the statute provides and has Referral Hospitals, which also provide specialist treatment. A clearly enunciated AIDS Policy is being put in place.
5. By joint Forest Management Programmes with Governmental Organisations it has been able to preserve wild life and ecology.

To ensure that the measures in place are producing the results desired, the Company engages external consultants for carrying out audits of social welfare and preservation of the ecology. The Audit Committee of the Board oversees the practice of the Code of Conduct. The Speak Your Mind Scheme is similarly tracked and monitored.

The success of the Company can be judged by the various commendations and awards it has received over the years. There have been no adverse occurrences or failures in the past.

The major challenges that lie ahead are essentially economic in nature. Falling tea prices the world over now seriously jeopardize the financial viability of company-run Tea Estates. Nevertheless Tata Tea, has, thanks to its philosophy and commitment to sustainability resisted the temptation to significantly cut back resources deployed in such activities in the belief that either tea prices will revive or a better model for operations will emerge in the tea plantations.

2nd February 2004
Kolkata



Homi R. Khusrookhan
Managing Director



PROFILE OF REPORTING ORGANISATION



OUR PROFILE

The major products and services of Tata Tea include bulk tea, packet tea, tea bags, instant tea and spices. The packet tea and tea bags form the branded segment consisting of the Company's brands viz., Tata Tea Premium, Tata Tea Temptation, Tata Tea Gold, Tetley, Agni, Kanan Devan, Gemini, Chakra. Allied products include Strawberry preserve produced by the physically challenged in Munnar.

Tata Tea is the first Indian MNC in the global branded tea industry with the vision of "Challenging for Leadership in Tea around the World".

The salient features of Tata Tea are as follows :

- Tata Tea is a Global Tea Major, which along with its subsidiary companies has a significant presence in over 35 countries worldwide, making it one of the first Indian Multinational Corporations. The Group's global branded business amounts to just under Rs. 3,000 crores (USD 620 million). The combined sales of Tata Tea and its subsidiary, The Tetley Group, would in aggregate represent the second-largest branded tea portfolio in the world.
- Tata Tea's operations span the entire value-chain in tea, including research and development, tea cultivation, manufacture of black tea and its distribution. It owns 51 tea estates and 1 coffee & cardamom estate in India, with an area of nearly 26,500 hectares under tea cultivation and produces around 60 million kgs of black tea and 2 million kgs of instant tea annually. It operates 9 modern packaging units across the country.
- Tata Tea believes in strengthening its business in existing geographies, expansion into new geographies and entering new product categories catering to changing consumer habits. Tata Tea's brands are now available in the Middle East, West Asia, North Africa (Wana), Kazakhstan, the US and Canada. Joint Venture Companies have been set up in Bangladesh and Pakistan for marketing the Tetley brand.
- Tata Tea has 6 major brands in the Indian market - Tata Tea, Tetley, Agni, Kanan Devan, Chakra Gold and Gemini, spanning every price point from Premium to Economy. Today Brand Tata Tea is largest in the country in terms of value and market-share. The strength of Tata Tea's brands lies in delivering consistent blends of impeccable quality to meet consumer preferences that are meticulously tracked, at prices, which are appropriate with spending habits and lifestyle needs.
- Branded teas contributes to 88% of the consolidated turnover of the Group, with the remaining 12% coming from bulk tea, spices and investment income.

State-of-the-art research and development facilities focus on agronomy, botany, plant nutrition, tissue culture and biotechnology, irrigation and water management engineering, new product and process development, energy conservation and satellite imagery studies.

- Major subsidiary and associate companies include:
 - The Tetley Group, headquartered in UK, owner of one of the best known International Brands of Tea - "Tetley".
 - Tata Coffee Limited, India - a subsidiary that is Asia's largest coffee company.
 - Tata Tea Inc., USA - a subsidiary company with significant interests in instant tea in the world's premier economy.
 - Watawala Plantations Limited, Sri Lanka - a joint venture with significant interest in the tea estates, rubber and oil palm.

- The Company has been awarded (highest safety) credit ratings - an MAAA from ICRA and an FAAA from CRISIL, India's two premier credit rating agencies.
- The Company also makes a significant contribution to social and community development its tea plantation estates via comprehensive labour welfare programmes that offer free housing, healthcare and other benefits. The Company has:
 - 63 general hospitals and 2 large referral hospitals with 1,700 beds and 83 doctors.
 - 280 adult literacy centres, and 173 childcare centres.
 - 110 schools to educate children of estate employees.
 - Scholarships for children who show merit.
 - Programmes for physically disadvantaged children.

Board of Directors

Mr. R. N. Tata (Chairman)

Mr. R. K. Krishna Kumar (Vice Chairman)

Mr. D. B. Engineer

Mr. D. N. Ghosh

Mr. F. K. Kavarana

Mr. K. Pringle

Mr. U. M. Rao (Nominee Director of GIC)

Mr. H. R. Khusrokhhan (Managing Director)

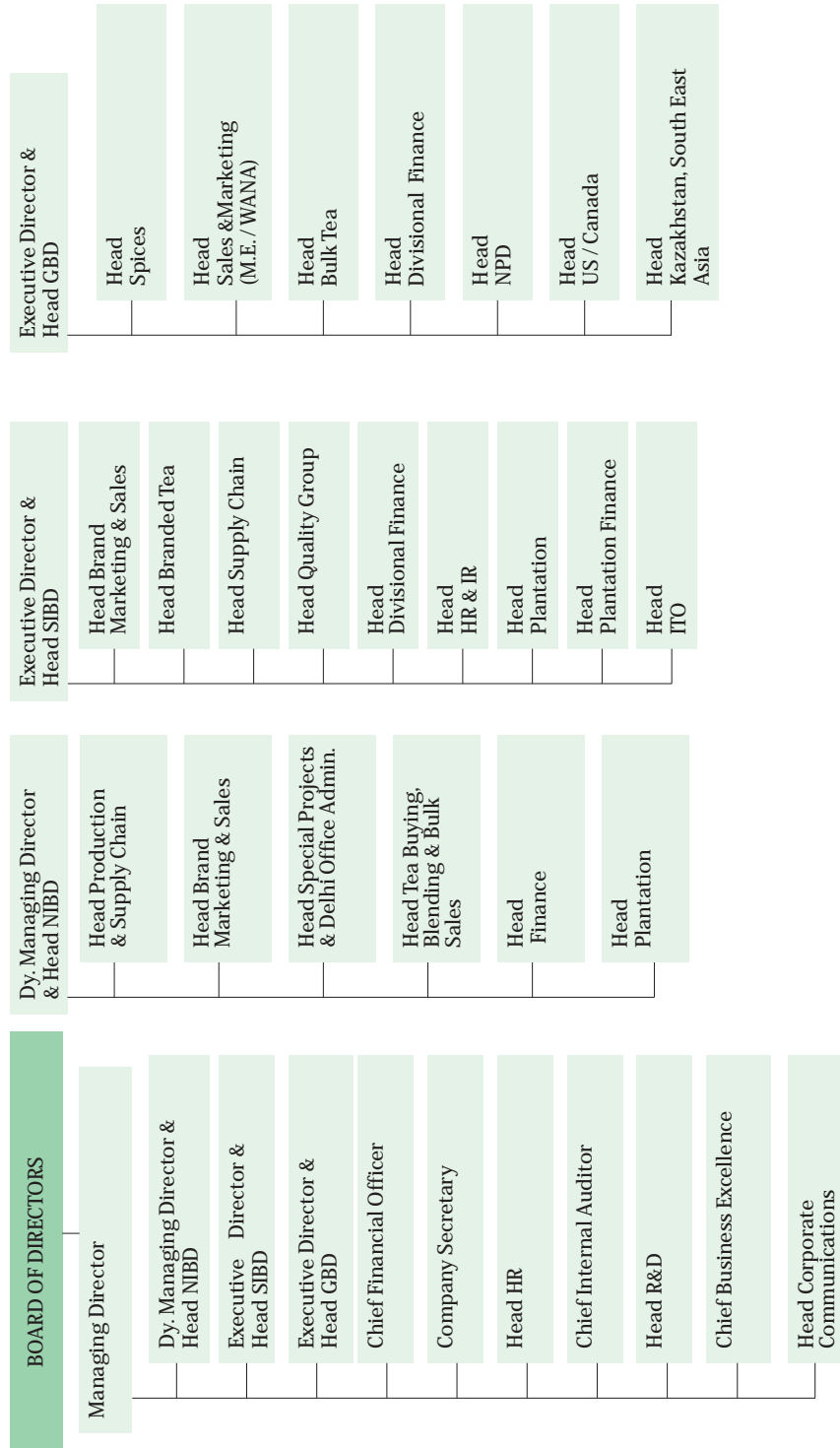
Mr. P. T. Siganporia (Deputy Managing Director)

Mr. A. Mazumdar (Whole-time Director)

Mr. V. Venkiteswaran (Whole-time Director)

Mr. P. D. Unsworth (Alternate Director to Mr. K. Pringle)

Mr. D. K. Sen (Vice President & Secretary)



Tata Tea at a glance

Head Office - Kolkata, West Bengal, India.

Estates & other Production units - 20 Tea Estates. in Assam, 4 Tea Estates in West Bengal, 23 Tea Estates in Kerala, 4 Tea Estates in Tamil Nadu, 1 Coffee Estate, Spices Estate, Instant Tea Operations, Spices Centre, Kochi & 5 Packeting Centres.

Marketing Offices - Kolkata, Guwahati, Delhi, Mumbai, Kochi, Chennai & Bangalore.

Major subsidiary and associate companies include:

The Tetley Group, headquartered in UK

Tata Coffee Limited, India

Tata Tea Inc., USA

Watawala Plantations Limited, Sri Lanka

Countries in which we operate:

The operations of the organization are located at:

Tata Tea Limited - India, Dubai, (UAE)

Tata Tea Inc., - USA

Tata Coffee Limited - India

Tetley - UK, Canada/US, Poland, Russia, India, France

Watawala Plantations Limited - Sri Lanka

Tata Tea is a Public Limited Company headquartered in Kolkata in the state of West Bengal, India. Its stock is listed and traded at the following Stock exchanges:

a.	Equity Shares	The Calcutta Stock Exchange Association Ltd.7, Lyons Range, Kolkata - 700 001 The Stock Exchange Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 023 The National Stock Exchange of India Ltd.Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Gauhati Stock Exchange Ltd.Saraf Building Annexure, B. T. Road, Guwahati - 781 101
b.	Global Depository Shares	Luxembourg Stock Exchange & London Stock Exchange

The products manufactured by Tata Tea cater to the FMCG sector. In the year 2002-03, 87% (2001-02 - 89%) of the product was sold in the domestic market and 13% (2001-02 - 11%) was exported, which constitutes of branded and bulk tea.

Net Sales and other financial indicators

	Rs Million	
	2002 - 03	2001 - 02
Sales and Services	7468.3	7613.3
Other income	651.6	526.6
	8119.9	8139.9
Operating Expenditure	6748.5	6851.4
PBIDT	1371.4	1288.5
Less: Depreciation	226.5	216.6
PBIT	1144.9	1071.9
Less: Interest (net)	143.9	213.8
PBT	1001.0	858.1
Less : Provision for Taxation	295.0	138.5
PAT	706.0	719.6

(Source: Annual report 2002/03)



The total capitalization was Rs 12057.4 million in 2002-03 comprising of equity funds to the extent of Rs 9786.3 million and debt Rs 2271.1 million. In 2001-02 the total capitalization was Rs 11822.2 million (equity Rs 9679.9 million and debt Rs 2142.3 million)

Total value added (PBT) in 2002-03 was Rs 1001 million. The corresponding figure in 2001-02 was Rs 858.1 million.

Total Assets

Total assets as at end 2002-03 stood at Rs 12057.4 million. The previous period corresponding value was Rs 11822.2 million.

a) No. of Employees (as on 31.03.2003) - 56095

	Management	Officer	Clerical	Subordinate	Labour
Total Employees	463	235	2284	2324	50789
Unionised employees			2284	2324	50789

(Four Managers located overseas are not included)

Temporary / Casual employees 20784

b) Products produced/services offered (quantity or volume)

Licensed and installed capacity and actual production

	Licensed Capacity	Installed Capacity	2002/03 Actual Saleable Production (in Million Kgs.)	2002/01 Actual Saleable Production (in Million Kgs.)
(i) Manufacture of Tea	Not applicable	Not Ascertainable	49.920 *	43.482
			Excluding free issue to labour and samples etc.	
			0.623	0.670
(ii) Packet Tea (incl. Tea Bags) and Instant Tea	Not applicable to Packet Tea Factory. The Instant Tea project was approved by the Govt. of India.	On Single Shift basis (as certified by the Management) 5.352 million kgs.	20.531	23.042
			Excl. free issue of samples etc.,	
			0.108	0.117
(iii) Coffee	Not applicable	Not Ascertainable	0.495	0.506
(iv) Pepper	-	-	1.090	1.172
(v) Cardamom	-	-	0.028	0.085
(vi) Spices & Others	-	-	2.656	1.337
(including outside processing)			Excl. free issue of samples etc.	
			-	0.224

(Source: Annual report 2002/03)

* Actual saleable production without taking into account 9.976 million kgs (12.805 million kgs-previous year) of made tea used as raw material for the production of Packet Tea and Instant Tea.

c) Net sales & Other Financial Indicators
FINANCIAL HIGHLIGHTS

	2002-03	2001-02
Total Income	8119.9	8139.9
Profit before Tax	1001.0	858.1
Tax	295.0	138.5
Profit after Tax	706.0	719.6
Dividend payout	443.9@	393.5
Equity Capital	562.2	562.2
Reserves & Surplus	9224.1*	9117.7* #
Shareholders' Funds	9786.3	9679.9
Borrowings	2271.1	2142.4
Capital Employed	12057.4	11822.2
Net Block	3326.3	3408.1
Contribution to Exchequer	383.3	349.8
Payments relating to Employees	2336.8	2436.0
No. of Employees	56099	57736
Earnings per Share (Rs.)	12.56	12.80
Dividend per Share (Rs.)	7.00	7.00
Total Debt to Equity	0.24	0.23
Book value per Share (Rs.)	170.18	168.29

@ Includes Tax On Dividend

* Includes Investment Revaluation Reserve, not considered for calculation of Book value per share and Debt Equity ratio.

** On the average Share capital for the year/period.

After deduction of Rs 343.4 million being the deferred tax liability of previous years, and after considering Rs 727.607 Million credited pursuant to a scheme of amalgamation.

(Source: Annual report 2002/03)



d) Total capitalization broken down in terms of debt and equity

Balance Sheet as at 31st March 2003

	Schedule	Rs. in Million	
		2003	2002
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	562.199	562.199
Reserves and Surplus	2	9224.057	9117.687
		9786.256	9679.886
Loan Funds			
Secured Loans	3	1683.575	1140.536
Unsecured Loans	4	587.569	1001.821
		2271.144	2142.357
TOTAL		12057.400	11822.243
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block	5	5191.423	5014.711
Less : Depreciation		1896.028	1693.201
Net Block		3295.395	3321.510
Add : Capital Work-in-progress		30.892	86.623
Investments	6	7484.650	7383.965
Current Assets, Loans & Advances			
Inventories	7	1127.483	1112.038
Sundry Debtors	8	524.214	619.139
Cash & Bank Balances	9	52.422	66.129
Other Current Assets	10	47.093	75.036
Loans and Advances	11	1606.727	1358.149
		3357.939	3230.491
Less : Current Liabilities & Provisions			
Liabilities	12	1476.613	1648.336
Provisions	13	665.940	237.315
		2142.553	1885.651
Net Current Assets		1215.386	1344.840
Deferred Taxation	14	(378.800)	(328.100)
Miscellaneous Expenditure to the extent not written off or adjusted			
Employee Separation Scheme		260.639	13.405
Pension & Gratuity Schemes		149.238	-
		409.877	13.405
TOTAL	20	12057.400	11822.243

(Source: Annual report 2002/03)

Workforce

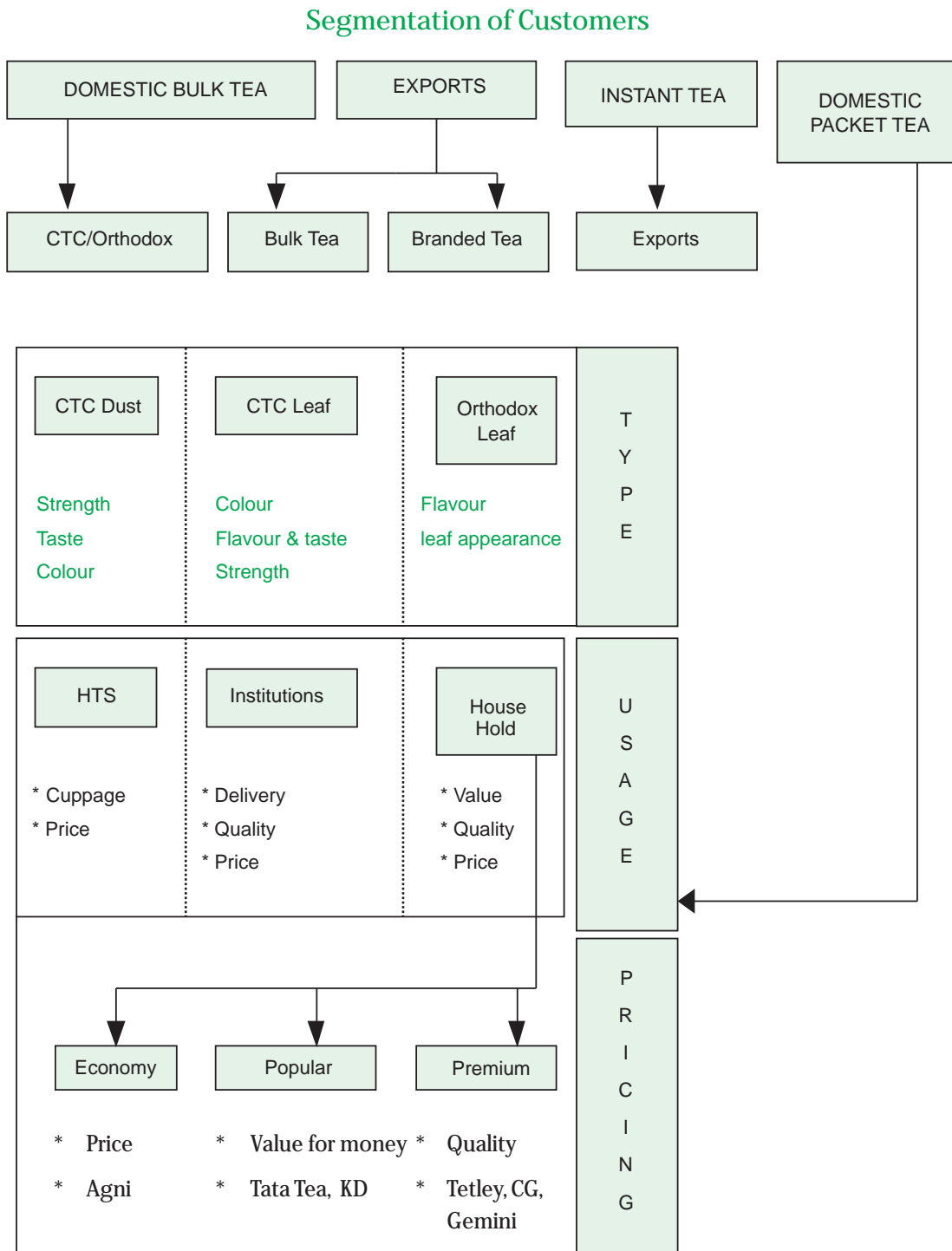
Tata Tea has a committed workforce of 56095 personnel. Unionised employees are classified as Management, Officers, Clerical, Subordinate and Workers. Out of a total strength of 56095, Tata Tea has 55397 unionised employees i.e., 98.7% of the total employee strength. Contract labour is used only during production peaks in the two plantation divisions.

Communities

Community and society in and around the estates in Assam, West Bengal, Tamil Nadu and Kerala are served by Tata Tea. Requirements such as health care, community upliftment programmes, socio-economic development programmes, vocational training, schemes for deprived / disadvantaged, etc., are catered to. In case of welfare schemes for community around the plantations, beneficiaries are selected in consultation with the local bodies like Pathar Parichalana Samithy or the Field Management Committee.

Customers

The figure below delineates the customer profile and the product attributes desired by each segment.





TTL provides access to its customers through a network of 5 sales offices, 35 CFAs/CA, 3000 stockists and over 0.9 million multiple retail outlets.

Suppliers

Cost of all goods and materials purchased amounted to Rs. 1292.963 million. Of the 820 suppliers of Tata Tea, about 13 of them are the vendors who account for a majority of the Company's total spend.

Categories of Shareholders (as on 31st March 2003)

Sl No	Particulars	% to Capital
1	Tata Group Companies	29.83
2	Indian Financial Institutions	25.85
3	State Government	0.00
4	Nationalised Banks	0.06
5	Mutual Funds	2.73
6	Foreign Institutional Investors / Foreign Co.s	5.22
7	GDS Depositories	0.66
8	Other Companies	3.44
9	Individuals & Others	32.21
	TOTAL	100.00

Boundary of the report

This report being the first report with the reporting period being April 2002 - March 2003, is limited to Tata Tea's operations in India. It includes its three Business Divisions, i.e., North India Business Division (NIBD), South India Business Division (SIBD) and Global Business Division (GBD). The facilities include –

- Tea plantations 51, including 43 factories and 9000 ha of energy plantation and power generation and distribution in South India),
- 2 referral hospitals,
- 1 coffee and cardamom plantation, instant tea plant (Munnar),
- Tea packeting facilities (5), Spices processing unit (Cochin),
- R&D centers (Munnar, Teok & Bangalore), Munnar Workshop
- Branch and regional offices & HO, guest houses,
- Warehouse in Cochin
- Schools including High Range School.

The report does not include Tata Tea's Joint Ventures / Associates/ subsidiaries. Some of these will be included within the 12 months of the TBEM start up in these entities. **Information for certain indicators for the reporting boundary are not available and these will be covered in the future reports.**

Additions/Adjustments to fixed assets during 2002-03 amounted to Rs 217.993 million, which includes Rs 8.062 million of exchange difference adjusted in the carrying amount of fixed assets. Capital expenditure incurred was restricted to routine replacements and renewals.

The Criteria & definitions followed by Tata Tea include Section 58(A), Section 173(2), Section 198, Section 205(A), Section 205 (C), Section 213(CC), Section 217(1)(e), Section 217(2AA), Section 217(2A), Section 224(A), Section 227(4A),

Section 257, Section 269, Section 309, Section 283(1), Section 309, etc./other provisions under the Companies Act 1956, Accounting Standards 18, 21, Clause 32, 49 of Listing Agreement, Insider Trading Regulations, Code of Corporate Disclosures, (Disclosure of Particulars in the Report of Board of Directors) Rules 1988. SEBI Guideline & Directives on General Shareholder Information, Plantation Labour Act, Factories Act, Plantation Act, ISO standards & norms, Weights & Measures Act, PFA Act, Commodity Board Regulations, Trade Mark, Auditors

Economic – quarterly financial audit is conducted by approved auditors.

Environment - the company's Secretarial & Legal Dept., packeting centers & Spices center are certified per ISO-9002 and Instant Tea operations and Spices Factory are certified ISO 9000. Quality and environment audits are conducted by Internal auditors and external auditors.

Society - Social audits are conducted by a bench of external auditors and eminent personalities from social organizations and medical fraternity.

Additional information on Economic, Environmental & Social performance of the organization can be made available on request.

This report is not verified by any independent entity. We propose to issue the next report verified by independent individuals and /or organisation.



GOVERNANCE
STRUCTURE AND
MANAGEMENT SYSTEMS



GOVERNANCE STRUCTURE AT TATA TEA

Tata Tea is a listed public company and is managed by the Managing Director under the supervision, control and direction of the Board of Directors. The Board has set up the following Committees:

- a. Executive Committee
- b. Audit Committee
- c. Investors Grievance Committee
- d. Remuneration Committee and
- e. Ethics and Compliance Committee

In addition the Business Review Committee (BRC) for the Company reviews the medium and long-term strategies of the Company and recommends/suggests changes that the Committee may consider necessary. The day-to-day operations are run by the Managing and Deputy Managing Director with the assistance of two Executive Directors. Important issues relating to strategy are referred to and discussed at Executive Committee meetings which is chaired by the Vice Chairman. The Company also has a Management Committee and each of the Strategic Business Units (SBUs) have their own Board where all issues relevant to the SBU are discussed

TTL is guided by the internal code of conduct as framed by Tata Sons Ltd. (TSL) covering all its employees at various levels. It clearly specifies the norms under which- Business transactions, Behavioural standards with external agencies and Social responsibilities as corporate citizen to be conducted. In addition the corporate governance code as enunciated in the Listing Agreement entered into with the various Stock Exchanges is adhered to. The basic objective is to ensure transparency in all dealings and the functioning of the management and the Board. The policies pursued focus on long-term shareholder value creation through integrity, social obligations and regulatory compliance.

As on 31.3.2003 the composition of the Board of Directors is given below with the relevant percentage. The Board had appointed an Alternate Director in the case of a foreign director.

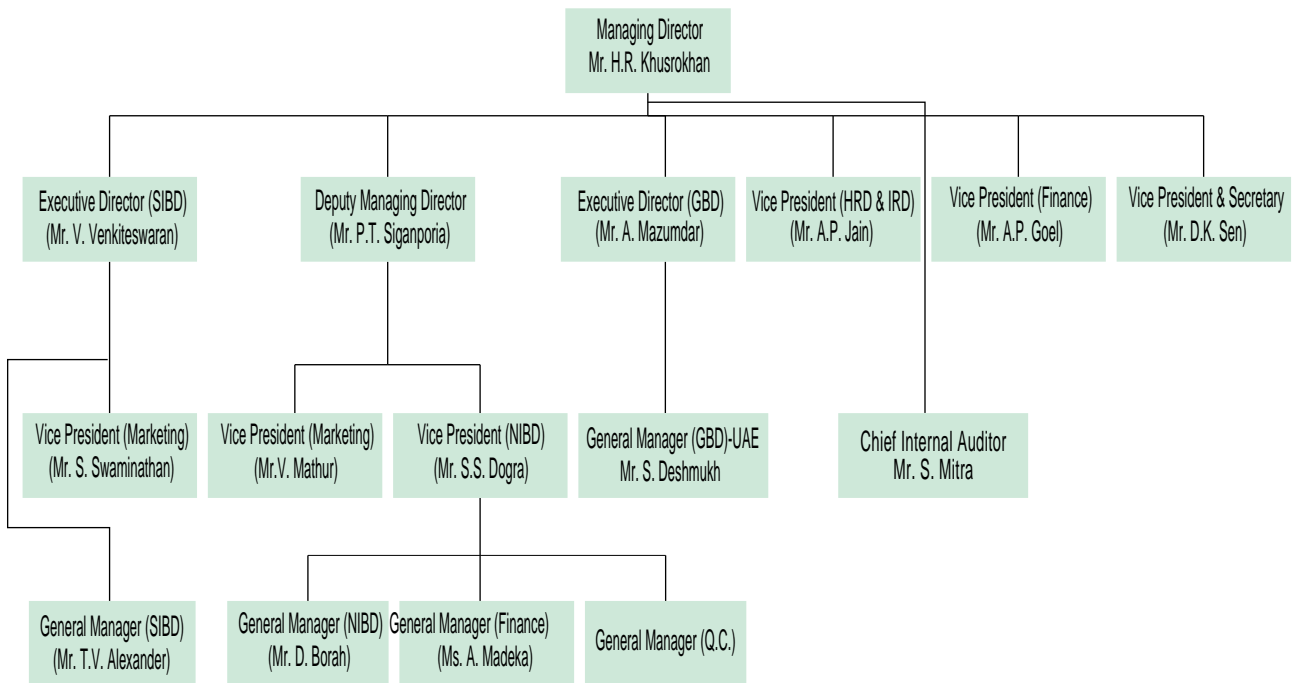
Category of Directors	Number	%
Promoter's Nominees	4	28.57%
Managing & Executive Directors	4	28.57%
Non Executive Independent Directors	4	28.57%
Nominee Director (considered as independent)	1	7.14%
Other Non Executive Director	1	7.15%

(The Board determines the term "Independent Directors" as per SEBI Guidelines).

A medium/long term business planning process has been initiated in the Company as part of the Tata Business Excellence Model. The business plan attempts to address the issue of identification and management of economic, environmental and social risks and opportunities. The Audit Committee of the Board is also entrusted with the reviewing of financial and risk management policies of the company. The Management Discussion and Analysis Report which forms part of the Annual Report deals with the risks and opportunities. This report includes sustainability risks and opportunities and is approved by the Board.

Presently executive compensation does not have any direct linkage with achievement of non-financial goals of the Company. Annual merit bonus paid to executive is however, related to financial performance of the Company.

The organisation chart given below indicates the responsibilities for oversight and implementation. For sustainability issues in NIBD and SIBD there are designated senior executives to look after the implementation of social, community welfare and environment protection related activities.



TTL is committed to leadership in tea through building a global base of loyal consumers based on customer-driven excellence. The Company would maximize customer value, by innovation through extending brands and products to new markets. TTL would continuously strengthen its supply chain focusing on future operations, honoring suppliers as partners in progress for their value addition.

The Mission and Vision statements of the Company have been communicated across the organisation and brought to the knowledge of all employees. The Company follows the Tata Code of Conduct. Although it shall be the responsibility of all employees of a Tata Company to ensure compliance with the Code it shall be the obligation of the senior management of the Tata Company to establish and maintain the Company's conduct of business in accordance with the Code. Any actual or perceived violation of the Code reported to the management of the Company shall be duly investigated and appropriate corrective actions taken. The management of a Tata Tea shall apply appropriate disciplinary actions against employees who willfully do not comply with the Code. The management of the Tata Tea shall also keep the Corporate Assurance Group of Tata Sons duly apprised of such matters and submit annually a declaration of compliance report as may be prescribed.

Migration to the New Vision & Values is in progress as we are currently in a transition phase towards integrating our operations with that of Tetley.

Our plantation operations have an environment friendly orientation, the rest of our operations would be demonstrated to be in line with this through introduction in the future of systems/ processes like ISO 14000/14001.

A draft HIV and AIDS policy is awaiting management approval.

Approaches to Stakeholder Consultation

To address shareholder concerns a shareholder relation cell has been set up at the Registered Office at Kolkata. In addition the shareholders can approach the Registrars via e-mail, fax, phone or in person on any working days. Every concern received from the shareholders is read within 3 days of receipt and replied either by the company or the Registrars not later than 3 weeks of receipt unless the issues involved are sub-judice or need investigation.



Basis for identification and selection of major stakeholders include –

Basis	Stakeholder
1. Financial Stake in Tata Tea	Shareholders & FI's
2. Legal & Statutory requirements	FI's, Banks, Government bodies, Corporate
3. Key link in Distribution Chain	Supplier, Vendor, C&F Agent, distributor, retailer etc.
4. Corporate Sustenance	End Consumer, suppliers, all other stakeholders
5. Operational Sustenance	Employees
6. Corporate Social responsibility	Employees, Civil Society / Community

Stakeholder consultation at Tata Tea is conducted through several formal / informal processes. Stakeholder inputs are considered while setting strategic directions. Details of stakeholder engagement and sustainability issues are furnished below:

Stakeholder	Concerns of the stakeholders	Strategy / sustainability issue addressing stakeholder concerns	Indicators to address stakeholder concern
Share-holders/ Public, FI's	Stock Price, Shareholder wealth / Long Term Value, Profits/ dividends, Market share, Grievances, Good governance practices, Information needs.	Improve EVA, Improve Profit to Sales Ratio, Sustain & Improve current market volumes & values, Enhance end customer satisfaction levels, Extend brands & offerings to new markets and offer new tea & allied products, Improved Credit Management, Employee Satisfaction, Social reputation, Complaint & grievance management, Timely availability of company information.	EVA, ROCE, WACCC, PBIT / Turn-over, Net profit ratio, Working Capital efficiency, Customer satisfaction index, employee satisfaction index, Sales in new markets & geographies, Welfare audit, Transfer of shares, payment of dividends, Analyst meets, declaration of Q1, Q2, Q3 & Q4 results, shareholder meet at AGM. Formal Ethics Structures to ensure compliance with Tata Code of Conduct
Employees	Professional & personal growth, Occupational health & safety, Compensation & PLI, Managing disengagement, Change management & its communication	Welfare and satisfaction of employees at all levels, Institutionalization of higher performance work culture across the company.	Employee satisfaction index, Competency mapping, Welfare audit index, training & development
Suppliers	Pricing & timely payment, rejection of supplies, Suppliers as partners in Tea sourcing	Preferred supplier partnership	Supplier satisfaction, cost of procurement, product quality.
Customers	Quality of product - Compliance with PFA / global tea standards & its implementation, Product safety / health / hygiene, Environmentally sound Product safety / health / Hygiene - standardized system across operations, Tea to conform to prescribed MRLs, Organic tea IMO (Swiss) (1 estate), Addressing consumer needs through environmentally sound processes - eco friendly manufacture, products, consumption, Care & safety for people and environment, Understand evolving expectations, consumer preferences and respect differences, Responsible Communication, Product claims, Sensitivity of consumer groups, Exaggerations, Unacceptable depiction and portrayals, Stock recall and traceability of product safety, Safe usage (MOP) for consumers, Rising standardized ingredients, Both human and environmental safety, Safe supply chain (warehouse, transport, packaging, etc.), Accessible products: price and availability, Appreciation of health concerns of consumers, e.g. iodized salt, fortified food products, etc., Communicating and education of health / hygiene e.g. rural programme, road shows, sponsor etc., Innovation and improvements based on insight, Value, Performance, Convenience, Eco-packaging, How we stand in the minds of customers: not just numbers.	Enhance end customer satisfaction level on product performance. Brand health & imagery indices, Bulk & Instant Tea. Improve Channel satisfaction levels to match benchmark standards. Extend brands and offerings to new markets and offer new tea & allied products. Customer relationship building.	Customer & Channel partner satisfaction index- end customer, retail & stockist. Product rating, Brand health index, product delivery cycle time, Sales in new markets & geographies, Sales value of new tea & allied products. Compliant resolution, Stockist / retailers, meets, Stockists salesman training programmes, ROI calculation for stockists, Network optimization, SCM & S&OP & Introduction of ERP.
Community	Quality of life, health, education, Vocational training for job opportunities, Improving quality of life for the disadvantaged, Consumer activism wrt product contamination, Preservation of wildlife and biodiversity, Socio economical development.	Corporate Social Responsibility, Quality of life of the community ~ Environmental preservation	Compliance with environmental standards, Eco restoration, Wildlife preservation, Spend on Society & Community development & Welfare.

Our stakeholder consultation at present are taken up at various fora and the frequencies of such consultations vary with the need and type of engagement. We are in the process of auditing our systems and evolving a comprehensive and unified engagement process across all stakeholders.

Various stakeholder perception or existing indicators are gathered through our current engagement process and they result in building a data base of new concerns which are factored in setting future indicators and targets.

Overreaching Policies and Management Systems

Precautionary approach underlies the planning and implementation processes at Tata Tea. In line with the Tata Code of Conduct the Company has put in place practices and procedures to govern the day-to-day operations. Tata Tea commits itself to providing healthy and safe environment and preservation of the environment of the territory in which it operates.

Tata Tea is a signatory to the United Nations Global Compact and abides by its 9 principles. The principles of the UN Global Company address Human Rights, Labour Rights and Environment. Tata Tea is also a signatory to the Tata Group's Code of Conduct. ISO 9000 Certification is in the process of being upgraded to ISO 9000 :2000 version. Some of our units are in preparatory stage towards moving to ISO 14001 environmental management systems.

The principal membership in industry and business associations include FICCI, ASSOCHAM, CII, Indian Tea Association, United Planters Association of South India, Tea Research Association, Regional Quality Circles, etc.

Major decisions during the reporting period regarding the location of, or changes in, operations include –

- i) Introduction of an ERP system, with e-connectivity to Packing Centres
- ii) The Standard Operating Procedure implemented in the erstwhile Packet Tea Division is being extended to Pullivassal, Indore, Aurangabad and Kolkata.
- iii) Network Optimisation - rationalizing the number of packing centers.
- iv) A tea bag strategy as a segment to attract high-end customers.
- v) Territory wise split of brand portfolio
- vi) A new product development process and cell.

The Company has initiated a process for integration of certain operations with Tetley which will stand to benefit Tata Tea and the combined entity.

Tata Tea does not monitor economic performance of the vendors, however critical information is collected through internal and external sources prior to registration of vendors. The Company does not have a formal process in place for undertaking the complete vendor evaluation. In case of outsourced tea packaging units, the Company ensures compliance with labour laws as regards vendor's social performance. Our energy, chemical & waste generation, water usage are in the process of being tracked and would be evaluated against corporate and other benchmarks for their linkage to product stewardship.

The positioning of the Tata Tea brand as a responsible Corporate Citizen has been the mainstay of Tata Tea's operations. Tata Tea is committed to influencing economic value creation for its stakeholders. In the area of its operations Tata Tea understands indirect sustainability impacts and addresses them through a series of initiatives. Tata Tea has been recognised for its efforts in-

- Wildlife & Environmental Preservation, Vocational training, Health services to communities around operations, Improvements in infrastructure and communication network, Family Planning and activities for the Physically Challenged. These have been detailed in the Environment and Social Section of this report.

Tata Tea's Statement of Purpose, Vision and Mission are well deployed and act as the guiding principles for developing the organization structure and delineation of responsibilities and authorities. With the transformation to a major FMCG player in the country, the Company addresses sustainable development through adding value to its products and services. Tata Tea values, the Code of Conduct, the Company's policies and guidelines forms the basis of addressing sustainability concerns.

The status of management system certifications is as follows :

ISO-9000, ISO-9002 Certification for the packing units and Spices Centre and IMO Certification for Organic Tea cultivation. Kosher & HACCP certification for Instant Tea operations.



ECONOMIC
PERFORMANCE



The net sales revenue was Rs 7468.3 million for the year 2002-03. Other income aggregated Rs 512.4 million during the same period. The corresponding figures for the previous year 2001-02 were Rs 7773.6 million and Rs 366.3 million respectively.

	2002-03	2001-02
Tea	7108.4	7314.5
Coffee	16.5	33.5
Spices	332.2	249.2
Services	11.2	16.1
Total Sales and Services	7468.3	7613.3
Other Income	651.6	526.6
Total Income	8119.9	8139.9

(Source: Extracted from the Annual Report 2002/03)

Markets have been broadly classified as domestic and international. The market wise revenues are :

	2002-03	2001-02
India	6469.5	6781.6
Outside India	998.8	831.7
Total	7468.3	7613.3

Rs. Million

In 2002-03 exports have increased by Rs 167.1million – a 20% rise over the previous year.

Suppliers

The cost of all the goods, materials, and services purchased during the reporting period was Rs 1293.0 million in 2002-03 and Rs 1197.2 million in 2001-02.

Due to manual processing of bills, NIPO's percentage of contracts paid on time is low at about 45%. Both PTO and SIPO stands at 90%+ because of computerized processing of payments. Steps are already initiated to computerize the payment process and by next year NIPO is expected to reach SIPO and PTO levels.

A total sum of Rs.1293 million in 2002-03 and Rs.1197 million for 2001-02 was paid to the suppliers during the corresponding reporting period. The suppliers who have done more than Rs.10 million worth of business during the reporting period are as follows :-

2001-2002 Company's Major Suppliers Having Value Above Rs.10 million

Sl.No.	Vendor	Amount (Rs.)
1	Indian Oil Corpn. Limited	116,644,493.00
2	M/s.The Paper Products Ltd	48,340,819.89
3	Bharat Petroleum Corpn. Ltd.	33,239,248.23
4	Positive Packaging Pvt. Ltd.	25,255,304.72
5	M/s. Flex Industries Ltd.	19,633,554.07
6	Manjushree Extrusions Ltd.	18,796,529.67
7	M/s.Positive Packaging In	18,740,903.72
8	Mipak Polymers Pvt. Ltd.	17,005,128.80
9	Orient Press Limited,	13,302,651.00
10	Ooppoottil Agencies (Rallis distributor)	11,478,279.50

2002-2003 Company's Major Suppliers Having Value Above Rs.10 million

Sl. No.	Vendor	Amount (Rs.)
1	Indian Oil Corpn. Limited	125,303,386.00
2	M/s Flex Industries	73,385,575.28
3	M/s.The Paper Products Ltd	45,323,648.12
4	M/s Positive Packaging	38,786,442.53
5	Assam Gas Corporation Ltd.	16,772,000.00
6	M/s R.D. Enterprises	16,602,636.00
7	M/s Mipak Polymers Ltd.	15,009,891.58
8	Bharat Petroleum Corpn. Ltd.	14,573,502.14
9	M/s I.N. Fields	12,500,000.00
10	Orient Press Limited,	12,427,724.00
11	M/s. Packaging India Pvt. Ltd	12,309,853.41
12	J R Crompton Limited	11,389,329.83
13	M/s Manjushree Extrusions	10,570,386.12

Total Payroll and benefits given to our employees are as follows :

	Rs. Million	
	2002-03	2001-02
Salaries, wages and bonus*	1975.549	2130.815
Amortisation of Expenditure incurred on Employees early separation scheme	29.594	3.351
Total	2005.143	2134.166

*Includes payroll and benefits of an employee based outside India which is less than 0.50% of the total payroll and benefits

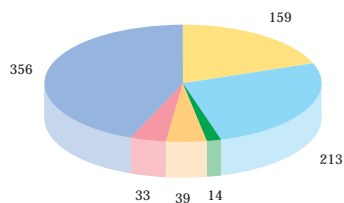
Providers of Capital

	Rs. Million	
	2002-03	2001-02
Interest on Fixed Loans	133.6	193.9
Interest on Debentures	110.2	104.9
Interest on other loans	36.2	22.9
Total Interest on debts and borrowings	280.0	321.7
Dividend	443.9	393.5
Total	723.9	715.2

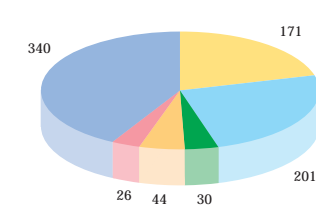
Increase/decrease in retained earnings

Retained earnings increased by Rs 106.3 million at the end of 2002-03. The corresponding increase at the end of 2001-02 was Rs 710.0 million. In 2001-02 a sum of Rs 640.0 million was transferred to Reserves pursuant to a scheme of amalgamation.

Deployment of Funds 2001-02 (Rs. Cr.)
(Rs. 1 crore = Rs. 10 million)



Deployment of Funds 2002-03 (Rs. Cr.)
(Rs. 1 crore = Rs. 10 million)



Public Sector

The total taxes paid by the company were Rs 383.4 million in 2002-03 and Rs 349.8 million in 2001-02. Breakdown by different types of taxes paid is as follows:

	Rs Million	
	2002-03	2001-02
Excise duty and Cess on tea	104.854	150.021
Plantation, Panchayat Building & Land Tax	13.581	11.227
Corporate Income Tax & Agricultural Income Tax	242.300	151.500
Wealth Tax	2.500	2.500
Indirect Taxes e.g. Sales Tax, Service Tax	20.142	34.525
Total	383.377	349.773



The details of subsidies received region wise are as follows

	Rs Million	
	2002-03	2001-02
West Bengal – Tea Board Subsidy	0.772	0.028
Assam – Tea Board Subsidy	1.878	1.141
Kerala – Replanting subsidy from Tea Board	0.506	4.550
Total	3.156	5.719

The total donations made to various groups during 2002-03 were Rs 6.062 million. The corresponding amount in 2001-02 was Rs 3.881 million.

The company is engaged in significant welfare and infrastructure development activities. In 2002-03 the company spent Rs 9.154 million on the two Referral Hospitals in the North East. Other infrastructure development expenses include :

	Rs. Million	
	2002-03	2001-02
Referral Hospital	9.154	9.530
School Expenses	6.472	6.602
Strawberry Project	1.610	0.828
Total	17.236	16.960

Indirect Economic Impacts

Although there is no established methodology to quantify indirect impacts the company provides sustenance to the family members of over 56000 employees across the country. Additionally, the company operates and / or supports various organizations, which includes two referral hospitals, a wildlife park in Kerala and various social welfare projects.



ENVIRONMENTAL PERFORMANCE



Materials

Total materials usage for the reporting year is presented as value of purchases as consumption figures were not tracked. Wherever possible, quantities have been indicated

Total Materials Used For The Company 2001-2002

Total Materials Used For The Company 2002-2003

Sl.No.	Items	Amount (Rs. Million)	Sl.No.	Items	Amount (Rs. Million)
1	Packing Materials	72.479	1	Packing Materials	73.020
2	Fertilizers (11784 MT)	84.910	2	Fertilizers (9966 MT)	74.886
3	Chemicals (519 MT)	65.524	3	Chemicals (482 MT)	57.322
4	Retail Packing*	452.427	4	Retail Packing*	399.563
5	General Stores	186.423	5	General Stores	136.541
6	Fuel**	241.910	6	Fuel**	252.042

* Laminates constitute 628654 kgs

* Laminates constitute 794655 kgs

** Total fuel consumed is reflected below

** Total fuel consumed is reflected below

(Green leaf purchased is not included)

Tea waste : Our Instant Tea Division has processed 1366.293 MT and 1407.507 MT of Tea Waste during 2001-02 and 2002-03 which were procured from Tea companies other than Tata Tea for the manufacture of Instant Tea. This material after extraction of Instant tea has been used in SIPO estates as manure. Our own tea waste also is used by Instant tea Division in a similar way.

Energy

Direct Energy Use

Fuel	2001-02	2002-03
Coal/Leco	9849 MT	11945 MT
Furnace Oil	6715.27 KL	8228.32 KL
Biomass	0.126 Million cu. Mt	0.140 Million cu. Mt
Gas	3.552 Million cu. Mt	3.433 Million cu. Mt

(The above consumption figures do not include domestic and irrigation consumption.)

Indirect energy use segmented by primary source

Electricity	2001-02	2002-03
Own generation	14.734 Million KWH	13.067 Million KWH
Purchased	49.788 Million KWH	48.539 Million KWH

Committed towards protecting the environment, Tata Tea's operations in South India use only biomass for thermal energy instead of fossil fuels. The company maintains and protects the renewable energy sources by extensive replanting of plant species. Over several decades, waste land has been utilized for growing fuel trees, which enable running of factories on wood based driers. This also provides a source of fuel wood for the employees. The fuel wood from the energy plantations are spread over an area of approximately 8790 ha. The availability of fuel wood, has resulted in minimal use of fossil fuels on our estates, there by reducing pollution and conserving forex resources. The approximate saving on account of use of renewable energy source and non-dependence on fossil fuels is approximately Rs.140 million annually.

As a part of the energy conservation programme, Tata Tea Ltd. took the initiative to set up a mini hydel station at its Vagavurrai estate in the early 1980's. This mini hydel produces approximately 0.6 million units of electricity per annum, which caters to a part of the energy need of the estate.

Water

Total Water Use

As the estates do not have to pay Cess or any other duty for the water consumed, (source: Natural Springs, Deep Tube Wells or Rivers) no accurate figures are available on quantity of water consumed.

Estimated Water utilization pattern

	SIPO	NIPO
Irrigation M ³	36,38,000	69,04,000
Domestic Consumption M ³	13,14,000	29,39,850
Factories (including ITO) M ³	10,27,500	12,96,000

Most of the water sources are of perennial nature and fed through gravity flow in South India. In North India, pumped ground water is also used. All the water sources utilised are well recharged during monsoons and there is no water scarcity.

The basis of computation have been assumed as:

- Water used for irrigation @ 254 kl/ha/round. (Total of 8 round / year).
- Water consumption / person @ 60 L/day
- Water usage by ITO - 300 kl /day
- Water usage by tea factories - 200 kl/day

Preserving Biodiversity

Out of the eighteen global 'Hotspots' of Bio Diversity, three lie in the Indian sub-continent, and the Western Ghats is one of them. Our planting operations in the South are situated on the Western Ghats, surrounded by Biodiversity- rich habitats. Approximately 7470 hectares comprising 7 estates out of a total 28 estates, border National Parks and Reserve forests.

Joint forest management

The Eravikulam National Park situated in the High Ranges and bordering 3 of our estates, is jointly managed by the Department of Forests & Wildlife, Government of Kerala and the High Range Wildlife & Environment Preservation Association (HRWEPA). The latter NGO was instrumental in the formation of the park itself and involved in the management of the Park. HRWEPA since its formation is fully supported by Tata Tea Ltd. In 1928 the HRWEPA has and has been actively involved in the management of the current National Park area since its inception. Taking into account the role-played by the HRWEPA in the management of the National Park area. The Kerala State Land Board recommended that the National Park be jointly managed by the Department of Forests and Wildlife, Government of Kerala and the HRWEPA. This relationship of joint management has been formalized and documented in the Management Plan of Eravikulam National Park 2002-2011, prepared by Department of Forests & Wildlife, Government of Kerala and approved by the State Government. In the management of National Park the Company engages tribal people as watchers to control poaching, forest fire, encroachment and reporting of animal sightings.

Rainbow Trouts

The Company funds and supports the High Range Angling Association, who maintain a hatchery for raising 'Rainbow Trout' fish. The fingerlings raised are released in streams & water bodies within the Company's holdings. Survival of Trout fish in the water is an indication of clean water bodies and thereby serves as an ecological indicator.



Tata Tea's role in preserving biodiversity through a unique relationship has been showcased as a laudable example of Corporate Social Responsibility. The insecticides/pesticides used in tea are registered with the Central Insecticide Board of the Government of India. Registration implies the acceptance by a competent authority of the extensive documented proof submitted in support of all claims of safety and efficacy. These include data on acute and chronic toxicity to mammals, birds, fishes and non-target organism, persistence on soil and water, carcinogenicity, mutagenicity, etc. Another important study relates to the generation of data on the maximum residual limits (MRL) of a pesticide on an agricultural commodity. These trials will have to be carried under good agricultural practices (GAP). The TRF has carried out a large number of trials to determine residues left on black tea, following GAP. The insecticides/Pesticides recommended for use are included in the Field Guidance Notes and the usage of the same is monitored through the Field Diaries on the estates. The company is also committed to using approved agrochemicals, to minimize environmental impact. None of our products and services have any significant adverse impacts on the ecological systems in the environment. The company uses recyclable and or biodegradable packing material.

Swamps and Streams Conservation

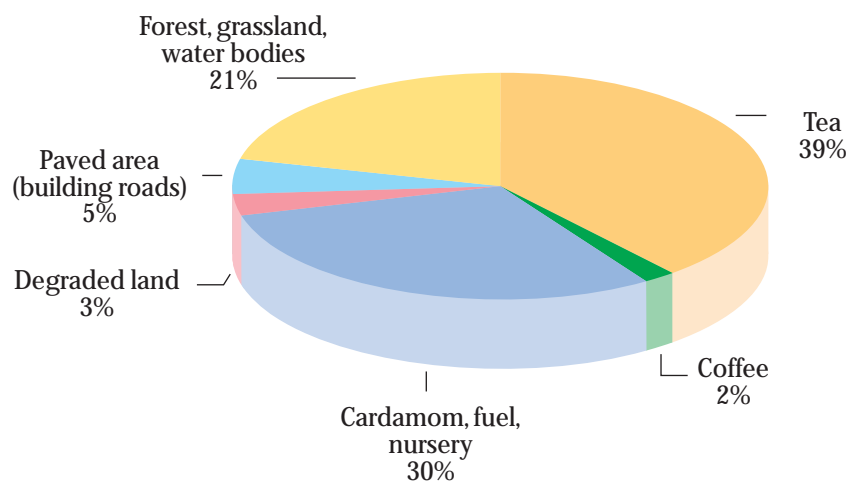
The total area of about 1100 ha. under swamps and streams in South India is maintained as protected habitat. This plays a crucial role in availability of water especially ground water recharging and water harvesting.

Land Use

Total Grant Area : 55,375.82 hectares

Tata Tea land use pattern (ha)

	SIPO	NIPO	Total
Tea	11792.05	14529.67	26321.72
Coffee	698.29		698.29
Cardamom, fuel plantations, nursery	8974.11		8974.11
Degraded land	797.01	8215.13	9012.14
Paved area (building, roads)	1481.52	2597.44	4078.96
Forest, grassland, water bodies	6290.60		6290.60
Total	30033.58	25342.24	55375.82



Land use distribution (note this is not verified through satellite imagery or ground truth surveys)

Cattle grazing in the fringe estates adjoining the Eravikulam National Park, if not properly managed, could result in break of disease to the Nilgiri Tahr population. As of now, the Veterinary Department of the Company monitors the health of the cattle population.

Since the fringe areas to the Eravikulam National Park have grassland, deliberate wild fires could have an impact. As of now, the Company assists the Park management in fighting these wild fires.

Wherever a thinning out on the forest fringes has been noticed, a policy of shola afforestation has been undertaken.

Year	Location	Trees planted
1999	Thenmally/R & D SholaGrahamsland Shola	1640
2000	Thenmally/R & D SholaGrahamsland Shola	600
2001	Thenmally/R & D Shola	210
2002	Thenmally/R & D Shola	160
2003	Thenmally/R & D Shola	170 (Spacing of loft apart)

Out of the eighteen global 'Hotspots' of Bio Diversity, three lie in the Indian sub-continent, of which the Western Ghats is one of them. The recent study conducted by the French Institute, Pondicherry has recognized that the eco-system of Kanan Devan Hills (High Range) to be fragile and any disturbance or change could be detrimental to both, ecological and economic balance. Within the holdings of the Company in the High Range, approximately 2200 hectares represent jungle and Shola forests, though forming a part of Tata Tea's holdings as granted land, has been retained and protected as private forests of the Company.

The Company actively support a non-governmental organization High Range Wildlife & Environment Preservation Association (HRWEPA), a society registered under the Travancore -Cochin Literary, Scientific & Charitable Societies Act, 1955, whose membership mainly consists of the executives of the Company; Wildlife Warden, Eravikulam National Park, and Divisional Forest Officer, Munnar are Honorary members of the Association and eminent environmentalists are Trustees of the Association. In line with the objective of environmental preservation, the HRWEPA have taken a major step in the early 1990's to regenerate the degraded Shola forests forming part of the Company holdings. Tata Tea Limited accepted the recommendation of HRWEPA and an important decision was taken to identify areas which required to be enriched on a phased but faster and systematic manner. Initially, all estate nurseries were required to raise shola species and plant them in the identified areas. In order to take this project further it was decided in the year 1999, to establish a central nursery at Madupatty under the supervision of R&D department and to undertake centralized planting of the selected locations. At present the planting has been undertaken at R&D - Thenmally area, Grahamsland and Kanniamally estates. Observations indicate that survival of plants are satisfactory.

The entire extent of the shola's in the Company's holdings are in pristine condition. The Company engages watchers in all the estates who are required to prevent and report any untoward activity in these protected private forests. In addition, the company engages 12 tribals as watchers in the fringe areas adjoining the Eravikulam National Park to monitor and report on the status of the fringe areas. These watchers report to the respective estate managers, who are designated as Honorary Wardens of the HRWEPA. These watchers are required to report on wildlife sightings and movement which are forwarded by each estate to the Chairman of HRWEPA, who in turn sends a report to the forest & wildlife department.



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The Company has also engaged an external agency to study the eco-sensitivity of its holdings.

It has been well established that the plant 'Vetiver' re-charges the ground water, apart from being a good soil binder. The Company has intensified planting of Vetiver during 2002/2003 in all the SIPO estates. Since 'Vetiver' has been identified and used worldwide for its eco-friendliness, it is expected that favourable impact would be visible in the near future.

The Company funds and supports the High Range Angling Association, who maintain a hatchery for raising 'Rainbow Trout' fish. The fingerlings raised are released in streams & water bodies within the Company's holdings. Survival of Trout fish in the water is an indicator of clean water and thereby serves as an ecological indicator.

Kadalaar division of Kanniamallay estate form the southern boundary of the Eravikulam National Park. These 3 estates comprise approximately 3970 hectares lying on the southern boundary of the park.

Out of the 6 estates in the Anamallais, 3 estates, viz., Uralikal, Velonie and Valparai estates comprising approximately 2720 hectares form the southern boundary of the Indira Gandhi National Park. One estate Malakiparai, which is in Kerala State in the Anamallais planting district, comprising approximately 780 hectares, borders the Malayatoor Reserve forest on the northern side.

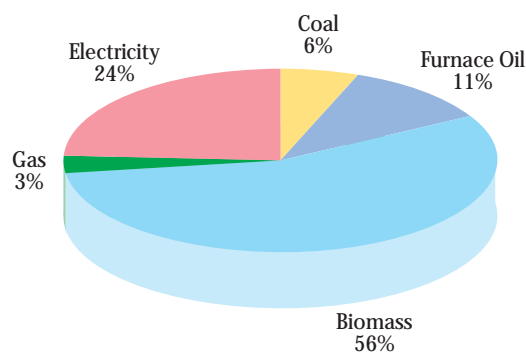
In Assam, Hathikuli T.E. with an area of approximately 687 ha borders the Kaziranga National Park. There are no plans to commence new plantations in these areas.

Emission, Effluents & Wastes

Greenhouse Gas Consumption (tones of CO₂ from various sources)

	2001-2002	2002-2003
Coal	10435.81	12656.69
Furnace Oil	20244.52	24805.92
Biomass	110510.40	122789.33
Gas	6934.50	6702.18
Electricity	54219.13	52858.97
Total	202344.55	219813.09

Broad distribution of GHG source



Air-conditioning systems in Administrative buildings are the only ODS consuming equipment. Systems to measure emissions are not in place.

Air Emission

All vehicles are tested for pollution every six monthly. Emissions from factories are currently not measured due to their low levels.

Wastes

1) Tea Waste from Tea Factories

	2001-02	2002-03
NIPO Estates	0.452813 million kgs	0.608513 million kgs
SIPO Estates	0.78 million kgs	1.126 million kgs

2) Clinical waste from Hospitals

The various disposal methods followed at our Central Hospitals are - incineration of infectious wastes in the Pollution Control Board-approved incinerator; disinfection / disfiguring/deep burial of infectious sharps; recycling of non-infected plastics and cardboard boxes; autoclaving of infected sharps/plastics before deep burial. Estimated hospital wastes generated, treated and disposed in our main hospitals are presented in the table below:

Referral Hospital (Chubwa) Wastes Generated Annually

Sl.No	Items	Quantity
1	Human Anatomical waste incinerated.	365 Kgs
2	Microbiology and biotechnology waste disinfected, discharged into sewage	
	Solid	365 Kgs
	Liquid	3650 Ltrs
3	Solid Waste incinerated	20075 Kgs
4	Solid Waste disinfected	3650 Kgs
5	Liquid Waste disinfected and discharged into drain	3285 KL
6	Incineration now sent for land filling	1825 Kgs

General Hospital Munnar Wastes Generated Annually

Sl.No	Items	Quantity
1	Human Anatomical waste incinerated	720 kg
2	Microbiology and biotechnology waste	24 kg
3	Waste - Sharps - Disinfected shredded	60 kg
4	Solid Waste incinerated	6000 kg
5	Solid Waste disinfected	720 kg
6	Liquid Waste disinfected and discharged into drain	NA
7	Incineration ash sent for land filling	360 kg

3) Packing Material Waste

Item - Laminate

	2002-03	2001-02	Disposal
Pullivasal	712.617 kgs	698.046 kgs	Waste transferred to Sevenmally Godown and incinerated
Kellyden Nonoi Dam Dim	28339.150 kgs	45034.000 kgs	Waste incinerated at Packeting centre
Bangalore	6002.704 kgs	2583.992 kgs	Waste incinerated at premises
Total	35054.471 kgs	48316.03 kgs	

Soil Erosion & Run off

While all care is taken to ensure protection of the water bodies, systems for measuring run offs are not in place.



In spite of high rainfall, the soil status in our plantation areas show presence of high Organic matter content and minimal disturbance to top soil is noticed. This is attributed on account of good ground cover, which prevents soil erosion as furnished below :

Land Use	Ground cover
Tea plantation	Tea plants and leaf litter
Fuel plantation	Fuel tree canopy & small & medium weeds
Jungles/ Forests	Tree canopy & smaller species of plants
Swamps/ Grassland	Grass cover
Interspersed land	Grass & smaller species of plants
Cart/outlet roads	Grass cover

Moreover, the presence of the Fuel plantations / jungles and forests within the Company holdings ensures that a vast amount of the rainfall is trapped by the 'sponge' effect of the forests, which is then released during the dry months.

Similar role is played by the vast stretches of swamps / nullas and grasslands which act as wetlands and is a source of water during the dry months.

The company has a programme of planting 'Vetiver' in its South Indian estates, which is known for its ground water recharging qualities.

The water sources for drinking water are analysed for their potability on a regular basis.

Suppliers

The vendors performance is evaluated on Quality, Delivery, Quantity and Price. Evaluation of vendor's environmental performance will be incorporated in the performance appraisal system in due course and will be implemented within two years. Moreover, vendors who do not possess ISO certifications are being advised to obtain the same within next two years.

Product and Services

Compliance to PFA standards (IS 3633 - 1972) are maintained by taking statistical samples of tea analysed by the research and development laboratory.

Transport

Tata Tea monitors and reviews compliance with major Environmental laws such as the Environment Protection Act, 1986, The Water Acts and The Air Act. Issues of non compliance are addressed immediately.

Total environmental expenditures by type

Tea cultivation and production stands to benefit the environment and hence the investment in environmental management and upkeep on areas such as waste water treatment, HRWEPA activities, dust collectors in tea factories is budgeted annually.



SOCIAL PERFORMANCE



OUR EMPLOYEES

Tea companies depend heavily on their employees especially the plantation workers. Thus at Tata Tea we take special care of our workforce. As on March 31, 2003, Tata Tea Ltd in India had a total permanent full-time workforce of 56,031 supplemented by 64 employees working on contract and 20,784 temporary blue-collar employees, as given below. There has been a significant reduction in the work force due to decrease in employment of temporary workers, and reduction of the permanent workforce by about 2% as part of cost control measures. The Company however does not keep a record of workers employed by contractors for carrying out various activities.

Employee strength as on 31.03.03

Location	Labour	Subordinate	Clerical	Officer	Mgmt	Total
Head Office	-	53	54	48	91	246
Bangalore	119	19	28	40	38	244
Kochi	-	23	20	23	21	87
Mumbai	-	-	-	29	9	38
Guwahati	-	11	1	6	15	33
New Delhi	-	-	-	21	13	34
Aurangabad	-	-	-	-	1	1
Indore	-	-	-	-	1	1
Chennai	-	2	-	11	4	17
Instant Tea Division	86	53	44	-	8	191
North India Plantation Division (Estate Staff & Doctors)	29202	1677	1228	37	143	32287
South India Plantation Division (Estate Staff, Doctors & Regional Office)	21382	486	909	20	119	22916
TOTAL (Excluding Casual)	50789	2324	2284	235	463	56095
Temporary/Casual						20784

EMPLOYEE RETIREMENTS AND RESIGNATIONS

Category	Retirement	Resignation
Executive	9	33
Junior Management Staff	12	7
Staff	62	43
Sub-Staff	49	22
Supervisors / Sardar	68	29
Workers	1037	1501
TOTAL	1237	1635

(Employee turnover includes only attrition by resignation among permanent employees).

Employee benefits

TTL has set up the Tata Tea Employee Welfare Trust with a corpus of over Rs 1 million to promote employee (including casuals) welfare through measures such as providing medical assistance to non-executive employees and their dependants, providing scholarships varying between Rs 500 and Rs 1000 per month to employees' children studying in intermediate classes, rehabilitating victims of cyclones and other natural disasters, etc. TTL paid out Rs. 1,02,500/- during 2002-03 towards these issues. Retired executives and their spouse enjoy medical insurance benefits comprising both hospitalisation and domiciliary components, in addition to drawing pension. Employees also have access to well-stocked libraries, recreation clubs, etc.

Labour/Management Relations

Unionised employees constitute 98% of the total permanent workforce. All permanent employees other than executives, junior management staff, and employees on contract are represented by independent trade union organisations (labour, subordinates and clerical staff are included).

TTL consults and negotiates either directly with recognised trade unions or through associations like Indian Tea Association (ITA) or United Planters' Association of South India (UPASI). The Company promotes organisational communication through the publication of in-house magazines: Tatean (published for the whole company), Samachar (published primarily for the eastern plantations) and Seithigal (published primarily for the southern estates). The Company invites employees to share their ideas through a formal suggestions scheme, WinIdea, which has provisions for recognizing ideas of use to the Company.

The Company discusses various work related issues with the trade unions and involves them in making decisions on issues like welfare measures, tasks, recreation, holidays, etc.

Health and Safety

The disease profile of different workplaces are maintained regularly and monitored routinely. Occupational diseases are treated in estate hospitals. Any accident that may take place during the course of employment are reported to the authorities concerned as per requirement of the Factories Act, 1948 / Plantation Labour Act, 1951 / Workmen's Compensation Act, 1923.

Link Workers (and Mahila Mandal in NIPO) discuss various health and safety issues in the presence of doctors and welfare officers in their monthly meetings. These associations have representations from staff and workers on the estates. All factory workers are medically checked once every year and records maintained.

There has been one case each of work related fatality during the year under review in both NIPO and SIPO.

A proposed HIV / AIDS policy for Tata Tea has been drafted pending top management approval. This policy is included in Annexure SP2. HIV & AIDS awareness programmes for our employees at the plantations are conducted.

TTL tries to provide and maintain workplaces, machinery and equipment, and use work methods, which are safe and minimise risk to health. Training is imparted to workers on operating machines and their trainings entirely "cover" the safety angle. The Instant Tea / Black Operations are covered by HACCP standards. TTL provides, adequate personal protective clothing and equipment which are considered essential while working inside the factory. Pesticide sprayer teams are provided with masks.

Training and Education

TTL provided 2.29 mandays of classroom training per executive during 2002-03. Other indices pertaining to executive training are given in Annexure SP3. Training to non-executives is mostly on the job training and hence difficult to quantify. Illustrative examples of classroom training for non-executives are shown below:



TRAINING FOR NON-EXECUTIVES DURING 2002-03

- Professional Selling, Sales Effectiveness, Strengthening Selling Skills
- Workshops, Seminars on Finance, Taxation and Audition
- Computer Refresher Course, MS Projects
- Training Programme on Effective Purchase Procedures
- Safety, Health & Hygiene Work Shop, Cleanliness of the Work Area, Handling of Chemicals, and Quality Control
- Operating Procedure for Equipment, Calibration and Maintenance Procedure of Lab Instruments, Training Programme on Energy Efficiency
- Training on Quality

While Tata Tea does not currently have any formal career ending training programmes, it is committed to helping employees in managing career endings through generous employee separation schemes. It invests in updating employee skills by nominating them to various internal and external programmes as listed in below :

MANAGEMENT DEVELOPMENT PROGRAMMES

Organisational Renewal for Competitiveness

Managing and Measuring Business Performance

Continual Improvement through Cost of Quality

Effective Marketing

Sales Management

Labour Reforms and Social Safety Net

Sexual Harassment at Workplace

Building a Truly Value-Driven Organisation

Creative Excellence in Management

Competency Mapping and Assessment

Accounting Standards and Its Practices

Training on TBEM

Corporate Public Relations

Corporate Governance Issues for Managers

Core Managerial Skills for Health Professional

Manufacturing Management

Plant level Energy Audit Practice for Energy Conservation

Supply Chain & Logistics Management for Global Trade

IT for Agri-Business

The Company nominates its employees to training programmes conducted by reputed institutions such as the IIMs, XLRI, ASCI, NITIE, etc., in addition to organising various in-house programmes of general interest.

Diversity and Opportunity

The Company is an equal opportunity employer and rigorously follows the Tata Code of Conduct in this regard. Clause 4 of the Tata Code of Conduct enunciates the guidelines and behaviour expected from Tata Tea and the employees of Tata Tea.

The Clause 4 states "A Tata Company shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Employees of a Tata Company shall be treated with dignity and in accordance with the Tata policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit-based."

Tata Tea has a formal grievance redressal scheme, Speak Your Mind, applicable to all employees, beginning with the field worker up to the seniormost executive.

Since the Company is an equal opportunity employer, people from diverse backgrounds gain entry into the Company. Both men and women from different states, practising diverse religions and speaking different languages, work for the Company. Since Tata Tea does not discriminate among its employees on the basis of religion, caste, state of origin, etc., it does not maintain a data base on such demographic parameters.

	Male	Female	Ratio
Management Staff	425	38	92:8
Board of Directors	15	-	100:0

Human Rights

TTL does not have a formal process to assess the human rights performance of its suppliers and contractors. Tata Tea would however not deal with any supplier or contractor who has been proved to be habitually violating human rights the details of which come to the knowledge of the company.

TTL ensures HR compliance amongst outsourced packers by advising them of the norms and by placing TTL personnel at the outsourced packing centres to monitor these practices. All outsourced packers have been made aware of the relevant issues under the Tata Code of Conduct.

Non-discrimination

TTL scrupulously follows the Tata Code of Conduct stipulations regarding equal opportunities and non-discrimination. It has a Principal Ethics Counsellor, supported by local ethics counsellors, to monitor implementation of the Tata Code.

All staff, substaff and workers in TTL have full right to establish and join trade unions according to their own free will. There is no discrimination against individuals for joining or establishing any trade union. Trade unions in TTL have full freedom to draw their constitutions and rules and to elect their representatives, to organise their administration and activities and formulate their programmes as they deem fit. The Management does not interfere in the activities of trade unions which have the right to establish and join national and / or international federations / confederations. The applicable local laws are followed in matters of collective bargaining.

Child Labour

TTL does not engage anyone below the minimum age of 14 years as specified in the Plantation Labour Act, 1951, and the Factories Act, 1948.



Disciplinary Practices Additional Indicators

TTL follows the standing orders circulated by the industry associations, IIA and UPASI, regarding identification of and punishment for misconduct, and appeals. The Company has a comprehensive grievance redressal systems in place, as given in Annexure SP4.

TTL has a clearly documented and widely circulated confidential grievance system (the design of which incorporates the principle of non-retaliation), Speak your Mind, which is available to all employees regardless of hierarchy. A copy of Speak Your Mind is annexed to this report.

"Speak your Mind is the forum and the structured device to enable employees seek address of grievances that are not covered by the normal ambit of the other processes. There is first the possibility of resolution of an issue or grievance at the workplace that must be pursued prior to accessing this forum. The Company believes that in Speak your Mind, not only must the employee seek to solve a grievance, but do so in a manner that does not impinge on their colleagues, who must also be nurtured.

Security Practices

Contractors are engaged for providing security personnel. Such personnel are trained on human rights issues and follow professional norms of conduct. The ATPSF is provided by the Government of Assam and the Jawans and officers who constitute the force are mostly ex-services personnel who are duly trained.

Indigenous Rights

There are no documented policies / guidelines with regard adhering the needs of indigenous people. The Company adheres to the Tata Code of Conduct on these issues. TTL has several welfare schemes such as Tata Tea Industrial Training Centre (TTITC), Rowta and Tea Estate Area Community Upliftment Programme (TEACUP), Lab to Land Programme, Outreach Programme, Trade Centre, etc., in operation for the welfare of indigenous people living in its area of operation. Details of these are enclosed in Annexure SP5.

TTL redistributes about 30% of its operating revenue to local communities by way of wages and salaries to TTL employees, community development and welfare projects directly funded by the Company, and various taxes paid to the central and state governments. These add up to over Rs 2400 million in 2002-03, as shown in Annexure SP6.

Society/ Community

Tata Tea Ltd started the Community Development and Social Welfare Scheme in 1984, aiming to improve the quality of life of its workers and their dependents, and for the development of the community in and around the estates. The company spends over Rs 20 million every year on diverse activities such as:

- Community health;
- Education & training, including both primary and adult education, tribal health education; environmental sanitation of workers' lines, clubs, canteens, etc.;
- Water supply;
- Nutrition;
- Prevention of communicable diseases; maternal and child health;
- Vocational guidance: trade schools, link workers' programme, etc.;
- Anti-smoking and anti-alcoholism campaigns; preservation of occupational health;
- Quality circles; medical care and rehabilitation of the handicapped; various surveys on nutrition, anaemia, leprosy, worm infestation, factory accidents, tuberculosis, etc.; Lab to Land programme;
- Project Teacup;

- Outreach Medical Programme; environmental conservation;
- Scouts and guides activities; sports; etc.

(Details of the Schemes are provided in Annexure SP5).

TTL has won several awards for its contribution towards social and ethical performance, the details of which have been provided in Annexure SP7.

Bribery and Corruption

Managers are required to monitor allegations of bribery and corruption and institutionalise systems to prevent bribery / corruption. TTL has a strong Internal Audit function which examines the operations of all functions for structural and systemic weaknesses, investigates allegations and complaints. Based on audits the department guides and counsels operating departments on how to improve their systems and procedures.

All officers of the Company are signatory to the Tata Code of Conduct which has a specific clause concerning bribery and corruption. Tata Tea has an Ethics Counsellor to ensure that all the issues pertaining to ethics conform to the Code of Conduct. During the year the concerns related to Code of Conduct were analysed by our Ethics Counsellor and a summary is presented in the box.

Type	2001-02		2002-03	
	Received	Violation Confirmed	Received	Violation Confirmed
1	15	1	6	2
2	24	2	15	1
3	–	–	–	–
4	–	–	–	–
Total	39	3	21	3

Type 1 Concerns : Relate to Company violating the Code.

Type 2 Concerns : Relate to Employees violating the Code.

Type 3 Concerns : Relate to violations by another Tata Company.

Type 4 Concerns : Relate to requests for help/questions regarding the Code and its compliance process and advise on how to proceed in a given situation in order to prevent potential

Political Contributions

TTL does not encourage any political lobby or contribution to political parties as per the Tata Code of Conduct.

Competition and Pricing

TTL has not faced any anti-trust action nor have allegations of monopolies or restrictive trade practices been levelled against it during the reporting year.

Tata Tea adheres to clause 3 of the Tata Code of Conduct which states-

" A Tata Company shall fully strive for the establishment and support of a competitive open market economy in India and abroad and shall cooperate in the efforts to promote the progressive and judicious liberalisation of trade and investment by a country.

Specifically, a Tata company shall not engage in activities which generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.



A Tata Company shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means."

Product Responsibility

Customer Health and Safety

All teas produced are subject to statistically sampled PFA (Prevention of Food & Adulteration Act) testing to ensure that the teas are within the norms of the PFA.

Shelf life testing is done for blends at the point of the Product development.

The packing units send samples once a month to our R&D unit, for PFA Analysis. The food grade test of laminate, used as primary pack, is done on a predetermined period.

The specified physical strength of the packing material is checked during incoming and on line inspection.

Eco-friendly packing material is used by the company in all stages of the black tea supply chain..

Those workers who have contagious diseases are not allowed to work in the packing units.

The product suitability is prominently mentioned at the back of each pack and all stocks more than 12 months old are taken back from stockist/ retailers and these stocks are replaced with fresh stocks. Under exceptional cases, these returned packs are re-blended only if found fit for human consumption.

(Tata Tea does not monitor the actual recycling of its packaging material. For plastics TTL does not use material below 20 micron thickness.)

To preserve customer health and safety, Bar code, Expiry period and Vegetarian logo are printed on the packaging in addition to the PCRO requirement.

Food Inspectors all over the country draw samples of tea packets from the shelves of shops and these samples are sent for analysis at Government Laboratories. While drawing samples the Inspectors issue Form VI, a copy of which is endorsed to the Company. The analysis of the product is carried out with the objective of ensuring that the product conforms to the standards laid down in the PFA Act. If the products do not conform to the standards as per the report of the laboratories, notice of prosecution is served. Following is the case when an advance judgment has been made and an appeal is pending.

Filed by	Brief details of a sample case	Status on 31.10.2003
State, Food Inspector, Bapatla Municipality	The Agni Dust Tea sample seized revealed iron filings beyond the prescribed forms. The retailer and the stockists were acquitted from the charges framed. TTL's nominee was held guilty and the penalty imposed has been paid.	Appeal is pending before the higher court.

At present there are six outstanding cases in different courts of the country where the customers have complained about foreign objects in tea packets. Allegations about finding dead insects in the tea packets have been received. So far no judgment has been passed confirming these allegations. Spurious tea packets copying the company's packaging design are widely available in the markets and poses a threat to Tata Tea's customers' health and safety. To prevent the customers from being misled, packets manufactured by the Company have a codified label which records the unit of manufacture, date of manufacture, batch number etc.

Product Labelling

Our product packs contain declarations that the product of tea is '100% vegetarian' and 'Tea for health'.

Eleven notices under The Weights and Measures Act related to product information and labelling were reported and 5 issues are currently subjudice. The other 6 issues have since been resolved.

Customer Satisfaction

Tata Tea ensures that the satisfaction of our customers and consumers are tracked at regular intervals. The satisfaction levels of consumers are obtained for product, brand image, brand communication and consumer promotions. The satisfaction levels of primary customers (stockist and retailers) are tracked regularly by the Tata Tea sales team and also by external agencies.

The satisfaction measurement is undertaken for all the key territories, in the domestic market, where our products are sold.

Advertising

Tata Tea advertises for its corporate image and brand/product promotion. These advertising campaigns have been governed by the ethical standards advocated by Advertising Council of India.

There has been no breaches of advertising and marketing regulations during the reporting year.

Respect for Privacy

- Currently there are no privacy protocols pertaining to blends and blend formulations developed for suppliers.
- Privacy regarding quantity purchased by each buyer is maintained only to the extent that it is legally permitted. For example, if the sales tax authorities requires the quantity sold by Tata Tea buyer wise, it would be provided.
- The identification of customers participating in customer satisfaction studies is protected through guidelines prescribed by Market Research Society of India.



ANNEXURE SP1

NON-STATUTORY BENEFITS PROVIDED TO EMPLOYEES

Sl. No.	Benefit	Eligible Employee Category
1.	Free Electricity	Estate employees and senior / top executives
2.	Fuel Subsidy	Estate staff
3.	Free tea / tea at discounted prices	All employees
4.	Hot tea served twice every working day	All employees
5.	Subsidised canteen	BTO staff & workers
6.	Raincoats	SIPO staff, sprayers, supervisors and Spice Centre employees
7.	Hats	SIPO staff
8.	Welding screen, boot, apron and gloves	Blacksmiths / welders
9.	Gloves and goggles	SIPO sprayers
10.	Goggles	Turners / lathe operators
11.	Coats and goggles	SIPO pruners
12.	Uniforms	Instant Tea Operations, SIPO factory staff, BTO staff & workers, and Spice Centre shopfloor employees & other office sub-staff in HO, RO etc.
13.	Transport pick up & drop	BTO staff & workers
14.	Founders' Day gift	BTO employees
15.	Medical insurance	Non-SIPO executives, junior management staff and HO staff / sub-staff
16.	Medical expenditure reimbursement above normal limits	Non-executives at HO
17.	Super speciality treatment at two Guwahati-based super speciality hospitals	All employees
18.	Pre-school centres with crèches	NIPO estate employees
19.	Free school buses in each estate to go to schools / colleges in the neighbouring towns	NIPO workers' children
20.	Assistance for children's education	Junior management staff and above, and BTO employees
21.	Higher Secondary school under CBSE syllabus with classes from Lower KG to XII standard	All employees in and around Munnar
22.	Interest subsidy for house building loan	Executives, junior management staff and HO staff / sub-staff
23.	Pension	Employees who have served the Company for a minimum period varying across grades & location
24.	Enhanced rates of gratuity	Executives, junior management staff and HO staff / sub-staff with more than 15 years' service with the Company
25.	Group Gratuity Scheme	Employees who die while in service are paid gratuity for the remaining period of service till the date of superannuation
26.	Staff Recreation clubs	Employees at select locations
27.	Annual trip to Munnar	Select BTO employees
28.	One time gift, value of which varies with grade	All retiring employees with 25 years' service.

N.B. Several nonstatutory components of the compensation structures, e.g., enhanced rates of house rent allowance, lunch allowance, conveyance allowance, conveyance allowance, education allowance, soft furnishing allowance, etc., have not been mentioned above.

DRAFT POLICY AND GUIDELINES ON HIV / AIDS AND THE WORKPLACE

Preamble

Tata Tea Limited has a huge workforce since its operations are labour-intensive. The Company was one of the first ten companies in the world to be a signatory to the clauses at the Fifth International Congress on AIDS in the Asia and the Pacific (5th ICAAP) on October 23, 1999, at the Putra World Trade Centre, Kuala Lumpur. Perceiving the future impact of HIV / AIDS on this valuable and indispensable human resource, the Company based its policy on HIV / AIDS on the following needs and principles.

- To recognize our responsibility to provide a healthy and equitable work environment for all employees, including those with HIV / AIDS.
- To provide equal access to available and accurate information, prevention methods, and treatment and research results on HIV / AIDS to employees, in order to empower individuals to make good and necessary decisions about their health.
- To ensure all employees the right to keep confidential any information, which is highly personal, including information about their HIV / AIDS status.
- To promote appropriate, comprehensive and sustainable program development that assures all people and groups be treated fairly and equally and that no groups, individual should be discriminated against in the context of HIV / AIDS.
- To develop partnerships with the private and public sector, non-governmental organizations and the community in order to foster better social responsibility.
- To be leaders in the global corporate community by encouraging and assisting other corporate organizations to be aware and proactive to the challenges posed by HIV / AIDS.

The following policy has been drawn based on this historic declaration

Tata Tea Limited's Commitments

1. **Governmental and Company laws** : HIV / AIDS and employment policies will at a minimum, comply with the state, company and local laws and agreements.
2. **Pre-Employment Screening** : Tata Tea Ltd. will not do pre-employment HIV / AIDS screening as part of its fitness to work assessment. These are unnecessary and not required. Screening of this kind refers to direct methods (HIV testing), indirect methods (assessment of risk behaviours), and questions about HIV tests already taken.
3. **Ordinary Workplace Contact** : Employment and HIV / AIDS policies will be based on the scientific and epidemiological evidence that people with HIV / AIDS do not pose a risk of transmission of the virus to co-workers through ordinary workplace contact.
4. **Protection of employee** : Persons in the workplace affected by, or perceived to be affected by HIV / AIDS, will be protected from stigmatisation and discrimination by co-workers, unions, employers or clients. To prevent work disruption and rejection by co-workers of an employee with HIV / AIDS, Tata Tea Ltd., and the unions will undertake education for all employees before such an incident occurs and as needed thereafter. Information and education are essential to maintain the climate of mutual understanding necessary to ensure this protection. All efforts to increase awareness of HIV / AIDS among the workforce would therefore be increased.
5. **HIV / AIDS Survey** : HIV / AIDS screening whether direct, indirect or asking questions about tests already taken, will not be done.
6. **Confidentiality** : Confidentiality regarding all medical information including HIV / AIDS status will be maintained, recognizing the principle that employers have a duty to protect confidentiality of the employees medical information.



7. **Benefits:** HIV-infected employees will not be discriminated against and will continue to have access to all standard social security benefits and occupationally related benefits.
8. **Reasonable changes in working arrangements:** HIV infection itself is not associated with any limitation in fitness to work. If fitness to work were impaired by HIV-related illness, reasonable alternative working arrangements would be made.
9. **Continuation of employment:** HIV infection is not a cause for termination of employment. As with many other illnesses, persons with HIV-related illnesses should be able to work as long as medically fit for available appropriate work.
10. **Accommodation:** People with HIV / AIDS would continue to have the accommodation that they are entitled to. They will not be transferred on basis of complaints received from neighbours.
11. **Management and Unions:** The highest levels of management and union leadership unequivocally endorse non-discriminatory employment policies and educational programs about AIDS and STDs. Support of these programs will be communicated by Tata Tea Ltd., and the unions in simple, clear and unambiguous terms.
12. **Information, Education Communication / Behaviour Change Communication (IEC / BCC):** Tata Tea Ltd would provide employees with sensitive, accurate, up-to-date education about risk-reduction in their personal lives, through appropriate IEC / BCC programs carried out through the existing system for Health Education.
13. **Condom Distribution:** Tata Tea Ltd will arrange to distribute and make available to employees free condoms at the existing outlets like hospitals and crèches. Tata Tea Limited will also identify new outlets to promote and increase condom usage in order to prevent HIV infection.
14. **STD Care:** Tata Tea Limited will continue to provide free treatment of Sexually Transmitted Diseases as part of its free medical treatment scheme. It will further encourage utilization of these services by strengthening existing detection and referral systems as well as enlisting new ones. Confidentiality and non-discriminatory policies as mentioned before would be maintained with regard to STD diagnosis.
15. **Health Care Worker:** In those special settings where there maybe a potential risk of exposure to HIV (e.g., in health care, where workers may be exposed to blood or blood products), Tata Tea Ltd would provide specific, ongoing education as well as the necessary equipment, to reinforce appropriate infection-control procedures and ensure that they are implemented.
16. **Care of Opportunistic Diseases:** In accordance with Governmental laws and the National AIDS Control Organization's guidelines, Tata Tea Ltd will continue to treat the opportunistic infections of all HIV / AIDS patients as per the best medical advice available maintaining acceptable standards of health care.
17. **Anti-Retroviral Therapy:** No commitment from Tata Tea Ltd is being given at present for treatment with Anti-retroviral, or Protease Inhibitor class of drugs, or for reimbursements of costs incurred by use of the above or similar classes of Anti-viral drugs.

Employee's Concerns

1. **Informing the employer / Tata Tea Ltd:** There will be no obligation for the employee to inform the employer or the Company regarding his / her HIV / AIDS status.
2. **Access to Services:** Employees and their families will have access to information and educational programmes on HIV / AIDS as well as to relevant counselling and appropriate referral.
3. **Rights and Opportunities:** People with HIV / AIDS are entitled to the same rights and opportunities as persons with other serious or life-threatening illnesses.

General Issues

1. **First Aid:** In any situation requiring first aid in the workplace, precautions need to be taken to reduce the risk of transmitting blood-borne infections, including hepatitis B. These standard precautions will be equally effective against HIV transmission.

ANNEXURE SP3

INDICES OF CORPORATE TRAINING INITIATIVES

	Corporate Training Budget (Rs. Million)	Number of Programmes			Number of Mandays of Training			Mandays of Training Per Executive			Index of Training Programme Participants' Satisfaction (%)		
		Internal	External Training	External Conferences	Internal	External	Total	Internal	External	Total	Internal	External	Conference
2001-02	9.650	26	75	33	1529	720	2249	2.09	1.34	3.43	79.89	78.74	77.34
2002-03	6.000	13	54	27	980	387	1367	1.53	0.76	2.29	76.78	70.62	67.38



ANNEXURE SP4

GRIEVANCE PROCEDURE AT THE PLANTATIONS

Redressal of grievances is essential for maintaining discipline as it minimises and controls industrial conflict and avoids intervention of central unions and conciliation machinery. The individual worker always has the freedom to take up his grievance with the Management for redressal. If a representation (which must be in writing in SIPO; and either in writing or verbally in NIPO) is received, it must be disposed off in the prescribed manner.

When the Sub-Committee of a recognised trade union represents grievances of their members or of a general nature, the managers concerned would attend to it as per collective grievance redressal forum on the estate. Proper seating arrangement is provided for participants in such meetings.

Managers are also advised to hold regular meetings with the estate level representatives of the recognised trade unions at reasonable intervals for discussion. The date, time and venue of the meetings is advised to the sub-committee concerned in advance.

In case recognised central unions seek appointment to meet the estate manager concerned, such requests should be granted, indicating to the union concerned the suitable date and time well in advance.

SIPO GRIEVANCE PROCEDURE

The following procedure is laid down in SIPO for redressal of workers' grievances.

Step 1 An aggrieved worker should take his grievance to the Field Officer or Assistant Manager at the divisional level. The Field Officer or Assistant Manager will communicate his decision within three days.

Step 2 If there is no settlement at Step 1, the matter should be taken to the Manager who will go into it and give his decision, within three days.

Step 3 If the workman is not satisfied with the manager's decision and or if the matter involves a point of major principle, he may make a reference to the Regional Office of the Company which would communicate its decision within ten days.

NOTE The worker is allowed three days or 72 hours from the time of receipt of the decision at each step (or, if no decision is received on the expiry of the stipulated period) to prefer an appeal from one step to the next.

Step 4 If the grievance is still not settled, the worker may then have recourse to the appropriate machinery under the ID. Act, 1947.

NOTE

- (1) Workers should submit their grievances in writing
- (2) In calculating the time intervals in the processing of the grievance, at each stage and for appeals from one stage to another, holidays will not be reckoned.

NIPO GRIEVANCE PROCEDURE

The following procedure is followed for the redressal of workers' grievances

- Step 1** Aggrieved workers take their grievance/s to the Deputy Manager / Assistant Manager at the divisional level. The Deputy Manager / Assistant Manager communicates his decision within a reasonable time frame.
-
- Step 2** Failure on the part of the Deputy Manager / Assistant Manager to resolve the problem, the matter is forwarded to the Manager who goes into the matter and conveys his decision, within a reasonable time frame.
-
- Step 3** If the workman is not satisfied with the Manager's decision and particularly if the matter involves a point of major principle, he may make a reference to the Central Unit Office of the union concerned or the Assistant Labour Commissioner who then evaluates the matter and duly resolves the same after discussions with the estate manager concerned and thereafter communicates the decision within a reasonable time frame.
-
- Step 4** If the grievance is still not settled, the worker may then have recourse to the appropriate machinery under the I.D. Act, 1947.



ANNEXURE SP5

COMMUNITY DEVELOPMENT & SOCIAL WELFARE

The Community Development and Social Welfare Scheme of Tata Tea Limited was started in 1984. The Company has 28 estates in South India and 24 estates in Assam / North Bengal each with one or more welfare officers in charge of the welfare activities of the estate. In addition to their normal work (promotive, preventive and rehabilitative), the welfare officers carry out surveys and studies pertinent to the plantation environment under the guidance of the DGM (CD&SW) in NIPO and DGM (IR) in SIPO who interact with the welfare officers and estate medical officers to implement various welfare projects for the registered workers, their families and dependants.

1. COMMUNITY COUNSELLING**(i) Community Health Education**

Carried out on each estate with worker participation and highlighted by holding health exhibitions with exclusive worker participation. Each health exhibition deals audio visually with topics like environmental sanitation, nutrition, oral rehydration, immunization, etc.

(ii) Environmental Sanitation

Propagating the need for cleanliness at workers' lines, clubs, canteens, etc.

(iii) Water Supply

- (a) Planning of new schemes
- (b) Monitoring of construction works
- (c) Water purification systems, distribution, etc.

(iv) Nutrition

- (a) Diet for pregnant and lactating mothers
- (b) Diet for malnutrition children
- (c) Knowledge of balanced diet
- (d) Practical demonstrations on cooking on each estate

(v) Communicable Diseases

Emphasis on water borne and respiratory illnesses

(vi) Maternal and Child Health

- (a) Conducting Maternal Child Health clinics at all estates
- (b) Antenatal care
- (c) Ensuring hospital deliveries
- (d) Post-natal care
- (e) Immunisation
- (f) Emphasis on breast feeding
- (g) Weaning

(vii) Development of 1 to 6 Year Olds

- (a) Selection and training of crèche attendants
- (b) Organising informal pre-school training of 1 to 6 age group children.
- (c) Organising informal health education for mothers of children attending crèche
- (d) Supplementary diet for children suffering from malnutrition

- (e) Administration of Vitamin A supplement
- (f) Training of mothers and crèche attendants in the use of oral rehydration therapy
- (viii) **Development of 1 to 6 Year Olds**
 - (a) Organising health education classes for children studying in lower primary schools
 - (b) Organising medical camps at schools
 - (c) Training of teachers in first-aid and basic knowledge of communicable diseases and their prevention
- (ix) **Adult Education**
Special emphasis is given on functional adult literacy
- (x) **Vocational Guidance**
 - (a) Conducted for the educated unemployed youth in workers' families
 - (b) Vetting applications
 - (c) Advise about job availability
 - (d) Recruitment in armed forces
 - (e) Interview training
- (xi) **Trade School**
 - (a) Advising Trade School Committee on conducting training in sewing and knitting for girls and carpentry and metal work for boys
 - (b) Placement of trained boys and girls in jobs on the estates
- (xii) **Link Workers**
This constitutes the backbone of the entire CD & SW Scheme.
 - (a) Link workers are voluntary health workers selected from the worker community who are trained in primary health care and form the link between the management and workers. The basic idea is to ensure passive diffusion of knowledge to the workers during informal contacts between them and the link workers.
- (xiii) **Anti-Smoking and Alcoholism**
Campaign conducted on the estates with particular participation of the women workers.
- (xiv) **Occupational Health**
 - (a) Conducting surveys and investigations into areas where occupational diseases might occur
 - (b) Suggesting remedial and preventive measures
 - (c) Monitoring their implementation
- (xv) **Quality Circles**
Setting up of quality circles on the estates with a view to maximising productivity and minimising wasteful practices
- (xvi) **Tribal Health Education**
Training of selected volunteers from the numerous tribal communities of the district in primary health care with an effort to propagate the bare-foot doctor concept.

2. MEDICAL CARE AND REHABILITATION OF THE HANDICAPPED

The handicapped children and adults from workers' families are cared for by

- (a) Identifying individuals needing intervention
- (b) Arranging for corrective surgical treatment
- (c) Arranging for the supply prostheses



- (d) Applications for financial aid for the supply of prostheses where Company aid is not available
- (e) Monitoring rehabilitation
- (f) Vocational guidance and job placement

3. TRAINING PROGRAMMES

- (a) Welfare Officers' Orientation Programme
Conducted regularly to update the knowledge of all Welfare Officers through holding of seminars and courses
- (b) CHV / PST Training Programme
Conducted once a year for all CHVs' / PSTs' to upgrade their knowledge regarding:
 - i) Primary Health Care
 - ii) Immunisation
 - iii) Oral rehydration
 - iv) Informal Education, etc.
- (c) Link Workers' Training Programme
Conducted regularly for all estate link workers in batches. This is in addition to the regular monthly link workers' meetings, conducted on the estates by welfare officers, doctors and management staff.
- (d) Training programme in occupational health and accident prevention conducted annually for the factory Staff.

4. SURVEYS

The following surveys are conducted in the estates.

- (a) **Nutrition Survey**
To assess the nutritional status of all under-6 children and their mothers, and to suggest and implement corrective measures.
- (b) **Anaemia Survey**
Conducted for all registered female workers of our estates to assess the level of anaemia amongst them. This has been co-related to productivity.
- (c) **Leprosy Survey**
Conducted for all children under six.
- (d) **Worm infestation Survey**
Conducted for all children under six.
- (e) **Factory Accidents Survey**
Conducted on all estates to find the common factors and to suggest preventive measures and ensure implementation.
- (f) **Well Man Clinics**
To screen all male workers over 40 for diabetes, hypertension, etc.
- (g) **Tuberculosis Survey**
Conducted for the community and especially the children.

Tata Tea extends community development & social welfare schemes to the economically weaker sections of society and those rural folk residing in villages around the Company's operations with a view to promoting socio-economic development by facilitating capacity building of the community. Some of the schemes undertaken are:

1 GENERAL HOSPITAL - MUNNAR

The Company's General Hospital in Munnar, Kerala, equipped with some of the most sophisticated equipment in the region, serves as a referral hospital for patients both within and outside the Company. The Mumbai Management Association adjudged the hospital as the Best Industrial Hospital in India.

2 REFERRAL HOSPITAL - CHUBWA

This modern referral hospital was constructed in 1993 in Assam and is the best of its kind in the plantation industry. It supplements the network of estate hospitals in providing tertiary treatment to estate workers and their families and also the local population of whom the economically weaker sections are treated free of cost.

3 LAB TO LAND PROGRAMME

The Lab to Land programme was launched in Assam in 1991 to create an awareness among the local poor farmers and motivate the farming community around the tea estates to take up improved agricultural and allied practices and thereby improving their economic condition.

4 PROJECT TEACUP (Tea Estate Area Community Upliftment Programme)

This project which was launched in Assam in 1992 helps to promote socio-economic development of village population residing near the Company's tea estates in Assam through training in various self employment and small scale income generating scheme.

5 OUTREACH MEDICAL PROGRAMME - ASSAM

The project was launched in Assam in 1995 for extending medical aid free of cost to the rural population resident near company's estates in Assam where medical facilities are totally inadequate or do not exist.

6 VOCATIONAL TRAINING INSTITUTE - ROWTA, ASSAM

The Company set up an Industrial Training Institute at Rowta, a remote underdeveloped area, in 1997. It was a major welfare project with the objective of providing an opportunity to tribal youth from the adjoining areas to learn disciplines like Motor Vehicle Maintenance (MVM) and Computer Operation and Programme Assistance (COPA) free of cost.

7 VOCATIONAL TRAINING CENTRES (VTC) FOR THE HANDICAPPED

The Company set up in 1995, three VTCs for handicapped dependents of estate workers at estates in Dooars, West Bengal, with the objective of bringing the handicapped dependents into the mainstream. Two centres produce writing pads, memo pads, note pads, envelopes, files, etc., and the third centre produces high quality jute bags to meet the requirements of the Company's estates.

8 TRADE CENTRE, CHUBWA

A trade centre was started in Chubwa T.E. with a view to imparting vocational training, e.g., welding and tailoring to the dependent youths of the estate workers, and thereby building capacity for them on their own to take up income generating schemes.

9 SHANKAR DEVA NETRALAYA Eye Hospital, Guwahati

The Company along with some other companies took the initiative and played the lead role to set up a state of the art eye hospital in Guwahati which is the only sophisticated major eye care hospital in the North East.



10 PROJECT DARE

Project Dare, in collaboration with Rehabilitative Education and Care for Handicapped Children (REACH) was set up in South India to provide assessment, counselling and educational facilities for the physically impaired, the developmentally retarded and emotionally disturbed children and also adults.

11 ATHULYA

This Vocational Training Centre for the handicapped youth was started in January 1991 in SIPO for providing vocational rehabilitation to 32 youths aged between 16 and 35, who have been trained by the unit in book binding, file making, paper ruling, printing, envelope making, etc. Thus the Centre produces stationery items which are supplied to the Company and the handicapped youth get appropriate payment for the orders they execute.

12 ARANYA

This vegetable dye unit was started in 1995 for providing Vocational Rehabilitation to eleven youths with physical handicaps. This eco-responsible project uses only plant wastes, dried leaves, dried fruit rinds, weeds, etc., which are available locally for dyeing yarns and fabrics.

13 MUTHUVAN WELFARE

The Company organises regular health camps for Muthuvan tribals in Munnar by way of sending its medical officers, welfare officers and paramedical staff to distant Muthuvan Kudis to examine the population there for health problems, to dispense medicines for their ailments, to refer them for specialised treatment to the Company's General Hospital in Munnar and also to educate them on health topic.

14 TECHNICAL TRAINING SCHOOLS

The Company started four trade schools in the High Range, Munnar, in 1984 in the name of Technical Training Schools in black smithy and carpentry for boys, and tailoring and knitting for girls, who are educated dependents of employees. There is also one such school in tailoring for girls in Anamalais, situated in Vellonie estate.

15 ENVIRONMENT CONSERVATION

The Company provides financial support to the High Range Wild Life and Environment Preservation Association, an organization registered in 1990 under the Travancore Cochin Literary, Scientific & Charitable Societies Registration Act, 1995, for the purpose of forming nature clubs and organising nature camps and classes for students and its members, replanting degraded shola with native species, assisting the Wild Life Officer of Eravikulam National Park in taking wild life census and managing the park by employing watchers, appointing Muthuva watchers, educating school children and the public on wild life and environment by arranging film shows, competitions, etc.

16 SCOUTS AND GUIDES ACTIVITIES

This non-statutory welfare measures has been undertaken by the Company in SIPO to promote Bharat Scouts & Guides Movement among the children of employees. The Company spends an enormous sum of money in promoting the Movement in order to improve the health and strength, knowledge and skills, character and conduct of the children of its employees to mould them into becoming useful citizens of the country.

17 SPORTS

The Company encourages sports activities among talented children of its employees through the Tata Tea Sports Club at Munnar. The Company spends substantial amounts every year in conducting one of the most popular tournaments at Munnar, namely, the Finlay Football Inter-Estate Tournament.

18 THE HIGH RANGE SCHOOL

The Company started the High Range School with CBSE syllabus in 1985, and this is one of the best schools in the state of Kerala and the only of its kind run by any plantation company in the South. The school provides free education to of workers' children. The Company also provides free transportation and free milk and snacks for all students in the school.

19 RHINO FOUNDATION FOR NATURE : KAZIRANGA TRUST

The Company took the initiative to set up the RHINO Foundation (KAZIRANGA TRUST) with the objective of protecting the local flora & fauna, particularly the one-horned rhino, an endangered species of Kaziranga Wild Life sanctuary in Assam.

20 NABODISHA

The Company, through TCCI, is also actively supporting the 'NABODISHA' programme run by Vikramshila, a Kolkata-based NGO, to impart informal education to the most underprivileged slum children. Over 300 children benefit at present from this programme at five centres in Kolkata: Garden Reach, Watgunge, Hastings, Ekbalpur and Lake Gardens.



ANNEXURE SP6

REDISTRIBUTION OF OPERATING REVENUES

	Rs. Million	
	2002-03	2001-02
Net Sales	8119.86	8139.98
Share of operating revenues from the area of operations that are redistributed to local communities	–	–
Salaries and wages to employees	2005.14	2134.17
Welfare projects funded by the Company	20.56	20.10
Capital expenditure on welfare projects	10.20	34.40
Taxes	383.38	349.77
TOTAL	2419.28	2538.44
Percentage of Net Sales Redistributed	29.79%	31.18%

AWARDS FOR SOCIAL, ETHICAL AND ENVIRONMENTAL PROJECTS

1989	FICCI Award for Family Planning
1990	Bombay Management Association Award for Best Industrial Hospital in the Country - General Hospital, Munnar
1992	Indian Merchant's Chamber Diamond Jubilee Awards - Shri Pranlal Devkaran Nanee Endowment Award 1992 for Promoting Savings among the Population.
1994	Indian Medical Association Baby Friendly Hospital Award 1994.
1994,1995 & 1996	The Pullivasal packing centre and SIPO were awarded the coveted "Industrial Safety Award (Kerala Chapter)" in the Group II Industries (Industries utilising between 2.50 and 10 lakh man-hours per year)
1996-97	National Award in Recognition of Outstanding Employers Services for the Welfare of the Physically Handicapped from the President of India.
1997	Most Outstanding Institution for the Handicapped in Kerala Award 1997 - by Government of Kerala - for DARE Project, Munnar.
1997-98	FICCI Award 1997/98 in recognition of Corporate Initiative in Training and Placement of Persons with Disability.
1999, 2000 2001 & 2002/ 03	Best All India In-house Magazine Award for TATEAN from the Rotary International, Kochi and the Press Club of Trivandrum.
1999-00	Recipient of Helen Keller Award by National Centre of Promotion of Employment for Disabled People - As an organisation which shares visitation and demonstrates its belief in equal rights and gainful employment for persons with disabilities.
2001	National Safety Council, Kerala Chapter Award (2001) for Outstanding Performance in Industrial Safety as Runner Up by achieving the lowest frequency rate of accidents in Gr. III (B) Engineering Industries.
2002	Mother Teresa Award for Corporate Citizen, instituted by the Loyala Institute of Business Administration, Chennai, for the Company's outstanding social commitment and commendable involvement in programmes of corporate responsibility far beyond the call of duty.



BRIEF DESCRIPTORS TO ABBREVIATIONS

AGM	Annual General Meeting
AIDS	Acquired Immune Deficiency Syndrome
ASCI	Administrative Staff College of India
ASSOCHAM	Associated Chambers of Commerce
BCC	Behaviour Change Communication
BRC	Business Review Committee
BTO	Branded Tea Operations
C&F	Clearing & Forwarding
CA	Consignee Agents
CBSE	Central Board of Secondary Education
CD&SW	Community Development & Social Welfare
CFA	Clearing & Forwarding Agents
CG	Chakra Gold
CHV	Community Health Volunteer
CII	Confederation of Indian Industry
CO ₂	Carbon Dioxide
Corp	Corporate
CRISIL	Credit Rating Information Services of India Limited
ERP	Enterprise Resource Planning
ESS	Employee Separation Scheme
EVA	Economic Value Added
FI	Financial Institution
FICCI	Federation of Indian Chambers of Commerce and Industry
FII	Foreign Institutional Investor
FMCG	Fast Moving Consumer Goods
GAP	Good agricultural practices
GBD	Global Business Division
GIC	General Insurance Corporation of India
Gr.	Grade
GRI	Global Reporting Initiative
H.O.	Head Office
Ha	Hectare
HACCP	Hazard Analysis and Critical Control Point

HIV	Human Immunodeficiency Virus
HR	Human Resource
HRWEPA	High Range Wildlife & Environment Preservation Association
HTS	Hot Tea Shops
LD. Act	Industrial Disputes Act
ICRA	Indian Credit Rating Agency
IEC	Information, Education Communication
IIM	Indian Institute of Management
IMO	International Marketology Organisation
Inc.	Incorporated
IR	Industrial Relations
IS	Indian Standards
ISO	International Organization for Standardization
IT	Information Technology
ITA	Indian Tea Association
ITO	Instant Tea Operations
KD	Kanan Devan
Kgs	Kilograms
KL	Kilo litre
KWH	Kilo watt hour
L	Litre
Lac/lakh	Unit equivalent to 0.1 million
Ltd	Limited
M/s.	Messrs
M3	Cubic Metre
ME	Middle East
Mic.	Micron
MNC	Multinational Company
MOP	Muriate of Potash
MRL	Maximum residual limits
MT	Metric Tonne
MW	Megawatt
NGO	Non-governmental organisation
NIBD	North India Business division



NIPO	North India Business operations
NITIE	National Institute of Industrial Engineering
NPD	New Product Development
ODS	Ozone Depleting Substance
PAT	Profit After Tax
PBDIT	Profit Before Depreciation Interest and Tax
PBIT	Profit Before Interest and Tax
PBT	Profit Before Tax
PCRO	Packaged Commodity Regulatory Order
PFA	Prevention of Food Adulteration
PLI	Productivity Linked Incentive
PST	Pre School Teacher
PTO	Packet Tea Operations
Q	Quarter
QC	Quality Control
R&D	Research & Development
REACH	Rehabilitative Education and Care for Handicapped Children
ROCE	Return on Capital Employed
ROI	Return on Investment
Rs.	Indian Rupees
S&OP	Standard Operating Procedures
SBU	Strategic Business Unit
SCM	Supply Chain Management
SEBI	Securities and Exchange Board of India
SIBD	South India Business Division
SIPO	South India Business Operation
T.E	Tea Estate
TBEM	Tata Business Excellence Model
TCCI	Tata Council for Community Initiatives
TEACUP	Tea Estate Area Community Upliftment Programme
TTIIC	Tata Tea Industrial Training Centre
TTL	Tata Tea Limited
UAE	United Arab Emirates
UK	United Kingdom

UN	United Nations
UPASI	United Planters' Association of South India
USA	United States of America
USD	US Dollar
VTC	Vocational training centres
WACC	Weighted Average Cost of Capital
WANA	West Asia North Africa
XLRI	Xavier Labour Relations Institute
GHG	Greenhouse gases