

LOCAL HIRING AND PURCHASING PLAN

FOR

**ULTRA MEGA POWER PROJECT
Mundra, District Kutch, Gujarat, India**

**COASTAL GUJARAT POWER LIMITED
A WHOLLY OWNED SUBSIDIARY OF THE
TATA POWER COMPANY LIMITED**



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IL&FS ECOSMART

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TABLE OF CONTENTS

1	INTRODUCTION	1
1.1.	Project Description.....	1
1.2.	Project Location	1
1.3.	Key Project Components.....	4
2	LEGAL FRAMEWORK.....	5
2.1	Building and Other Construction Workers (RECS) Act, 1996	5
2.2	The Equal Remuneration Act,1976 & Gujarat Rules 1976	6
2.3	Contract Labour (Regulation and Abolition) Act, 1970	6
2.4	The Minimum Wages Act,1948 & Gujarat Rules 1961	7
2.5	Maternity Benefit Act, 1961	7
2.6	Employees' State Insurance Act, 1948	7
2.7	Factories Act, 1948.....	8
2.8	Trade Union Act, 1926	8
2.9	Workmen's Compensation Act, 1923	9
2.10	Industrial employment (Standing Orders) Act	9
3	IFC PERFORMANCE STANDARDS.....	9
3.1	Performance Standard 2- Labor and working Conditions	9
3.2	Performance Standard 4 – Community, Health, Safety and Security	10
4	LOCAL HIRING POLICY	10
4.1	Scope.....	10
4.2	Objectives	11
4.3	Local Hiring Process	11
4.3.1	Local Worker Pre-Selection	12
4.3.2	Pre-registration and Labor Demand	12
4.3.3	Recruiting	13
4.3.4	Registration.....	13
4.3.5	Employment criteria for site personnel	13
4.3.6	Training.....	16
4.3.7	ilead programme	17
5	LOCAL PURCHASING POLICY	17
5.1	Scope.....	17
5.2	Objectives	17
5.3	Local Purchasing Process.....	18
5.4	Goods and Services to be Procured Locally	18
6	INSTITUTIONAL FRAMEWORK	19
6.1	Institutional set up.....	19
6.2	Grievance Redress Mechanism	19
6.3	Information Disclosure	20
6.4	Reporting And Monitoring.....	20

ABBREVIATIONS	
CGPL	Coastal Gujarat Power Limited
CSR	Corporate Social Responsibility
EPC	Engineering Procurement and Construction
GMDC	Gujarat Mineral Development Corporation
GRC	Grievance Redress Mechanism
HR	Human Resource
IFC.	International Finance Corporation
MSEZ	Mundra Special Economic Zone
NGO	Non-Governmental Organization
PG	Public Grievances
UMPP	Ultra Mega Power Project

LOCAL HIRING AND PURCHASING PLAN

1 INTRODUCTION

1.1. Project Description

The Mundra Ultra Mega Power Project (the Project) is being developed by Coastal Gujarat Power Limited (CGPL) in response to the plan of the Government of India (the Government) to increase the electricity production capacity of the country by 100,000 megawatts (MW) by the year 2012. The Project, awarded to CGPL on a build, own, and operate basis, is a supercritical coal-fired power plant with a total capacity of 4,000 MW.

Coastal Gujarat Power Limited (CGPL) a wholly owned subsidiary of The Tata Power Company Limited (Tata Power or the sponsor) and is setting up a 4000 MW supercritical coal based power plant near village Tunda, Taluka Mundra in Kutch District, in the state of Gujarat, India.

Based on the new technology and other measures planned to be implemented/under implementation by the CGPL, the project would meet the social and environmental Performance Standards of IFC.

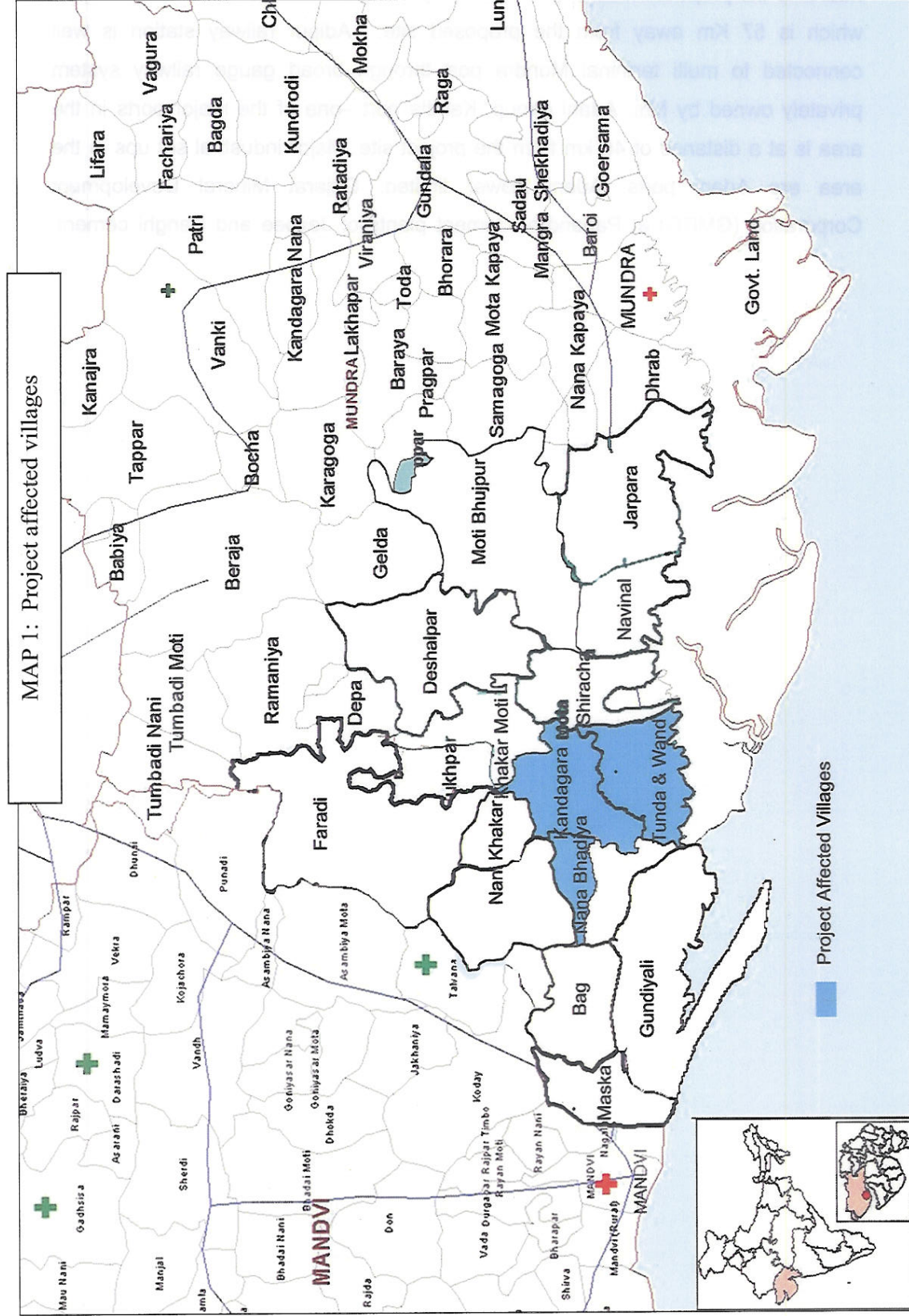
1.2. Project Location

The Project is located in a coastal area of Mundra and Mandvi Taluka, in Kutch District of Gujarat State (Refer **Map 1**). The project area covers 1054 hectares (ha) of vacant land acquired from the villages of Tunda Wandh, Mota Kandagara and Nana Bhadiya, and is about 2 km from the first-phase development area of the Mundra Special Economic Zone (MSEZ), where a 1320 MW power plant, the Adani Power Project, is being implemented by Adani Power Limited. The project area is about 1.5 kilometers (km) from the sea, with a portion of the MSEZ intervening between the sea and the project area.

The proposed power plant would be located at a site south of Tunda village in Mundra taluka of Kutch district in Gujarat, India. The Proposed site is located at 22° 49' 48" N Latitude and 69° 30' 58" E longitude. The site is well connected with State Highways (SH) No. 50 (Via Anjar) and No. SH-6 (Via Gandhidham) and would be

nearer to the proposed NH-8A (Delhi-Kandla). The nearest railway station is Adipur, which is 57 Km away from the proposed site. Adipur railway station is well connected to multi terminal Mundra port through broad gauge railway system privately owned by M/s. Adani Group. Kandla port –one of the major ports in the area is at a distance of 45 km from the project site. Major industrial set ups in the area are Adani ports, Adani Power limited, Gujarat Mineral Development Corporation (GMDC) at Panandro, Cement plants of Jaypee and Sanghi cement.





1.3. Key Project Components

The key project components include:

Power Plant: The power plant will consist of five pulverized coal-fired, supercritical steam electricity-generating stations, each with 800 MW capacities. In addition to coal, fuel oil will be used for start-up, for flame stabilization, and during low-load operations.

Cooling Water System: The power plant will have a once-through cooling system using seawater. The seawater requirement will be about 15.12 million cubic meters per day (m³/day) of which about 14.99 million m³/day will be for condenser cooling and 0.1278 million cu.m./day for producing freshwater. The seawater will be pumped at the end of an inlet channel connecting to Kotdi Creek. The inlet channel will be about 80 meters (m) wide at the bottom, 130 m wide at the top, 3 m deep, and 6.5 km long. Kotdi Creek, about 3.5 km long, will be dredged and trained to enhance its hydraulic capacity. The outlet discharge channel will have a base width of 60 m and a length of 4.9 km. The outlet channel will discharge into Mudhwa Creek, which is about 3 km long and will be dredged and trained to increase its hydraulic capacity.

Water Production System: The Project will require 25,710 cu.m/day of freshwater, consisting of 25,280 cu.m/day for process use, including water for coal and ash handling, and 430 cu.m/day for domestic use. The freshwater will be produced from seawater in a desalination plant. For boiler feed, a demineralization plant will further treat the freshwater supplied from the desalination plant.

Wastewater Treatment System: All process wastewaters will be treated to remove oil and stored in a pond for use in suppressing coal and ash dust and for landscaping. Reject from the desalination plant will be discharged into the sea through the discharge channel of the cooling water system. A sewage treatment plant will be provided to treat sewage from the housing complex.

Residential Complex: The operation of the power plant and support facilities will require about 718 people consisting of 255 CGPL staff and 463 outsourced staff. A housing complex consisting of 400 units will be developed on 182 ha of land to provide accommodation for about 255 CGPL staff and a few of the outsourced staff.

2 LEGAL FRAMEWORK

Hiring of local labour will be subject to the provisions of the following government regulations, IFC performance standards and the Company's code of conduct and other relevant policies. Some of the Acts and regulations which are applicable to the project area are elaborated under.

2.1 Building and Other Construction Workers (RECS) Act, 1996

This Act regulates the employment and conditions of service of building and other construction workers and provides for their safety, health and welfare measures and for other matters connected therewith or incidental thereto. The Act applies to every establishment which employs, or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work.

Building or other construction work includes construction, alteration, repairs, maintenance or demolition of or in relation to, buildings, streets, roads, railways, tramways, airfields, irrigation, drainage, embankment and navigation works, flood control works (including storm water drainage works), generation, transmission and distribution of power, waterworks (including channels for distribution of water), oil and gas installations, electric lines, wireless, radio, television, telephone, telegraph and overseas communications, dams, canals, reservoirs, watercourses, tunnels, bridges, viaducts, aqueducts, pipelines, towers, cooling towers, transmission towers and such other work as may be specified in this behalf by the appropriate Government, by notification but does not include any building or any construction work to which the provisions of the Factory Act, 1948 (63 of 1948), or the Mines Act, 1952 (35 of 1952), apply.

As per the Act, "building worker" means a person who is employed to do any skilled, semi-skilled or unskilled, manual, supervisory, technical or clerical work for hire or reward, whether the terms of employment be expressed or implied, in connection with any building or other construction work but does not include any such person- (i) who is employed mainly in a managerial or administrative capacity; or (ii) who, being employed in a supervisory capacity, draws wages exceeding one thousand six hundred rupees per menses or exercises, either by the nature of the duties attached of the office or by reason of the power vested in him, function mainly of a managerial nature;

The act also makes it mandatory on the employer to provide for drinking water facilities, urinals and temporary accommodation for the workers in the works area.

2.2 The Equal Remuneration Act, 1976 & Gujarat Rules 1976

This Act provides for the payment of equal remuneration to men and women workers for same work or of similar nature work and for the prevention of discrimination on the ground of sex against women in the matter of employment.

It applies to all establishments. No employer shall show any discrimination against women while recruiting or framing service conditions after recruitment except where the employment of women in such work is prohibited or restricted under law.

2.3 Contract Labour (Regulation and Abolition) Act, 1970

This Act is meant to regulate the employment of contract labour in certain establishments and to provide for abolition of contract labour in certain circumstances and for other connected matters.

The Act applies to every establishment in which 20 or more workmen are employed or were employed on any day on the preceding 12 months as contract labour and to every contractor who employs or who employed on any day of the preceding 12 months 20 or more workmen. For the welfare and health of contract labour the Act has provided for:

1. Establishment of canteens.
2. Provision is made for restrooms,
3. First aid,
4. Wholesome drinking water,
5. Latrines and urinals.

In case of failure on the part of the contractor to provide such facilities, the Principal Employer is made liable to provide the amenities.

The contractor is required to pay wages and a duty is cast on him to ensure disbursement of wages in the presence of the authorised representative of the Principal Employer. In case of failure on the part of the contractor to pay wages either in part or in full, the Principal Employer is liable to pay the same. In case the contract labour perform same or similar kind of work as regular workmen, they

would be entitled to the same wages and service conditions as regular workmen as per the Contract Labour (Regulation and Abolition) Central Rules, 1971.

2.4 The Minimum Wages Act, 1948 & Gujarat Rules 1961

The objective of this Act is to provide for fixing minimum rates of wages in certain employments which are included in the schedule. The Act applies to the schedule of employments for which minimum wages are fixed / revised. Basic wage and variable Dearness Allowance shall be fixed based on consumer price index. It can be minimum piece rate or time rate. The minimum wages are fixed in Gujarat on the advice of the State level minimum wage advisory committee. This advisory committee consists of the members of both employers and employees and also other experts. The Labour Commissioner is the Chairman of the Committee. Every employer is liable to pay the minimum wages for the schedule employment under this Act. There is provision to fix hours of work overtime and wages for overtime. The Claim for non-payment of minimum wages shall be filed before the concerned area Labour Officer. Penalties are provided in the Act for violations.

2.5 Maternity Benefit Act, 1961

The objective of the Act is to regulate the employment of women in certain establishments for certain periods before and after childbirth and to provide for maternity benefits and certain other benefits.

This Act applies, in the first instance-

- (a) to every establishment being a factory, mine or plantation including any such establishment belonging to government and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic and other performances;
- (b) to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months:]

2.6 Employees' State Insurance Act, 1948

The promulgation of Employees' State Insurance Act, 1948 envisaged an integrated need based social insurance scheme that would protect the interest of workers in contingencies such as sickness, maternity, temporary or permanent physical disablement, death due to employment injury resulting in loss of wages or earning capacity. The Act also guarantees reasonably good medical care to workers and

their immediate dependants. The benefit provided to the employees under the Act is also in conformity with ILO convention. Subject to the provisions of this Act, all employees in factories or establishments to which this Act applies shall be insured in the manner provided by this Act.

2.7 Factories Act, 1948

The Factories Act is a social legislation which has been enacted for occupational safety, health and welfare of workers at work places. This legislation is being enforced by technical officers i.e. Inspectors of Factories, Dy. Chief Inspectors of Factories who work under the control of the Chief Inspector of Factories and overall control of the Labour Commissioner. This Act applies to factories covered under the Factories Act, 1948. The industries in which ten (10) or more than ten workers are employed on any day of the preceeding twelve months and are engaged in manufacturing process being carried out with the aid of power or twenty or more than twenty workers are employed in manufacturing process being carried out without the aid of power, are covered under the provisions of this Act.

The salient features of the Act are as follows:

1. Approval of Factory Building Plans before construction/extension
2. Grant of Licences
3. Renewal of Licences granted
4. Inspections of factories by District Inspectors of Factories, for investigation of complaints, serious/fatal accidents as well as suo moto inspections to check compliance of provisions of this Act relating to :-
 - I. Health
 - II. Safety
 - III. Welfare facilities
 - IV. Working hours
 - V. Employment of young persons
 - VI. Annual Leave with wages etc.

2.8 Trade Union Act, 1926

This Act provides for the registration of Trade Unions and in certain respects to define the law relating to registered Trade Unions.

2.9 Workmen's Compensation Act, 1923

The Workmen's compensation Act, 1923 provides for the payment by certain classes of employers to their workmen of compensation for injury by accident.

If personal injury is caused to a workman by accident arising out of and in the course of his employment, his employer shall be liable to pay compensation in accordance with the provisions of this Act. The act identifies the liability of the employers to pay compensation depending upon the type of injury/ accident, ailment due to type of occupation, adherence or non-adherence to established work procedures and rules.

2.10 Industrial employment (Standing Orders) Act

This Act applies to every industrial establishment wherein one hundred or more workmen or employed, or were employed on any day of the preceding twelve months : Provided that the appropriate Government may, after giving not less than two months' notice of its intention so to do, by notification in the Official Gazette, apply the provisions of this Act to any industrial establishment employing such number of persons less than one hundred as may be specified in the notification.

3 IFC PERFORMANCE STANDARDS

3.1 Performance Standard 2- Labor and working Conditions

Performance Standard 2 recognizes that the pursuit of economic growth through employment creation and generation should be balanced with protection for basic rights of workers. The objectives of this performance standard include:

- Establish, maintain and improve worker-management relationship
- Promote fair treatment, non-discrimination and equal opportunity of workers and compliance with national labour and employment laws
- Protect the workforce by addressing child labor and forced labor
- Promote safe and healthy working conditions and protect and promote the health of workers.

The Performance standards 2 address requirements pertaining to working conditions, equal opportunity, occupational health and safety, grievance redress mechanism, services provided by workforce of contractors and intermediaries and impacts related to supply chain management of services.

The above requirements are addressed by CGPL in subsequent sections and in the Security Management Plan, Local Hiring and Purchasing Plan.

3.2 Performance Standard 4 – Community, Health, Safety and Security

Performance Standard 4 addresses the project's responsibility to avoid or minimize risk the risks and impacts on community health, safety and security that may arise due to project activities... The objective is to minimize impacts on health and safety of the local community during project life cycle and safeguard project assets and personnel with minimum risk to local community's safety and security.

The important requirements to be addressed from the community health and safety angle include location of project infrastructure and equipment, storage of hazardous material, impact on natural resources, community exposure to disease and emergency preparedness and response.

The management measures and institutional setup to meet the above requirements are addressed in section 6 of this document.

4 LOCAL HIRING POLICY

The Project development has two distinct phases, one is the construction phase and the second is the operation phase. During the construction phase, majority of the civil works, structural works and equipment supply and erection would be carried out by the EPC contractors and their sub-contractors and the licensed vendors. However, CGPL is exploring mechanism to provide opportunities to the local community in participating in the project activities by creating avenues for employment on contractual basis with the EPC contractors and sub-contractors. Efforts are also directed at employing eligible persons from the project affected villages and villages in the project influence area on a contractual and permanent basis depending upon the educational qualifications, skill sets and experience. The Local Hiring Policy has been developed to organize and enhance Project employment opportunities for local people in accordance with CGPL's social policies and commitments.

4.1 Scope

This Policy pertains to the hiring of local workers for the Project, encompassing all areas of operation and where potential workers may originate. It includes the construction period and extends into the early stages of operation, after which the

Policy will be reviewed and modified to incorporate improvements learned from the construction phase and any changes in social, economic or political conditions. The Policy comprises the procedural and practical approach to hiring for CGPL and its Contractors and subcontractors.

4.2 Objectives

This Policy's overall objective is to define the process and guidelines for hiring local workers in the Project's area of influence, within the framework of CGPL commitments. Local Worker is defined as any person who is employed by CGPL or any of its Contractors or subcontractors and resides in the Project area of influence since before the start of Project activities. The specific objectives are to:

- Develop procedures and practices that maximize opportunities for hiring local workers and that intend to minimize project-related social risks in the areas of influence.
- Develop transparent procedures that allow access to Project jobs by the local population in an organized and fair manner.
- Establish a hiring process that respects local cultural and social norms in order to facilitate local participation and avoid conflicts and other negative social impacts.
- Promote fair practices in the hiring of local workers that protect against unauthorized third-party job brokers, child and forced labor, and discrimination.

It should be noted that although this Policy is particularly detailed with regards to unskilled local workers, both skilled and semi-skilled workers will be sought as well from the local pool of candidates, if available. Project Contractors will seek skilled and semi-skilled candidates from the area of influence of the Project and will fill with candidates having suitable educational qualification and experience. The Contractors will also be advised to employ suitable local candidates in non-technical skilled and semi-skilled positions in their project offices.

Contractor's would be advised to give priority in employment to those communities who are directly impacted by construction activities i.e. villagers whose lands have been acquired for the project.

4.3 Local Hiring Process

The hiring process will consist of the following basic steps during the construction phase:

4.3.1 Local Worker Pre-Selection

The following aspects will be taken into account for the pre-selection of local workers considered for hire:

- Contractor will be in charge of staffing but will coordinate with CGPL team.
- In order to show that a person is “local”, all workers will need to possess a valid identity document, he/she will have to show his/her valid identity document that shows he/she has lived in the community before the Project started.
- A residence certificate/ration card/domicile/election i-card or other verifiable form of identification will be required, and preference will be given to those who were born there or who have lived in the area for several years, in order to prevent migration to the area of people who are looking for jobs.
- CGPL team will coordinate with the local authorities and the village sarpanch and village leaders/elders in order to determine who the native and long-term local residents are in areas where residence certificates are not available.

4.3.2 Pre-registration and Labor Demand

Pre-registration of potential workers will take place in CGPL. Candidates will submit the following basic information:

- Place of Birth
- Residency and years of residency
- Education level
- Labor and work experience details– to be obtained in consultation with the local sarpanch and village leaders
- Job preferences and constraints

A database of applicants received at CGPL's office will be available to all Contractors. All Contractors would refer to this database in filling their available positions depending upon the candidates' qualification and suitability to the job.

CGPL would encourage recruitment of locals by the Contractor and assist them in finalizing the candidates.

4.3.3 Recruiting

The communities in the three villages are primarily into rain dependant agriculture, animal husbandry and business. Employment during the construction phase would be limited to unskilled activities, non-technical trades and office related functions during construction.

CGPL in consultation with the local community and identified personnel would arrange for suitable training to make them employable in the power plant activities during operation and also to enable them to become self employed. The employment in Power plant and Township would be guided by the policies of CGPL and the company code of conduct.

4.3.4 Registration

CGPL will keep a record for each local worker hired by the contractor. The record will include the employee's name, date of hire, community, district, province, and position.

A record for each one of the applicants will also be kept, which will be for the Project's internal use. This record will show the position for which the applicant is intended. As to the villages, the local population will not only apply for unskilled jobs, but they will also apply for skilled and semi-skilled jobs, such as accountants, part time accountants, etc. This record will show the position for which each person is applying (mason, administration, worker, etc.). The record will also show the date when the applicant was informed about an interview(s) or when to start working, if the person is a native and/or resident in the local area, his/her address, etc.

4.3.5 Employment criteria for site personnel

The philosophy of implementation of the Project is based on awarding to reputed multinational agencies; the complete Engineering, Procurement, Construction, Erection, Testing, Commissioning (to be referred to as "EPC") and handing over to CGPL for Operation and maintenance (O&M). CGPL shall monitor the progress of the Project implementation to ensure the compliance to agreed contractual schedule and taking over for further O&M of the Plant.

a) Construction Phase

The duration of the construction phase would be 48 months to 60 months from the date of achieving the 'financial closure'. Civil, structural, mechanical, erection,

electrical and instrumentation works involve sizeable number of skilled personnel. The skilled workers include Bar benders, Carpenters, fabricators, welders, Gas cutters, Grinders, electricians and equipment operators. On an average about **5000** skilled and unskilled labour consisting of coolies, mazdoors and helpers workers would be required annually during the construction phase.

PAPs having above trade skills, as identified in the household survey, will be deployed in the project through the EPC agencies. In addition, personnel in non-technical trades in administration, stores, logistics and finance would be required during the construction phase. The total staff estimated under this category is approximately 50 (fifty) in numbers.

The employment potential survey was conducted in the month of April. The findings of the survey would provide the information on the employment potential of the affected people and the training requirements to bridge the gap between the available manpower and project requirements. The 5 year duration of construction phase would be gainfully utilized for training the interested members of the project affected families based on their education, skill sets and experience if any.

b) Employment during O&M of Plant:

Proposed manpower for O&M is 192 as already submitted in employment plan. The breakup of the manpower is given in table below:

Direct Employment *:

O&M Staff	Requirement	Min. qualification	Training support	Remarks
Graduate Engineers	31	B.E/B.Tech.	Experienced engineers meeting the criteria would be considered for direct employment. Fresh graduate taken from campus will be trained	
Diploma Engineers	65	Diploma in Engineering	Fresh Diploma engineers with 60% minimum marks in aggregate would be recruited as trainee diploma engineers. After the training depending on performance they will be considered for absorption as per the company's policy.	Experienced diploma engineers meeting the criteria would be considered for direct employment

O&M Staff	Requirement	Min. qualification	Training support	Remarks
				ent.
ITI Trained Fitters/Electricians	64	ITI/10+2/10th pass	- ITI Trained persons would be undergoing 1 year apprenticeship - HSC passed candidates would undergo training in ITI for 1 year as a sponsored candidate followed by apprenticeship training for 2 years in TPC. - Class 10th passed candidates would undergo training in ITI for 2 years as a sponsored candidate followed by apprenticeship training for 2 years in TPC.	Experienced ITI technicians meeting the criteria will be considered.
Admin/ HR/ IR/ Accounts/ Stores/ Procurement/ Fuel Logistics/ Security/ Safety & Environment/ Health Center	32	Graduates	In-house training for the eligible candidates including 6 months compulsory proficiency certification in Computer application.	

- *. 1. All proposed manpower is tentative.
2. Appointment would be as per CGPL policy, terms and conditions
3. Other things remaining equal, SC / ST candidates will be given preference over General candidates.

c) Indirect Employment:

Departments	Requirement	Min. qualification	Candidature
Security	60	Ex-servicemen/NCC cadet with C Certificate.	Ex-servicemen affected due to project and below the age of 45 years and NCC cadets with C certificates based on their qualification and experience would be eligible for employment in the Security Department as per applicable terms and conditions.
Canteen	35	-	Preference to PAPs for running the canteen on a cooperative basis
Housekeeping	60	8th pass	Job profile is of office boy, peons, house-keeping staff, courier and dispatch and guest house maintenance.
Gardening	25	-	PAPs would be deployed with the agencies deputed for maintenance of greenbelt, landscaping and plantation.
Internal Transportation	5	8th pass & Possession of valid commercial driving license.	To be deployed as drivers.
Jetty and coal handling facility	50	Skilled and unskilled labour	Interested villagers from the project affected villages would be considered.

. Labour Employment

The labour employed at site would be adults and should be physically fit to undertake manual labour and not be afflicted with any disability. A medical checkup would be undertaken by CGPL and the Contractor to ensure that the labour employed meets the health standards and are not suffering from any contagious disease or ailment. Contractor shall not employ child labour at site.

4.3.6 Training

Training programmes for eligible interested villagers would be formulated based on the employability survey carried out by CGPL. The survey shows that the majority of the respondents were interested in computers related training followed by repairs of electrical and home appliances and hotel management courses and similar soft skills. The employability survey results show less inclination towards trades like carpentry, electricians, mechanics and vehicle repairing. CGPL would identify

suitable training programmes that are viable and could be a sustainable source of income. These training programmes would be finalized in consultations with the interested candidates.

4.3.7 ilead programme

The vocations and trades as identified by ilead through the employability survey would be reviewed by CGPL and based upon the response of the interested candidates CGPL through ilead will provide training so as to facilitate self employment and entrepreneurship initiatives.

5 LOCAL PURCHASING POLICY

Local Purchasing policy of CGPL will comply with Company commitments and established procedures.

5.1 Scope

Procurement is responsible for overall management of procurement operations and the successful execution of all activities involved in the acquisition of materials, equipment and services for the project, including maintaining harmonious working relationship with suppliers in line with the Tata Group values.

CGPL would actively pursue transparent, equitable, fair and environmentally sound procurement practices. The Procurement work process in CGPL rests on six pillars of Integrity, Agility, Respect for People, Collaboration, Empowerment and Trust.

TATA values shape and define the company's obligations and permeate them to relationships - between company and shareholders, clients, the communities, and the local area where people live and work.

CGPL Procurement would endeavor to contribute significantly in the tangible welfare of the people of Mundra, Bhuj, Gandhidham (Adipur) through providing direct or indirect employment to the local people and promoting environmental sustainability.

5.2 Objectives

To achieve the same the following efforts would be undertaken:

- Employ services of local citizens directly or thru' contractors
- Source the local nature items from the local suppliers/markets

- Develop local vendors for consumables
- Employ local contractors for the services at site
- Encourage environmentally friendly usage
- Promote organizations run by physically challenged and community co-operatives.

5.3 Local Purchasing Process

Broadly, the steps would include registration and selection (bidding, contracting, formation of cooperatives, etc)

CGPL would provide the list of local suppliers to contractors for purchase of the raw materials. The Contractor would purchase the materials from the local suppliers based upon the acceptance criteria / specifications of materials as per the IS and the contractual specifications.

Necessary guidance for approval of materials etc. would be provided to CSR team in conjunction with the Site Technical team & Procurement team as per policy of company.

5.4 Goods and Services to be Procured Locally

Local vendors would be encouraged and a mechanism would be developed over a period of time to facilitate their participation in the project. They would be supported by various CSR initiatives. Wherever it is feasible, the EPC contractors and sub-contractors would source construction raw materials like Murrum, aggregate, Boulders from the project area.

Locals would be encouraged to set up canteens, petty tea shops to cater to site workers and labour colony (other services could include hiring vehicles from locals, contracts for maintenance of green cover & plantation at the site, etc.). Local suppliers and service providers would also be informed to empanel with CGPL to benefit from project activities by supplying construction material and providing construction related services.

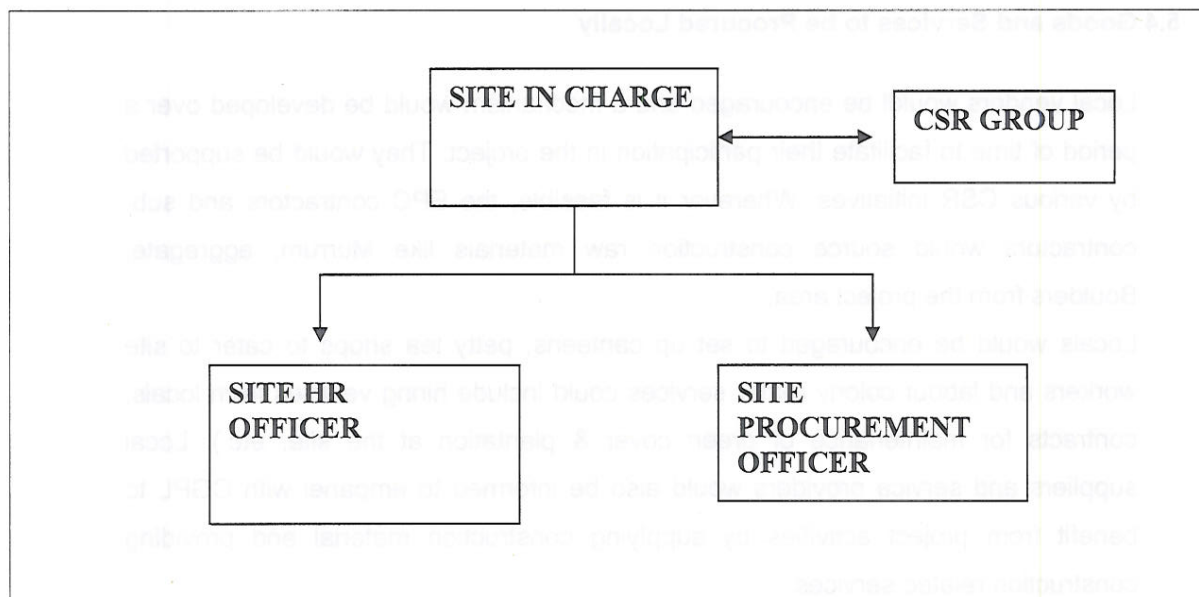
6 INSTITUTIONAL FRAMEWORK

6.1 Institutional set up

The administrative setup proposed for hiring and purchasing is presented in **figure 1**.

The **Site Incharge** will be responsible for the execution of the Local Hiring and Purchase Plan. The component of hiring would come under the purview of the **Human Resources (HR)** Department and the component of purchasing would come under the purview of **Procurement Department**. The CSR Group would support the Site Incharge for liaison with Local community and Government agencies. The Site incharge in coordination with the HR Department and relevant agencies would manage the training programmes. The Site Incharge will nominate one of the Department to coordinate the local hiring and purchase activities. This department will be responsible for collecting, collating, reporting and submission of all reports and returns to Site Incharge and CGPL Head Office.

Figure 1: Institutional set up for Local Hiring and Purchase

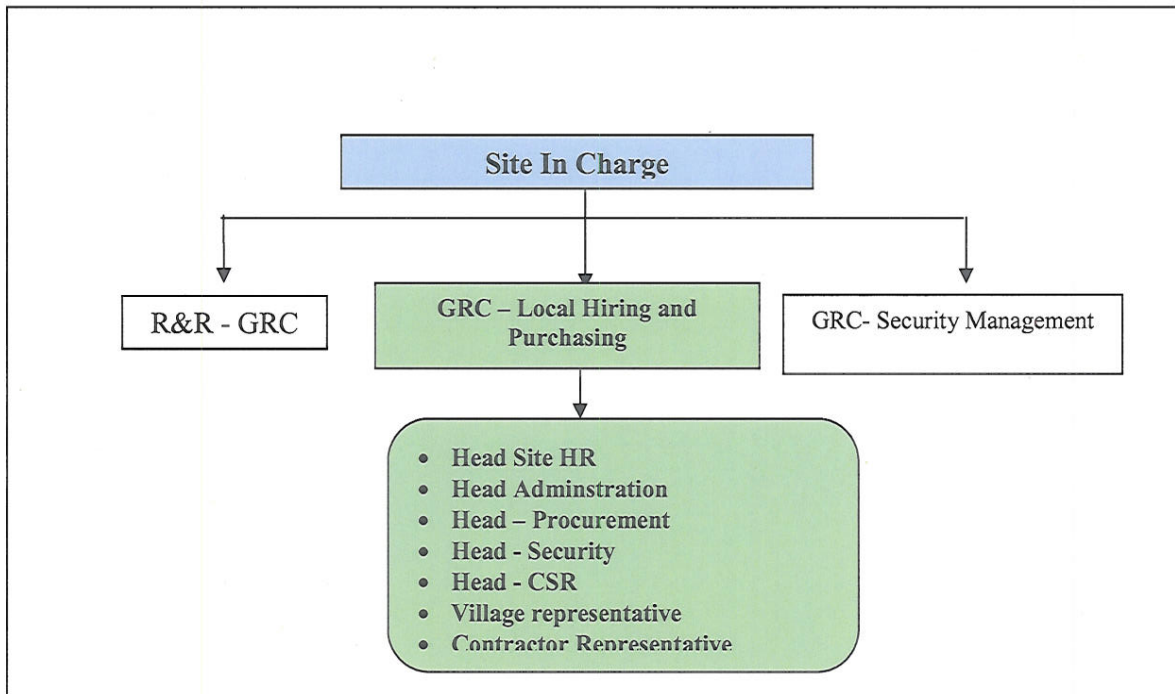


6.2 Grievance Redress Mechanism

To address any grievance resulting in conflicts between the local community and CGPL or its sub-contractors, a Grievance Redress Cell (GRC) will be formed. This cell will be headed by Site Incharge and represented by **Head – HR, Adminstration, Procurement, CSR, Security, Contractor Representatives and**

Villagers. This GRC would deal with complaints, representations received from the local community or any other stakeholder on issues related to hiring and purchasing of services of resident population. The Site Incharge will nominate one of the Officers to coordinate the GRC. He will be responsible for collecting, collating, reporting and submission of all reports and returns to Site Incharge and CGPL Head Office. The grievance redress set up is presented in **figure 2**.

Figure 2: Grievance Redress Set up



6.3 Information Disclosure

CGPL will disclose information about Project demand through open meetings to PAPs from time to time.

6.4 Reporting And Monitoring

The monitoring program will be designed to include the following:

- Verify Contractor performance in considering and evaluating local suppliers.
- Inspect work sites to confirm that local suppliers are being utilized and that they are providing goods and services under formal agreements.
- Ensure the transparency and consistency of the purchasing activities among Contractors.
- Verify that information is being adequately and properly disclosed regarding procurement of goods and services
- Assess effectiveness of grievance management in relation to this Policy

- Obtain feedback on local purchasing activities from local suppliers and populations
- Verify effectiveness of Contractor monitoring program

Figure 2: Grievance Redress Set up



3.2 Information Disclosure

CGPL will disclose information about project demand through open meetings in

3.3 Reporting and Monitoring

The monitoring system will be designed to provide the following:

- Verify Contractor performance in conducting and executing local activities.
- Verify work cases to confirm that local suppliers are being utilized and that they are providing goods and services within formal agreements.
- Ensure the transparency and consistency of the purchasing activities among Contractors.
- Verify that information is being adequately and properly disclosed regarding procurement of goods and services.
- Assess effectiveness of grievance mechanism in relation to the Policy.