

Environment and Social Compliance Audit

Project Number: 46919
March 2013

IND: 100 MW Tidong Hydroelectric Power Project

Prepared by Association for Stimulating Know How for NSL Tidong Power Generation Private Limited

The environment and social compliance audit is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature. Your attention is directed to the "Term of Use" section of this website.

ENVIRONMENT, HEALTH & SAFETY AND SOCIAL AUDIT REPORT

100-MW Tidong Hydro Electric Project

22nd & 23rd November 2012

**Prepared for: NSL Tidong Power Generation Private Limited
(NTPGPL)**



Association for Stimulating Know How (ASK)

V-30/3 DLF Phase III Gurgaon -122002

Haryana, India

Ph: 0124- 4060353/354 Fax: 0124 4060355

Email:ask@askindia.org

www.askindia.org

Table of Contents

SR.	PARTICULARS	PAGE NO.
	ABBREVIATION	2
	EXECUTIVE SUMMARY	3
SECTION 1	INTRODUCTION	4-16
1.1	THE PROJECT	5
1.2	PRESENT STATUS OF THE PROJECT	5
1.3	OBJECTIVE AND SCOPE OF THE ENVIRONMENT, HEALTH & SAFETY AND SOCIAL AUDIT	6
1.4	REFERENCE TOOL FOR AUDIT	6
1.5	APPROACH AND METHODOLOGY	9
1.6	STATUS OF COMPLIANCE TO FINDINGS OF EARLIER EHS AUDIT	10
1.7	KEY DOCUMENTS REFERRED	14
1.8	REPORT LAYOUT	16
SECTION 2	FINDINGS OF THE ENVIRONMENT, HEALTH & SAFETY AND SOCIAL AUDIT	17-50
SECTION 3	CORPORATE SOCIAL RESPONSIBILITY INITIATIVE	51-59
3.1	LOCAL AREA DEVELOPMENT FUND	51
3.1	DIRECT FUNDING TO GRAM PANCHAYATS	56
3.3	OTHER CSR ACTIVITIES	56
3.4	BENEFICIARY SELECTION PROCESS & CRITERIA	56
3.5	RELEVANCE OF THE INTERVENTIONS	57
3.6	COMMUNITY PARTICIPATION, ENGAGEMENT AND OWNERSHIP	59
3.7	EMPLOYMENT FOR LOCAL AND PROJECT AFFECTED	59
SECTION 4	CONCLUSION AND RECOMMENDATIONS	60-64
4.1	LABOUR AND WORKING CONDITIONS	60
4.2	HEALTH AND SAFETY	62
4.3	ENVIRONMENT MANAGEMENT	63
4.4	SOCIAL/ CORPORATE SOCIAL RESPONSIBILITY	64
	ANNEXURE	
ANNEX I	LIST OF KEY PERSONS INTERACTED DURING AUDIT	65
ANNEX II	SITE AUDIT/ASSESSMENT OBSERVATIONS ON ENVIRONMENT MANAGEMENT, POLLUTION PREVENTION, SAFETY AND WORKING CONDITIONS	66
ANNEX III	PHOTOGRAPHS	72
ANNEX IV	COMPLIANCE STATEMENT EC CONDITIONS (MOEF)	80

ABBREVIATIONS

ASK	Association for Stimulating Know How
ADB	Asian Development Bank
CA	Compensatory Afforestation
CAT	Catchment Area Treatment
CSR	Corporate Social Responsibility
DG	Diesel Generator
EMP	Environmental Management Plan
HP	Himachal Pradesh
HPSEB	Himachal Pradesh State Electricity Board
HR	Human Resources
IFC	International Finance Corporation
INR	Indian Rupees
LADA	Local Area Development Committee
LADF	Local Area Development Fund
MoEF	Ministry of Environment and Forests
MSDS	Material Safety Data Sheet
MW	Mega Watt
NRPPL	NSL Renewable Power Private Limited
NSL	Nuziveedu Seed Limited
NTPGPL	NSL Tidong Power Generation (Pvt.) Limited
PPE	Personal Protective Equipment
VDC	Village Development Committee

Executive Summary

NSL Renewable Power Private Limited (NRPPL) is one of the fastest growing and independent renewable power companies with interests in Wind farms, Hydel power and Bio mass plants. The NRPPL is developing 100 MW run off a river Hydro Power Project on Tidong Khad under SPV called NSL Tidong Power Generation Private Limited (NTPGPL). The project is located in Kinnaur district of Himachal Pradesh.

The construction of the project is in progress involving excavation, construction of approach roads, concreting, transportation of muck, development of muck dumps etc. NTPGPL has employed two contractors to carry out the construction activities.

The EHS audit is carried out regularly at the project site to assess the implementation of mitigation measures as suggested in the various approvals from the regulatory authorities to minimize the adverse impacts of the project on the surrounding.

NTPGPL engaged ASK consultants to conduct external EHS audit. The team comprising of environment and social expert visited the project site of 22nd & 23rd November 2012. The team verified all the documents and assessed the actual working at the project site with respect to environment, health, safety and social aspects.

The observations on the safe and unsafe conditions in the project site, compliance to Environmental Management Plan (EMP), CSR activities undertaken by NTPGPL, labour conditions etc. are presented in this report. The report also outlines the recommendations and corrective measures to overcome the non-compliances.

During audit it was found that NTPGPL has complied with conditions stipulated in the Environmental Clearance granted by Ministry of Environment and Forests (MoEF). Project has all the necessary approvals from the regulatory authorities.

It was also observed that the progress in implementation of various plans in the project area by government agencies like Local Area Development Authority, Forest Department, Fishery Department etc. is very slow although the necessary payments are made by NTPGPL. It is recommended to improve the follow-up with these respective agencies for early implementation development work.

It was found that there is a room for improvement on safety front. Some unsafe conditions were observed in the project site. NTPGPL needs to take appropriate actions to improve these unsafe conditions as per the action plan suggested in the report.

SECTION 1: INTRODUCTION

NSL Renewable Power Private Limited (NRPPL) is one of the fastest growing and independent renewable power companies with interests in Wind farms, Hydel power and Bio mass plants. NRPPL is committed to a corporate style of sustainable development, keeping in mind the environment, future generations and the society at large. In line with the same, the Company is committed to reviewing its stance on environment and social development periodically and make amends accordingly to strive for excellence.

NRPPL aspires to be one of India's leading energy players, operating in the fields of renewable energy as well as conventional energy. In the field of renewable energy, they aspire to create a portfolio of diverse, sustainable solutions that will help balance India's energy needs with a concern for the environment constantly seeking out new technologies in the process. The objectives of the NRPPL is to operate and manage a portfolio of diverse renewable energy projects and reap exiting returns and profits for both company and the society, while making development and growth a perennial process in the company by updating and introducing new technologies in the industry and exploring new horizons.

NTPGPL is developing a 100-MW Tidong Hydro Electric Project (referred to as The Project) in Kinnaur district of Himachal Pradesh, India. In order to assess the Project compliance on environment, health & safety and social aspects, Association for Stimulating Know How (referred to as ASK) was engaged to undertake an independent Environment, Health & Safety and Social (EHS) Audit for this Project. The Audit was carried out by a 4 team members (2 from ASK and 2 from EQMS) on **November 22nd and 23rd, 2012.**

The audit focused on assessing the compliance of the Project with the Indian environmental and social regulations, ADB's safeguard policy 2009 and IFC Performance Standards as required by financial investors and particularly looked into the progress made by NTPGPL from the previous audit in terms of implementation of the corrective action plans and addressing the gaps and concerns as found during the previous audit. It also looked into the relevance, effectiveness and impacts of the Corporate Social Responsibility Initiatives of NTPGPL in three affected Panchayats in the area.

This report provides the findings of the quarterly audit of the environmental, health, safety and social performance of the project with reference to the ADB's Safeguard Statement Policy 2009, IFC Performance Standards and National guidelines and regulations and also the CSR interventions made by the company.

1.1. THE PROJECT

100-MW Tidong Hydro Electric Project is located on the Tidong stream, a tributary of river Satluj in Kinnaur district of Himachal Pradesh. It is a run-of-the-river scheme proposed to harness the hydro potential of Tidong stream in its lower reach between Lambar and Rispa villages. The project site is situated 270 km from Shimla on National Highway 22 up to a place near Moorang and thereafter, 21 km on State Road upto the Diversion barrage that would come at Lambar village and Powerhouse at Rispa village.

This project will extract the hydro potential of Tidong stream between Lambar and Rispa by diverting water near Lambar villager with a 10-meter high barrage, into de-silting chambers, into 8461 meters long head race tunnel (HRT). Provision of a reservoir with a storage capacity of 237000 cum. before the intake of HRT, has been made for 4 hours peaking power during lean season. This HRT opens at a junction of 120 meters high Surge shaft and 1200 meters long pressure shaft to powerhouse, which bifurcate into two branches of 15 meters each before injecting the water jet into two vertical shaft pelton turbines. These two pelton turbines of 50 MW capacities each will be a part of surface powerhouse. Water after de-energizing from the turbines will merge into the Tidong stream through a 50 meters long tail race channel at a point about 50 meters before its confluence with Satluj river.

The project is being developed by NSL Renewable Power Private Limited (NRPPL) India. In order to ensure close monitoring and execution of the project a Special Purpose Vehicle (SPV) has been created known as NSL Tidong Power Generation (Pvt.) Limited (NTPGPL), Reckong Peo, Himachal Pradesh.

1.2. PRESENT STATUS OF THE PROJECT

The construction activities have been going on for a period of last 2 years and two contractors have been appointed for civil works.

The construction of access roads is almost completed. The excavation works is also near completion for river diversion arrangement (98%), spillway (96%), storage reservoir (88%) and power house complex (95%). The excavation works of HRT and Penstock have also reached an appreciable stage with Head Race Tunnel at 21% and Penstock at 41% completion respectively. The concreting works for river diversion arrangement and power house complex is in process and about 62% and 8% of the work is completed respectively. As per the revised completion schedule the project will be completed by 19th July 2016.

1.3. OBJECTIVES AND SCOPES OF THE ENVIRONMENT, HEALTH, SAFETY AND SOCIAL (EHS) AUDIT

The objective of the environment, health, safety and social audit was to assess the progress of the project in terms of implementation of the recommendations from the previous EHS audit and to review the present performance of Tidong Hydro Electric Project against the following reference framework:

- The IFC Performance Standards (PS) for Environmental and Social Sustainability;
- The IFC General EHS Guidelines;
- ADB Safeguard Policy 2009;
- ADB Social Protection Strategy 2001,
- Applicable Indian national, state and local regulatory requirements; and
- Environment Management Plan (EMP) in the Environmental & Social Impact Assessment (ESIA)

Another objective of the assessment was to assess the relevance, effectiveness and impacts of the Corporate Social Responsibility (CSR) initiatives of NTPGPL.

The scope of work for this audit entailed:

- Progress made since last audit that was held in August 2012
- Status of implementation of the corrective action plan that was prepared at the end of the last assessment
- Present status of the social and environmental aspects in line with the Reference Framework (i.e. ADB Safeguards, IFC Performance Standards and national laws, guidelines).
- Relevance of the CSR interventions
- Effectiveness of the CSR interventions
- Impacts / results of the CSR interventions
- Recommendations for further improvement

1.4. REFERENCE TOOLS FOR THE EHS AUDIT

While doing the EHS audit, the guidelines and standards stipulated by ADB, IFC and Indian regulatory agencies like MoEF and HPPCB are taken as reference tool. This will help the project in implementing mitigative measures to reduce/prevent the impacts on the environment and social community as well. Further, compliance to these guidelines will improve the work environment for all the workers.

A) ADB's Safeguard Policy Statement 2009

Built upon the three previous safeguard policies on the Involuntary Resettlement Policy (1995), the Policy on Indigenous Peoples (1998) and the Environment Policy (2002), the Safeguard Policy Statement was approved in 2009. The safeguard policies are operational policies that seek to avoid, minimize or mitigate adverse environmental and social impacts including protecting the rights of those likely to be affected or

marginalized by the developmental process. ADB's safeguard policy framework consists of three operational policies on the environment, indigenous peoples and involuntary resettlement. A brief detail of all three operational policies have been mentioned below:

Environmental Safeguard: This safeguard is meant to ensure the environmental soundness and sustainability of projects and to support the integration of environmental considerations into the project decision making process.

Involuntary Resettlement Safeguard: This safeguard has been placed in order to avoid involuntary resettlement whenever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre- project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

Indigenous Peoples Safeguard: This safeguard looks at designing and implementing projects in a way that fosters full respect for Indigenous Peoples' identity, dignity, human rights, livelihood systems and cultural uniqueness as defined by the Indigenous Peoples themselves so that they receive culturally appropriate social and economic benefits; do not suffer adverse impacts as a result of projects; and participate actively in projects that affect them.

Information, Consultation and Disclosure: Consultation and participation are essential in achieving the safeguard policy objectives. This implies that there is a need for prior and informed consultation with affected persons and communities in the context of safeguard planning and for continued consultation during project implementation to identify and help address safeguard issues that may arise.

ADB's Social Protection Strategy (2001) : The Core Labour Standards consist of (a) freedom of association and the effective recognition of the right to collective bargaining, (b) the abolition of all forms of forced or compulsory Labour, (c) the elimination of discrimination in respect of employment and occupation, and (d) the elimination of child Labour.

B] International Finance Corporation – Performance Standards

IFC applies its Policy on Social and Environmental Sustainability and Performance Standards, 2006 to manage social and environmental risks and impacts and to enhance development opportunities in its private sector financing in its member countries eligible for financing. The following eight Performance Standards (PS) established stipulates that the project shall meet the following throughout the life of an investment by IFC or other relevant financial institution:

PS 1 Social and Environmental Assessment and Management System- It establishes the importance of integrated assessment to identify the social and environmental impacts, risks, and opportunities in the project's area of influence. PS 1 requires Social and Environmental Assessment and Management Systems for managing social and environmental performance throughout the life cycle of this Project and runs through all subsequent PSs. The main elements of PS.- 1 includes following elements: (i) Social and

Environmental Assessment; (ii) Management program; (iii) organizational capacity; (iv) training; (v) community engagement; (vi) monitoring; and (vii) reporting.

PS 2 Labour and working conditions- Requires that worker-management relationship is established and maintained, compliance with national Labour and employment laws and safe and healthy working conditions are ensured for the workers.

PS 3 Pollution prevention and Abatement- Outlines approach to pollution prevention and abatement in line with Internationally disseminated technologies and practices with objectives to a) avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from activities; and b) promote the reduction of emissions that contribute to climate change. It requires a project to avoid, minimize, or reduce adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities.

PS 4 Community health, safety and security- Concentrates on the responsibility that must be undertaken by the client to avoid or minimize the risks and impacts to the community's health, safety and security that may arise from project activities.

PS 5 Land Acquisition and Involuntary Resettlement- This standard requires that project does not result in involuntary resettlement or at least if unavoidable it is minimized by exploring alternative project designs. Also the project will ensure that social and economic impacts from land acquisition or restrictions on affected persons' use of land are mitigated.

PS 6 Biodiversity Conservation and Sustainable Natural Resource Management- Aims at protecting and conserving biodiversity, the variety of life in all its forms, including genetic, species and ecosystem diversity and its ability to change and evolve, is fundamental to sustainable development. This PS addresses how clients can avoid or mitigate threats to biodiversity arising from their operations as well as incorporate sustainable management of renewable natural resources.

PS 7 Indigenous Peoples- Acknowledges the possibility of vulnerability of indigenous people owing to their culture, beliefs, institutions and living standards and that it may further get compromised by one or other project activity throughout the life cycle of the project. The PS underlines the requirement of minimizing adverse impacts on indigenous people in the project area, respecting the local culture and customs, fostering good relationship and ensuring that development benefits are provided to improve their standard of living and livelihoods.

PS 8 Cultural Heritage- Aims to protect the irreplaceable cultural heritage and to guide clients on protecting cultural heritage in the course of their business operations.

C] Indian Legislative

The major Indian Legislation is from Ministry of Environment and Forests and State Pollution Control Boards, which stipulates the conditions to mitigate the impacts on the environment. The projects in India are bound to comply with various environmental and social acts which are given below;

- ✓ The Environmental Impact Assessment (EIA) Notification, 2006 and its Amendments
- ✓ The Forest (Conservation) Act, 1980 as amended in 1988
- ✓ The Forest (Conservation) Rules 2003
- ✓ The Wild Life (Protection) Act, 1972, as amended in 1993 and Rules 1995

- ✓ Air (Prevention and Control of Pollution) Act, 1981, amended 1987 and Rules 1982, 1983
- ✓ Water (Prevention and Control of Pollution) Act, 1974 and Rules 1975 as amended up to 1988
- ✓ Water (Prevention and Control of Pollution) Cess Act, 1977
- ✓ Legislations on Waste Management
- ✓ The Land Acquisition Act, 1894
- ✓ Panchayats Extension to Schedule Areas Act, (PESA) 1996
- ✓ Factories Act, 1948 and its Amendment in 1987
- ✓ Child Labour (Prohibition and Regulation) Act, 2000
- ✓ The Indian Fisheries Act, 1897
- ✓ Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
- ✓ Minimum Wages Act, 1948 (Amended)
- ✓ Workmen Compensation Act, 1923 as amended by Amendment Act No. 6 of 1976

1.5. APPROACH AND METHODOLOGY

The broad methodology of this Re-assessment /Audit entailed the following:

- Desk review of available Project documents, permits, policy and action plans as well as management systems that are currently getting implemented;
- Site Visits to the Project location and facilities covering the key components such as intake point, powerhouse, adit-1 area, adit-4 area, tunnel, two labour camps, canteen, and medical centre to understand the environment, health & safety and social aspects.
- Meeting with the representative of NTPGPL and contractors to apprise them of the scope of this review and understand the project portfolio and progress so far.
- Meeting with two contractors (Rathi hydro projects Pvt Ltd and Himalaya Construction company Pvt Ltd) of NTPGPL;
- Selected interactions with 22-construction workers onsite.
- Visit to all three Panchayats where CSR initiatives have been taken up and interact with Panchayat & Community representatives
- Physically verify / observe the site conditions, residential camp conditions and physical / infrastructural development at 10 different places spread across all three panchayat areas.

The collected information were triangulated and analyzed to develop better understanding on the situation. Findings and Observations were shared with the management representatives on an ongoing basis during the Audit and required clarifications were sought. Broad Findings were shared at the debriefing session at the end of the re-assessment.

1.6. STATUS OF COMPLIANCE TO FINDINGS OF EARLIER EHS AUDIT

The EHS audit was conducted on 19-20 June 2012 by AECOM. The recommendations suggested by AECOM were discussed by ASK audit team to assess the present status of implementation.

S. No	Recommendations	Status
1.1	Increased EHS training to EHS team of the main contractors	Done. Training formats are prepared and regular trainings are started
1.3	HCCPL needs to submit the application to obtain Consent to Establish from HPPCB Fire and explosive License for 16 kl diesel tank at power house not obtained	Done Application is already made and waiting for the license.
1.4	Register for implementation and monitoring of various action plans to be rolled out as part of ESHMS	It is in process and will be completed by 15 th March 2013
1.5	Community officer at project site to be appointed A qualified EHS person to be appointed by both the contractors	Done Main contractor has appointed EHS officer
1.6	Grievance register and boxes to be installed at specific location in the project offices	Done
1.9	Corrective and preventive action plans to be prepared and their closure report with follow to be established	The follow up with external agencies is being done by writing letters. The copy of the letter is marked to the corporate office as part of internal reporting. The minutes of the meetings are prepared for every meeting and shared internally
2.1	HR Policy should be finalized	HR policy has been finalized and based on that HR hand book is prepared.
2.2	NTPGPL to ensure that the sub-contractors are providing details of daily wages, terms of employment etc, to workers.	This is being done and it is an ongoing process.
2.3	Weekly off system of the workers to be checked	This is being done and it is an ongoing process.
2.5	Garbage disposal should be undertaken on a regular basis The lighting and ventilation to be improved in dwellings	The garbage is sent to Kalpa incinerator for disposal Lighting system is improved by additional bulb points.

S. No	Recommendations	Status
	Storage of fuel	The tank is kept on the paved area with proper enclosure. Signage is displayed.
	Drinking water quality	The water quality is tested as per IS 10500 and found to be fit for drinking.
2.6	NTPGPL shall periodically spread awareness among its employees about the grievance mechanism	The grievance mechanism is prepared and shared with the employees. The grievance/suggestion boxes are installed at strategic locations and if required more boxes will be installed in future.
2.7	HCCPL shall incorporate non-discrimination in their work code/HR policy	This is being followed up by NTPGPL
2.8	NTPGPL shall ensure respective plan to be developed and internal communication procedure	Every development in the project is displayed on the notice board in the office to communicate to all the employees..
2.9	The documentation of grievances expressed and solutions provided needs to be documented in the register. Installation of grievance/suggestions boxes at various places.	Done. If required additional boxes will be placed at many more places.
2.10	HR policy on Child Labour	Included in the final HR policy document will be made part of tendering document in the future.
2.11	HR Policy on Forced Labour	Included in the final HR policy document will be made part of tendering document in the future.
2.12	License for diesel storage to be obtained	This is in the final stages and very soon the license will be available. Storage arrangements will be as per license.
	License of the shot firer shall be converted in the name of NRPPL	Done
	Emergency alarm system shall be installed for tunnels	The matter is under consideration as the alarm may not be audible because of the background noise of the compressor.
	Fire Mock drills shall be conducted	Fire training is given to all the workers regularly. The mock drills will be conducted under the supervision fire safety team of the state government in the month of the March 2013.
2.13	HR Policy of the sub-contractors	NRPPL has prepared the main HR policy document. With reference to this the HR policy of sub-contractors will be reviewed. The procedure will be set up by March-2013.

S. No	Recommendations	Status
3.1	DG set stack height shall be checked and covered DG set stack shall have 120 degree free from obstruction area.	All the DG sets are new and comply with CPCB standards.
3.2	Mechanism for the treatment of tunnel discharge	The discharge water is collected in the tanks and with sufficient retention time the clear water is discharged into river. This system some time does not work if the discharge is very high during rainy season.
3.2	NTPGPL to develop internal monitoring for muck disposal. The storm and wastewater drains to be maintained separately.	It is being monitored and monthly muck disposal statement is submitted to Pollution Control Board. Both the drains are maintained separately.
3.3	NTPGPL shall obtain authorization for handling of hazardous waste. No proper hazardous waste storage facility observed NTPGPL shall develop hazardous Waste Management mechanism Garbage collection and disposal plan to be implemented at the site with register to document the daily collection and disposal	NTPGPL has obtained the authorization from HSPCB. The facility will be constructed and ready by end of March 2013. At present very meager quantity of the waste oil is generated since all the construction equipments are new. All the solid waste is being segregated. The scrap generated in the workshop is stored in the workshop only. The MOU is signed with the M/s Shivalik Solid waste Management Ltd for the transportation and disposal of waste oil. The said company is authorized by HPPCB. The documentation will be implemented from March 2013.
3.5	NTPGPL shall revise the application and obtain authorization for management and handling from HPPCB The fuel storage area needs to be paved and secured	Done Done
4.3	NTPGPL to present the ERP at the monthly meeting with Panchayat	The ERP is translated in local language and shared with the Panchayat ERP training is conducted and is in continuation.

S. No	Recommendations	Status
4.4	<p>NTPGPL to plan and document mechanism to handle hazardous waste.</p> <p>Contractors shall procure authorization from SPCB for Hazardous waste handling</p> <p>MOU with waste oil recyclers, transportation and disposal facility have to be signed.</p>	<p>NTPGPL has signed MOU with authorized hazardous waste transportation and disposal agency (M/s Shivalik Solid waste Management Ltd.).</p> <p>They have already applied and the final letter is expected shortly.</p> <p>Done</p>
5.5	<p>NTPGPL to finalize the issues pertaining to compensation of Chilgoza at the earliest.</p> <p>Detailed Census survey as suggested to be conducted</p> <p>Based on the survey social management plan to be implemented</p> <p>A comprehensive Census and demographic survey to be conducted</p>	<p>It is in the final stages and outcome is expected shortly</p> <p>We will take up the survey in the summer (May 2013)</p> <p>Through discussion with the villagers, community development plan has been prepared and being implemented</p> <p>We will take up the survey in the summer (May 2013)</p>
5.6	NTPGPL shall follow up with the state government to expedite the R&R plan	It is being done
5.8	NTPGPL shall honor the court judgment regarding pending litigation	Agreed
5.11	NTPGPL will follow up with respective agencies about the status of development and use of the money deposited	It is being done
6.1	NTPGPL to obtain regular updates on the utilization of the deposit for the actual afforestation and development of Pheasant farm	It is being done.
6.2	<p>NTPGPL to prepare a pictorial document on Snow Leopard and provide a training of defense tactics to deal with</p> <p>One year fish study to be conducted in Tidong stream</p>	<p>The ecological studies indicate no presence of snow leopard in the vicinity of the project area.</p> <p>The fish study was conducted in the year 2010 and 2012 as part of ESIA assignment and it is indicated that there is no fish population due to very poor aquatic life in the river.</p>
8.4	In case there is a chance find , NTPGPL shall immediately alert the local authorities to address the issue	Agreed

1.7. KEY DOCUMENTS REFERRED

The following documents were reviewed during the process of the re-assessment / audit. These documents are properly filed and securely kept in the project office for ready reference.

For Environment, Health and Safety Management:

1. Construction Layout Plan & Daily Progress of Works as on date 21.11.2012.
2. Environment & Social Policy
3. Health & Safety Policy
4. Disaster management Plan for Tidong I HEP (100 MW)
5. Emergency Response Plan for Tidong I HEP (100 MW)
6. Permits to confined space and hot works.
7. EHS Organization Structure & Roll and Responsibilities at Tidong project.
8. Approval Letter – Forest land (39.0546 ha)
9. Explosive Certificate – 40 kl diesel storage
10. MoEF Compliance Status report (22.4.2012)
11. MoEF Compliance Status report (20.7.2012)
12. Environmental & Social Impact Assessment report including Environmental Management Plan
13. Compensation of Chilgoza Update report.
14. Monthly return of Muck /debris disposal for the month October 2012
15. Monthly return of Muck /debris disposal for the month September 2012
16. Monitoring of EMP by HP State Pollution Control Board
17. Hazardous waste Authorization and agreement copy of Ms Shivalik Solid Waste Management
18. Fisheries Dept. Physical & Financial progress development plan – update report.
19. Renewal of Consent to Establish –NSL Tidong Power Generation (P) Ltd.
20. Explosive License Certificate –NSL
21. Monthly Return of Explosive for the Month of August 2012
22. Standards Operation Procedure - Blasting Operation
23. Blaster Certificate - NSL
24. MoEF Environmental Clearance
25. EHS Training and Awareness PPT
26. HIV Awareness Camp 22nd June 2012
27. HIV Awareness Camp 11th and 12th July 2012
28. World Environmental Day (5th June 2012)
29. EHS Training Schedule
30. Record of Consent Fee – HP State Pollution Control Board
31. Daily Patient Report - Minor and Major Accident.
32. Drinking Water Test Report - Eco Laboratories.
33. Ambient Air Monitoring Report - HP State Pollution Control Board (July 2012)
34. Eco Lab Test Report – Ambient Air Monitoring Report
35. Eco Lab Test Report – Noise Level Monitoring Report
36. Status Report for EMP Activities
37. Previous audit reports

38. Pollution control license/ certificate

- a. Air
- b. Water (Test report for drinking water)
- c. Noise
- d. Diesel generator

39. Health and safety records:

- a. Record of personnel trained in first aid
- b. Accident register
- c. Fire drill documents
- d. Mock drills exercise report
- e. Quarterly inspection report for fire extinguishers
- f. Risk assessment for major risk area
- g. EHS-training records
- h. List of chemicals used and copy of their MSDS

For Community Development/CSR initiatives:

- 1. Details to contributions made in LADA, Panchayats and under direct CSR
- 2. List of activities undertaken (village wise)
- 3. Activity completion / status report
- 4. List of local people employed in the project

For the Labour Audit:

- 1. Human resource policy manual
- 2. Sample of the handbook (Company policies) distributed to workers
- 3. Appointment letter/Terms of employment/contract letter
- 4. Workforce profile
- 5. Employee personnel file (wherever available)
- 6. Copy of agreements signed with subcontractor
- 7. Age proof documents (wherever available)
- 8. Leave application copy
- 9. Monthly consolidated attendance record
- 10. Copy of contract signed with security guards
- 11. Compensation, benefits and hours of work:
 - a. Payroll pages
 - b. Time sheets
 - c. Job classification wage rate
 - d. OT attendance and payment
 - e. Payment record for journey allowance and displacement allowance (wherever available)
 - f. Salary slips/wage slips (wherever available)
 - g. Welfare fund membership card (wherever available)

h. Advance/loan records

12. Monthly employment returns

13. Minimum wage notification

1.8. REPORT LAYOUT

The layout of this report is as follows:

Section 1 presents the introduction of the project, objectives & scopes of the re-assessment /audit, approach and methodology adopted for the audit and list of the documents referred

Section 2 presents the key findings and the compliance status of the Environment, Health & Safety & Social Audit with reference to national regulations and IFC Performance Standards

Section 3 describes the findings of the assessment of the CSR interventions of NTPGPL in terms of their relevance, effectiveness, impacts / results etc.

Section 4 gives a conclusion of all of the above findings along with key recommendations

SECTION 2: FINDINGS OF THE ENVIRONMENT, HEALTH & SAFETY AND SOCIAL (EHS) AUDIT

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
SOCIAL AND ENVIRONMENT ASSESSMENT AND MANAGEMENT SYSTEMS					
1.1	EIA Notification (SO 1533) 2006 amended 2009.	Social and Environmental Assessment. Identification of Risks and Impacts.	<ul style="list-style-type: none"> • NTPGPL has instituted a Social and Environment Health and Safety Management System. • At the project Level it has developed an EHS&S policy. • In accordance with the EIA, 2006 and as per the IFC Performance Standards, Environmental and Social risks are well identified through an ESIA Study. • The ESIA report is being developed considering the impact from the entire life cycle of the project including cumulative impact on environmental issues affecting natural resources during construction and project operation phase. • The Social and Environmental Management and Monitoring plan are in place and implemented through an appropriate organizational structure. 	<ul style="list-style-type: none"> • The ESIA study is carried out based on one season which should be updated based on periodic monitoring being carried out by NRPPL. 	<ul style="list-style-type: none"> • Expanding the baseline to cover seasonal variability through the results of environmental monitoring which will also provide the assessment of effectiveness of mitigation measures. The programme may be improved based on the finding of this analysis. • This is also important to improve the existing programme and additional actions needed for improving the post construction / operation stage activities. <p>Environmental monitoring is an ongoing process and quarterly ambient air quality and noise levels are being monitored and water quality is monitored in every six months.</p>

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
1.2	Ministry of Environment & Forests has environmental clearance with specific and general conditions during construction and operational phases and few specific conditions etc. Environment (Protection) Act, 1986 amended 1991 and Rules therein. The Air (Prevention and Control of Pollution) Act 1981 amended 1987 The water (Prevention and Control of Pollution) Act 1974 amended 1988	Management Programs and Legal Requirements	<ul style="list-style-type: none"> NTPGPL is in compliance with all appropriate clearances, approvals and regular renewals to achieve regulatory environmental compliances such as EC, CTE, Explosive License, Hazardous Waste Authorization, Bio-Waste Disposal etc. Contractor is pursuing the fuel storage authorization. The main contractors are also in the process of obtaining the appropriate, CTO from Himachal Pradesh Pollution Control Board. The MOEF Environmental Clearance conditions are complied by the company. Regular report is submitted to MoEF Regional office. The project impacts are addressed by the Management and Monitoring programs developed as per system requirements and in consultation with the identified stakeholder departments. NTPGPL has deposited total estimated funds towards CAT Plan, CA Plan to Forest Department and Fisheries Development plan for Fisheries Department. Also NTPGPL has deposited Rs 5.4 Crores till date towards Local Area development Fund for undertaking community development and welfare programms for the affected villages. 	<ul style="list-style-type: none"> Delay in Management Plan implementation by stakeholder departments such as Forest Department, Fishery Department is observed. Low level of utilization of the funds deposited for Local Area development Activity is noticed. The MOEF Environmental Clearance conditions are complied with but lack timely review of compliance of conditions imposed. 	<ul style="list-style-type: none"> Although NTPGPL has limited control over the departments such as Forest and Fisheries they need to pursue more rigorously with them for timely implementation of management plans. NTPGPL is regularly following up with concerned agencies by contacting the officials. Now onward all the follow up shall be documented. It is desirable to have periodic review of EC compliance conditions to ensure timely renewal as well as submissions of monitoring report. Status reports for various EMP activities till date in compliance with proposed activities needs to be made available. EMP will be reviewed and final document shall be

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
	Noise Pollution (Regulation and Control) Rules 2000		<ul style="list-style-type: none"> Expenses towards implementation of Environment Management Plan (EMP) are budgeted and money is being disbursed regularly. 	<ul style="list-style-type: none"> One DG set was found to be without acoustic enclosure 	<p>ready by 1st March 2013. The enclosure to the DG set will be provided by 30th March 2013.</p>
1.3		Organizational Capacity & Competency	<ul style="list-style-type: none"> The current Organizational Structure for managing the Social and Environmental management at NTPGPL is as suggested in the ESIA Report and constitutes EHS Officers, Safety Supervisors, Pharmacists, Community Liaison officer, Social Coordinators. The site level EHS Team are implementing the environmental, safety and social action plans in consultation with the Corporate EHS and Social personnel. The EHS team of main contractors is found to be adequate and is working in close coordination with EHS team of NTPGPL. They are having regular review meetings. The traffic management is implemented. The regular training is given to all the drivers. Space for the parking is earmarked in the project area. The logbook is maintained for each vehicle. All vehicles are found to be in good conditions. All EHS documents are maintained and records are kept properly at the site. 	<ul style="list-style-type: none"> More training for strengthening of the site EHS team of both NTPGPL and Contractors. 	<ul style="list-style-type: none"> Frequency of the training will be increased to educate the workers. <p>The training will be scheduled every month by EHS-Manager at project site for March 2013.</p> <p>Training will include, Safety, (PPE, unsafe acts, SOP, work permit, traffic management etc.), Environmental Monitoring (segregation and storage of solid waste, hygienic conditions), Health (first aid, management of biomedical waste etc.).</p>

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
1.4		Emergency preparedness & Response	<ul style="list-style-type: none"> • Emergency Response/Preparedness Plan is available. Emergency telephone numbers for both onsite and offsite are also displayed at construction sites, OHC and site offices. • Training schedules has also prepared and regular training is given to workers and staff for fire fighting, emergency equipment facilities, PPE, general safety, etc. • A Disaster Management Plan is also in place with all relevant emergency contact numbers. • A mock drill for possible emergency is also proposed in coordination with the local government authorities. 	<ul style="list-style-type: none"> • Detailed planning for Disaster Management in place but need to be made in display format and put up at prominent places for knowledge and accessibility of concerned people. 	<ul style="list-style-type: none"> • Disaster Management Plan need to be displayed at all prominent places i.e. at sites, site offices, contractor's offices, Labour accommodation, field station offices etc. <p>Comprehensive Disaster Management Plan has been prepared as per the guidelines of Himachal Pradesh Government. The same will be submitted and get it vetted by the HP Government before disclosing it. (15th March 2013)</p> <ul style="list-style-type: none"> • Information about DMP Emergency contact numbers to be known to staff, Labourers and contactors. By 10th March 2013) • Mock drills to be conducted (15th to 20th March 2013)

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
1.5		Training on social and environmental performance	<ul style="list-style-type: none"> Regular Training for health and safety are conducted through appropriate training modules for workers, employers. Training on fire handling and using of fire extinguishers are conducted on a regular intervals. Training will be an ongoing. 	<ul style="list-style-type: none"> More training for strengthening of the site EHS team of both NTPGPL and Contractors. 	<ul style="list-style-type: none"> More training for strengthening of the site EHS team of both NTPGPL and Contractors. <p>The training will be scheduled every month from 1st March 2013.</p>
1.6		Community/Stakeholder Engagement and Grievance Redress Mechanisms	<ul style="list-style-type: none"> For stakeholder engagement Consultative process was followed. It was also carried out as part of Environmental Clearance, CDM, No-objection, ESIA process. Regular formal and informal interactions are made with affected people and village Panchayats. Grievance redressal mechanism is in place with stakeholders especially affected villagers having direct access to staff and officials of the project for any issues. Company observed that as people have direct access to all levels of management they are approaching the various sources informally and solving their issues. Any scheduled meetings are not conducted for this purpose. The documentation of such informal meetings at all levels is also found to be difficult. 	<ul style="list-style-type: none"> Though it is very difficult to change this type of perception of the community, continuous structured & unstructured interactions & sharing with the community of the achievements is yet to be undertaken. Due to easy access of project authorities and management most of the 	<ul style="list-style-type: none"> Increased participation of stakeholders in activities and plans of project progress especially affected villagers need to be done. Information sharing on achievements so far on Social and Environmental management is desired to address any negative perception among the stakeholders. The documentation of informal meetings needs to be ensured. <p>From 1st March 2013 all the formal and informal meetings</p>

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			<ul style="list-style-type: none"> Suggestion/Grievance box have been provided at the Office, OHC and site. The company's management feels that in spite of a number of efforts for community development through various means the perception and attitude of the local community is becoming more and more demanding without acknowledging the development and resources utilized so far. 	stakeholders are utilizing the informal way for addressing their issues and formal scheduled meetings are not conducted. <ul style="list-style-type: none"> The documentation of informal meetings is also not undertaken. 	will be documented.
1.7		Monitoring & Review	<ul style="list-style-type: none"> The environmental monitoring is carried out periodically as per the monitoring programme. Six Monthly Monitoring to ascertain the compliance of Environment and Forrest Clearance Conditions. Monthly status on Muck Management is submitted to HPPCB Environmental Monitoring have been carried out for Ambient Air Quality, Water Quality and noise level. Monitoring and analysis results for the latest reports for October are well within the prescribed limits. In addition to the monitoring by conducted by 	None	None

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			third party, HP State Pollution Control Board also conducts monitoring occasionally.		
1.8		Reporting	<ul style="list-style-type: none"> • NTPGPL is submitting reports on the implementation of the EMP to state regulatory authorities. • The local Panchayats are kept informed of all the relevant issues highlighted in the Public Consultation and Disclosure Plan. The most recent disclosure is the Plan for utilization of the 2% of CDM revenue accruals for community development activity • Internal reporting is in place for health, safety, incidents, social, grievance through day to day communication, status reports, informal communication such as emails etc. • Regular monthly and fortnightly meetings are conducted for discussing safety and health issues and minutes are documented. • Weekly reporting is being undertaken to Head-EHS at the Corporate Office. 	<ul style="list-style-type: none"> • The corrective actions highlighted in the audit reports are undertaken but the closure reports need to be prepared. 	<ul style="list-style-type: none"> • Internal reporting procedures can be strengthened and implemented.

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
LABOUR AND WORKING CONDITIONS					
2.1.		Human Resources Policy	<ul style="list-style-type: none"> • NTPGPL follows the HR Policy applicable at NRPPL Corporate level. • NRPPL has Human Resources policies on recruitment, induction, payroll process, leave, leave encashment, human resource transfer process, termination of employment, voluntary termination, Sexual harassment policy, Grievance handling, Health, Safety and Environment. • As per the recommendations of previous audits and as part of its corrective actions NRPPL has developed policies on Child Labour, Forced Labour, Non-discrimination and equal opportunity, harassment and abuse, freedom of association, retrenchment policy and contractor engagement. 	<ul style="list-style-type: none"> • These policies have to be communicated to managers, supervisors and workers at NTPGPL. 	<ul style="list-style-type: none"> • A communication plan needs to be developed and the awareness on all HR Policies needs to be given to managers, supervisors and workers under NTPGPL. <p>By 15th March 2013, the activity will be completed.</p>
2.2.	H.P. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008-working	Communication and documentation of policy and procedures	<ul style="list-style-type: none"> • Policies and procedures have been documented and all the policies are complied as part of Company HR Manual. • Company has developed an employee handbook (consisting of company policies) for distributing to workers. 	<ul style="list-style-type: none"> • Though some of the managers are given information on policies, but the level of understanding on policies among managers and 	<ul style="list-style-type: none"> • Workers, supervisors, and managers need to be oriented on HR policies and employee handbook containing all policies needs to be given to each of them for their reference. • At present the employee handbook is in English and

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
	conditions, documentation of workers and communication.			<p>supervisors is low.</p> <ul style="list-style-type: none"> • Policies are not communicated to workers (construction workers) who are working at the project site • Currently, the hand book is in English, not in local language • Translated version of Policies (In Hindi) are not posted at the work sites 	<p>needs to be translated in local language and distributed to workers.</p> <p>By 15th March 2013, the activity will be completed.</p>
2.3.		Collective bargaining	<ul style="list-style-type: none"> • The company has developed a policy on Freedom of Association as part of the collective bargaining. 	<ul style="list-style-type: none"> • Awareness level of workers is low on the concepts such as collective bargaining and collective agreement. 	<ul style="list-style-type: none"> • Workers need to be oriented on the concept of collective bargaining agreement

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
2.4.	<p>H.P. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008</p> <p>Contract Labour (regulation and abolition) act, 1970</p>	<p>Terms of employment (wages and benefits, working hours, overtime, payment, selection, promotion and termination, disciplinary practices, etc)</p>	<ul style="list-style-type: none"> • NRPPL has terms of employment with its employees. • The sub contractor Himalaya Construction contractor reported that they provide contract letters with all relevant terms of employment to workers. • The terms of employment for workers engaged by Rathi Constructions is yet to be developed. • Payments records are maintained properly with date of the payments and were made available at the work site for verifications. • No discrimination in terms of hiring, promotion, salaries, benefits or other matters is reported by the workers 	<ul style="list-style-type: none"> • Construction workers working under Rathi contractor are not provided with a written contract or appointment letter. • Weekly offs: All the workers working under two contractors (Himalaya and Rathi) are found working without mandatory weekly offs. <p>Payment of wages:</p> <ul style="list-style-type: none"> • 15 workers working under Rajkumar sub-contractor (Engaged by Rathi Hydro Projects Pvt Ltd) have not received their salary for last 	<ul style="list-style-type: none"> • Construction workers should be provided with a written contract or appointment letter detailing their terms of employment which will include wages, benefits, wage calculation, pay slip, hours of work, over time, rest days, breaks, grievance procedures, deductions, working conditions, termination procedures, welfare fund etc. • NTPGPL need to ensure that the ambiguity related provision of contract letter is resolved. If it is awareness issue, then workers need to be oriented on it. • All construction workers should be provided with mandatory weekly offs. • NTPGPL should ensure on time payment to all workers.

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
				<p>two months. However, Rathi contractor has paid INR 5000 to each worker for their living expenses.</p> <ul style="list-style-type: none"> 11 workers of Himalaya contractor interviewed during the audit have shared that, on many occasions their salaries have been delayed up to 10 to 15 days (up to 20th to 25th). In addition to this, salary registers verified at Himalaya office were found without date of the payments. As per legal requirement, establishment or construction 	<ul style="list-style-type: none"> Pay slips should be given to all workers. <p>The above issues shall be complied by 1st April 2013.</p>

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
				<p>site with less than 1000 workers can delay the salary only up to 7 days.</p> <ul style="list-style-type: none"> Workers are not provided with pay slips containing the details of their salary breakups and deductions 	
2.5	Minimum wages act, 1948		<ul style="list-style-type: none"> Minimum Wage: As per the legal requirements, Minimum wages has been paid to all the workers along with the Hydro allowance and tunnel allowance (wherever required) 	None	None
2.6	Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979		<ul style="list-style-type: none"> Journey Allowance: Out of two contractors functioning in the project site, only one contractor has the practice of paying Journey allowance to inter-state migrant workers. Himalaya contractor reported that they pay Journey allowance and Displacement Allowance to workers. The receipt of the payment was verified during the audit. 	<ul style="list-style-type: none"> Journey Allowance: Journey allowance is not given to workers working under Rathi Hydro Projects Pvt Ltd. 	<ul style="list-style-type: none"> As per the legal requirement, Rathi Hydro Projects Pvt Ltd should pay Journey allowance and Displacement to all its inter-state workers NTPGPL need to ensure that the ambiguity related provision of Journey allowance and

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
				<ul style="list-style-type: none"> • Displacement Allowance: Displacement Allowance is not given to eligible workers working under Rathi Hydro Projects Pvt Ltd. 	<p>Displacement Allowance for workers is resolved. If it is awareness issue, then workers need to be oriented on it.</p> <p>The above issues shall be complied by 1st April 2013.</p>
2.7	H.P. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008 and The building and other construction workers welfare cess act, 1996		<ul style="list-style-type: none"> • Workers working under Himalaya contractor are registered for Himachal Pradesh Building and other Construction Workers Welfare Fund and are given their membership card. • Except some new workers, all others were oriented on scheme and the benefits of construction workers' welfare fund. 	<ul style="list-style-type: none"> • 30 workers working under Tilak sub-contractor (Engaged by Rathi hydro projects Pvt Ltd) were eligible (completed 90 days construction work) to be part of the Himachal Pradesh Building and other Construction Workers Welfare Fund but they were 	<ul style="list-style-type: none"> • Those workers identified during the previous audit were registered under the scheme but, new set of eligible workers are not registered yet. • Eligible workers should be registered under welfare scheme. • The workers need to be oriented on this scheme and its benefits. <p>The above issues shall be complied by 1st April 2013.</p>

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
				not registered so far.	
2.8	Trade union act, 1926- This act recognizes the workers' right to be organized and put forward their concerns collectively to the management or the employer.	Workers' organization	<ul style="list-style-type: none"> • NRPPL has devised a policy on Freedom of Association. • Currently, construction workers with contractors are raising their concerns through supervisors or directly approaching the General Manager for solving their issues. • Management feels that there is no need for worker committee as grievances of workers are being addressed through direct and regular interactions. 	<ul style="list-style-type: none"> • Worker committee is not in place. According to workers interviewed during the audit, they have suggested that, the approach of directly raising grievance is not feasible always and they feel that there should be a workers' platform to raise their issues and concerns collectively 	<ul style="list-style-type: none"> • Management should encourage workers to organize themselves into a group and should provide necessary inputs and infrastructure for the smooth functioning of their association.
2.9	Equal remuneration Act, 1976	Non-discrimination and equal opportunity policy	<ul style="list-style-type: none"> • The company has non-discrimination and equal opportunity policy in place and no evidence of discriminatory practice was found on site. 	None	None

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
2.10		Retrenchment plan	<ul style="list-style-type: none"> The company has developed a Retrenchment Policy and procedures and incorporated the same in the HR manual. As per the management a need based Retrenchment Plan as and when required will be developed suitably. 	<ul style="list-style-type: none"> Company or the sub contractors does not have a Retrenchment plan in place for the project. 	<ul style="list-style-type: none"> Considering the fact that most of the workers are contract workers and their association with the site work is for defined period, it is useful to develop a comprehensive Retrenchment plan.
2.11	H.P. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008	Grievance mechanism	<ul style="list-style-type: none"> For the NTPGPL employees/workers a formal multi stage grievance redressal mechanism is established. A written complaint as per the format of the grievance can be used for submitting their grievance to their management. Most of the issues are reportedly resolved at the immediate supervisor level. In addition the employees/workers of NTPGPL and employees/workers of sub contractors can use the Grievance box/suggestion box kept near Site-in charge/General Manager room of company to drop their suggestions or grievances. The suggestion box are also available at the Contractor camp site and labour camp 	<ul style="list-style-type: none"> The present location of the Suggestion box is not protecting the privacy of the contractor's workers. Some of the workers interacted are not aware of the grievance redressal mechanism and suggestion box procedures Orally received complains and suggestions and the actions taken were not documented. 	<ul style="list-style-type: none"> In addition to the existing locations for construction workers engaged by the sub contractors the Suggestion boxes need to be placed in such locations where workers' privacy is protected (E.g.; Near the toilet, canteen area) <p>1st to 5th March 2013</p> <ul style="list-style-type: none"> Workers' need to be oriented on the grievance redressal mechanism and locations and usage of the suggestion box. <p>1st to 5th March 2013</p> <ul style="list-style-type: none"> Oral complaints and the action taken against the complaints should also need to be documented. Immediately

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
2.12	The Child Labour (Protection and Regulation) act, 1986.	Child Labour	<ul style="list-style-type: none"> The company has developed a policy prohibiting Child Labour and Forced labour and incorporated in their HR Manual and Employee Handbook. No evidence of child labour was found during the monitoring visit. Age proof records of workers are maintained at the site. 	None	None
2.13	The bonded labour (abolition) act 1976.	Forced Labour	<ul style="list-style-type: none"> The company has developed a policy prohibiting Child Labour and Forced labour and incorporated in their HR Manual and Employee Handbook. No evidence of forced labour was found on site. 	None	None
2.14	H.P. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008	Workers' accommodation 1. An adequate number of toilets are provided to workers. Standards range from 1 unit to 15 persons to 1 unit per 6 persons. For urinals, usual standards are 1 unit to 15 persons. 2. An adequate number of shower/bathroom facilities are provided to workers.	Positive performance observed at the labour camp established near Power house; <ul style="list-style-type: none"> Number of person: Two workers have been allotted to each room which provides more space for living. Drinking water facility: Filtered water facility has been provided for workers. First aid: Medical centre has been located very close to the labour camp where workers can get access to first aids. 	Following were the gaps identified at one of the labour camp maintained by Rathi Hydro Projects Ltd (with around 25 rooms) established near intake point: <ul style="list-style-type: none"> Drinking water is not 	<ul style="list-style-type: none"> Clean drinking water need to be provided. First aid boxes need to be provided at labour camp Fire extinguishers need to be provided at labour camp Emergency lights need to be provided at labour camp

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
		Standards range from 1 unit to 15 persons to 1 unit per 6 persons.	<ul style="list-style-type: none"> • Fire extinguishers: Adequate fire extinguishers are provided at the labour camp • Other Amenities: Workers staying at camp near power house are given following facilities; <ul style="list-style-type: none"> ○ compatible room heater ○ Winter jackets ○ Hot water for bathing <p>Positive point about labour camp near intake point;</p> <ul style="list-style-type: none"> • Number of person: As prescribed by IFC (<u>Workers' accommodation: Process and standards</u>), 5 to 6 workers are living in each room. • Drainage system: Based on the suggestion from previous audit, issues related to open drainage system has been addressed now. • Toilet Facility: Based on the recommendation from previous audit, required number of additional toilets have been built but these toilets are yet to be made functional 	<p>chlorinated</p> <ul style="list-style-type: none"> • First aid boxes are not provided at the labour camp • Fire extinguishers are not provided at the labour camp • There are no emergency lights at the labour camp for emergency evacuation • Fire alarm needs to be installed in the labour camp for emergency evacuation • 4 newly constructed bathrooms are yet to be made functional. 	<ul style="list-style-type: none"> • Fire alarm need to be provided at labour camp. • Bathrooms should be made functional • Improved hygienic conditions at latrines should be ensured for workers along with proper septic tank and soak pit should be in place. <p>Immediate action is required</p>

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
				<ul style="list-style-type: none"> Poor hygienic conditions at the latrines. 	
2.15	H.P. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008	Health and Safety	<ul style="list-style-type: none"> Emergency response plan: A comprehensive emergency response plan has been developed by the company Fire drills: Fire drills were conducted for the workers and trainings were provided to them on emergency evacuation First aid boxes: First aid boxes with adequate medicines were provided at the construction areas. Medical room: Two Medical centres with necessary equipments have been established at Intake point and power house separately. Qualified pharmacists have been appointed for these centres. Health and safety committee: Health and safety committee is in place and their meeting minutes have been documented for follow-up actions. Safety Signage: Safety signage is displayed in the project areas. 	<ul style="list-style-type: none"> Sign boards: The sign boards such as showing PPE usage, danger area, visible sign board for showing the location of first aid box and fire extinguishers etc are of small in size and to improve the visibility appropriate additional sign boards needs to be displayed wherever applicable Tunnel at Adit-2 is now 450m long but fire extinguishers and first aid 	<ul style="list-style-type: none"> Appropriate signboards such as showing PPE usage, danger area, visible signboard for showing the location of first aid box and fire extinguishers etc need to be posted wherever applicable. Fire extinguishers and first aid boxes need to be provided inside the tunnel located near Adit-2 Fire alarms or sirens need to be provided inside the tunnel area for emergency evacuation. Electrical safety at construction site needs attention especially for exposed wire connections, earthing & earth pits, Rubber mats with HT control panels.

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			<p>As compliance of corrective actions towards the earlier Audits:</p> <ul style="list-style-type: none"> • Risk assessment: Qualitative hazard identification and risk assessment is in place for major risk areas such as rock blasting and transportation of explosives. • Material Safety Data Sheet (MSDS): Wherever required, MSDSs were posted in local language. • Noise Monitoring: Noise monitoring has been carried out at Audit-4 and monitored values are within the stipulated standards. • Operating instruction for fire extinguishers: The fire extinguishers installed have an operating instruction poster along with it. • Ambulance at intake point is operational with all the required equipment. • The estimates for additional PPE and Safety Equipments are prepared and orders are placed. The delivery of the equipment is pending. 	<p>boxes are not provided inside tunnel.</p> <ul style="list-style-type: none"> • There are no fire alarms or sirens inside the tunnel area <p>Electrical safety: Electrical wires and panels located at construction site were found to be unsafe.</p>	<ul style="list-style-type: none"> • Regular internal safety inspection to be carried out for identification of hazard and risk at the sites. <p>From 10th to 25th March 2013.</p>

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
RESOURCE EFFICIENCY AND POLLUTION PREVENTION					
3.1	Environment (Protection) Act, 1986 amended 1991 and Rules therein and The Air (Prevention and Control of Pollution) Act 1981 amended 1987 The water (Prevention and Control of Pollution) Act 1974 amended 1988 Noise Pollution (Regulation and Control) Rules 2000	Resource Efficiency and Pollution Prevention practices to be in place.	<ul style="list-style-type: none"> Environment Management Plan (EMP) along with Year-wise cost of EMP envisioned for Construction Stage and Operation Stage for years 2010-11 till 2017-18 are available. Environmental Monitoring have been carried out for Ambient Air Quality, Water Quality and noise level. Monitoring and analysis results are well within the prescribed limits. Ambient Air Monitoring Report shows values in 7th July report within limits. Monitoring is being carried out regularly by HP State Pollution Control Board. Regular monitoring is carried out by HSPCB and analysis results are well within the permissible results. Renewal of consent to establish under water and air act : Renewal of Consent to establish under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 granted to NSL and is valid. Water Discharge Measurement available up to July 2012. 	<ul style="list-style-type: none"> Status for various activities till date in compliance with proposed activities needs to be made available. Some gap in coordination with the sub contractors for implementation of EMP is observed. 	<ul style="list-style-type: none"> Trainings program shall be developed based on the EMP to bring the awareness among the workers on environment. The mitigation measures suggested in the ESIA report and will be explained to them to minimize the impacts of the pollution. <p>Training shall be conducted to all the contract workers from 15th to 20th March 2013.</p>

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			The company is in process of installing Multiple Gas Detector, Noise Meters in the tunnels and estimates for same are prepared and orders are placed. The delivery of the equipment is pending.		
3.2	Muck Disposal Plan as part of the EC for the Project.		<ul style="list-style-type: none"> Muck Disposal Plan in place. Muck disposal is as per approved plan and monthly report for muck generation and disposal is being sent to HP State Pollution Control Board. It is appreciable that significant quantities of muck are being utilized in construction works. Monthly assessment of Muck/Debris disposal: Records well-kept for monthly statement of Muck/Debris disposal for the month of October 2012 for generated, utilised and disposed quantity and sent in time to HPPCB regularly. Validated on site data and found disposal within limits of the capacity allotted. Protection work like crate wall, retaining wall and breast walls around muck/debris sites in progress. It was observed that toe walls have been constructed to avoid pilferage the debris into river. It was informed that vegetation will be planted on muck disposal area as soon as muck disposal site reach to its capacity. 	<ul style="list-style-type: none"> Weakness in terms of precaution to be followed for movement of muck and its disposal at site are observed. There seems to be possibility of Soil erosion at certain points near muck piles and disposal areas. 	<ul style="list-style-type: none"> Care is needed for muck movement and effective stacking. Suggested to have vegetation on the muck piles to arrest soil erosion <p>Monitoring the muck movement and dumping is ongoing process.</p> <p>The vegetation can be developed only after capacity of dump is exhausted.</p>

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
3.3	The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2009		<ul style="list-style-type: none"> NTPGPL has got authorization for operating facility for generation and storage of Hazardous Wastes from Himachal Pradesh Pollution Control Board with wherein various conditions are imposed and is valid. Management of Wastes and Hazardous waste material is as per norms with necessary certificates in place. It was observed during site visit and during discussions that locations of storages of various materials have been identified. NTPGPL has developed a Hazardous Waste Disposal by entering into an agreement with M/s Shivalik Solid Waste Management Ltd., Majara, PO Dhabota, Tehsil Nalagarh, Dist. Solan (HP). The agency is authorized by HPPCB. 	<ul style="list-style-type: none"> The location of storage of Hazardous waste proper labeling needs to be improved. The record of Hazardous waste as per Form 3 and Form 4 of The Hazardous Waste (Management, Handling and Trans boundary movement) Rules 2008 shall be followed. 	<ul style="list-style-type: none"> More awareness and training is required both for staff and workers about provision of Hazardous Waste (Management, Handling and Trans boundary movement) Rules 2008. Continuous monitoring of hazardous waste management is required. <p>NTPGPL shall provide training to all the concerned workers every month..</p>
3.4	The Manufacture, Storage and Import of Hazardous Chemicals Rules , 2000		<ul style="list-style-type: none"> NSL has explosive certificate / License available and validated at Lumbar village intake point. All precautionary measures taken for compliance as per the required guidelines. 	None.	None.
3.5	Bio-Medical Waste (Management and Handling)		<ul style="list-style-type: none"> Biomedical Waste Disposal Receipt: Regular deposit of fee for Biomedical Waste Disposal from Medical Centre/Dispensary of NSL established at village & site offices is being done. 	<ul style="list-style-type: none"> The labeling for bio-medical waste need to be improved. 	<ul style="list-style-type: none"> The awareness among OHC staff for proper collection and handling of biomedical wastes needs to be

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
	1998 amended 2003		<ul style="list-style-type: none"> There are separate covered bins for collection of biomedical wastes. 		<p>improved through appropriate training.</p> <p>The training shall be given to OHC staff every month from March 2013.</p>
COMMUNITY HEALTH SAFETY & SECURITY					
4.1	<p>The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2009</p> <p>The Manufacture, Storage and Import of Hazardous Chemicals Rules, 2000</p>	Community Health Safety & Security of workers and community to be ensured	<ul style="list-style-type: none"> Medical Health Centre established at Project Site (intake and power house site). These facilities are available to villagers free of costs. This activity is highly lauded and valued by community and staff and has helped in upkeep of good health and life saving for people in time. Medical Centres are highly liked by community and staff and has greatly helped in upkeep of good health and in medical emergencies. Field Ambulance available on site, which are being used by villagers/ staff for medical emergencies. Period health check up for migrant labour is being undertaken and health and awareness camps for HIV/AIDS are being conducted. The results of the health did not report for any incidence of communicable diseases. 	<ul style="list-style-type: none"> The safety norms for Electrical Panel, equipment movement and material stacking required strict adherence to defined procedures and practices. 	<ul style="list-style-type: none"> Signage regarding unsafe acts and practices, environmental management need to be displayed at strategic locations. Can make it more effective by proving awareness to staff and labourers as well as community about it.

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			<ul style="list-style-type: none"> The interaction with the local community also did not report for any prevalence/increase in incidence of any communicable diseases due to the presence of the migrant labour. Hazardous material kept in secure and isolated area conforming to norms specified like away from habitation and people in enclosure and fire safety equipment in place. <p>As compliance to previous Audit:</p> <ul style="list-style-type: none"> Stretchers and medical kits have been procured at the site. 		
LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT					
5.1	EIA Notification (SO 1533) 2006.	Project design to consider all feasible alternatives designs to avoid physical or economic displacement while balancing environmental, social, and financial costs and benefits.	<ul style="list-style-type: none"> The project considered all feasible alternatives before finalizing its project designs and avoided physical or economic displacement. 	None	None
5.2	Land Acquisition Act, 1894.	Compensation and benefits for Displaced persons and compensation for loss of assets at full replacement cost to help them restore their standards of living or	<ul style="list-style-type: none"> Entire private land for this Project has been acquired by the State Government through the LA Act 1894. The compensation for land and other assets is paid by the company as per the award from the government authorities and disbursed to the affected land owners. Both the 	The court verdict on enhanced compensation is still pending.	The company shall honour the judgement of the court regarding the payment of compensation.

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
		<p>livelihoods.</p> <p>The client will provide opportunities to PAPs to derive appropriate development benefits from the project.</p>	<p>review of ESIA report and discussion with Project team brought forth that the affected landowners were not satisfied with the compensation and filed a petition for enhanced compensation.</p> <ul style="list-style-type: none"> A detailed review on the above shows that the land for the project was acquired by the State Government under the LAA, 1894 and the Additional Divisional Magistrate, Pooh Division acted as the Land Acquisition Collector. As per the process the replacement cost was determined through the market value of the land to be assessed based on recent transactions in the area. The area being remote, no land transaction had taken place in the immediate past before the acquisition in the 2 affected villages of Lizang and Lambar and therefore, the collector decided the market value of land based on the adjoining area, namely Rispa and Pibbar. In case of Roowang the rates were available and same were considered. During the course of the acquisition process some of the interested persons contended that the award for land acquired for the transmission lines between Karcham and Jhakri of Bhawanagar project has suggested for a minimum rate for private land in entire Kinnaur District. Based on the suggested minimum rate and keeping in mind any enhancement during the completion of the land acquisition process a liberal view is taken and an additional 20% of the above rate is being 		

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			<p>considered and paid to the affected land owners. The final rate paid per hectare for irrigated land is Rs 74,99,900 and un-irrigated land is Rs. 16,66,200. In addition as per LAA, 1894 a Solatium at the rate of 30% of the above land value and additional interest charges at rate 12% per annum for the entire land acquisition period was also paid to the land losers.</p> <ul style="list-style-type: none"> All the land owners were reportedly not happy with the compensation amount and accepted the compensation with protest. About 20 of them have filed petitions in August 2009 to the District Judge of Kinnaur under Section 18 of the LAA seeking enhanced compensation. The petition indicates that the Land Acquisition Collector wrongly assessed the land cost and failed to assess the actual value of the land in the locality. The petitioner claims that the actual land cost should be Rs. 2 million / Bigha. The petitioners also mentioned that the land compensation is much lower than that has been granted by HPSEB (present HPPCL) in the same Tehsil and adjoining village for the construction of Kasang Hydro-Electric Project. The litigation is still ongoing and the next hearing of the case is due on 14-11-2012. Based on the above analysis as per the LAA, 1894 the Revenue Authorities have followed due process in arriving at replacement cost by applying the available market rate and other 		

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			<p>decree issued for the same. Based on the contention that land rate paid in Kashang Hydro Project is higher a review of the land rate for both project is attempted with the help of available public documents. An examination of the land rates with reference to the RP Document of Kashang-Stage II & III (July 2010) (http://www.adb.org/sites/default/files/projdocs/2010/41627-04-ind-rp-01.pdf) implemented by the Himachal Pradesh Power Corporation Limited (HPPCL) a state Government organization with the financial support of ADB it is seen that in case of Tidong -I Project the land value paid for irrigated/orchard land is Rs 749.99 per Square meter/Centiare and the land cost provided under Kashang Project for irrigated/orchard land is Rs 433.00 per Square meter/Centiare which is very less in comparison to what is paid in Tidong-I. For both the projects the land is acquired under LAA, Act 1894 and land acquisition for above kashang Project has been done after the land acquisition for Tidong-I. From the above analysis it can be inferred that the land cost paid for the affected land owners in Tidong-I project is more than the replacement cost as required by both ADB and IFC policies. However, NTPGPL as measure of responsibility has taken a stand that it shall honour the Judgement of the court regarding the payment of any enhanced compensation.</p> <ul style="list-style-type: none"> • Of the 28 project affected families the company 		

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			so far has provided direct employment to 15 families and indirect employment in form of work contracts to about 5 families.		
5.3		Consultation to facilitate informed participation of all PAFs in decision and entitlement making resettlement processes.	<ul style="list-style-type: none"> The affected communities are consulted during the ESIA process and the ESIA report was also disclosed to the community. Consultation will be continued through the implementation, monitoring and evaluation of payment and resettlement. 	None	<ul style="list-style-type: none"> More information dissemination is desirable with the affected villagers about the project development and progress and environmental achievements.
5.4		Grievance Mechanism.	<ul style="list-style-type: none"> A formal Grievance redressal mechanism is in place for the affected families and affected villagers having direct access to staff and officials of the project for any issues. The GR mechanism is widely publicized and translated copy in local language is shared with Village Panchayats. For grievance redressal, regular interaction is being made with villagers and district administration. Suggestion box have been provided that Office, OHC and site. 	None	<ul style="list-style-type: none"> As a measure of proactive approach suggestion boxes may be installed at affected village panchayat.
5.5		Resettlement Planning and Implementation.	<ul style="list-style-type: none"> Socio-economic survey of the Affected Families is undertaken as part of the ESIA Report. For the proposed project the land acquisition 	<ul style="list-style-type: none"> The R&R Scheme is yet to be approved by the State 	<ul style="list-style-type: none"> NTPGPL shall follow up with the State Government to expedite the approval of R&R Scheme.

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			<p>and resettlement planning and implementation is the responsibility of the local Government.</p> <ul style="list-style-type: none"> The project does not cause any physical displacement and it is only loss of income or livelihood result in economic displacement. As per the local regulations a Draft R&R Scheme for the project describing the procedures to compensate affected persons and communities and entitlements of displaced persons provided under applicable laws and regulations has been prepared and disclosed to the community. 	Government.	<ul style="list-style-type: none"> Once the plan is approved the company along with the local government authorities will implement the R&R plan procedures and monitor until all rehabilitation activity has been completed.
BIODIVERSITY CONSERVATION AND SUSTAINABLE NATURAL RESOURCES MANAGEMENT					
6.1	<p>Environment (Protection) Act, 1986 amended 1991 and Rules therein</p> <p>The Indian Wildlife (Protection) Act amended 1993</p> <p>The Wild Life (Protection) Amendment act</p>	<p>Protection & Conservation of Biological Diversity including:</p> <ul style="list-style-type: none"> Terrestrial Environment Faunal Diversity Aquatic Environment Freshwater Ecosystem Biodiversity Conservation & Management Plan Sustainable Development of Living Natural 	<ul style="list-style-type: none"> The loss of ecosystem and to aid sustainable development of natural resources, Catchment area Treatment (CAT) plan have been developed for action by State Forest Department. Budgetary support provided by NTPGPL Power to state agencies like state forest department, State fisheries department and other agencies for implementation of activities mentioned in CAT, Fisheries development Plan. Necessary funds have been provided to Fisheries Department for implementation of Fisheries Development Plan Care is being taken in cordoning off 	<ul style="list-style-type: none"> Although, forest department is taking responsibility of the plantation activities in lieu of trees lost in the project. But, till date no action has been undertaken in this regards. The monitoring focus is limited towards 	<ul style="list-style-type: none"> Monitoring indicator may include the animal movements and similar such Faunal and Floral activities in addition to the trees. Changes in baseline if any observed during environmental monitoring in different seasons may be reviewed for updation of EMP or modifying mitigative action Advised to dedicate a

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
	2002	Resources- <ul style="list-style-type: none"> Implementation of activities by various state agencies; budget for the activities Protection of Natural Resources Relevant Risks & Threats to Biodiversity & Ecosystem Services Monitoring Implementation 	muck/debris dumping sites using wire mesh and apron wall etc, but need vigil to avoid pilferage into aquatic ecosystems; <ul style="list-style-type: none"> Toe walls have been constructed to avoid pilferage the debris into river. Regular Environmental Monitoring is being carried by NSL through Third Party Lab and HPPCB. The Monitoring teams have been constituted, which needs to work effectively. The team has been constituted by identifying competent professionals, which would help in strict vigil towards and damage / loss to habitat during monitoring / implementation. 	biodiversity conservations as per the available monitoring reports. <ul style="list-style-type: none"> Faunal studies more focused towards mammal assessment, based on secondary information and one time field data collection for one season only. Till date most of the activities have not been undertaken by the above agencies for which client has no direct control. 	detailed section on Biodiversity Action Plan <ul style="list-style-type: none"> Management plan in place but need effective and timely implementation and follow of strict guidelines as mentioned in the plan Implementation of management plan needs to be reviewed on continuous basis. <p>The above issues are covered in latest ESIA report.</p> <p>The forest department is monitoring this aspect and one person has been appointed exclusively for this job by forest department.</p>
6.2	Catchment Area Treatment Plan (CAT) as part of Forests		<ul style="list-style-type: none"> CAT Plan is prepared and approved. NSL has paid required money to State Forests Department for the cost towards CAT plan implementation. 	<ul style="list-style-type: none"> The delay in implementation of the necessary activity under 	<ul style="list-style-type: none"> NTPGPL may develop a system of regular meeting and better coordination and larger involvement

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
	(Conservation) Act, 1980 amended 1988 and Rules Therein		NTPGPL has made 100% payment to Forest Department (Rs.72484026/-). Out of this Forest department has spent only Rs. 1,10,88,000/- i.e. 15.3% of the total amount.	CAT Plan is from State Forest Department, on which NSL has limited or no control.	with respective government departments for the effective implementation and timely update about the programme.
6.3	Compensatory Afforestation Plan as part of Forests (Conservation) Act, 1980 amended 1988 and Rules Therein		<ul style="list-style-type: none"> For Compensatory Afforestation, NSL has already deposited Rs, 2,66,76,610/- to Forest Department, 	<ul style="list-style-type: none"> Although the money for Compensatory Afforestation, Reclamation Plan and Cost of trees paid but no activity has been carried out as yet. No plantation yet started by Forests Department till August 2012. 	-do-
6.4	Fisheries Development Plan		<ul style="list-style-type: none"> For implementation of Fisheries Development Plan, NSL has paid Rs 1.11 Cores to Directorate of Fisheries, Himachal Pradesh. 	<ul style="list-style-type: none"> Till date no work has been started by State Fisheries Department in spite of advance money paid by NSL. 	-do-

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
				<ul style="list-style-type: none"> There is no action plan prepared by fishery department. 	
INDIGENOUS PEOPLE'S					
7.1		Avoid impacts on indigenous communities, to the extent feasible, and where not, mitigate or compensate in a culturally appropriate manner.	<ul style="list-style-type: none"> The project does not cause any adverse impact on the indigenous communities. 	None	None
7.2		Develop an ongoing relationship with such communities through the life of the project, involving their representatives (e.g. council of elders) and inclusive of women and men and allowing them time for collective decision making.	<ul style="list-style-type: none"> NTPGPL has consulted the gram sabha and the negotiated with them on good faith based on which they have obtained the No Objection Certificate from each of the village. 	None	None
7.3		Development Benefits	<ul style="list-style-type: none"> NTPGPL has provided INR 51.80 Million as direct financial Contribution to 3 Village Panchayat for Community Development Activities 	None	None

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			<ul style="list-style-type: none"> NTPGPL has made deposits to Local Area Development Authority (LADA) INR 54.60 Million and Village Panchayats for various development activities. As part of other Corporate Social Responsibility Programme the company has carried out in all nearby villages and reportedly spent around INR 2.75 million have been spend till date. A detailed review of the community development activity under above heads is presented in a separate section of the audit report 		
7.4		Impacts on Traditional Land or Customary lands under Use	<ul style="list-style-type: none"> As such there is no major impact on customary lands under use. However the company is in process of resolving the compensation towards Chilgoza Trees inadvertently damaged during the construction of approach roads to surge shaft. The company has undertaken a series of consultations and negotiations with all stakeholders for reaching an amicable solution for the issue. As per its latest assurance the company agreed to pay on an annual basis for 40 years the cost of total damaged Chilgoza produce as per assessment committee. The rate paid will be as per prevailing market rate in first week of 	<ul style="list-style-type: none"> The community is yet to give its formal approval of the proposed arrangement for addressing the issue. 	<ul style="list-style-type: none"> The issue needs to be resolved to the satisfaction of all parties.

Issue	Indian legislative requirements	IFC/ADB requirements	Company's performance	Identified gaps	Corrective action
			November (every year). The company also assured that the above commitment will be integrated in the R&R Plan for project and implemented through the appropriate government authorities.		
CULTURAL HERITAGE					
8.1	The Ancient Monuments and Archeological Sites and Remains Act 1958	Both tangible forms of cultural heritage as well as intangible forms of culture, such as cultural knowledge, innovations and practices are included.	<ul style="list-style-type: none"> No adverse impact on Cultural Heritage related issues at this site is being identified. There is no cultural heritage site in or around the project site. The need for removal of any cultural site is not envisaged The project site area is an uninhabited hilly terrain, the possibility of any chance find related to cultural significance is very low. Company has developed a Chance Find Procedure guidelines for the project. In the event of any such find they proposed to engage with the local authorities through the Local Area Development Committee (consisting of representatives of all government line departments) for necessary action. 	None	None
Note; "The audit was carried out on 22 nd and 23 rd of November and a draft report was submitted by ASK on 10/12/2012. Since then the site work is almost come to halt due to inclement weather at the project site. As of 25 th February 2013, work is stopped due to heavy snow fall. The work is expected to resume from 1 st March 2013. Further, as per the latest weather condition and weather forecast the resumption of work is likely to be delayed by 15 more days. With this background the implementation of correction measures are targeted from the Month of March 2013."					

SECTION 3: CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

NTPGPL has undertaken its community development or Corporate Social Responsibility initiatives in three broad ways:

- a) Financial Contribution to the Local Area Development Fund (LADF) as prescribed by the Government for community development activities
- b) Direct financial Contribution to Panchayat for Community Development Activities and
- c) Other CSR activities: Support for promoting culture and tradition, education, sports, health, national integration & other philanthropic work from time to time, based on demands received from the Panchayats & Government Departments

3.1 LOCAL AREA DEVELOPMENT FUND

As per Government of India, Ministry of Power, Hydro Power Policy, 2006, for managing local area development activities, a Local Area Development Fund has been created for the Project. As per the state Guidelines (based on the HPP, 2006) were issued vide Notification MPP-F-(10) 15/2006 dated 16.9.2009 and subsequently the same was revised and new guidelines were issued vide Notification no. MPP-F (10)-24/2011, Shimla 17112, dated 5.10.2011 the company will contribute 1.5% of the project cost towards community development activity including income generation and welfare schemes, creation of additional infrastructure and common facilities etc. on a sustained and continued basis over the life of the project in project affected areas.

At the state level in Himachal Pradesh, it is being supervised by a Nodal Agency: Directorate of Energy, State Level Committee through Special Secretary and monitored by a Project level Local Area Development Committee (LADC) constituting the following members:

- Deputy Commissioner of the District (Chairman of LADA)
- Sub-division level officers of Public Works, IPH, Forest, Rural Development, Health and Horticulture departments
- Chairman and Vice Chairman of Zilla Parishad
- Chairman and Vice Chairman of the Panchayat Samiti
- Pradhans of all affected GPs in the project affected areas and
- Representative of Project Developer (NTPGPL): Member Secretary

NTPGPL has agreed to contribute 1.5% of their total project cost of Rs. 535.15 crores to the LADF, which is Rs. 8.03 crores and till September 2012, they have contributed Rs. 5.46 crores to this fund. The total amount is proposed to be contributed in the form of yearly instalments of Rs. 1.60 crores per year for five years. Till December 2011, LADF has sanctioned Rs. 1.72 crores out of the above contribution mainly for infrastructure development related activities and they have actually disbursed Rs. 0.81 crores for the development works completed till June 2012. Total 45 infrastructure development works have been sanctioned, out of which 12 have been completed and 15 are under progress.

Out of the three Panchayat areas (Moorang, Rispa and Thangi), Moorang Community was found very active in terms of sanctioning and utilising the Local Development Fund. The Head (Pradhan) of the Moorang Panchayat is a young person and active in submitting infrastructure development plans to the LADA (district level committee) and they have made Rs. 1.03 crore sanctioned for their panchayat for completion of 32 physical works, out of which Rs. 0.58 crore have been utilised so far for 23 types of infrastructure development activities (9 already completed and 14 under progress).

From the contribution made by NTPGPL to the Local Area Development Fund, total 45 physical works have been sanctioned so far, out of which 12 have been completed. It was good to note that the Local Area Development Fund is being utilised & invested for various & a wide range of infrastructure development activities, benefiting the entire village / community that include the following:

Sl No.	Type of Works	Status of Works		
		Completed	Under Progress	Proposed
1	Retaining / Protection Walls for local temples and play grounds	3	2	1
2	CC pathways and Span Bridges	2	7	1
3	Community Buildings	1	3	1
4	Temple Constructions / renovation & up gradation	0	3	1
5	Solar Street Lights	1	0	0
6	Community Toilets, Drains, Side Drains	0	1	2
7	Irrigation Water Storage and Pipeline	1	0	0
8	Shopping Complex	0	1	2
9	Multipurpose Community Building	0	0	1

The auditor was able to physically verify / observe 10 different facilities in Moorang Panchayat and the quality of physical / infrastructure development works was found quite satisfactory. It needs to be mentioned here that the implementation of all of these projects have been carried out by the Local Panchayat and some other local stakeholders. The following activities were visited / observed by the auditor:

1. Retaining wall of Shukimetan Temple, Thwaring, done by Moorang Panchayat: Rs. 585,595 spent
2. CC Path from PWD Rest House to the house of Dharampal, Shilling, done by Moorang Panchayat: Rs. 150,000 spent
3. CC Path in Tamlingden, Shilling, done by Moorang Panchayat: Rs. 150,000 spent
4. Steps to Moorang Fort, Upmohal, done by Moorang Panchayat: Rs. 205,000 spent
5. Community Bhawan in Skimten, Shilling, done by Moorang Panchayat: Rs. 582,900 sanctioned but the Panchayat requested for additional Rs. 100,000.
6. CC Path Widening from Naspaden to Yoddara, Khokpa, done by Moorang Panchayat: Rs. 200,000 sanctioned
7. Mahasu Mandir (Temple) in Gramang, done by Moorang Panchayat: Rs. 600,000 sanctioned
8. Rooms at Satyanarayan Mandir at SC Colony, Gramang, done by Moorang Panchayat: Rs. 200,000 sanctioned
9. CC Path from Champa Devi House to Shukimten, Thwaring, done by Moorang Panchayat: Rs. 300,000 sanctioned
10. Fencing Work at Home Guard Building, Shilling, done by CO, Home Guard under Moorang panchayat: Rs. 150,000 sanctioned

It needs to be mentioned here very clearly that NTPGPL does not directly implement the activities sanctioned under LADA. They have representative in LADA and take part in LADA meetings that selects and sanctions the works submitted by the Panchayats. Thus NTPGPL's role is to ensure financial contribution to LADA and taking part in their meetings. Actual implementation of the community development activities is done by the Panchayats. Thus the role of NTPGPL is more of a contributing agency rather than implementing or monitoring agency.

The utilization percentage of the LADF remained quite low till this time. Though NTPGPL has contributed Rs. 5.46 crores in the LADF till September 2012, only Rs. 1.72 crore have been sanctioned for different community development activities by LADA and out of that sanctioned money, only Rs. 0.81 crores have been disbursed for the development works. Thus only 31.5% of the total contributed money has been sanctioned so far and only 14.8% of the same have been disbursed / utilised:

SL No	Details	Amount (in crores)
1	Total amount to be contributed to LADF @ 1.5% of the total project cost of Rs. 535.15 Crores	8.03
2	Total amount contributed by NTPGPL till end of September 2012	5.46
3	Total amount for development works sanctioned till end of December 2011	1.72
4	Total amount disbursed for development works completed till June 2012	0.81

Gram Panchayat Wise Summary of Amounts Sanctioned and Amounts Disbursed by LADA:

SL No	Name of the Gram Panchayat	Total Amount Sanctioned (Rs. In Crores)	Amount Disbursed / Utilised (Rs. In Crores)	Amount to be disbursed (Rs. In Crores)
1	Moorang	1.03	0.58	0.45
2	Rispa	0.28	0.35	0.25
3	Thangi	0.40	0.20	0.20
	Total	1.72	0.81	0.90
	% of the total amount deposited so far	31.5%	14.8%	

There are several reasons for such low amount of sanctioning and disbursement like inability of the respective panchayats (especially Rispa and Thangi) to prepare development plans & submit the same to the LADA, debates and disagreements over sanctioning of plans & amount at LADA level and in between LADA & Panchayats, Government Bureaucracy etc. NTPGPL does not have any direct control over the amount of money to be sanctioned or released, time of sanctioning or releasing and deciding type of activities that will be sanctioned / passed.

Though they are contributing the total amount to LADF as per the Government Policy and they are also part of the District Level / Project Level Committee to implement LADF, at present they do not have much control over the decision making process at LADA level. It is the Panchayats and the LADA government officials who are controlling the decision making process.

Though NTPGPL is not responsible for the very low utilization percentage of the LADF, the same is an area of concern for all concerned. NTPGPL informed that they are making efforts to have some concrete say in sanctioning and utilization of the LADF and they are hopeful that they will be able to have control over the decision making process in LADA. It will be good if NTPGPL in future can have some control over the sanctioning and utilization of LADF, which may expedite the process of community development activities

Especially in Rispa and Thangi Panchayats, the pace of the implementation of the LADA sanctioned physical works is slow. Out of total 45 works sanctioned so far by LADA, only 12 have been completed (only 1 in Rispa and only 2 in Thangi: rest 9 are all in Moorang) and another 15 are under progress, out of which 14 are in Moorang. 6 are yet to start, 6 have been cancelled and estimates are yet to be prepared for 6 works. In Thangi, 5 previously proposed activities have been cancelled by the Panchayat because of a new plan for construction of a Multi Purpose Building. In Rispa, only 1 out of three sanctioned works has been completed, 1 has been cancelled and estimate has not been prepared for the remaining one: the pace of progress of work in these two panchayats is quite slow.

SL No	Name of the Gram Panchayat	No. of Works Sanctioned	Completed	In Progress	Yet to start	Cancelled	Estimates to be prepared
1	Moorang	32	9	14	5	0	4
2	Rispa	3	1	0	0	1	1
3	Thangi	10	2	1	1	5	1
	Total	45	12	15	6	6	6

3.2 DIRECT FUNDING TO GRAM PANCHAYATS

In addition to the money given to the Local Area Development Fund (LADF), a considerable amount of money based on the local demands has been given by NTPGPL to three affected Gram Panchayats (Moorang, Rispa and Thangi & Lumbar village), for addressing the direct and indirect impacts from project and for development works in their villages. In all three panchayats, the money is supposed to be distributed among all households in the panchayat for construction of toilet facility.

Here also NTPGPL is the donor, and not the implementer and monitor. They have only provided money but the decision of what to be done with the money and the implementation are totally done by the Panchayats.

3.3 OTHER CSR ACTIVITIES

Over the past three years, the NTPGPL has implemented a range of CSR interventions in project areas on a priority basis. The activity is based on the Social Management Plan prepared for the project. The focus of the activity has been on promotion of culture & contributions / charities towards organizing cultural festivals, national events and sports events. In addition to giving support to the affected Gram Panchayats under project, it has also supported agencies at the District and State Level. Further, in response to the representations from elected representatives from elected representatives and government officials, NTPGPL has contributed towards a number of state events. The total amount spent towards these other CSR activities till October 2012 is Rs. 2,748,498. This expenditure is over and above the contribution to be made to the LADF (Rs. 8.03 Crores) and Rs. 5.18 Crores directly paid to the Gram Panchayats.

For the above activity NTPGPL is playing the role of both funder and implementer.

3.4 BENEFICIARY SELECTION PROCESS & CRITERIA

All three affected Panchayats have been included in the CSR interventions of NTPGPL. Majority of the activities undertaken under the three types of CSR initiatives do not have “individual” beneficiaries, as these works are mostly “common village / panchayat level infrastructure development works”. The activities include construction of retaining / protections walls for local temples and playgrounds, construction of CC pathways and Span Bridges, Construction of Community Buildings, Construction / Renovation or Up gradation of temples, installation of solar street lights, construction of community toilets, drains or side drains, installation of public irrigation water storage and pipe line, construction of shopping complex, construction of multipurpose community building, support to community cultural festivals, assistance to local school / college, conducting sports in project villages, distribution of first aid box to local schools etc.

As the above interventions are for the whole panchayat / villages / communities, and the entire community has access to the infrastructure created without any barriers, there was no need for specific beneficiary selection criteria. It was clearly observed during the assessment that the whole community is getting benefitted from the above construction works done under CSR.

The nature of the communities is also different, as observed during the assessment. People are generally quite rich, with their huge apple orchards / production and other agricultural / horticultural income sources. Economically vulnerable, excluded and marginalized families were not seen in any of the three panchayats. Thus the question of “inclusion of the most marginalized people” is not relevant in this context.

3.5 RELEVANCE OF THE INTERVENTIONS

Infrastructure Development Activities carried out under LADA or direct CSR of NTPGPL has relevance. There were needs for such construction activities at different places under three panchayats. The activities proposed by the Panchayats to LADA in relation to use of LADF, were selected and decided in open meetings of the GP in all three GPs and thus has the support of the villagers in general.

All the CSR activities of NTPGPL implemented through Local Area Development Fund, Direct contribution to the Panchayats and time-to-time support to the panchayats / government are mainly “demand based” (contributed as and when necessary based on high demand from the panchayats & government). The future plan of NTPGPL for conducting a situational and need assessment, develop community development plan based on the outcome of the assessment, presenting the plan at the gram Sabha, incorporating villagers feedback and then pushing LADA to accept & implement the same: will help in addressing this concern.

The future plan of NTPGPL for conducting a situational and need assessment, develop community development plan based on the outcome of the assessment, presenting the plan at the gram Sabha, incorporating villagers feedback and then pushing LADA to accept & implement the same: will help in prioritising the needs & concerns of the villages and thus selecting the “most relevant and appropriate interventions”.

The overall focus so far remained on infrastructure development and physical works. As a strategy, NTPGPL choose the Gram Panchayats mainly as the Executive Agency. Some other local bodies like Himurja.

The “Perception and Attitude” of the community in general is a real challenge for NTPGPL, where the community is becoming “More and More Demanding” day-by-day and perceives that as NTPGPL is into establishment of the Hydro Power Plant in their area, they have caused / are causing large damage to the local environment and now the company is bound to donate / distribute as much as possible for the local communities. Though it is very difficult to change this type of perception of the community, continuous structured & unstructured interactions & sharing with the community (not only with the Pradhan but with the entire community) & taking certain policies / clear stand on CSR will help NTPGPL to address this concern in future.

Majority of the works are rural infrastructure development works, which have been completed in this year only. Thus this is not the time measure the long term impacts of the interventions.

The following **immediate results** were observed by the auditor and shared by the stakeholders:

- Community people are Hindu and Buddhist and they are out-and-out religious people. Lot of emphasis was on construction, modification & renovations of temples or construction of proper roads to reach to various Hindu or Buddhist Temples. Some of the temples did not have retaining or protection walls and to ensure safety for these temples, the villagers decided to use the NTPGPL money for construction of retaining / protection walls. Concrete Protection wall was created for community ground / playground also. Creating such protection or retaining walls has ensured safety of the temples / playgrounds. Similarly, construction of new temples and renovation / up gradation of old & existing temples are appreciated by the religious people for preserving or promoting their culture & heritage.
- CC Pathways, and Span Bridges have smoothened the rural communication
- Community Buildings are useful for the respective communities to organise their meetings and common gatherings, functions and special programs.
- Irrigation Water Storage and Pipeline in one panchayat will be helpful in the agricultural activities of the farmers there
- Installation of New Transformer & Solar Street Lights is useful for the villagers in terms of getting electricity & lighted roads.
- NTPGPL has supported Lavi Mahotsav (Kinnaur Festival) at Kinnaur for last 4 years (2009-2012) and contributed Rs. 16,00,000 for organising this grand annual cultural festival during this period. Stakeholders shared that the company has helped in properly organising this “very important” cultural festival & thus promoted their cultural traditions & preserving their heritage

- Support for organising sports in the villages (total Rs. 101,000 spent by NTPGPL during past 4 years) has helped the youth and villagers
- Distribution of First-Aid Boxes to local schools (Rs. 29,972) and Assistance to local schools / colleges (Rs. 53,000) were also helpful for the respective schools & colleges in terms of further strengthening their facilities / services

3.6 COMMUNITY PARTICIPATION, ENGAGEMENT AND OWNERSHIP

NTPGPL has been able to “engage” the Panchayats, and other important stakeholders like local youth committees, VDC, Mahila Mandal Members and Temple Committee Members in their CSR process. Panchayat Pradhans and Social Leaders from the three Gram Panchayat Areas often visits NTPGPL office in Reckong Pio or meet them at the Panchayat level itself to share their problems or infrastructural development needs or seek support for promoting their cultural traditions and heritages:

SI No.	Executing Agency	Number of works completed / under progress / proposed
1	Gram Panchayat	36
2	Himurja	01 (solar street lights, Moorang)
3	HPSEB	02 (Transformer: Moorang,)
4	Youth Committee	01 (Temple, Moorang)
5	CO Home guard	01 (fencing work, Moorang)
6	VDC	01 (Store, Moorang)
7	Mahila Mandal	01 (Rooms / Roofing, Moorang)
8	Temple Committee	01 (Temple at Moorang)

Open meetings of the Panchayats are the platforms where the community selects and decides about the physical works that needs to be done with the LADF or with the NTPGPL direct donations. In some of these meetings, NTPGPL representatives were also present and engaged themselves with the common villagers, whereas their engagement with the Pradhans is ongoing and very frequent. Pradhans themselves visit their offices or meet their representatives frequently.

3.7 EMPLOYMENT FOR LOCAL AND PROJECT AFFECTED

NTPGPL has provided employment to the locals and on a priority to the project affected family. It was good to note that 15 persons from the 28 project affected families and total 41 persons from the 3 project affected panchayats have been employed by the company in different positions like Supervisor, Head Security Guard, Security Guard, Beldar, Mate, Helper, Assistant Pharmacist, junior Electrician, Line Man, Coordinator, Laboratory Attendant, Office Assistant, Junior Accountant etc. In addition to the direct employment a number of locals (more 50 people) are been provided with project work contracts.

SECTION 4: CONCLUSION AND RECOMMENDATIONS

The compliance level of the project has both positive and certain areas for improvements. A summary of the conclusions by way of key achievements so far and recommendations as the areas of improvement across labour issues, health and safety issues, environment management issues and social/CSR initiatives is presented below.

4.1 LABOUR AND WORKING CONDITIONS

Key Achievements

- Company has Human Resources policies on recruitment, induction, payroll process, leave, leave encashment, human resource transfer process, termination of employment, voluntary termination, Sexual harassment policy, Grievance handling, Health, Safety and Environment.
- New policies on Child Labour, Forced labour, Freedom of Association, Retrenchment are developed and incorporated in the HR Manual.
- Policies and procedures have been documented and Company has developed a HR Manual and an Employee handbook (consisting of company policies) for distributing it to workers.
- As per the legal requirements, Minimum wages has been paid to workers along with the Hydro allowance and tunnel allowance (wherever required).
- Workers working under Himalaya contractor are registered for this welfare fund and are given their membership card. Except some new workers, all others were oriented on scheme and the benefits of construction workers' welfare fund.
- Currently construction workers of sub-contractors are raising their concerns through supervisors or directly approaching their General Manager for solving their issues. No evidence of discriminatory practice was found on site. No evidence of child labour or forced Labour was found during the monitoring visit. Work site is free from harassment and abuse.
- The labour camp established near power house has sufficient accommodation for the workers and provides more space for living, Filtered water facility has been provided for workers, Medical centre has been located very close to the labour camp where workers can get access to first aids. To meet the additional seasonal requirements the workers are given facilities such as compatible room heater, winter jackets and hot water for bathing.

- The labour camp near intake point is also provided adequate accommodation with 5 to 6 workers are living in each room, and based on the suggestion from previous audit, issues related open drainage system has been addressed now.

Areas for Improvement

- Awareness and communication of the HR Policies among managers and supervisors needs to be improved. A communication plan can be developed to impart the training. Policies to be communicated to workers (construction workers) who are working at the project site.
- Workers, supervisors, and managers need to be oriented on newly developed HR policies such as Child Labour, Forced labour, Retrenchment Policy, Freedom of Association etc and employee handbook containing all policies needs to be given to each of them for their reference.
- Awareness level of workers on the concepts such as collective bargaining and collective agreement can be improved.
- Presently the workers are getting off during the shift change i.e. every 15 days. As per the requirement they should be provided weekly off.
- Journey allowance and displacement allowance should be given to workers working under all sub-contractors.
- The payment to the workers should be disbursed timely and provided mandatory weekly offs.
- All eligible workers should be registered under Himachal Pradesh Building and other Construction Workers Welfare Fund scheme.
- More suggestions boxes can be installed near the toilet areas, canteen area, labour camps.
- Oral complaints and the action taken against the complaints under Grievance Redressal Mechanism should be documented.
- The drinking water provided at the labour camp established near intake point to be chlorinated and additional first-aid boxes can be provided inside the labour camp, fire extinguishers to be kept outside the labour camps.

4.2 HEALTH AND SAFETY

Key Achievements

- A comprehensive emergency response plan has been developed by the company. Fire drills were conducted to workers and trainings were provided to them on emergency evacuation.
- First aid boxes with adequate medicines were provided at the construction areas.
- Two Medical Centers/Occupational Health Centers with necessary equipments have been established at Intake point and power house separately. Qualified pharmacists have been appointed for these centers.
- Risk assessment is in place for major risk areas such as rock blasting and transportation of explosives.
- Health and safety committee is in place and their meeting minutes have been documented for follow-up actions.
- The fire extinguishers installed have an operating instruction poster along with it. Wherever required, MSDSs were posted in local language.

Areas for Improvement

- In addition to the existing sign boards appropriate sign boards such as showing PPE usage, danger area, visible sign board for showing the location of first aid box and fire extinguishers etc need to be posted wherever applicable.
- Electrical wires and panels located at construction site were found to be unsafe. Electrical wires and panels located at construction areas needs immediate attention to make it safer for workers.
- A diesel Generator without acoustic enclosure is kept inside the camp area, which generates high level of noise for the residents. Acoustic enclosure should be provided to reduce the noise level of the DG set.

4.3 ENVIRONMENT MANAGEMENT

Key Achievements

- Intensive review of documents indicates that NSL has complied with necessary National and State levels legal requirements for obtaining prior clearance, NOC and permissions for environment and safety.
- The conditions imposed under various clearances, NOC and permissions are being followed/implemented by and large by NTPGPL. It is appreciable that NSL is already paid necessary funds to various Departments and Panchayats for implementation of EMP, CAT Plan and Fisheries Development plant, R&R Plan, etc.
- NTPGPL has dedicated staff for looking after Environment, Health, Safety and Social Management at Construction Sites.
- NTPGPL initiates and conducts Environment, Safety and Occupational Health promotional activities like celebration of World Environment Day, HIV Awareness Program, EHS awareness programs, etc.
- NTPGPL has prepared training calendar for Environment, Safety and Occupational Health related modules and regular training is imparted to supervisors and workers on various training modules.
- NTPGPL is having two functional occupational health centers at construction site of power house and intake points with dedicated ambulances.

Areas of Improvement

- NTPGPL needs to develop a system of regular meeting and better coordination and larger involvement with respective government departments for the effective implementation and timely update of the programme such as CAT Plan, CA Plan, Fishery Development Plan etc.
- Solid waste management practices need to be implemented at construction sites and worker camps for proper environmental management.
- Electrical safety at the construction sites is important issue and need immediate attention.

- The contractors and NSL Power staff needs to be cautious to comply with Occupational health and safety requirements

4.4 SOCIAL/ CORPORATE SOCIAL RESPONSIBILITY

Key Achievements

- NTPGPL for managing the local area development activity including welfare schemes, creation of additional infrastructure and common facilities in the project affected areas has agreed to contribute 1.5% of their total project cost of Rs. 535.15 crores, which becomes Rs 8.03 crores to the Local Area Development Fund (LADF). They have so far contributed Rs. 5.46 crores till the end of September 2012.
- It was good to note that the Local Area Development Fund is being utilised & invested for various & a wide range of infrastructure development activities, benefiting the entire villages.
- From the contribution made by NTPGPL to the Local Area Development Fund, total 45 physical works have been sanctioned so far, out of which 12 have been completed.
- A number of infrastructure development activity such as Retaining / Protection Walls for local Temples & Playgrounds, CC Pathways and Span Bridges, Community Buildings, Temple Constructions / renovation and Up-gradations, Solar Street Lights, Community Toilets, Drains / Side Drains, Irrigation Water Storage and Pipeline, Shopping Complex and Multipurpose Community Building have been undertaken.
- NTPGPL has been able to “engage” the local village Panchayat and some other important stakeholders like HPSEB, local youth committees, VDC, Mahila Mandal Members and Temple Committee Members in their CSR process.
- Panchayat Pradhans and Social Leaders from the three Gram Panchayat Areas often visits NTPGPL office in Rekong Pao or meet them at the Panchayat level itself to share their problems or infrastructural development needs or seek support for promoting their cultural traditions and heritages.
- Apart from contributing to the LADF, NTPGPL has also contributed Rs. 5.18 crores additionally to three Gram Panchayats and Lumbar village for addressing the direct and indirect impacts from project and for development work in their villages.

- It was good to note that 15 persons from the 28 project affected families and total 41 persons from the 3 project affected panchayats have been employed by the company in different positions like Supervisor, Head Security Guard, Security Guard, Beldar, Mate, Helper, Assistant Pharmacist, junior Electrician, Line Man, Coordinator, Laboratory Attendant, Office Assistant, junior Accountant etc.
- In addition to the above NTPGPL has spent Rs. 2748498/- till October 2012 in other social domains like promotion of culture & tradition, education, sports, health, National Integration and philanthropic activities.

Areas of Improvement

- The utilization of the LADF fund in relation to the contribution made so far remained quite low till this time. Though NTPGPL has contributed Rs. 5.46 crores in the LADF till September 2012, only Rs. 1.72 crore have been sanctioned for different community development activities by LADA and out of that sanctioned money, only Rs. 0.81 crores have been disbursed for the development works. Thus only 31.5% of the total contributed money has been sanctioned so far and only 14.8% of the same have been disbursed / utilised.
- Though NTPGPL is not responsible for the very low utilization percentage of the LADF, the same is an area of concern for all concerned. It will be good if NTPGPL in future can have some control over the sanctioning and utilization of LADF, which may expedite the process of community development activities.
- All three types of CSR activities of NTPGPL: Local Area Development Fund, Direct contribution to the Panchayats and time-to-time support to the panchayats / government are mainly “demand based” (contributed as and when necessary based on high demand from the panchayats & government).
- Nature of interventions needs to be “Need Based” and not merely “Demand Based”, and generated from the need assessment study. Implementation needs be continuous & ongoing (not from time to time / one time), and holistic (not only physical / infrastructural development), based on the community development planning.




- The future plan of NTPGPL is aimed at conducting a situational and need assessment, develop community development plan based on the outcome of the assessment, presenting the plan at the gram Sabha, incorporating villagers feedback and then pushing LADA to accept & implement the same: will help in addressing this concern.
- Changing the “Perception and Attitude” of the community in general is a real challenge for NTPGPL, where the community is becoming “More and More Demanding” day-by-day. Though it is very difficult to change this type of perception of the community, continuous structured & unstructured interactions & sharing with the community & taking certain policies / clear stand on CSR will help NTPGPL to address this concern in future.
- NTPGPL also needs to have a strong role in the Monitoring and Evaluation of the implementation of the activities, process & quality, timeliness, outputs and outcomes. The role of NTPGPL will be far bigger than financial contributors and ideally it needs to be of an effective “Facilitator”.





ANNEXURE I: LIST OF KEY PERSONS INTERACTED DURING AUDIT



- Mr A.K. Gupta, Vice President , NTPGPL
- Mr Agarwal, Sr.DGM, In-Charge Intake Site, NTPGPL
- Mr Sandeep Chauhan, AGM, In-Charge Powerhouse Site, NTPGPL
- Mr. G. Sharat Chandra Rao, Manager-Social, NTPGPL
- Mr. Satyabrat, Manager- Health, Safety and Environment, NTPGPL
- Mr. Dinesh Raj, Coordinator, NTPGPL
- Mr. Devender Singh, Coordinator, NTPGPL
- Pradhan, Thangi Gram Panchayat
- A few village representatives in Thangi, Moorang and Rispa
- Mr. A. K. Devkhand, Manager, Himalaya Construction Company Pvt Ltd
- Site Manager, Power House area, Himalaya Construction Company Pvt Ltd
- Site Manager, Intake area, Rathi Hydro Projects Pvt Ltd

Annexure II: Site audit/assessment observations on environment management, pollution prevention, safety and working conditions for Tidong 100 MW HEP during 22-23 November 2012

Observations	Action Required	Photo documentation
Work Shop and Store at Intake Point		
Lube Oil and fuel drums (barrels) are kept on ground and there is possibility of contamination of soil and subsequently possibility of contamination by run off or snow melting due to spillage of lube oil.	Lube oil and fuel oil drums should be kept on concrete platform with bund and drain to hold at least one barrel of oil, so the leaked or spilled oil can be cleaned and disposed in environmentally sound manner. 1 st to 20 th April 2013	
At workshop, there is no hazardous waste/solid waste collection pits. Oil grease contaminated cloths and other wastes are burned at work place, which result air pollution at work place.	Waste collection pit should be constructed for municipal solid wastes and hazardous wastes. Hazardous waste/solid wastes should be disposed in these pits. 1 st to 20 th April 2013	
At the HT control panel in work shop, exposed and loose electrical joints can be observed, which are prone to electric shock and sparking.	At the HT or LT control panel loose and exposed connections should not be allowed. 1 st to 10 th March 2013	
There was no proper earthing for welding machine. Earthing has been provided by steel poles of workshop shade, which is an unsafe practice.	Proper earthing should be provided for welding machine as per IS: 3043. 1 st to 10 th March 2013	
There is no safety signage at the work shop regarding unsafe acts and practices.	Safety signage should be provided at the work shop regarding unsafe acts and practices. 15 th to 20 th March 2013	

Observations	Action Required	Photo documentation
DA and Oxygen cylinders are kept together.	DA and Oxygen cylinders should be kept separately. 1 st to 10 th March 2013	
DG Sets Area at Intake Point		
Height of tin sheet shed for DG Set of 500 KVA is less than 5 feet with sharp edge and creating unsafe condition and danger for hitting head or face.	Height of shed should be increased or sharp edge should be bended in such as way that it will not hit head or face. 1 st to 5 th March 2013	
Junction of HRT and Adit - 1		
At HT Control panel uncovered and loose connection are observed, which are prone to electric shock and sparking.	At the HT control panel loose and uncovered connections should not be allowed. 1 st to 10 th March 2013	
There is no rubber mat for HT control panel, which creates unsafe condition.	Rubber mat of ISI mark should be laid in front of HT control.	
There is no earthing arrangement at HT control panel.	Proper earth pit should be provided as per IS: 3043 and earth resistance should be checked regularly and record should be maintained. 1 st to 10 th March 2013	
Illumination in HRT appears inadequate.	Illumination in HRT needs to be checked. Minimum of 50 lux illumination should be provided at tunnel during drilling, mucking	

Observations	Action Required	Photo documentation
	and scaling. When mucking is done by tracks minimum of 30 lux illumination should be provided for efficient and safe working. The lighting in general in any area inside the tunnel should not be less than 10 lux.	
Construction Site of Spillway		
Safety Goggles for eye protection were not available with workers, those are engaged in doing holes using vibrating impacters/drillers. Small stone pieces damage eyes of workers.	Safety goggles for eye protection should be provided for workers engaged in drilling and blasting. 1 st to 5 th March 2013	
Construction Labour Camps (HCCPL)		
There is no municipal waste collection and disposal pit. Workers throw waste on river bank.	Waste collection pit should be constructed for municipal solid wastes. 1 st to 10 th March 2013.	
Construction Labour Camps		
There is no regular water supply in the toilets.	Regular water supply should be insured in toilets. 1 st to 10 th March 2013	
Construction Labour Camps (Rathi)		
DG set of 63 KVA is available at the construction labour camp site for power backup but it is without acoustic enclosure.	Acoustic enclosure should be provided at DG set as per CPCB guidelines. 15 th to 25 th March 2013	

Observations	Action Required	Photo documentation
For DG Set of 82.5 KVA, there is no earth pit for DG sets and there is no record for checking of earth resistance.	Proper earth pit should be provided as per IS: 3043 and earth resistance should be checked regularly and records should be maintained. 1 st to 10 th March 2013	
There is no safety signage and exit signage in Adit and tunnel.	Safety signage should be provided at the work shop regarding unsafe acts and practices. 15 th to 25 th March 2013	
There is no toilet facility at the Adit II.	Toilet with septic tank followed by soak pit should be provided at Adit-II for workers and staff. 15 th to 30 th March 2013	

Note; "The audit was carried out on 22nd and 23rd of November and a draft report was submitted by ASK on 10/12/2012. Since then the site work is almost come to halt due to inclement weather at the project site. As of 25th February 2013, work is stopped due to heavy snow fall. The work is expected to resume from 1st March 2013. Further, as per the latest weather condition and weather forecast the resumption of work is likely to be delayed by 15 more days. With this background the implementation of correction measures are targeted from the Month of March 2013."

ANNEXURE III : PHOTOGRAPHS

Related to Labour Audit:



Interaction with the workers during the audit



Interaction with the workers during the audit

Photographs Related to CSR Activity Assets / Infrastructure:



CC Pathway in Khopkha under Moorang



Community Building under Construction in Thangi



CC Pathway in Moorang



CC Pathway in Moorang



Community Building in Khopka under Moorang



CC pathway to Moorang Fort



Community Building in Shilling under Moorang



Community Hall with Temple in Moorang



Retaining Wall for Temple in Moorang



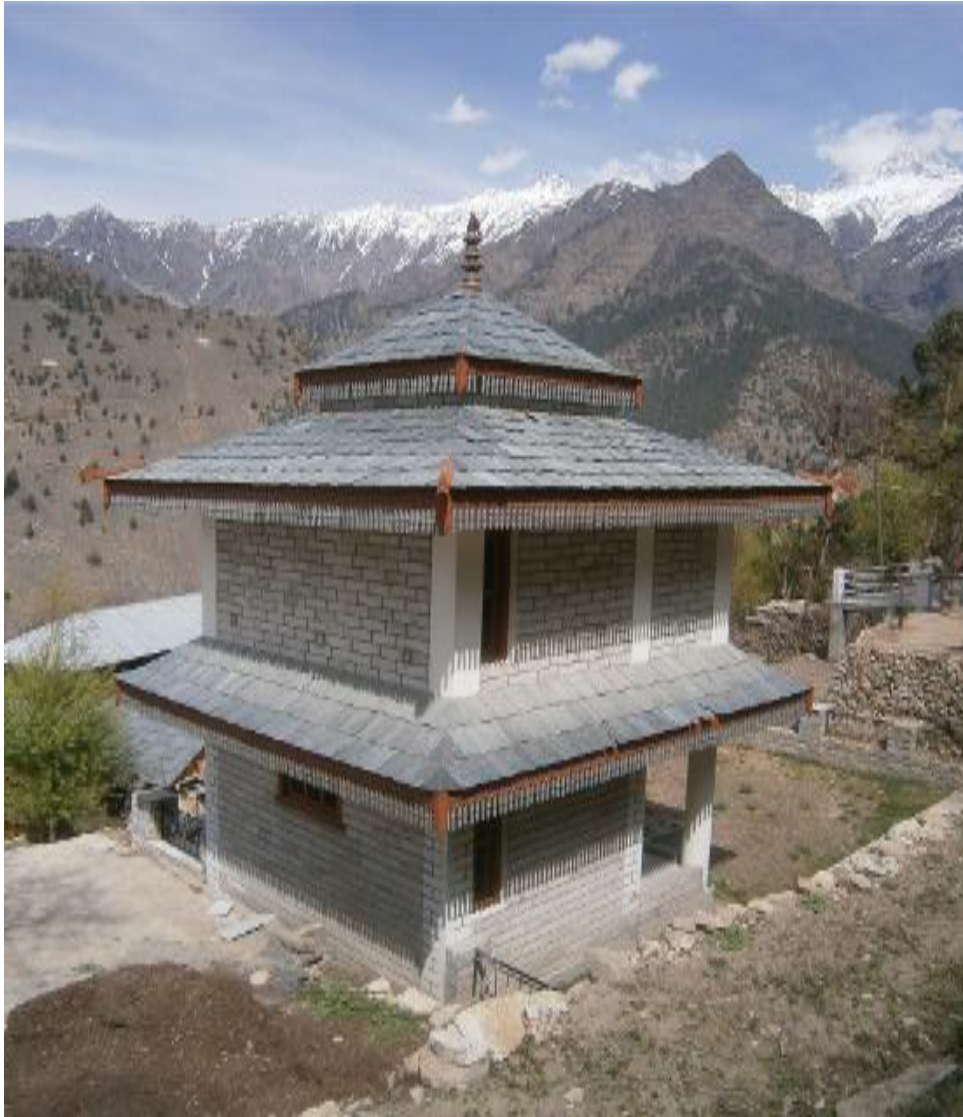
Temple in Contractor's Camp



Septic Tank in Thangi



Street Lighting in Moorang



Temple at Rispa

Annexure-IV

COMPLIANCE STATEMENT – ENVIRONMENTAL CLEARANCE CONDITIONS **(Ministry of Environment and Forests)**

Sr. No.	Conditions	Reply
Part A	Specific Conditions	
1	Catchment Treatment Plan as has been proposed should be completed in 5 years.	NSL has paid the requisite amount towards CAT plan to Forest Department. The plan is being implemented by Forest Department. NTPGPL has paid Rs. 7.25 crores to forest department towards implementation of CAT plan. Forest department has spent Rs. 1.1 crores as on 31/03/2012.
(i)	The land holding of project affected persons whose land is being acquired to be submitted to the Ministry. If any person/family whose acquired land is more than 70% of the total land holding is identified, such family/person shall be treated as fully affected family/person for compensation package applicable in such cases will be undertaken by Nuziveedu Seeds Let.	Done
(ii)	The commitment made during the public hearing be fulfilled.	The conditions are complied through Community Development Plan.
(iii)	The biodiversity Conservation & Management Plan as proposed in EMP shall be in toto.	As part of biodiversity conservation plan, conservation plan is prepared and implemented for Pheasant bird in Sangla by Forest Department under CAT plan. The compensatory afforestation is being done by Forest Department covering an area of 79 ha to compensate the forest land diversion. Fishery department has taken up the implementation of fish development. The requisite payments are made to all the agencies by NTPGPL.
(iv)	All the equipment which are likely to generate high levels are to be fully mollified (noise reduction measures)	DG sets are new and comply with latest MoEF regulations. DG sets are provided with acoustic enclosure to attenuate noise levels.
(v)	The compensatory afforestation program on the 79 Ha degraded forest area shall include plantation of Chilgoza, Deodar, Kali and broad leaved trees only as proposed.	This has been noted and Forest Department has selected the suitable species for compensatory afforestation and the same is under implementation. NTPGPL has already made the requisite payment towards this activity.
(vi)	A musk deer farm to be established/developed in the project area near Pibber/Sholling, which will include ex-	In the subsequent ESIA study conducted by AECOM in the year 2010 and 2012, it was established

Sr. No.	Conditions	Reply
	situ breeding of the animal. Approved action plan be Central Zoo Authority in this regard shall be submitted within six months.	that there is no presence of musk deer. Even forest department which is implementing the CAT plan is of the same opinion and instead they have included the development of Pheasant breeding center in Sangla as bio-conservation plan.
(vii)	The site for the construction of fish hatchery should be identified and reported within three months from date of issue of this letter.	The various studies indicate that there is no fish population in the project area. The fish study in the project area indicates that there is no fish population in Tidong khad. The study suggests that the quality of aquatic life present in the river cannot support fish in the river. However, fishery department is planning to develop trout farm in Sangla. In this regard NTPGPL has paid Rs. 1.11 crores towards Fisheries Development Fund to fishery department. Fishery has spent Rs. 0.32 million and balance Rs. 10.78 million remain is unutilized as on 4/9/2012.
(viii)	Consolidation and compilation of the muck should be carried out in the muck dump sites and the dump sites should above high flood level.	This has been considered during design stage. All muck dumps are above high flood level of the Tidong khad.
2 Part-B	General Conditions	
(i)	Adequate free fuel arrangement should be made for the labour force engaged in the construction work at project cost so that indiscriminating felling of trees is prevented.	The labour camps have common kitchen and required fuel is supplied free of cost by the contractors.
(ii)	Fuel depot may be opened at the site to provide the fuel (kerosene/wood/LPG). Medical facilities as well as recreational facilities should also be provided to the labourers.	The wood is purchased from the authorized depot. NTPGPL has opened health center at project site for the medical assistance to the labours. This facility is also extended to the nearby villages free of cost.
(iii)	All the labourers to be engaged for construction work should be thoroughly examined by health personnel and adequately treated before issuing them work permit.	This will be implemented in future since NTPGPL has established health centers at project site. The works joining will be examined for medical fitness.
(iv)	Restoration of construction area including dumping site of excavation materials should be ensured by levelling, filling up of burrow pits, landscaping etc. The area should be properly treated with suitable plantation.	About 20% of the muck generated in the construction will be utilized in the construction. The balance will be disposed in the well designed muck dumps. These dumps are provided with wall at the bottom to prevent any sliding in the river. At the final stage, the dump will be levelled and suitable vegetation will be developed.
(v)	Financial provision should be made in the total budget of the project for implementation of the above suggested safeguard measures.	All the cost is built in the project cost.

Sr. No.	Conditions	Reply
(vi)	A multidisciplinary committee in consultation with the Ministry should be constituted with Ecologists, Environmental Scientists, Conservationists and experienced administrators etc. to oversee the effective implementation of the suggested safeguard measures.	NTPGPL has set up EHS team to oversee the implementation measures. Forest department has deployed one ecologist to oversee the implementation of compensatory afforestation.
(vii)	Six monthly monitoring reports should be submitted to the Ministry and its Regional Office, Chandigarh for review.	It is being done.
3	Officials from Regional Office MoEF, Chandigarh who would be monitoring the implementation of the environmental safeguards should be given full cooperation, facilities and documents/data by the project proponents during their inspection.	All the co-operation is extended to the MoEF and HPPCB officials during their visits to the project site.
4	The responsibility of implementation of environmental safeguard rests fully with the Nuziveedu Seeds Ltd. & Government of Himachal Pradesh.	Noted
5	In case of change in the scope of the project, project would require a fresh appraisal.	Noted
6	The Ministry reserves the right to add additional safeguard measures subsequently, if found necessary and to take action including revoking of the clearance under the provisions of Environment (Protection) Act, 1986, to ensure effective implementation of the suggested measures in time bound and satisfactory manner.	Noted
7	The clearance letter is valid for a period for 10 years from the date of issue of the letter for commencement of construction work.	Noted
8	A copy of the clearance letter will be marked to concerned Panchayat /Local NGO, if any, from whom any suggestion/representation has been received while processing the proposal.	Done
9	State Pollution Control Board / Committee should display the copy of the clearance letter at the Regional Office, District Industries Center and Collector's office/ Tehsildar's office for 30 days.	Done
10	The project proponent should advertise at least in two local newspapers widely circulated in the region around the project, one of which shall be in the vernacular language of the locality concerned informing that the project has been accorded environmental clearance and copies of clearance letters are available with the State Pollution Control Board/Committee and may also be seen at Website of the Ministry of Environment and Forests at http://www.envfor.nic.in	Done