Diesel Usage Guidelines

a. Wherever Lodha procures diesel (or petrol), it should strictly be on non-cash basis viz. using Fuel company card (or other such options). Any exceptions will require approval of HOD-HR or COO or Director.
b. As far as possible, purchase of fuel for cars should be avoided at all locations, except one identified pump close to Corporate office and one identified pump close to the regional office in each city where we have operations outside MMR. Vehicles needed at sites (if any) should be such that Lodha is not responsible for their fuelling.
c. For machinery other than DG set:
    i. If machinery is in contractor's scope, it should be insisted that same be non-electricity operated (part of tender terms also), so as to avoid usage of electricity which is supplied free by Lodha (exception permissible only if no diesel option is possible eg. crane). However, the fuel for this machinery should never be purchased / provided by Lodha and contractor should do so on its own. It should also be observed that contractor does not try to misuse the fuel that Lodha purchases for DG sets or any other equipment under Lodha.
    ii. For machinery in Lodha scope (except DG set), as far as possible, the same should be electrically operated and usage of fuel based machines should be avoided.
d. DG Set:
    i. The costs for the diesel (or other fuel) used in DG sets forms part of the Construction Management budget. However, its monitoring shall be done by HRMS.
    ii. DG power should not be connected to labour camp area.
    iii. If contractor is being provided electricity on chargeable basis, the cost of the DG fuel should also be proportionately debited to him (in proportion of power consumed each month).
    iv. Site Incharge – Const Management shall nominate a person who will be responsible for procuring diesel. HRMS shall ensure that this person is changed atleast once every 6 months.
    v. HRMS shall take monthly reading of following:
        - Hours of operation during the month (from DG set meter)
        - Total amount of diesel (fuel) procured during the month

    Based on this, HRMS will track the monthly average fuel consumed per hour of operation. This will be tracked on that site, as well as across site for equivalent size DG's. Any deviations > 10% from site to site OR >5% from month to month within a site shall be flagged to HOC-HRMS and HOC-HRMS will be responsible for taking of necessary actions to ensure that consumption is in line with norms.

    vi. In case of any suspected/observed irregularities, same should be brought to attention of the ombudsman and HOC-HRMS immediately by the CM / HRMS team on the site.
    vii. CM Site Incharge will take steps to ensure that the DG set 'hours of operation' meter is not tampered with under any circumstances. HRMS shall verify this from time to time.
    At large and very large sites (> 8 L BUA), where about an acre of space can be allocated, CM Site Incharge should explore the possibility of replacing DG sets with solar power (the same capex can also be used for the project's common areas even after construction is completed). This is even more attractive if Lodha is going to be having any assets on that site which it plans to run on long-

term basis (eg. school, mall, office building) since the solar power capex can be effectively used to reduce long-term opex which Lodha would otherwise have to bear.

e. Monthly report of company-wide Diesel (and other fuel) expenses shall be generated by HRMS (covering sites, company owned vehicles etc.) and HRMS will study the same for any emerging trends / issues.